

**TITLE IV FEDERAL STUDENT AID**

**POLICIES & PROCEDURES**

**2023-2025**

**3300 E. JEFFERSON STE 450**

**DETROIT, MI 48207**

**PHONE: 313-974-6164**

**WWW.DYMONDDDESIGNSBEAUTY.COM**

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## REFERENCE

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Administrative Capability Regulation: [668.16](#); [668.34](#); [668.244 \(b\)](#); [668.164](#); [668.165](#); [668.166](#)



## DYMOND DESIGN BEAUTY SCHOOL OVERVIEW

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**OPEID: 04305100**

### Mission Statement

Dymond Designs Beauty School is a Licensed Trade School focused on Cosmetology. We are dedicated to offering the most up-to-date training and an innovative curriculum with the core objective of job placement after completion of course.

### Vision Statement

Our vision is to educate our students with glamorous trends, cutting edge training, technologies, and real-world skills. Dymond Designs focuses on developing students to become certified professionals in the subject areas Core, Adaptive, and Creative. We foster an atmosphere of respect and trust to ensure that students perfect their craft and express their individuality and creativity.

### Core Values

Our foundation is built on an innovative curriculum, which provides a place for our students to thrive and our team's passion to implement a model with proven success.

### Student Focus

Our organization has an innovative model of education and a clear focus on student success. Our facility and support staff are industry leaders dedicated to uplifting students through coaching, peer counseling, and career development.

### Diversity and Inclusion / EEO Statement

Our DDBS team members and students demonstrate professionalism through diversity and inclusion and business culture. Our organization prides itself on integrity and having respect for all individuals. We continually build lasting relationships with all communities to promote excellence and professionalism in the beauty industry. Further, DDBS provides equal employment opportunities to all and prohibits discrimination and harassment of any type without

regard to race, color, religion, age, sex, national origin, disability status, genetics, protected veteran status, sexual orientation, gender identity or expression.

### **General Information**

Dymond Designs Beauty School, located at 3300 E. Jefferson Ste. 450, Detroit, MI 48207, is a private institution, which was granted institutional approval from the State of Michigan Bureau of Professional Licensing and initial accreditation through the Council on Occupational Education (COE). Approved compliance allows DDBS to operate to minimum state standards and does not imply any endorsement or recommendation by the state or by the Bureau. Institutional approval must be approved every two years and is subject to continuing review.

### **History & Administration**

Dymond Designs Beauty School is a cosmetology training school located in Downtown Detroit that supplies excellent education in the fields of cosmetology, manicuring, esthetics, and instructors' courses. We supply the highest level of education, with staff members that have been experienced in the fields of education, and cosmetology for over 25 years. Marlene Brooks is the founder of Dymond Designs Beauty School (2017), Dymond Designs Beauty Studio (2008), and Dymond Designs Extensions (2015). Ms. Brooks started an apprenticeship program in 2013 helping individuals obtain their cosmetology license. Further, she saw that this was helping people who were interested in the Beauty Industry, so she decided to open a Beauty School with the capability of training many more students. DDBS has partnered with many organizations such as: The Mayors Sector Partnership Program, MI works, Path Program (Department of Human Services), Michigan Rehabilitation Services, Goodwill Life Launch Program, and more organizations that assist participants with grants for training, based on eligibility.

## **POLICIES AND PROCEDURES**

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### **Policy Reason**

To document the responsibilities of the various offices with respect to the approval, disbursement, and delivery of Title IV, Higher Education Act (HEA) program assistance, and the preparation and submission of reports to the Secretary

Administrative capability is the school's ability to administer Title IV programs in accordance with statute and regulations.

### **Administrative Capability Procedure**

The administrative capability of a school is reviewed through annual compliance audits, financial statements, program reviews, and other data available to the U.S. Department of Education (ED).

## **Federal Student Aid Policies and Procedures Manual (“Manual”)**

Federal Regulations require institutions to keep a written record of the policies and procedures used in the administration of student financial aid. This Federal Student Aid Policies and Procedures Manual (“Manual”) is comprehensive enough to allow a new financial aid administrator to continue the financial aid process as it had been previously administered. This Manual is for the staff, management, and students of Dymond Designs Beauty School (DDBS) and will be available for review by all interested parties, including auditors and program reviewers.

The intent of this Manual is to:

1. Standardize procedures for consistency - an important step in quality control,
2. Be consulted as a reference manual whenever questions arise,
3. Serve as a training resource, and
4. Document the establishment of policies that are required by Federal Regulations.

All major management functions with respect to the financial aid process are included in this Manual, including office organization, responsibilities and work flow. The following general office information and procedures are also included in this Manual:

1. An organizational chart of the personnel of the school;
2. Job descriptions and responsibilities of the Financial Aid staff, including reporting and counseling functions;
3. The School’s Satisfactory Academic Progress (SAP) Policy and the process for monitoring continued student eligibility;
4. The School’s Cash Management Policy;
5. The processing cycle for financial aid applications from start to finish, including the school’s withdrawal policies and Return to Title IV (R2T4) funds information; and
6. Information regarding the Family Educational Rights and Privacy Act (FERPA).

## CALENDAR OF ACTIVITIES

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### Policy Reason

To include a calendar of all financial aid activities for the calendar years 2023 and 2024. The calendar includes an explanation of activities for each month of the year.

### 2023

**January 1, 2023** New Year's Day

**January 16, 2023** Martin Luther King Jr. Day

**February 1, 2023** First Day of Black History Month

**March 1, 2023** State of Michigan FAFSA deadline

**March 22 – April 21, 2023** Ramadan

**April 5 – April 13, 2023** Passover

**April 9, 2023** Easter

**May 29, 2023** Memorial Day – No school!

**June 19, 2023** Juneteenth

**June 30, 2023** 2022-23 FAFSA application and verification deadline

**June 30, 2023** Owner/Director of Operations to complete State of Michigan renewal application

**July 4, 2023** Independence Day – No school!

**September 9, 2023** Last date for corrections or updates for 2022-23 FAFSA

**September 16, 2023** Constitution Day Observed

**September 17, 2023** Constitution Day and Citizenship Day

Each educational institution that receives Federal funds for a fiscal year is required to hold an educational program about the U.S. Constitution for its students.

**September 25, 2023** Yom Kippur

**November 10, 2023** Veterans Day

**November 23, 2023** Thanksgiving Day – No school!

**December, 2023** FAFSA application available online for 2024-25 aid year

**December 24, 2023** Christmas Eve – No school!



**December 25, 2023** Christmas Day

**December 26, 2023 – January 1, 2024** Kwanzaa

**December 31, 2023** New Year's Eve

**2024**

**January 1, 2024** New Year's Day

**January 15, 2024** Martin Luther King Day

**February 1, 2024** First Day of Black History Month

**February 19, 2024** Presidents' Day

**June 30, 2024** State of Michigan FAFSA deadline

**March 10 – April 8, 2024** Ramadan

**March 31, 2024** Easter

**April 22 – April 30, 2024** Passover

**May 27, 2024** Memorial Day – No school!

**June 19, 2024** Juneteenth

**June 30, 2024** 2022-23 FAFSA application and verification deadline

**June 30, 2024** Last date for corrections or updates for 2022-23 FAFSA

**June 30, 2024** Owner/Director of Operations to complete State of Michigan renewal application

**July 4, 2024** Independence Day – No school!

**September 17, 2024** Constitution Day and Citizenship Day

Each educational institution that receives Federal funds for a fiscal year is required to hold an educational program about the U.S. Constitution for its students.

**October 11 – October 12, 2024** Yom Kippur

**November 11, 2024** Veterans Day

**November 28, 2024** Thanksgiving Day – No school!

**December, 2024** FAFSA application available online for 2024-25 aid year

**December 24, 2024** Christmas Eve – No school!

**December 25, 2024** Christmas Day

**December 26, 2024 – January 1, 2025** Kwanzaa

**December 31, 2024** New Year's Eve

## CLASS SCHEDULE updated 1/17/2024

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### Holiday and Calendar Information:

DDBS allows the following holidays off: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, December 24 - 25 and December 31. Calendar subject to change.

**Day Class** Tuesday - Saturday 8:30am - 4:30pm

**Evening Class** Tuesday – Friday 5:00pm - 9:00pm, and Saturday 8:30am - 4:30pm

**Makeup Mondays** – Hybrid only (optional) 20-42 hours/week

### Cosmetology

**Length: 12- 18 Months (1500 Hours)**

	<b>Full-time (45 weeks)</b>	<b>Part-time (66 weeks)</b>
<b><u>Course Start Date</u></b>	<b><u>Expected Graduation Date</u></b>	<b><u>Expected Graduation Date</u></b>
January 3, 2023	November 14, 2023	April 9, 2024
March 14, 2023	January 23, 2024	June 18, 2024
April 4, 2023	February 13, 2024	July 9, 2024
May 23, 2023	April 2, 2024	August 27, 2024
June 23, 2023	May 3, 2024	September 27, 2024
July 5, 2023	May 15, 2024	October 9, 2024
August 1, 2023	June 11, 2024	November 5, 2024
September 5, 2023	July 16, 2024	December 10, 2024
October 10, 2023	August 20, 2024	January 14, 2025
November 7, 2023	September 17, 2024	February 11, 2025
December 5, 2023	October 15, 2024	March 11, 2025
January 2, 2024	November 12, 2024	April 8, 2025
February 6, 2024	December 17, 2024	May 13, 2025
March 5, 2024	January 14, 2025	June 10, 2025
April 2, 2024	February 11, 2025	July 8, 2025
May 7, 2024	March 18, 2025	August 12, 2025
June 4, 2024	April 15, 2025	September 9, 2025
July 2, 2024	May 13, 2025	October 7, 2025
August 6, 2024	June 17, 2025	November 11, 2025
September 3, 2024	July 15, 2025	December 9, 2025
October 1, 2024	August 12, 2025	January 6, 2026
November 5, 2024	September 16, 2025	February 10, 2026
December 3, 2024	October 14, 2025	March 10, 2026
January 7, 2025	November 18, 2025	April 14, 2026
February 4, 2025	December 16, 2025	May 12, 2026

March 4, 2025  
 April 1, 2025  
 May 6, 2025  
 June 3, 2025  
 July 1, 2025  
 August 5, 2025  
 September 2, 2025  
 October 7, 2025  
 November 4, 2025  
 December 2, 2025

January 13, 2026  
 February 10, 2026  
 March 17, 2026  
 April 14, 2026  
 May 12, 2026  
 June 16, 2026  
 July 14, 2026  
 August 18, 2026  
 September 15, 2026  
 October 13, 2026

June 9, 2026  
 July 7, 2026  
 August 11, 2026  
 September 8, 2026  
 October 6, 2026  
 November 10, 2026  
 December 8, 2026  
 January 12, 2027  
 February 9, 2027  
 March 9, 2027

## **Esthetics**

**Length: 3-6 months (400 hours)**

	<b>Full-time (12 weeks)</b>	<b>Part-time (20 weeks)</b>
<b><u>Course Start Date</u></b>	<b><u>Expected Graduation Date</u></b>	<b><u>Expected Graduation Date</u></b>
January 3, 2023	March 28, 2023	May 23, 2023
March 14, 2023	June 6, 2023	August 1, 2023
April 4, 2023	June 27, 2023	August 22, 2023
May 23, 2023	August 15, 2023	October 10, 2023
June 13, 2023	September 5, 2023	October 31, 2023
July 5, 2023	September 27, 2023	November 22, 2023
August 1, 2023	October 24, 2023	December 19, 2023
September 5, 2023	November 28, 2023	January 23, 2024
October 10, 2023	January 2, 2024	February 27, 2024
November 7, 2023	January 30, 2024	March 26, 2024
December 5, 2023	February 27, 2024	April 23, 2024
January 2, 2024	March 26, 2024	May 21, 2024
February 6, 2024	April 30, 2024	June 25, 2024
March 5, 2024	May 28, 2024	July 23, 2024
April 2, 2024	June 25, 2024	August 20, 2024
May 7, 2024	July 30, 2024	September 24, 2024
June 4, 2024	August 27, 2024	October 22, 2024
July 2, 2024	September 24, 2024	November 19, 2024
August 6, 2024	October 29, 2024	December 24, 2024
September 3, 2024	November 26, 2024	January 21, 2025
October 1, 2024	December 24, 2024	February 18, 2025
November 5, 2024	January 28, 2025	March 25, 2025
December 3, 2024	February 25, 2025	April 22, 2025
January 7, 2025	April 1, 2025	May 27, 2025
February 4, 2025	April 29, 2025	June 24, 2025
March 4, 2025	May 27, 2025	July 22, 2025
April 1, 2025	June 24, 2025	August 19, 2025
May 6, 2025	July 29, 2025	September 23, 2025
June 3, 2025	August 26, 2025	October 21, 2025
July 1, 2025	September 23, 2025	November 18, 2025

August 5, 2025  
 September 2, 2025  
 October 7, 2025  
 November 4, 2025  
 December 2, 2025

October 28, 2025  
 November 25, 2025  
 December 30, 2025  
 January 27, 2026  
 February 24, 2026

December 23, 2025  
 January 20, 2026  
 February 24, 2026  
 March 24, 2026  
 April 21, 2026

### **Advanced Esthetics**

**Length: 4-6 months (600 hours)**

	<b>Full-time (18 weeks)</b>	<b>Part-time (30 weeks)</b>
<b><u>Course Start Date</u></b>	<b><u>Expected Graduation Date</u></b>	<b><u>Expected Graduation Date</u></b>
January 3, 2023	May 9, 2023	August 1, 2023
March 14, 2023	July 18, 2023	October 10, 2023
April 4, 2023	August 8, 2023	October 31, 2023
May 23, 2023	September 26, 2023	December 19, 2023
June 13, 2023	October 17, 2023	January 9, 2024
July 5, 2023	November 8, 2023	January 31, 2024
August 1, 2023	December 5, 2023	February 27, 2024
September 5, 2023	January 9, 2024	April 2, 2024
October 10, 2023	February 13, 2024	May 7, 2024
November 7, 2023	March 12, 2024	June 4, 2024
December 5, 2023	April 9, 2024	July 2, 2024
January 2, 2024	May 7, 2024	July 30, 2024
February 6, 2024	June 11, 2024	September 3, 2024
March 5, 2024	July 9, 2024	October 1, 2024
April 2, 2024	August 6, 2024	October 29, 2024
May 7, 2024	September 10, 2024	December 3, 2024
June 4, 2024	October 8, 2024	December 31, 2024
July 2, 2024	November 5, 2024	January 28, 2025
August 6, 2024	December 10, 2024	March 4, 2025
September 3, 2024	January 7, 2025	April 1, 2025
October 1, 2024	February 4, 2025	April 29, 2025
November 5, 2024	March 11, 2025	June 3, 2025
December 3, 2024	April 8, 2025	July 1, 2025
January 7, 2025	May 13, 2025	August 5, 2025
February 4, 2025	June 10, 2025	September 2, 2025
March 4, 2025	July 8, 2025	September 30, 2025
April 1, 2025	August 5, 2025	October 28, 2025
May 6, 2025	September 9, 2025	December 2, 2025
June 3, 2025	October 7, 2025	December 30, 2025
July 1, 2025	November 4, 2025	January 27, 2026
August 5, 2025	December 9, 2025	March 3, 2026
September 2, 2025	January 6, 2026	March 31, 2026
October 7, 2025	February 10, 2026	May 5, 2026
November 4, 2025	March 10, 2026	June 2, 2026

December 2, 2025

April 7, 2026

June 30, 2026

## **SAMPLE OF ALL FORMS USED BY THE SCHOOL**

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### **Policy Reason**

To include copies of all application forms used by the school – see Appendices

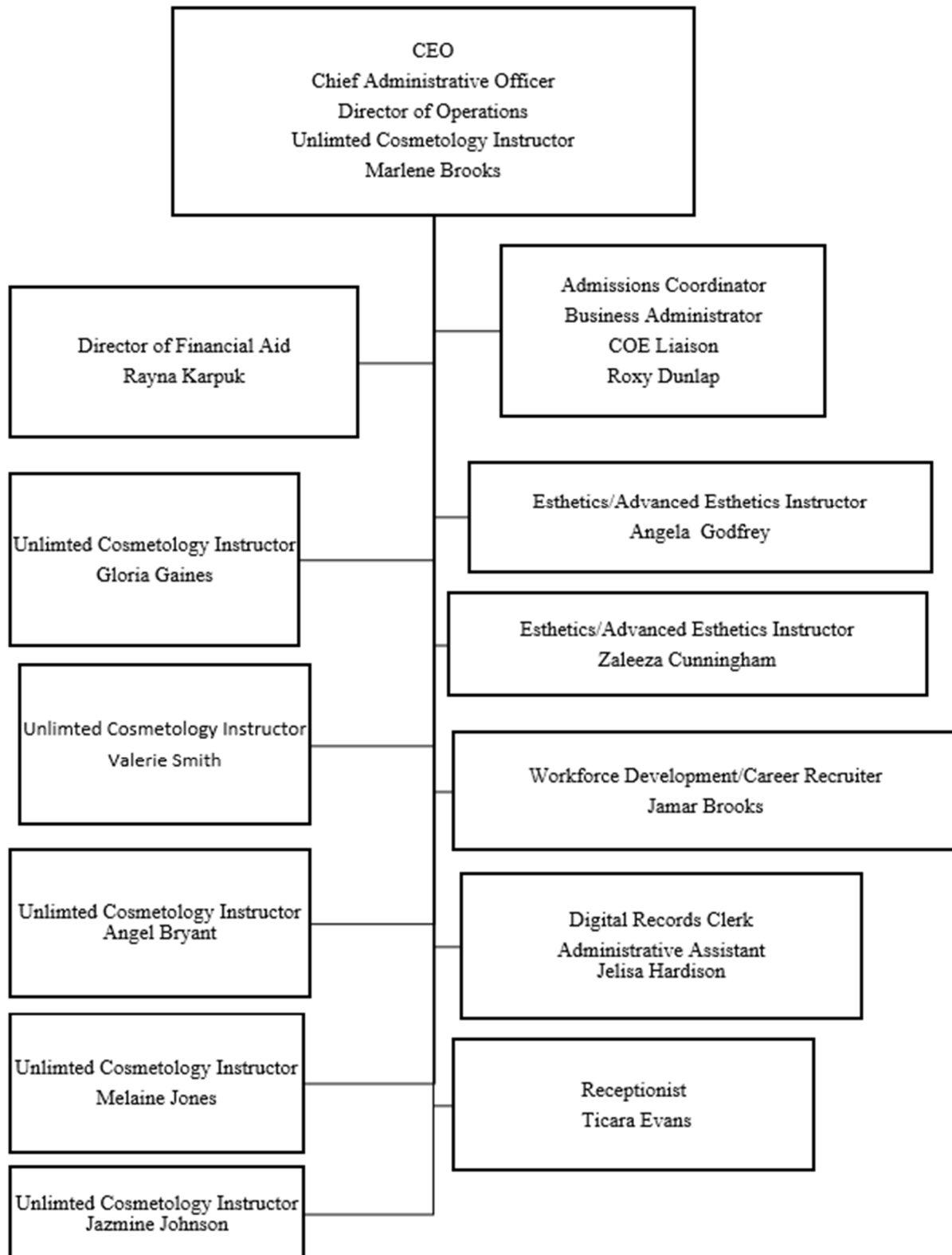
### **Location of Information**

The following media are located in all administrative offices, the student media room, and the faculty and student break rooms:

- DDBS Program Catalog & Student Handbook,
- DDBS Operations Handbook,
- DDBS Policy and Procedures Manual, and
- DDBS Employee Handbook.

## DYMOND DESIGNS BEAUTY SCHOOL ORGANIZATIONAL CHART

Updated 9.13.23



## SCHOOL INFORMATION AVAILABLE FOR STUDENTS

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Informational materials are made available to all enrolled students and all prospective students requesting such information. These materials include the school's Program Catalog and Student Handbook, the Jeanne Clery Disclosure of the school's Security Policy, this Manual, and the school's Consumer Information.

The current Program Catalog & Student Handbook provides information regarding the following:

1. Licensing, accrediting agencies and other memberships;
2. Academic programs and length of programs;
3. Policies regarding satisfactory academic progress and attendance;
4. Graduation requirements;
5. Institutional refund policy;
6. School regulations regarding conduct;
7. Guidelines for instruction as the student progresses through the program;
8. Organizational chart including faculty and administrative staff;
9. Description of instructional facility;
10. Health, safety, security, and emergency procedures;
11. Physical, safety and licensing requirements of the profession; and
12. Graduation, licensure, and placement rates.

The Jeanne Clery Disclosure of DDBS Security Policy provides information regarding the following:

1. Policies for reporting crimes and other emergencies;
2. Campus emergency response and evacuation;
3. Security of and access to campus facilities;
4. Campus law enforcement policy;
5. Security awareness and crime prevention programs;
6. Drug and alcohol regulations;
7. Sexual assault, rape, and misconduct information and rules;
8. Sex offender registry information;
9. Campus crime statistics report;
10. Gramm Leach Bliley Program

Financial aid information included in this Manual or in the Consumer Information Disclosures:

1. Description of all financial aid programs available at the school;
2. Procedures and descriptions of forms used to apply for aid;
3. Student eligibility criteria;
4. How awards are determined, including the amounts of each award;
5. Estimates of typical costs for off-campus room and board, transportation and any additional costs the student may expect;

6. Student rights and responsibilities;
7. Requirements the student must maintain to continue to be eligible for financial aid (e.g., standards for satisfactory progress);
8. Method and frequency of payment; and
9. Refund distribution policy.

## **ADEQUATE STAFFING PROCEDURE**

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### **General Administrative Requirement**

The Federal Student Aid Policies and Procedures Manual (this “Manual”) is intended to reflect updated federal, state, and institutional regulations and to provide guidance to financial aid representatives on the administration and monitoring of financial aid processes. The Manual is also useful to other offices in cases of appeal, academic review, financial and compliance audits, and state and federal program reviews.

### **Introduction to the Financial Aid Department**

DDBS’s Financial Aid Department is central to the processing and monitoring of all Federal Student Aid. This includes federal, state, outside agencies, and/or institutional financial assistance. The Financial Aid Department works closely with the Admissions and Business Offices, the Director of Operations, and the instructional staff and is accessible during school hours.

### **Mission & Purpose of the Financial Aid Department**

The Financial Aid Department follows DDDBS’s mission to providing the most up-to-date training and an innovative curriculum with the core objective of job placement after completion of course. We strive to inspire individuals and help them implement their education into becoming industry professionals within the scope of their study. The Financial Aid Department provides information, guidance, and advice to students regarding securing funding for their educational and financial obligations. The Department is responsible for processing all Title IV aid for which students are eligible. The Director of Financial Aid and staff are available during the normal business hours of the School.

### **Structure and Responsibilities of the Financial Aid Department**

The Financial Aid Department is responsible for the administration of all Title IV Higher Education Act (HEA) awards. This includes awarding, cancelling, confirming completion of requirements, and the return of Title IV funds calculations.

The Director of Operations and the Director of Financial Aid complete all regulatory reporting.



The Director of Financial Aid and staff members counsel, package, complete the verification process, and resolve comment (“C”) codes concerning applications for Federal Student Aid. They coordinate and consult with the third-party servicer, Boston Educational Network (BEN), for processing of all Title IV financial aid.

The Business Office must generate a report to review the group of such students and monitors the 14 days’ time period to comply with the regulations 668.22(a)(4)(ii) and 668.165(a)(2) -(5) of HEA 1965.

### **Financial Aid Department Administration**

The Office of Financial Aid is open to all prospective and continuing students and parents all year during the following hours and days except all national and institutional holidays and inclement weather-related emergency closures.

**Tuesday – Friday 8:30am to 4:30pm; Saturday 8:30am to 12:30pm**

**Telephone: (313) 974-6164 Ext 103**

**Email: [raynakarpuk@ddbbs.edu](mailto:raynakarpuk@ddbbs.edu)**

**Website: [ddbbs.edu](http://ddbbs.edu)**

The DDBS Financial Aid staff is dedicated to providing the tools and resources necessary to open the door to a quality education. Regardless of the size of the school, the Financial Aid Department will always retain enough qualified personnel to administer the Title IV programs effectively. DDBS currently has enough qualified personnel to administer the Title IV programs. While the primary responsibility of meeting postsecondary education costs rests with the student and family, our staff of financial aid professionals seeks to maximize financial aid opportunities by providing guidance and information about Title IV grant and loan programs, student employment, and payment options.

### **Policies & Procedures Development Responsibilities**

The Director of Financial Aid is ultimately responsible for the development of all Title IV policies and procedures and performs/maintains periodic reviews and updates. The Director is also responsible for ensuring others are aware of any changes to existing policies and procedures or the development of new ones. Generally, updates are made as the federal and state regulations change. Policies and procedures are reviewed annually at a minimum and notification is sent to all concerned parties via email and inter-office memorandum.

This Policies and Procedures manual is available online on the institution’s official website, [ddbbs.edu](http://ddbbs.edu). The Director of Financial Aid frequently reviews the Department of Education’s FSA Partner Connect website, as it is a Title IV HEA requirement for schools to have access to the FSA Partner Connect website. All Financial Aid staff subscribe to the FSA Partner Connect Knowledge Center updates via email for up-to-date information.

## ADEQUATE CHECKS AND BALANCES PROCEDURE

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### **Administrative Organization & Department Management**

The administration at DDBS is made up of the Admissions and Business Offices, the Financial Aid Office, and the Director of Operations. This administrative staff works together cohesively to ensure compliance and to create a system of checks and balances. This ensures that DDBS is in compliance with Title IV, HEA regulations.

### **Job Descriptions for Key Positions**

#### **Administrative Assistant (Detroit-Main)**

- Receive, read, route and/or file incoming mail, acknowledging where appropriate;
- Answer main telephone lines;
- Attend meetings and trainings as required;
- Compose and manage correspondence; organize administrative office mailings;
- Coordinate, organize, and prepare for Administrative Office events;
- Participate in weekend and evening activities related to the school;
- Perform other work-related duties assigned by the Director of Operations.

#### **Admissions Coordinator (Detroit-Main)**

- Receive, read, route and/or file incoming mail, acknowledging where appropriate;
- Answer main telephone lines of Admission Office, fielding questions on admissions as well as general school information;
- Maintain online admission appointment calendar, coordinate applicant interviews and visits;
- Track progress of incoming application materials, following up on and requesting missing information;
- Attend meetings and trainings as required;
- Compose and manage correspondence; organize admission office mailings;
- Coordinate, organize and prepare for Admission Office events (open houses, exploratory sessions, information sessions, etc.) including RSVP and confirmations;
- Coordinate and supervise student volunteers and work-study as tour guides and school ambassadors;
- Assist and Manage in the reenrollment process of current and returning students;
- Create statistical reports- monthly, or as needed, to monitor all recruitment and enrollment;
- Participate in weekend and evening activities related to the Admission Office;
- Receive, Monitor, and Report all enrollment payments;
- Performs other work-related duties assigned by the Director of Operations or Dean of Students.

### **Business Office Representative (Detroit-Main)**

- Oversees the School's Federal funds bank account;
- Maintains all books of account in QuickBooks Online;
- Make all disbursement deposits from the Department of Education's G5 system;
- Transfers funds from the Federal funds bank account to the students' accounts;
- Issues timely refund payments of Title IV funds to the School's Federal funds account;
- Refunds Federal funds to the Department of Education through the G5 system;
- Credits students' accounts with all payments and disbursements in students' ledgers;
- Issues tuition refunds to students in the event of credit balances.

### **Director of Financial Aid (Detroit-Main)**

- Facilitate and implement policies and procedures of DDBS
- Facilitate day to day operations of the school facility
- Support instructors and conduct instructor meetings
- Evaluate instructor and employees
- Monitor SAP and Counsel students on Academics and Attendance
- Instruct students when needed
- Hire and conduct training for new hire orientation
- Implement and make sure Financial Aid Program is following federal guidelines
- Communicates with Boston Educational Network, auditors, Financial Aid Administrator, and Business Office
- Maintains thorough knowledge of changes to financial aid programs to ensure compliance with federal state regulations as well as institutional policies
- Coordinates preparation for accreditation visits, student financial aid audits, and other reviews/audits
- Provides required reports in a timely and accurate manner

### **Director of Operations (Detroit-Main)**

- Overseeing daily operations and school activities of school personnel in admissions, education, student services and administration;
- Providing leadership through strong team structure and communication;
- Maintaining and improving student attendance and retention;
- Motivating campus associates through recognition and career development;
- Achieving school goals and establishing specific targets for budget;
- Monitoring student onboarding and job placements;
- Establishing partnerships within the community to facilitate job placement and alternative training opportunities;
- Excellent leadership and organizational abilities;
- Superior knowledge of industry regulations and operational guidelines;
- In-depth knowledge of data analysis software;

- Working knowledge of customer relationship management;
- Proven knowledge of performance evaluation metrics in a business setting;
- Outstanding negotiation skills;
- Excellent interpersonal, written and oral communication skills;
- Demonstrated success innovating solutions to increase productivity and profitability;
- Overseeing daily financial operations, quarterly and yearly budgets, accounts payable/receivable.

### **Student Digital Records Clerk (Detroit-Main)**

- To create an academic digital file for each student;
- Input all student information needed to create an official transcript such as student information, grades, course descriptions, and other information in accordance with policies;
- Greets visitors in person or on the phone, providing customer service with guidance regarding the registration process; may refer customers to appropriate department;
- Processes name changes, any student updates, and all academic and demographic information in the digital files;
- Maintains digital files in proper order; pulls records for processing and refiles;
- Performs miscellaneous job-related duties as assigned;
- Works with DDBS RollCall Software Representative in developing or changing the student digital records (If-needed) in order to remain in compliance with the State of Michigan Department of Licensing and Regulatory Affairs (LARA) Cosmetology Division and the Council of Occupational Education;
- Responsible for training faculty to create student digital files if there are more opportunities to grow the records department;
- Performs other work-related duties assigned by the Director of Operations;
- Works directly with the Admissions Coordinator with multiple tasks needed throughout the day.

### **Workforce Development/Career Recruiter (Detroit-Main)**

- Assist students with a variety of career issues;
- Develops and deliver workshops and classroom presentations addressing career paths for various majors and other pertinent topics;
- Provides individualized attention to students requiring special assistance;
- Possesses and maintains a thorough understanding of employment market and stays abreast of trends and changes;
- Current with workshops, presentation materials, and content;
- Coordinates with educational department members to understand individual student needs;
- Establishes and maintains relationships with industries who seek to employ graduates;
- Assist with outreach efforts to students;
- Plans and attends career/job fairs and special events;
- Represents the career center at campus events and programs;

- Prepares timely and accurate reports;
- Completes all necessary paperwork, maintains files, and records;
- Perform all assigned duties from management;
- Collects and manages all Completion, Placement, and Licensure Data (CPL) for reporting metrics;
- Assist students with job readiness, resume, and interview training;
- Assist in the interview process with employer partners and affiliates;
- Management has the right to implement new daily tasks when needed.

## Separation of Duties

These various offices work independently as required by the regulatory agencies but in close coordination. All report to the CEO/Director of Operations at DDBS. The Admissions Coordinator is responsible for all recruitment and admissions activity performed by admissions representatives, registration, and orientation of new students. The Financial Aid Department is responsible for processing FAFSA applications, conducting needs analysis, and awarding and processing all federal, institutional and external grants and scholarships. The Business Office maintains student records related to all payments including Title IV student financial assistance. The Business Office is also responsible for maintaining individual student accounts and continuously updating the students' ledgers. The Director of Operations is responsible for making sure the instructors record grades promptly and take daily attendance. The Director of Financial Aid and the Educational Administrator monitor Satisfactory Academic Progress (SAP).

## FISCAL REQUIREMENTS

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Additional fiscal requirements are found throughout most sections of this manual. The fiscal requirements here are also *part* of the fiscal requirements in the rest of this manual.

### Federal Bank Account Requirements Policy

For each account that contains FSA program funds, DDBS, located in the State of Michigan, must:

- Identify that FSA funds are maintained in the account by including the phrase “Federal Funds” in the name of the account,
- **OR**
- Notify the depository institution that the depository account contains Title IV program funds that are held in trust. DDBS must keep a copy of this notice in its records. Then, DDBS must file a Uniform Commercial Code Form (UCC-1) statement, with the appropriate state or municipal government entity, that discloses that the account contains federal funds. DDBS must keep a copy of the UCC-1 statement in its records. This does not include public institutions.

ED may require DDBS to maintain Title IV funds in a separate depository account that contains no other funds if the DOE determines that the School failed to comply with the following:

- Cash management regulations,
- Recordkeeping requirements,
- Reporting requirements, or
- Applicable program regulations.

### **Federal Bank Account Requirements Procedure**

Responsibilities of the following party:

#### *Director of Operations*

- Ensure that all bank accounts that receive federal funds are identified as containing “Federal Funds” or Title IV, and
- Maintain copies of all relevant documentation.

### **Interest-Bearing or Investment Account**

The account that Direct Loan, Pell Grant, and FSEOG program funds are deposited in must be an interest-bearing account or an investment account except in the instances discussed below. An investment account must predominantly consist of low-risk, income producing securities. If a school chooses to maintain federal funds in an investment account, the school must maintain enough liquidity in that account to make required disbursements to students.

Any interest earned on Direct Loan, Pell Grant, and FSEOG program funds maintained in an interest-bearing account or an investment account that exceeds \$250 per year, must be remitted to ED by June 30 of that award year. A school may keep up to \$250 per year of the interest or investment revenue earned (other than that earned on Perkins Loan funds) to pay for the administrative expense of maintaining an interest-bearing account.

A school is not required to maintain Direct Loan, Pell Grant, and FSEOG program funds in an interest-bearing account or an investment account for an award year if:

- The school drew down less than \$3 million from these funds in the prior award year and anticipates that it will not draw down more than \$3 million in the current award year,
- The school can demonstrate that it would not earn over \$250 in interest on the funds it will draw down during the award year, or
- The school requests these funds under the just-in-time payment method.

Schools that request funds under the just-in-time payment method are exempt because this

method ensures the expeditious accounting for, and disbursement of, program funds. Therefore, little or no interest is earned on funds provided to the school.

### **Cash Management Policy**

1. The advance payment method is used to request funds for Pell Grant to the Department of Education prior to disbursing aid for eligible students. The amount requested is only for what is immediately needed at that time, and must be disbursed within the 3-day time frame regulation, unless unusual circumstances can be documented. Student Satisfactory Academic Progress is confirmed prior to approving disbursement requests.
2. A separate, interest-bearing, bank account is maintained for the Federal funds. ACH transfers from the Federal Reserve Bank are deposited into the School's Federal funds account. Disbursements are made from the account only for eligible students, and for administrative fees due the School, if applicable.
3. Payments to students are made by crediting the students' accounts. The students are notified through the award letter and email, which includes the expected or actual date of payment and the amount to be paid from each program. The Business Office records all payments and disbursements to the students' accounts.
4. If Title IV funds credited to a student's account exceed the School's charges and creates a credit balance, the credit balance is returned as follows:
  - a. If student has paid all charges, including known charges for hours clocked over contract, the credit balance is returned to the student within 30 days of such determination if authorized by the student.
  - b. If the student has withdrawn, the credit balance is returned to the Federal funds account within the 45-day time frame, according to the distribution requirements per the Return of Title IV Funds policy, or the refund calculations.
5. The School will not request from or charge any student a fee for processing or handling any application, form or data required to determine a student's eligibility for Title IV funds.
6. To be eligible for FSA participation, the School may derive no more than 90% of its revenues from the FSA programs. The 90/10 percentage is disclosed as a footnote to the audited financial statement, which is submitted annually to the Department.

### **Fiscal Recordkeeping Process Policy**

DDBS is required to submit financial records audited by a CPA with annually updated credentials from GAAP, ED, and COE. To remain in good standing with both ED and COE, the audited financial report's outcome must fall within their guidelines.

DDBS must keep comprehensive, accurate program and fiscal records related to its use of FSA program funds. The importance of maintaining complete, accurate records cannot be



overemphasized. Program and fiscal records must demonstrate DDBS can meet the administrative and fiscal requirements for participating in the FSA programs.

DDBS has a licensed firm that maintains documentation of all fiscal records. DDBS's third-party servicer, Boston Educational Network, also secures all of DDBS's electronic fiscal data.

Records must demonstrate proper administration of FSA program funds and show a clear audit trail for FSA program expenditures. For example, records for each FSA recipient must clearly show that the student was eligible for the funds received and that the funds were disbursed in accordance with program regulations. In addition to the general, institutional record keeping requirements discussed here, DDBS must also comply with all program-specific record keeping requirements contained in the individual FSA regulations.

DDBS maintains all required records in a systematically organized manner. Unless a specific format is required, DDBS may keep required records in: hard copy, USB drives, computer files, and other media formats

All other record information, regardless of the format used, must be retrievable in a coherent hard-copy format or in a media format acceptable to ED. The requirement providing for other media formats acceptable to the Department allows for the use of new technology as it is developed. The Department will notify DDBS of acceptable media formats; schools should not apply for approval of a media format.

DDBS must comply with the following laws of record retention:

- The minimum Record Retention Periods for FSA funds is 3 years;
- Loans are retained UNTIL THE END of the award year in which the student last attended;
- The loan is satisfied, or the documents are needed to enforce the obligation;
- The date on which a loan is assigned to the DOE, cancelled, or repaid;
- End of the award year for which the aid was awarded; and
- End of the award year in which the report was submitted.

Any document that contains a signature, seal, certification, or any other image or mark required to validate the authenticity of its information must be maintained in its original hard copy or in an imaged media format. This includes tax returns, verification statements, Student Aid Reports (SARs) used to determine eligibility, and any other document wherein the signature, seal, etc., contained on it is necessary for the document to be used for the purposes for which it is being retained.

DDBS may maintain a record in an imaged media format only if the format can reproduce an accurate, legible, and complete copy of the original document. When printed, the copy must be approximately the same size as the original document. Please note that promissory notes that are signed electronically, must be maintained electronically in accordance with the requirements of 34 CFR 668.24(d)(3)(i) through (iv).



## **Fiscal Recordkeeping Process Procedure**

The Financial Aid Office will maintain the following documentation in student files:

- Satisfactory Academic Progress (SAP) status,
- Enrollment status,
- Certification statements,
- Resolution of conflicting information,
- Professional Judgment decisions, and
- Financial Aid history information for transfer students.

The Admissions Office will maintain the following documentation in student files:

- Admission enrollment documentation,
- Proof of high school completion, and
- Admissions interview documentation.

The Director of Operations will maintain the following documentation:

- State agency reports,
- Accreditation reports and approval,
- Self-evaluation reports, and
- DDBS financial records.

The Director of Financial Aid will maintain the following documentation:

- Program Participation Agreement,
- ECAR,
- Audits and program review reports,
- Pell grant statements,
- Direct Loan statements, and
- Reconciliation reports.

### **Responsibilities of the Director of Operations:**

- September 1 – Contact the CPA to request necessary audit documents
- September 30 – Submit final audited financials to ED (no later than December 31)
- Ongoing – make corrections suggested by ED
- December 31 – Final submission of corrected audited financials to ED
- Monthly – maintain monthly records
- Ongoing – Keep books in compliance by communicating with auditing companies

## **Monthly and Annual Reconciliation Policy**

DDBS reconciles all cash and funds disbursed with Business Office Records, ledger cards, and banks statements, on a daily, monthly, and on an annual basis.

## **Monthly and Annual Reconciliation Procedure**

Responsibilities of the following parties:

### *Director of Financial Aid*

- Determine the amount disbursed each month according to the third-party servicer, BEN, and the reconciliation report

### *Business Office Representative*

- Determine the amounts disbursed and cash collected daily according to the Business Office records, ledger, and bank statements

## **Procedures for Handling Overpayments Policy**

An **overpayment** exists when a student's aid package exceeds their need. DDBS must always take care not to overpay a student when packaging their aid. Circumstances may change after a student has been packaged and the student's aid that could result in an overpayment.

## **Procedures for Handling Overpayments**

Responsibilities of the following parties:

### *Business Office Representative*

- Update the student's ledger card with the disbursement amount,
- Alert the Financial Aid department of the overpayment,
- Notify the student of the disbursement and the overpayment within 14 days of the disbursement,
- Issue the overpayment to the student and apply it to the ledger card, and
- Make a copy of the ledger card for the student's financial aid file.

### *Financial Aid Representative*

- Place copy of student ledger in the financial aid file.

## Excess Cash Policy

The Department of Education (the Department) considers excess cash to be any amount of Title IV, HEA program funds (other than Federal Perkins Loan Program funds) that a school does not disburse to students or parents by the end of the third business day after the date the school (1) received the funds from the Department, or (2) deposited or transferred to its federal account previously disbursed Title IV funds received from the Department. In some circumstances, cash may be held for up to 7 calendar days if a school meets the excess cash tolerance and can disburse the aid to students within that time frame. In no circumstance should cash balances remain beyond the 7-day period.

Upon a finding that DDBS maintained an excess cash balance in excess of allowable tolerances, the actions ED may take include, but are not limited to:

- Requiring the school to reimburse ED for the costs incurred in providing that excess cash to the school, and
- Providing funds to the school under the reimbursement payment method or heightened cash monitoring payment method.

## Excess Cash Procedure

Responsibilities of the following parties:

### *Business Office Representative*

- Disburse FSA funds to the students,
- Monitor Excess Cash in accounts monthly,
- Return excess cash to ED no more than 3 days after receiving the funds, and
- Keep funds for an additional 7 days beyond the initial three-day limit if there are extenuating circumstances.

## Credit Balance Authorization/Retention Procedures Policy

A Credit Balance Authorization is issued to a student if they or their parent would like to place a hold on a credit balance for the purpose of paying tuition and fees. In order to place a hold on such funds, the student or parent must complete the **Authorization to Hold a Federal Student Aid Credit Balance** form (see Appendix A).

A Title IV credit balance occurs whenever the amount of Title IV funds credited to a student's account for a payment period exceeds the amount assessed to the student for allowable charges associated with that payment period.

If FSA disbursements to a student's account at the school create an FSA credit balance, DDBS will pay the credit balance directly to the student or parent as soon as possible; no later than 14 days after the initial disbursement or in the following circumstances:

- If the credit balance occurred on or before the first day of class of that payment period, payment will occur on the first day of class for that payment period
- If the credit balance occurred after the first day of class of a payment period, payment will occur no later than 14 days after the initial disbursement.

The law requires that any excess PLUS Loan funds be returned to the parent. Therefore, if PLUS Loan funds create a credit balance, the credit balance would have to be given to the parent. However, the parent may authorize DDBS, either in writing or through StudentLoans.gov, to transfer the proceeds of a PLUS Loan credit balance directly to the student for whom the loan is made (for example, to issue a refund check in the student's name).

The DOE does not specify how DDBS must determine which FSA funds create an FSA credit balance. DDBS may not require a student to take any actions to obtain his or her credit balance. It is the sole responsibility of DDBS to pay, or make available, any FSA credit balance within the 14-day regulatory timeframe.

Notwithstanding any authorization obtained by DDBS, DDBS must provide the student with any remaining FSA credit balance resulting from FSA loan funds by the end of the loan period and any other FSA program credit balances by the end of the last payment period in the award year for which the funds were awarded.

### **Credit Balance Authorization/Retention Procedures Procedure**

Responsibilities of the following parties:

#### *Business Office Representative*

- Determine if the student will have a credit balance,
- Offer the student or parent (in the event of a Parent Plus loan) the option to complete the Credit Balance Authorization form, and
- If a student or parent chooses not to complete the form, overpayments must be issued based on the parent or student information submitted to the Business Office.

### **Default Management Plan Policy**

If DDBS has a single Cohort Default Rate (CDR) equal to or greater than 30%, it must establish a Default Prevention Task Force. DDBS must also develop a Default Management Plan to reduce defaults and prevent loss of institutional eligibility that accomplishes the following:

- Identifies the factors causing DDBS's CDR to exceed the acceptable threshold,
- Establishes measurable objectives and identifies steps to improve the CDR, and
- Specifies actions the school will take to improve student loan repayment including loan repayment counseling.

## **Default Management Plan Procedure**

See Appendix A to 34 CFR 668 Subpart N to reference an acceptable default management plan.

### **I. Core Default Reduction Strategies**

1. Establish your default prevention team by engaging your chief executive officer and relevant senior executive officials and enlisting the support of representatives from offices other than the financial aid office. Consider including individuals and organizations independent of your institution that have experience in preventing title IV loan defaults.
2. Consider your history, resources, dollars in default, and targets for default reduction to determine which activities will result in the most benefit to you and your students.
3. Define evaluation methods and establish a data collection system for measuring and verifying relevant default prevention statistics, including a statistical analysis of the borrowers who default on their loans.
4. Identify and allocate the personnel, administrative, and financial resources appropriate to implement the default prevention plan.
5. Establish annual targets for reductions in your rate.
6. Establish a process to ensure the accuracy of your rate.

### **II. Additional Default Reduction Strategies**

1. Enhance the borrower's understanding of his or her loan repayment responsibilities through counseling and debt management activities.
2. Enhance the enrollment retention and academic persistence of borrowers through counseling and academic assistance.
3. Maintain contact with the borrower after he or she leaves your institution by using activities such as skip tracing to locate the borrower.
4. Track the borrower's delinquency status by obtaining reports from data managers and FFEL Program lenders.
5. Enhance student loan repayments through counseling the borrower on loan repayment options and facilitating contact between the borrower and the data manager or FFEL Program lender.
6. Assist a borrower who is experiencing difficulty in finding employment through career counseling, job placement assistance, and facilitating unemployment deferments.
7. Identify and implement alternative financial aid award policies and develop alternative financial resources that will reduce the need for student borrowing in the first 2 years of academic study.

### **III. Statistics for Measuring Progress**

1. The number of students enrolled at your institution during each fiscal year.

2. The average amount borrowed by a student each fiscal year.
3. The number of borrowers scheduled to enter repayment each fiscal year.
4. The number of enrolled borrowers who received default prevention counseling services each fiscal year.
5. The average number of contacts that you or your agent had with a borrower who was in deferment or forbearance or in repayment status during each fiscal year.
6. The number of borrowers at least 60 days delinquent each fiscal year.
7. The number of borrowers who defaulted in each fiscal year.
8. The type, frequency, and results of activities performed in accordance with the default prevention plan.

Responsibilities of the following parties:

*Admissions Representative*

- Maintain updated records documenting borrowers' addresses, telephone numbers, employers, and employers' addresses; and
- Undertake activities such as skip tracing or sending letters "Forwarding and Address Correction Requested" to maintain contact with borrowers who have moved.

*Instructors*

- Reteach/tutor students on academic probation,
- Develop content to assist students with health problems,
- Develop content to assist students with language problems,
- Develop content to assist students with transportation problems, and
- Develop content to assist students with financial problems - such as financial literacy.

*Workforce Development Representative*

- Assist non-completers undertaking the job-hunting process,
- Assist borrowers with trouble finding employment through:
  - Career counseling
  - Job placement
  - Obtaining information about repayment options. This includes the availability of deferments and forbearances.
- Assess to determine if the student has financial difficulties, and
- Assess to determine the students' level of financial literacy.

### *Director of Operations*

- Identify and allocate the personnel, administrative resources, and financial resources appropriate to implement the default management plan;
- Ensure that DDBS's admission policies and screening practices only admit students who have a reasonable expectation of succeeding in their program of study; and
- When necessary, evaluate and improve DDBS's curriculum, facilities, materials, equipment, qualifications of faculty, size of staff, and other aspects of its educational programs to ensure that borrowers remain in school, are successful in their studies, and that they are employed after they complete their program.

### *Financial Aid Department*

- Establish a process to ensure the accuracy of the data used to calculate draft and official cohort default rate reports;
- Establish a data collection system to track and analyze borrowers who default on their loans;
- Define evaluation methods, set default reduction targets, and conduct an annual, comprehensive, self-evaluation to implement modifications to DDBS's administration of Title IV informed by programs designed to identify institutional practices that should be modified to reduce defaults;
- Enhance the enrollment retention and academic persistence of borrowers through counseling and academic assistance, especially for academically high-risk students;
- Understand who is defaulting and why. Create a picture of who is at-risk and what works;
- Identify and implement alternative financial aid award policies and develop alternative financial resources to reduce the need for student borrowing;
- In addition to requirements of 34 CFR 682.604 and 34 CFR 685.304, provide enhanced initial and exit counseling;
- Use interactive electronic materials, audio-visual materials, and written tests during counseling to ensure that borrowers understand the terms and conditions of their loans, when necessary;
- Provide additional, increasingly intensive, counseling to borrowers who demonstrate that they do not understand the terms and conditions of their loans (for example, by failing a written test);
- Remain abreast of borrowers' in-school status to ensure that FA recognizes instances in which borrowers withdraw without notice;
- Contact borrowers during their grace period to remind them of the importance of the repayment obligation and of the consequences of default;
- Track borrowers' delinquency status by obtaining reports from ED, Direct Loan program guaranty agencies, and lenders;
- Provide Exit Counseling;
- Provide Information about delinquency and default; and

- Request current borrower information.

#### *All Staff*

- Understand and keep in mind that student success and program completion are key to fewer defaults.

## COMPLIANCE AUDITS AND AUDITED FINANCIAL STATEMENTS

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### **Policy Reason**

An institution that participates in any Title IV, HEA program must at least annually have an independent auditor conduct a compliance audit of its administration of that program and an audit of the institution's general purpose financial statements 668.23(a)(2).

### **Submission Deadline 668.23(a)(4)**

Except as provided by the Single Audit Act, Chapter 75 of title 31, United States Code, an institution must submit annually to the Secretary its compliance audit and its audited financial statements no later than six months after the last day of the institution's fiscal year.

### **Audit Submission Requirements 668.23(a)(5)**

In general, the Secretary considers the compliance audit and audited financial statement submission requirements of this section to be satisfied by an audit conducted in accordance with the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, or the audit guides developed by and available from the Department of Education's Inspector General, whichever is applicable to the entity, and provided that the Federal student aid functions performed by that entity are covered in the submission. (Both OMB circulars are available by calling OMB's Publication Office at (202) 395-7332, or they can be obtained in electronic form on the OMB Home Page (<http://www.whitehouse.gov>).

### **Compliance Audits for Institutions 668.23(b)**

An institution's compliance audit must cover, on a fiscal year basis, all Title IV, HEA program transactions, and must cover all of those transactions that have occurred since the period covered by the institution's last compliance audit.

The compliance audit required under this section must be conducted in accordance with—the general standards and the standards for compliance audits contained in the U.S. General Accounting Office's (GAO's) Government Auditing Standards. (This publication is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402); and procedures for audits contained in audit guides developed by, and available from, the Department of Education's Office of Inspector General.



### **Audited Financial Statements 668.23(d)**

An institution must also submit, to the extent requested by the Secretary, a set of financial statements for its latest complete fiscal year, as well as any other documentation the Secretary deems necessary to make a determination of financial responsibility.

Financial statements submitted to the Secretary are prepared on an accrual basis in accordance with Generally Accepted Accounting Principles, and are audited by an independent auditor in accordance with generally accepted government auditing standards, and other guidance contained in the Office of Management and Budget Circular A-133, Circular A-128, or in audit guides developed by, and available from, the Department of Education's Office of Inspector General, whichever is applicable. The school includes, as part of these financial statements, a detailed description of related entities based on the definition of a related entity as set forth in the Statement of Financial Accounting Standards (SFAS).

As part of these financial statements, DDBS must include a detailed description of related entities based on the definition of a related entity as set forth in the Statement of Financial Accounting Standards (SFAS). The disclosure requirements under this provision extend beyond those of student financial aid to include all related parties and a level of detail that would enable to Secretary to readily identify the related party. Such information may include, but is not limited to, the name, location and a description of the related entity including the nature and amount of any transactions between the related party and the institution, financial or otherwise, regardless of when they occurred.

## **FINANCIAL AID COUNSELING**

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**The following topics are to be addressed during Financial Aid counseling of students:**

- Identify the sources and the amount of each type of aid offered;
- Provide a method by which aid is determined and disbursed, delivered, or applied to a student's account;
- Make available the rights and responsibilities of the student with the respect to enrollment at the institution and receipt of financial aid; and
- Provide information regarding the institution's refund policy, the requirements for the treatment of Title IV, HEA program funds when a student withdraws under 668.22, its standards of satisfactory progress, and other conditions that may alter the student's aid package.

## Appendix A – Authorization to Hold a Federal Student Aid Credit Balance



### AUTHORIZATION TO HOLD A FEDERAL STUDENT AID CREDIT BALANCE

A Federal Student Aid (FSA) credit balance is created when the total of all FSA funds credited to a student's account exceeds the total of tuition, fees, and other eligible educational charges on a student's account. In accordance with Federal Regulations, Dymond Designs Beauty School (DDBS) must refund a credit balance to a student or parent (in the case of a Parent PLUS loan) as soon as possible, but no later than 14 calendar days after the balance is created.

Students can authorize credit balances from FSA funds to be held on their student account for use against future charges. This is completely voluntary, and the student can opt out of this authorization at any time. FSA funds include the following:

- Federal Direct Subsidized/Unsubsidized Loans
- Federal Pell Grants
- Federal Direct Parent PLUS Loans
- Federal Supplemental Educational Opportunity Grant (FSEOG)

By completing and signing this form, you authorize DDBS to hold any credit balance from FSA funds on your student account. Any FSA credit balance being held by the School, per this authorization, will be refunded to you, should you withdraw from the program. DDBS will pay credit balances by sending a check through the United States Postal Service to a chosen address. A student or parent has the right to withhold agreement from all or part of the authorization.

This authorization will remain in effect for each subsequent payment period unless you withdraw it. Note, your cancellation is not retroactive. In no case will DDBS hold an FSA credit balance of loan funds beyond the end of the loan period, nor an FSA balance of other funds beyond the end of the last payment period in the award year for which the funds were authorized.

"I understand that this authorization is voluntary. I further acknowledge that at any time, I may rescind my authorization by submitting a written request to the Business Office at DDBS."

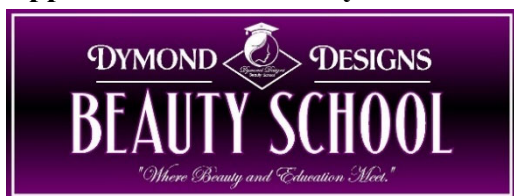
Name: \_\_\_\_\_

Student's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Parent's Signature\*: \_\_\_\_\_ Date: \_\_\_\_\_

(\*applicable to Parent PLUS Loan borrower only)

## Appendix B - Satisfactory Academic Progress Appeal Form



### Satisfactory Academic Progress Appeal Form

(Please print neatly – illegible forms will not be processed)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email/phone: \_\_\_\_\_

Meeting financial aid satisfactory academic progress (SAP) standards is a requirement for financial aid eligibility. If you do not meet SAP standards, you may submit an appeal requesting financial aid reinstatement consideration.

Reasons for Appeal	Required Documentation
<input type="checkbox"/> Personal illness or injury <input type="checkbox"/> Personal crisis <input type="checkbox"/> Illness of a family member <input type="checkbox"/> Death in the family <input type="checkbox"/> Second degree <input type="checkbox"/> Other  <b>NOTICE:</b> Lack of awareness of withdrawal policies and/or requirements for SAP and lack of preparation for college coursework are <b>not</b> acceptable reasons for an appeal.	<b>ATTACH a <u>one-page explanation</u> of what happened and what has changed AND supporting documentation of your situation</b>  NOTE: Include your <i>name</i> and <i>student ID</i> number at the top of each document.  The explanation must include: <ul style="list-style-type: none"><li>▪ <b>What happened</b> and why the event(s) caused you to be unable to maintain satisfactory progress</li><li>▪ <b>What has changed</b> and what steps you have taken or will take to achieve and maintain satisfactory academic progress</li></ul> <b>Note:</b> If this not your first SAP appeal, you <b>MUST</b> submit the <b>Student Improvement Plan-SAP Part 2 Form</b> .

SAP review components are:

- (1) **Cumulative Grade Point Average (GPA):** 75% is required for academics and 68% is required for attendance
- (2) **Pace of Progression (completion percentage):** At least 67% of all coursework attempted must have successfully passing grades.
- (3) **Maximum Time Frame:** Students must complete their program in no more than 150% of the program's average published length.


**Incomplete appeals will be denied. We may request additional documentation.**

Signature \_\_\_\_\_

Email complete appeal to raynakarpuk@ddbs.edu.


## Chapter 2 Institutional Eligibility

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## REFERENCE

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### **Institutional Eligibility Regulation:**

600.20, 600.21, 600.4(a)(2), 600.5(a)(3), 600.6(a)(2); 600.2; 600.4(a)(3);  
600.5(a)(4); 600.6(a)(3); 600.9; 668.43(b)



## GENERAL REQUIREMENTS

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### **Policy Reason**

To provide application procedures for establishing, re-establishing, maintaining, or expanding institutional eligibility and certification and updating application information. Certification policy is created to ensure that a renewal of certification is completed at least 90 days prior to the expiration of the current period of participation.

### **Eligibility and Certification Approval Report (ECAR) Policy**

DDBS is required to update the ECAR in the event of a change of ownership, addition of new program(s), recertification, closure of a location, changing from clock hours to credit hours, or adding additional locations.

The Director of Financial Aid is responsible for submitting a timely and complete Eligibility and Certification Approval Report (ECAR) to the U.S. Department of Education. The ECAR is a snapshot of the school's participation, programs, location, officials, etc. A current copy of the ECAR must be kept on file by the school.

### **Electronic Application for Approval to Participate in Federal Student Aid Programs (E-App)**

DDBS keeps a copy of the Electronic Application for Approval to Participate in Federal Student Aid Programs (E-App) and supporting documentation in the Director of Financial Aid's filing cabinet, filed under, "E-App." The E-App was submitted on 1/12/2022.

The E-App is located at [eligcert.ed.gov](http://eligcert.ed.gov). The E-App is used for initial eligibility and recertification. All types of changes regarding school eligibility, including change of officials, additional locations, and educational program updates are submitted through the E-App.

### **Program Participation Agreement (PPA)**

The Program Participation Agreement (PPA) is a contract between the school and ED which

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outlines the regulations that the school is required to follow. The PPA is a requirement for certified/participating schools. The PPA is signed by both the school and ED. The signed PPA must be kept on file by the school, along with a copy of the most recent ECAR. The signed PPA and the ECAR are located in the Director of Financial Aid's filing cabinet, under, "PPA" and "ECAR," respectively.

Recertification is the process through which a school that is presently certified to participate in the FSA programs applies to have its participation extended beyond the expiration date of its current Program Participation Agreement (PPA). The Department will notify a school six months prior to the expiration of its PPA. The school must submit a materially complete application before the expiration date in its PPA.

If a school that is currently certified submits its materially complete application to the eligibility to participate in the FSA programs continues until its application is either approved or not approved. This is true even if the Department does not complete its evaluation of the application before the PPA's expiration date.

### **Approval for Clock-hour Programs at Proprietary/Post-secondary Schools**

If a proprietary/post-secondary school submitting an E-App is in provisional status, any new program needs to have been continuously provided for at least two (2) years prior to the application date, or it cannot be approved until the school reaches the two-year mark. Short-term programs at all institutions must have been continuously provided for twelve months to be considered for approval.

### **Provisional Certification (if applicable)**

In the event that DDBS receives a Provisional Certification, the Director of Financial Aid and the Director of Operations are responsible for coordinating the outlined provisions as a result of the Provisional Certification.

### **Federal Student Aid Training Requirement - Met**

In accordance with the Program Participation Agreement and the Electronic Code of Federal Regulations, 34 CFR 668.14, the following administrative personnel have completed the required Federal Student Aid training, **Fundamentals Training Series Program 20-21:**

Marlene Brooks, Owner/Director of Operations  
Rayna Karpuk, Director of Financial Aid.

This information is required if an institution wishes to participate for the first time in Title IV, HEA programs or has undergone a change in ownership that results in a change in control as described in 34 CFR 600.31. The institution must require individuals identified in 668.13 to attend Title IV, HEA training no later than 12 months after the institution executes its program participation agreement.

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## UPDATING INFORMATION - ECAR

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### Policy Reason

To outline the process for reporting changes on the ECAR, specifically changes outlined in 600.21(1)(1-9)

### Responsible Party

The Director of Financial Aid and the Director of Operations are responsible for coordinating the response to ED in regard to any reported changes that affect the institution's eligibility.

### Updating Program

When completing a recertification application, DDBS will update information about its educational programs. This includes updating Classification of Instructional Programs (CIP) codes, program names, and program lengths. Within 10 days of making the change, DDBS will update its E-App with applicable changes. It is noted that making a substantive change to a program may result in the creation of a new program.

CIP codes are developed by the U.S. Department of Education's National Center for Education Statistics (<http://nces.ed.gov/ipeds/cipcode>).

### Changes Requiring Written Approval from ED

All institutions **must report and wait for written approval** from the U.S. Department of Education before disbursing funds when the following occur (the number in parentheses refers to the question number on the E-App).

1. Change in accrediting agency (notify the Department when you begin making any change that deals with institution-wide accreditation) (#15);
2. Change in state authorizing agency (#17);
3. Change in institutional structure (#18);
4. Increase in the level of educational programs (e.g., baccalaureate degree programs, graduate degree programs, etc.) beyond the scope of current approval (#26);
5. Addition of short-term (300–599 clock-hour) programs (#27);
6. Addition of direct assessment programs, comprehensive transition and postsecondary programs or non-degree programs (#27);
7. Changes to the FSA programs (Pell Grants, Direct Loans, etc.) for which the institution is approved (#37);
8. Change in the type of ownership (#22–24);
9. Change in ownership (#24);
10. Addition of an accredited and licensed location if the institution would be subject to a loss of eligibility under the cohort default rate regulations (34 CFR 668.188) if it

- adds that location (#30);
11. Addition of an educational program or a location at which the institution offers or will offer 50 percent or more of an educational program if an institution:
    - a. is provisionally certified; or
    - b. is on the cash monitoring or reimbursement system of payment; or
    - c. has acquired the assets of another institution that provided educational programs at that location during the preceding year, and the other institution participated in the FSA programs during that year; or
    - d. has been advised by the Department that the Department must approve any new location or program before the institution may begin disbursing FSA funds.

### **Changes That Do Not Require ED's Written Approval**

All institutions must report the following information to ED, although they need not wait for ED's approval before disbursing funds.

1. Change to name of the school\* (#2);
2. Change to the name of a CEO, Director of Operations, or chancellor (#10);
3. Change to the name of the chief fiscal officer or chief financial officer (#11);
4. Change in the individual designated as the lead program administrator (financial aid administrator) for the FSA programs (#12);
5. Change in governance of a public institution (#24);
6. Decrease in the level of program offering (e.g., the institution drops all its graduate programs) (#26);
7. Change from or to clock hours or credit hours (#27);
8. Change in the length of a program in credit/clock hours or weeks of instruction (#27);
9. Address change for a principal location\* (#29);
10. Name or address change for other locations\* (#30);
11. Closure of a branch campus or additional location that the institution was required to report (#30);
12. Addition of an accredited and licensed location under certain conditions (34 CFR 600.20(c)(1)) (#30);
13. Change to the institution's third-party servicers that deal with the FSA program funds (#58);
14. Changes related to GE programs, including:
  - a. Establishing the eligibility or reestablishing the eligibility of the program;
  - b. Discontinuing the programs eligibility as a result of debt-to-earnings rates;
  - c. Ceasing to provide the program for at least 12 consecutive months;
  - d. Losing program eligibility;
  - e. Changing the program's name, CIP code, or credential level;
  - f. Updating the certification pursuant to 668.414(b).

\*Reminder: As soon as it has received approvals for the change from its accrediting agency and state authorization agency, an institution must send to ED copies of the approvals for the change.

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## Other Changes Reported on the E-App

Institutions must also use the E-App to report any of these changes to ED within 10 calendar days of the date they occur.

1. Change to address for FSA mailings to an address different than the legal street address (#13);
2. Change to address for FSA mailings to an additional location that is different than the legal street address (#30);
3. Change of taxpayer identification number (TIN) (#6a);
4. Change of DUNS number (#6b);
5. Change in board members (#20);
6. Reporting foreign gifts (#71);
7. Change to institution's website address (#9);
8. Change of phone/fax/email of CEO, Director of Operations, or chancellor (#10);
9. Change of phone/fax/email of CFO (#11);
10. Change of phone/fax/email of financial aid administrator (#12).

## Change in Ownership

ED must be notified within 10 business days of a Change in Ownership, unless it is an Excluded Change in Ownership, which must be reported within 10 calendar days.

## Excluded Changes in Ownership

- Owner transfers ownership and control to a family member, or
- Owner retires or dies and ownership/control transfers to:
  - Family member, or
  - Person with existing ownership interest.

## Limitations for Schools Subject to “2-year Rule”

For schools subject to the 2-year rule, during the school's initial period of participation in FSA programs, the Department of Education will not approve adding programs that would expand the school's eligibility beyond the current ECAR. An exception may be considered if the school can demonstrate that the program was legally authorized and continuously provided for at least two years prior to the date of the request. Schools subject to the 2-year rule may not award FSA funds to a student in a program that is not included in the school's approval documents

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## ADMISSIONS POLICY AND PROCEDURES

### Policy Reason

To provide a copy of the school's Admissions Policy (below). This policy ensures that the School admits as only persons who:

*Updated November 8, 2023*

- Have a high school diploma; OR
- Have the recognized equivalent of a high school diploma; OR
- Are beyond the age of compulsory attendance in the state of Michigan, in which the institution is physically located.

DDBS does not allow students under the Ability to Benefit criteria.

### **Procedures to Evaluate the Validity of a Student's High School Diploma if the School or ED Has Reason to Believe That the Diploma Is Not Valid**

DDBS does not accept student self-certification as sufficient documentation of high school completion.

If the School or the Secretary has reason to believe that the diploma is not valid or was not obtained from an entity that provides secondary school education, the School will promptly notify the student. Acceptable documentation for checking the validity of a student's high school completion can include the diploma and a final transcript that shows all the courses the student took.

### **Incentive Compensation**

DDBS does not provide a commission, bonus or other incentive payment based in any part, directly or indirectly on success in securing enrollments or financial aid to any person or entity engaged in any student recruiting or admission activities or in making decisions regarding awarding Title IV funds.

## **DDBS STUDENT ADMISSION POLICY**

**Created 10/ 9 /2018**

**Updated: 1/ 8/ 2020, 11/30/2020, 12/2/2021, 3/15/2022, 10/26/2022**

**Implemented: 12/15/2021, 3/15/2022, 10/26/2022**

### **ADMISSION REQUIREMENTS**

High School Diploma, GED, or College Degree.

Apply for classes via on-line or in-person

Submit a registration fee: \$100.00 (non-refundable)

### **APPLICANT MUST COMPLETE THE FOLLOWING:**

- Tour the facility
- Complete a personal interview with the Admissions Coordinator or designee prior to registration.

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- Provide verification documents such as:
  - Social Security Card
  - Driver's License/State Identification
  - Proof of income
  - Copy of your high school diploma/GED/Degree or high school transcripts

We are required to verify that your proof of education is from a valid high school, college, or GED program. If we determine that your documents are not valid, you will be denied admission to the school. If DDBS has reason to believe that the high school documentation is not valid, the Admissions Coordinator must evaluate the validity of the student's high school completion. DDBS does not recruit students who are already enrolled in a similar program at another institution.

### **HIGH SCHOOL DIPLOMA VERIFICATION POLICY**

The DDBS and the U.S. Department of Education recognize several equivalents to a high school diploma:

- General Educational Development (GED) certificate;
- Certificate or other official completion documentation demonstrating that the student has passed a state-authorized examination that the state recognizes as the equivalent of a high school diploma (certificates of attendance and/or completion are not included in this qualifying category);
- Associate degree;
- Successful completion of at least 60 semester or trimester credit hours or 72 quarter credit hours that does not result in the awarding of an associate degree, but that is acceptable for full credit toward a bachelor's degree at any institution: or
- Enrollment in a bachelor's degree program where at least 60 semester or trimester credit hours or 72 quarter credit hours have been successfully completed, including credit hours transferred into the bachelor's degree program;
- Foreign diplomas.

### **FOREIGN DIPLOMA POLICY**

Must have evidence that verification of a foreign high school diploma has been performed by an outside agency that is qualified to translate documents into English and confirm the academic equivalence to a U.S. high school diploma.

- 1) Note: High school diplomas/transcripts from other countries are acceptable toward the student eligibility general requirement, as long as the diploma is equivalent to a U.S. high school diploma.
- 2) Documentation of proof of completion of secondary education from a foreign country must be officially translated into English and officially certified as the equivalent of high school completion in the United States, at your own expense.

At student's expense the student can contact one of the Translation/Evaluation Companies

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(check with your state to see which ones meet their requirements) for an official certification and translation of the student's foreign high school diploma or transcript:

Fees vary by each organization and type of evaluation and translation requested.

**ACCEPTANCE:**

After an applicant has completed the enrollment application process the admissions coordinator will review the applicant required admissions materials and access the personal interview to determine acceptance. Upon the decision of the enrollment, the applicant will receive notification of the acceptance or denial letter via email, telephone, or in-person. **Note: All applicants must go through the entire enrollment application process (detailed in catalog, online publication, and enrollment application).**

**ENROLLMENT INFORMATION:**

Enrollment periods: DDBS is on a continuous enrollment schedule, thus placement will be depending upon space availability. Please contact DDBS for exact start dates, holidays, and school closures: DDBS allows the following holidays off: New Year's Day, Dr. Martin Luther King Jr., Memorial and Independence, Labor Day, Thanksgiving and December 24th and 25th.

**ENROLLMENT CONTRACT:**

DDBS clearly outlines the obligation of both the school and the student in the Enrollment Agreement Contract. A copy of the Enrollment Agreement Contract and information covering costs and payment plans will be furnished to students prior to the beginning of class attendance.

**ORIENTATION:**

All applicants accepted into the program **MUST** attend the school's orientation to complete signing necessary documents, review all schools' policies, procedures, and plans, receive the Student Handbook & Catalog, receive their syllabus/ course outline and curriculum, and orientate for user-groups after they have been accepted into the program of choice.

**PAYMENT SCHEDULE:**

DDBS offers a of monthly financial payments schedules that includes a cash payment agreement upon enrollment. See DDBS Admissions Leader or Financial aid leader for details.

**ADMISSIONS AND RECRUITING:**

Any changes to these publications, rules of admissions, contract enrollment agreements and/or any printed admissions information will be given to all current, prospect, and future students in a timely manner.

**SATISFACTORY ACADEMIC PROGRESS:**

The Satisfactory Academic Progress (SAP) evaluates the periods applicable through the attendance schedule to be considered maintaining a satisfactory attendance and academic progress. Evaluations are conducted at the end of each evaluation period to determine if the student has met the minimum requirements. The attendance percentage is determined by dividing



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the total hours accrued by the total number of hours scheduled. At the end of each evaluation period, the school will determine if the student has maintained at least **67%** cumulative attendance since the beginning of the course which indicates that, given the same attendance rate, the student will graduate within the maximum time frame allowed.

## **DDBS STUDENT ADMISSION PROCEDURE**

**Created 10/ 9 /2018**

**Updated: 1/ 8/ 2020, 11/30/2020, 12/2/2021, 3/15/2022, 10/26/2022**

**Implemented: 12/15/2021, 3/15/2022, 10/26/2022**

### **PROCEDURE:**

1. Applicants must complete and apply prior to registration in person or online at [www.ddbs.edu](http://www.ddbs.edu).
2. Applicants must set up an appointment for entrance interview and campus tour. The admissions coordinator will give applicant all required admissions materials to for acceptance into the intuition program of choice such as: high school diploma, GED, high school transcript, college degree, State I.D., driver's license and/or birth certificate and social security. The applicant will also be given all funding options.
3. Once applicant has been assessed he/she will be notified of denial or acceptance by letter via email, in-person, and telephone.
4. Once applicant is accepted a \$100.00 registration fee (non-refundable) must be paid within the school's business center and review of tuition cost and payment options must be evaluated and determined.
5. After payment options have been established within the business center, the applicant must set up an orientation date. **ALL APPLICANTS MUST ATTEND AN ORIENTATION.** The admissions coordinator and/ or financial aid advisor, or workforce development career recruiter will advise applicants of all orientation dates.
6. During the orientation the applicant will sign and review all necessary documents during orientation such as enrollment forms, tuition agreements, student catalogs/handbooks, course outline/curriculum, plans/policies/procedures, and must train for user-group.

*Updated November 8, 2023*



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**All Admissions Representatives are required to adhere and verify the following for enrollment process:**

- Applicant's application
- Social Security Card
- High school diploma, GED, college degree, State I.D., Driver's License, or birth certificate
- Tour the facility
- In-Person Interview
- Paid registration fee

## **DDBS STUDENT TRANSFER POLICY & PROCEDURE**

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### **Transfer Student Policy**

Dymond Designs Beauty School does accept most transfer credits for coursework completed at another institution. Transcripts will be evaluated for eligible clock hour transfers. Transcripts will be accepted from the State of Michigan. Students with eligible transfer hours exceeding more than half the DDBS program clock hours will be required to take a placement exam for transferrable clock hour totals.

**Transcript and verified clock hours from the State of Michigan are requirements needed for any student transferring from another school within a 12-month time frame. If the school has closed the student must complete an assessment test, interview, and may forfeit up to half of any eligible clock hours acquired.**

### **Transfer Student Procedure**

A student who has obtained clock hour credit from a previous school for a similar program of study and/or for coursework completed at another institution, is classified as a transfer student.

Applicants must submit transcripts from all schools attended prior to admission to DDBS.

A transfer student may be admitted to the program upon verification of previous hours and the state board transfer requirements. Transfer hours are recorded on the student's permanent record.

Decisions concerning the acceptance of transfer hours are at the discretion of the Director of Operations. In addition, the student will be charged based on the current tuition rate.

The Financial Aid Transfer Monitoring Process is designed to provide schools with the most current relevant data about the financial aid history of its transfer students – especially its mid-year transfers. The new regulations that became effective on July 1, 2001 (34 CFR 668.19) as published in the Federal Register on November 1, 2000, require the school to:

*Updated November 8, 2023*

- Inform NSLDS of its mid-year transfer students.
- Wait at least 7 days after informing NSLDS before disbursing Title IV aid to those students so that NSLDS can perform its monitoring function.
- Access any alerts sent to the school by NSLDS as a result of the monitoring function
- Review the mid-year transfer student's revised financial aid history
- Make any necessary adjustments to scheduled disbursements
- Determine if the student is responsible for repaying any Title IV aid that was disbursed prior to the school's receipt of the revised history. Proceed to the listed procedures below

If you have any questions about the Transfer Monitoring Process call the NSLDS Customer Service Center at 1-800-999-8219, from 8:00 A.M. to 8:00 P.M. Eastern time.

### **Institutional Refund Policy – updated 1/29/2021**

#### **REFUND POLICY AND SIGNATURE FORM**

- 1. Refunds for Classes Canceled by the Institution.** If tuition and fees are collected in advance of the start date of a program and the institution cancels the class, 100% of the tuition and fees collected must be refunded. The refund shall be made within 45 days of the planned start date.
- 2. Refunds for Students Who Withdraw on or Before the First Day of Class.** If tuition and fees are collected in advance of the start date of classes and the student does not begin classes or withdraws on the first day of classes, no more than \$100 of the tuition and fees may be retained by the institution. Appropriate refunds for a student who does not begin classes shall be made within 45 days of the class start date.
- 3. Refunds for Students Enrolled Prior to Visiting the Institution.** Students who have not visited the school facility prior to enrollment will have the opportunity to withdraw without penalty within three days following either attendance at a regularly scheduled orientation or following a tour of the facilities and inspection of the equipment.
- 4. Refunds for Students Enrolled in Professional Development, Continuing Education, or Limited Contract Instruction.** Institutions engaging in programs, which are short-term, must have a written policy or contract statement regarding whether or not fees and instructional charges are refundable.
- 5. Refunds for Withdrawal after Class Commences.** Refunds policy for programs obligating students for periods of 12 Months or less the refund policy for Students attending non-public institutions who incur a financial obligation for a period of 12 months or less shall be as follows: (i) During the first 10% of the period of financial obligation, the institution shall refund at least 90% of the tuition: (ii) After the first 10% of the period of financial obligation and until the

*Updated November 8, 2023*

end of the first 25% of the period of obligation, the institution shall refund at least 50% of the tuition; (iii) After the first 25% of the period of financial obligation and until the end of the first 50% of the period of obligation, the institution shall refund at least 25% of the tuition; and, (iv) After the first 50% of the period of financial obligation, the institution may retain all of the tuition.

- 6. Refund Policy for programs obligating students for periods beyond twelve months.** Programs longer than 12 months that financially obligate the student for any period of time beyond 12 months shall release the student of the obligation to pay beyond the 12 months if the student withdraws during the first 12 months. The calculation of the refund for the unused portion of the first 12 months shall be based on section above. If the student withdraws during any subsequent period following the first 12 months, the student's refund for the unused portion of the tuition applicable to the period of withdrawal shall be based on the section above. Student agrees to comply with the assigned schedule for applicable All Beauty Programs, which may change from time to time at the discretion of the school. Student agrees to attend theory class as scheduled for the duration of the course of study regardless of whether all required tests have been taken and passed.

## **REFUND POLICY-NOTICE OF CANCELLATION**

For applicants who cancel enrollment or students who withdraw from enrollment a fair and equitable settlement will apply. The following policy will apply to all terminations for any reason, by either party, including student decision, course or program cancellation, or school closure.

Any funds due the applicant or students shall be refunded within 45 days of official cancellation or withdrawal. Official cancellation or withdrawal shall occur on the earlier of the dates that:

- (1) Applicant is not accepted by the school: The applicant shall be entitled to a refund of all monies paid.
- (2) A student (or legal guardian) cancels his/her enrollment in writing within three business days of signing the enrollment agreement. In this case all monies collected by the school shall be refunded, regardless of whether or not the student has actually started classes.
- (3) A student cancels his/her enrollment after three business days of signing the contract but prior to starting classes. In these cases, he/she shall be entitled to a refund of all monies paid to the school less the registration fee in the amount of \$50.00.
- (4) A student notifies the institution of his/her withdrawal in writing.
- (5) A student on an approved leave of absence notifies the school that he/she will not be returning. The date of withdrawal shall be the earlier of the date of expiration of the leave of absence or the

date the student notifies the institution that the student will not be returning.

- (6) A student is expelled by the school: (Unofficial withdrawals will be determined by the institution by monitoring attendance at least every 30 days.
- (7) In type 2, 3, 4 or 5, official cancellations or withdrawals, the cancellation date will be determined by the postmark on the written notification, or the date said notification is delivered to the school administrator or owner in person.

For students who enroll and begin classes but withdraw prior to course completion (after three business days of signing the contract), the following schedule of tuition earned by the school applies. All refunds based on scheduled hours:

**PERCENT OF SCHEDULED TIME TOTAL TUITION SCHOOL ENROLLED TO TOTAL COURSE/PROGRAM SHALL RECEIVE/RETAIN**

0.01% to 04.9%	20%
5% to 09.9%	30%
10% to 14.9%	40%
15% to 24.9%	45%
25% to 49.9%	70%
50% and over	100%

All refunds will be calculated based on the student's last date of attendance. Any funds due a student who withdraws shall be refunded within 45-days of a determination that a student has withdrawn, whether officially or unofficially. In the case of disabling illness or injury, death in the student's immediate family or other documented mitigating circumstances, a reasonable and fair refund settlement will be made. If permanently closed or no longer offering instruction after a student has enrolled, the school will either provide a full refund of all funds paid or completion of the course at a later time. If the course is canceled subsequent to a student's enrollment, the school will either provide a full refund of all funds paid or completion of the course at a later time.

\_\_\_\_\_  
Student Signature

\_\_\_\_\_  
Date

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## STATE AUTHORIZATION

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### Policy Reason

Institutions must be licensed to provide postsecondary educational programs by:

- State charter, constitution, license, or other document;
- Federal Government approval;
- Indian Tribe; or
- Religious institution exempt from state authorization.

Schools must make certain that they are legally authorized to offer postsecondary education in any state where distance education students reside.

### State of Michigan

DDBS is physically located in the state of Michigan. DDBS renews their authorization and approval status annually with the Michigan Department of Licensing and Regulation Affairs (LARA).

### Responsibilities of the following party:

*Owner/Director of Operations*

- Complete the State of Michigan renewal application annually by June 30.

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## CONSUMER INFORMATION

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### Student Right-to-Know Policy

Procedures outlining the requirements for Consumer Information related to specific institutional information, graduation rates, annual security report, and athletic reporting are required by the program participation agreement (PPA).

These disclosures were designed to inform current and prospective students and their families about their rights and responsibilities as well as and the policies of DDBS. The disclosures include:

Completion/Graduation Rates  
Licensure Rates  
Placement Rates  
Student Body Diversity Data

Information related to these required disclosures is made available to all current and prospective students by July 1 each year via the DDBS website. Paper copies of this information are available

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upon request from the Director of Financial Aid. This information is also located on the College Navigation website.

### **Consumer Information Disclosures**

The Consumer Information Disclosures web page is intended to supplement the information provided in DDBS Program Catalog and Student Handbook and other publications. The website indicates where additional information relating to the subject may be located: in one of the schools' publications, on the school website, or on a third-party website e.g., the College Navigator website maintained by the National Center for Education Statistics. This website also serves to notify current and prospective students regarding the availability and location of consumer information in accordance with certain state and federal laws applicable to our schools.

For assistance with any of the consumer information discussed herein, prospective and current students may contact the Director of Financial Aid during normal business hours. A paper copy of consumer information disclosures is available on request.

### **Student Right-to-Know Procedure**

Responsibilities of the following parties:

#### *Admissions Representative*

- Inform prospective students of their rights and provide appropriate handouts during the Enrollment process.
- Alert students to the website with the proper information.
- Ensure a paper copy is available in the financial aid office if the student should request a copy of any of the following:
  - Drug and Alcohol Policies and Procedures;
  - Clery ACT,
  - FERPA forms,
  - Consumer Information, or the
  - Enrollment packet.

#### *Director of Financial Aid*

- Send out FERPA form links yearly in January to all current students.
- Review and update the website's Consumer information every May and December.
- Review and update Clery Information for students every year by Oct 1st with the three most current award years.
- Review and update DDBS's Drug and Alcohol Policy and Drug and Alcohol Abuse Prevention Program yearly, in February and update the website.
- Review and update policies in the Student Handbook every year in November.
- Ensure the annual Clery Survey is completed and submitted by 1 October.
- Deliver a paper copy, if requested.

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### *Admissions Representative/Financial Aid Representative*

- Share the consumer information and student's right to know information with new students during orientation.
- Deliver a paper copy, if requested.
- Collect a signed acknowledgement page verifying the receipt of this information.

## **DRUG AND ALCOHOL PREVENTION POLICY**

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DDBS's Drug and Alcohol Prevention Policy is outlined in the Annual Security & Fire Safety Report and in the Appendix, in accordance with the Clery Act and ED requirements.

### **FERPA (34 CFR, Part 99)**

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#### **Policy Reason**

The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) is a Federal law that protects the privacy of student education records. The law applies to all schools that receive funds under an applicable program of the U.S. Department of Education.

FERPA gives parents certain rights with respect to their children's education records. These rights transfer to the student when he or she reaches the age of 18 or attends a school beyond the high school level. Students to whom the rights have transferred are "eligible students."

#### **Student Rights under FERPA**

1. **Inspecting student records.** The right to inspect and review the student's education records maintained by DDBS within 45 days of DDBS receiving a request. Students should submit a written request that identify the record(s) they wish to inspect. DDBS will make arrangements for access and notify the student of the time and place where the records may be inspected. DDBS is not required to provide copies of materials in education records unless, for reasons such as great distance, it is impossible for parents or eligible students to inspect the records. DDBS may charge a fee for copies.
2. **Amending student records.** Parents or eligible students have the right to request that DDBS amend records which they believe to be inaccurate or misleading. If DDBS decides not to amend the record, the parent or eligible student then has the right to a formal hearing. After the hearing, if DDBS still decides not to amend the record, the parent or eligible student has the right to place a statement with the record setting forth his or her comments about the contested information.

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3. **Releasing and disclosing student records.** Generally, DDBS must have written permission from the parent or eligible student before releasing any information from a student's record. However, the law allows DDBS to disclose those records, without consent, to the following parties or under the following conditions (34 CFR § 99.31):
  - a. DDBS employees and Board of Trustee members who have a need to know;
  - b. Certain government officials, in order to carry out lawful functions;
  - c. Appropriate parties, in connection with financial aid to a student;
  - d. Organizations conducting certain studies for DDBS;
  - e. Accrediting organizations;
  - f. Individuals who have obtained court orders or subpoenas;
  - g. Persons who need to know in cases of health and safety emergencies; and State and local authorities, within a juvenile justice system, pursuant to specific State law.

Upon request, DDBS discloses education records without consent to officials of another school in which a student seeks or intends to enroll.

4. **Notification of disclosure.** DDBS may disclose, without consent, “directory” type information, such as a student’s name, address, telephone number, date of birth, honors and awards, and dates of attendance. However, DDBS must tell parents and eligible students about directory information requests and allow parents and/or eligible students a reasonable amount of time to request that DDBS not disclose directory information about them. DDBS must notify parents and eligible students annually of their rights under FERPA. The actual means of notification (special letter, student handbook, or newspaper article) is left to the discretion of DDBS.
5. **Faculty responsibilities regarding FERPA.** DDBS faculty must understand that once a student reaches 18 years of age, he or she, not the parents or guardians, holds legal privacy rights regarding grades, academic records, classroom performance, attendance, and matters of behavior and/or discipline. In other words, if a parent, guardian, spouse, or other claimant contacts a faculty member with questions—academic, disciplinary, social, etc.—about any DDBS student, the faculty member must not divulge any information in order to protect the rights of the eligible student. If the parent/guardian/spouse/other claims that the student in question has signed a release that allows the claimant access to protected information, then the faculty member must verify with DDBS administration that such a document is on file before divulging any information or answering any questions. Failure to follow these guidelines could result in legal action against both the institution and the faculty member.
6. **Right to file a complaint.** The right to file a complaint with the U.S. Department of Education concerning alleged failures by DDBS to comply with the requirements of FERPA. The name and address of the Office that administers FERPA is:



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**Family Policy Compliance Office  
U.S. Department of Education  
400 Maryland Avenue, S.W.  
Washington, DC 20202-4605**

**FREQUENTLY ASKED QUESTIONS FOR PARENTS**

**Q. Why do I have limited access to my student's college records?**

A. Under FERPA, the access rights that parents and legal guardians had in the elementary and secondary school setting are transferred to students once they attend a post-secondary educational institution like DDBS OR turn 18. Parents can be given access to records if the student grants the parent permission to access his or her records by completing a Consent to Release Student Information form. This form can be obtained from DDBS administrative staff.

**Q. What records does FERPA cover?**

A. The privacy protection FERPA gives to students is very broad. With limited exceptions, the FERPA regulations give privacy protection to the student's "education records." These are defined as records that are "directly related to a student and are maintained by an educational agency or institution or by a party acting for the agency or institution." Examples of student records covered by FERPA are grade reports, transcripts, and most disciplinary files. FERPA does not cover counseling or medical records but other policies do.

**Q. How can I find out my student's grades?**

A. The best approach is to ask your student directly. Parents cannot have access to a student's grades unless they have written consent from the student.

**Q. Will I be notified if my student is placed on academic or disciplinary probation or suspension?**

A. No. Information about grades and academic standing is sent directly to students. You can, of course, ask your student to keep you informed about his or her academic performance.

**Q. In addition to the student, who has access to the education record?**

A. Generally, schools must have written permission from the student in order to release any information from a student's education record. However, FERPA allows schools to disclose those records, without consent, to the following parties or under the following conditions:

- School officials with legitimate educational interest;
- Other schools to which a student is transferring;
- Specified officials for audit or evaluation purposes;
- Appropriate parties in connection with financial aid to a student;
- Organizations conducting certain studies for or on behalf of the school;
- Accrediting organizations;
- To comply with a judicial order or lawfully issued subpoena;
- Appropriate officials in cases of health and safety emergencies; and
- State and local authorities pursuant to specific state law.

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**Q. Will I be notified if my son or daughter is hurt or in danger?**

A. If we learn of an emergency involving one of our students, we will attempt to notify the student's parents in accordance with our emergency notification policy and procedures. Hospitals and police agencies will also follow their own notification protocols.

**Q. Will I be notified if my student is not attending classes?**

A. No. DDBS requires faculty to take attendance, however, parents are not notified.

**Q. I've seen press reports about a new FERPA provision allowing notice to parents when a student violates alcohol or drug laws. What position has DDBS taken on this new rule?**

A. FERPA regulations authorize - but do not require - disclosure to parents of "the student's violation of any federal, state, or local law, or of any rule or policy of the institution, governing the use or possession of alcohol or a controlled substance." DDBS does not disclose violations to parents, except in health and safety situations.

**Directory Information**

The only public information available is "directory information." This information may be disclosed by DDBS for any purpose, without the student's written consent. However, students may choose to restrict disclosure of directory information by contacting DDBS administrative staff. Directory Information includes:

- Student name,
- Telephone number(s),
- E-mail address,
- Academic class level (i.e., senior, junior, sophomore, freshman),
- Enrollment status (i.e., enrolled full-time, half-time, less than half-time, or not enrolled),
- Student's program(s) and/or certificate(s) earned, and
- Dates of attendance.

**NSLDS Process**

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**Policy and Procedure to Determine Program Length and Loan Period Dates**

Our published program lengths are based on required program length, student schedules and the school calendar. Loan period dates are provided to BEN when a student profile is created based on program length and student schedule.

It is DDBS's responsibility to update the students' profile and to notify BEN when any information listed on the profile needs to be updated. This includes but is not limited to a change in the students' program, change in schedule, a change in the student's start date, change in enrollment schedule, etc. BEN will review this updated information, re-award the student, and update the student's information in BEN's internal system. BEN will also report any necessary changes to the USDE systems (COD). This will ensure that the student's financial aid is accurately reported to COD and NSLDS.

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DDBS provides BEN with the most current and accurate published program length for each of DDBS's program schedules to ensure the accuracy of the data that BEN is reporting to COD with origination of each loan record. DDBS also notifies BEN of any changes to the program length and/or program schedule. DDBS will notify BEN by completing BEN's Notice of Change in Direct Student Costs form (located under the Compliance section of the Downloadable Resources of the school portal) which collects the published program length for each schedule of the program. This will ensure accurate information is being reported to COD and NSLDS to satisfy this ED reporting requirement.

DDBS will notify BEN when it believes that the information being reported to COD and/or NSLDS is not accurate. BEN and DDBS will work together to resolve any discrepancies in an effort to provide accurate information to COD and NSLDS.

Each year in July, start dates, end dates and scheduled breaks are created for the upcoming calendar year. This is then used when creating a profile in BEN to determine the loan period dates. A start and end date chart are then created.

For additional information on reporting requirements, see chapter 8, "Reporting Requirements" in the NSLDS Enrollment Reporting Guide.

## **PERSONALLY IDENTIFIABLE INFORMATION**

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**The Data & Information Security Plan and Procedure Program** is outlined in the Appendix.

### **Personally Identifiable Information Policy**

DDBS follows all ED security regulations regarding Personally Identifiable Information (PII) when transmitting student information. The Institution secures student PII when dealing with their third-party servicers. DDBS encourages its Financial Aid administrators to use the BEN secure portal upload function made available by the servicer. If this option is unavailable, PII is protected by using password protected e-mail sent to BEN. The password is then provided to BEN using a separate e-mail to maintain the integrity of PII.

DDBS's administrators will always use password protected e-mail when sending any authorized third-party student's information containing PII. The password must be sent in a separate e-mail.

If a third-party is requesting student information that contains PII, the administrator must first make sure that it is authorized to release the information to the third-party. The institution must receive an authorization to release student's information in the case of third parties that are not approved by the institution. The institution permits Financial Aid administrators to use BEN's secure portal system to upload documents with PII or to use WinZip to encrypt and password protect the documents and e-mail them to BEN, a separate e-mail with the password will be sent.

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## Procedures to Maintain Compliance with the GLB Act Re: Personally Identifiable Information (PII)

1. All records containing pii are stored and maintained in a secure location.
  - a. Paper records and files are always stored in a locked fireproof cabinet in a locked room. The School Director of Operations controls access to these areas.
  - b. All stored data are protected against destruction or potential damage by employing fire-proof cabinets.
  - c. Paper records are also stored on secure server whose access is controlled by the Information Security Program Coordinator, Electronic Brain Solutions. Access to this information is password protected and not available to students.
  - d. Staff computers are password protected and students do not have access to them.
  - e. Student and employee PII are not stored on any computer system with a direct internet connection.
  - f. All student information is backed up daily through Electronic Brain Solution. All credit card information is processed through QuickBooks.
2. All electronic transmissions of student and employee PII are secure.
  - a. Social Security information, IRS information, and other sensitive financial data transmitted to DDBS directly from students shall use a secure connection such as a Secure Sockets Layer (SSL) or other currently accepted standard. This is so that the security of such information is protected in transit. Such secure transmissions are automatic. Students are advised against transmitting sensitive data via electronic mail.
  - b. DDBS contractually requires that inbound transmissions of PII, delivered to DDBS via other means, be encrypted or otherwise secured.
  - c. All outbound transmissions of PII are secured in a manner acceptable to the Information Security Program Coordinator. If PII must be transmitted to DDBS by e-mail, such transmissions are password protected or otherwise secured against compromise at the discretion of the Information Security Program Coordinator.
  - d. The Information Security Program Coordinator and third-party services review all student applications to ensure an appropriate level of security both within DDBS and within the third-party server and the IRS.
3. All paper transmissions of student and employee information by DDBS are secure.
  - a. Any PII delivered by DDBS to third parties are always kept sealed.
  - b. Paper-based student/employee information is never left unattended in an unsecured area.
  - c. All paper transmission of student and employee information is stored in a fireproof locked cabinet inside a padlocked records room.
4. All PII is disposed of in a secure manner.

- a. The Information Security Program Coordinator will supervise the disposal of all records containing PII.
  - b. Paper-based PII is shredded and stored in a secure area until a disposal or recycling service picks it up.
  - c. All hard drives, diskettes, magnetic tapes, or any other electronic media containing PII shall be erased and/or destroyed prior to disposal. All hardware is recycled.
  - d. All PII is disposed of in a secure manner after any applicable retention period.
5. The Information Security Program Coordinator maintains an inventory of School computers and handheld devices on or through which PII may be stored, accessed, or transmitted.
6. The Information Security Program Coordinator develops and maintains appropriate oversight and audit procedures to detect the improper disclosure or theft of student information.

### **Cyber Security/ Data Security Breach Policy**

Upon signing a Program Participation Agreement (PPA), DDBS agrees to comply with the Family Educational Rights and Privacy Act (FERPA), the U.S. Department of Education's implementing regulations at 34 C.F. R. Part 99, and the Standards for Safeguarding Customer Information, 16 C.F.R. Part 314, issued by the Federal Trade Commission (FTC), as required by the Gramm-Leach-Bliley (GLB) Act, P.L. 106-102 DDBS is responsible for complying the limitations on the disclosure of PII in students' education records under FERPA and is subject to Sections 501 and 505(b)(2) of the GLB Act.

The GLB Act, also known as the Financial Services Modernization Act of 1999 (Public Law # 106-102, 113 Statute 1338), regulates the collection, disclosure, and protection of consumers' nonpublic personal information or personally identifiable information (PII) by financial institutions. Section 501 of GLB Act established the following information security standards for financial institutions:

**DDBS has established a way for a person whose "personal identification information" was the subject of a "data breach" in compliance with the mandatory "data breach" notification statutes or regulations to contact students if PII is found to be compromised and a monitoring service that provides "data breach" victims with credit, fraud, public records or other monitoring alerts through Electronic Brain solutions as well as services that are covered under The Hartford.**

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## **Cyber Incident Response Plan/Policy**

In the event of a cyber-incident (ransomware, breach, successful phishing attack etc....) the qualified coordinators or IT provider must do the following:

1. Disconnect the computer from the network but keep the system powered on. This may be done with huntress software but if not, it will require someone to physically disconnect the machine.
2. After the qualified individual has been alerted, they will reach out to Electronic Brain Solutions if that has not already been done.
3. The coordinator or Electronic Brain solutions will contact The Hartford which provides the cyber liability policy for instructions on how to proceed.
4. The Hartford will indicate the next steps and if a 3<sup>rd</sup> party investigator or response unit will be needed.

## **Physical Incident Policy**

In the event of a physical disaster (fire, flood, etc.) the following must be performed:

1. The coordinator must have access to the school to assess the damage to physical storage as well as technology.
2. After the assessment The Hartford insurance company will be notified.
3. An onsite evaluation of all IT equipment will be performed by the qualified coordinators and Electronic Brain Solutions.
4. After the assessment of any damage by the IT coordinator and Electronic Brain Solutions is performed and if a new server or solution is needed to restore the backup files and get the business applications up and running must be functioning as soon as possible.
5. Physical media will also be evaluated for damage and restoration possibilities.
6. If physical IT equipment is rendered useless, a virtual machine will be created in the cloud and all data, and all data and information temporarily migrated to that server.

## **The Safeguards Rule Requires Financial Institutions to:**

- Designate an employee or employees to coordinate the institution's information security program.
- Identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction or other compromise of such information, and assess the sufficiency of any safeguards in place to control these risks. At a minimum, such a risk assessment should include consideration of risks in each relevant area of the institution's operations, including:
  - Employee training and management

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- Information systems, including network and software design, as well as information processing, storage, transmission, and disposal; and
- Detecting, preventing, and responding to attacks, intrusions, or other systems failures.
- Design and implement information safeguards to control the risks the institution identified through risk assessment, and regularly test or otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures.
- Oversee service providers, by:
  - Taking reasonable steps to select and retain service providers that are capable of maintaining appropriate safeguards for the customer information at issue; and
  - Requiring the institution's service providers by contract to implement and maintain such safeguards.
- Evaluate and adjust the institution's information security program in light of the results of the testing and monitoring required by paragraph c above; any material changes to the institution's operations or business arrangements; or any other circumstances that the institution's managers know or have reason to know that may have a material impact on the institution's information security program (16 CFR section 314.4).

## **The Safeguards Rule**

- An information security program is defined as the administrative, technical, or physical safeguards used to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.
- Customer information is defined as any record containing nonpublic personal information as defined in 16 CFR 313.3(n), about a customer of a financial institution, whether in paper, electronic, or other form, that is handled or maintained by or on behalf of the financial institution or its affiliates.
- A service provider is defined as any person or entity that receives, maintains, processes, or otherwise is permitted access to customer information through its provision of services directly to a financial institution that is subject to the Safeguards Rule.
- In the PPA signed by each IHE to participate in the Title IV federal student aid programs, the IHE agrees to comply with the FTC's regulations for implementing the GLB Act, 16 CFR part 314, Standards for Safeguarding Customer Information (also referred to as the Safeguards Rule). Since the GLB Act is intended to ensure the security and confidentiality of customer information, ED considers any breach of the security of student records and information as a demonstration of a potential lack of administrative capability as stated in 34 CFR section 668.16(c). ED has mandated IHE's must notify ED of any known or suspected breaches (See Volume 2, Chapter 7 of the 2017-2018 Federal Student Aid Handbook, page 2-201) and strongly encouraged IHEs to inform their students, in compliance with applicable state regulation.
- In addition, an institution that participates in any Title IV, Higher Education Act (HEA) program is subject to the requirements of the FTC Identity Theft Red Flags Rule (72 Fed. Reg. 63718) issued on November 9, 2007. The "Red Flags Rule" requires an institution to develop and implement a written Identify Theft Prevention Program to detect, prevent, and respond to patterns, practices, or specific activities that may indicate identity theft.
- If your response contains PII that information must be protected. PII is any information



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about a student which can be used to distinguish or trace the student's identity (some examples are name, social security number, date and place of birth).

- PII being submitted electronically or on media (e.g., CD, disk, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip, however, files created with encryption software are also acceptable, provided that they are compatible with WinZip and are encrypted with AES encryption.
- The Department must receive an access password to view the encrypted information. The password must be e-mailed or otherwise communicated separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).
- Hard copy files and media containing PII must be:
  - Sent via a shipping method that can be tracked with signature required upon delivery.
  - Double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
  - Labeled with both the "To" and "From" addresses on both the inner and outer packages.
  - Identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender)."

## **TIMING OF DISBURSEMENTS**

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### **Timing of Disbursements – General Rules**

FSA disbursements are made on a payment period basis. Except when making retroactive disbursements for completed payment periods, you must disburse the Title IV funds during the payment period to which they apply. The timing of disbursements is especially important for Pell Grants, and Direct Loan funds, because you must report disbursement dates to the Department through the Common Origination and Disbursement (COD) system.

### **Basic Rules for Early Disbursements**

The regulations place limitations on the earliest date that a school may disburse FSA funds. With certain exceptions that are discussed below, the general rules for making early disbursements are as follows:

For credit-hour programs offered in nonstandard terms that are not substantially equal in length, non-term credit-hour programs, and clock-hour programs, the earliest a school may disburse FSA funds is the later of:



- 10 days before the first day of classes of a payment period; or
- The date the student completed the previous payment period for which he or she received FSA funds.

### **Exceptions to Early Disbursement Rules**

If a student is in the first year of undergraduate study and is a first-time borrower (a first-time borrower is someone who has not previously received a Direct Subsidized Loan, a Direct Unsubsidized Loan, a Subsidized or Unsubsidized Federal Stafford Loan, or a Federal Supplemental Loan for Students), your school may not make the first disbursement of a Direct Subsidized Loan or a Direct Unsubsidized Loan until 30 calendar days after the first day of the student's program of study. However, you are not required to delay disbursement for such students if your school has a cohort default rate of less than 15% for each of the three most recent years for which data are available, or if your school is a home institution originating a loan to cover the cost of attendance in a study-abroad program and has a cohort default rate of less than 5% for the single most recent year for which data are available.

### **Late Disbursements**

- Late disbursements can be made no later than 180 days after the student becomes ineligible.
- Intended for educational expenses incurred while the student was enrolled and eligible.
- For Pell and Direct Loans, you must have a processed SAR/ISIR with an official EFC, and the Direct Loan must have been originated while the student was enrolled at least half-time.
- For Direct Loans you may not originate a new loan or increase an existing loan amount after the student becomes ineligible.
- First-time, first-year borrowers cannot have their loans disbursed unless the student completed the first 30 days of the program. This is required of all schools except those that meet the low cohort default rate exemption.
- Subsequent disbursements cannot be made unless the student graduated or completed the period for which the loan was made.

### **Retroactive Disbursements for Completed Payment Period**

If your school did not make a disbursement of FSA funds to an enrolled student for a payment period that the student completed, you must pay the student retroactively for all prior completed payment periods within the current award year or loan period for which the student was eligible. For example, if you don't receive a valid SAR/ISIR for a student until the spring term, but the student was also enrolled and eligible for a disbursement in the previous fall term, that student must be paid retroactively for the fall term. A school can make the retroactive disbursements in one lump sum.

If you are retroactively paying a Pell Grant for a completed payment period in the same award year in which no disbursement has been made, the grant must be based on the

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hours completed by the student for that payment period. For example, if the student had enrolled full time at the beginning of the fall term but dropped to half-time status by the end of the term, the retroactive disbursement must be based on half-time status.

Retroactive payments must be made if the institution was unable to disburse during a completed payment period and certain conditions are met:

- Payments must be made to enrolled students for a completed payment period in same award year or loan period, as applicable
- Student enrollment status must only include hours completed in the payment period for which the retroactive payment is intended
- Hours completed includes earned F's
- Does not include hours for classes dropped during the payment period

#### **Title IV Credit Balances**

A Title IV credit balance refers to the amount of Title IV funds that exceeds the allowable charges assessed by the institution.

You must pay the Title IV credit balance to the student or parent (parent PLUS) no later than:

- 14 calendar days after the credit balance occurs if it occurs after the first day of classes of the payment period, or
- 14 calendar days after the first day of class if it occurs on or before the first day of classes of the payment period

The credit balance is considered to be paid when you mail the check, initiate an EFT, or notify the student within 14 days that funds are available for pickup at a specific location. You may hold a check for pickup for 21 days from the date of notification. If the student does not pick it up, you must mail it, initiate an EFT, or return the funds to ED.

#### **EXCUSED ABSENCES IN CLOCK-HOUR PROGRAMS**

34 CFR 668.4(e)

In a clock-hour program, you are allowed to count a limited number of excused absences when deciding whether the student has completed the hours in a payment period. An excused absence may only be counted if the student is excused from hours that were actually scheduled, were missed, and does not have to be made up for the student to receive the degree or certificate for the program.

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## Excused Absence Policy

Absences are excused for up to 10% of scheduled course hours per payment period. A student's excused absences may not exceed 10% of scheduled course hours; absences greater than 10% of scheduled course hours are considered unexcused.

1. It is expected that a student who is absent will make up hours at the next available make-up session. The dates and times for make-up sessions will be up to the instructor's discretion.
2. Students can only make up hours previously missed and total attended hours cannot exceed total scheduled course hours.
3. A grade of "F" will be posted if the student does not complete the required course hours.
4. Students attending make-up hours must meet dress code and other DDBS policies.

## Make-Up Time Policy

Students are expected to make-up missed days and exams. Students may utilize the various school schedules and classes to complete makeup time and exams. All attendance make-up time will be done during normal school hours but in the student's non-scheduled class time.



## FERPA (34 CFR, Part 99)

### Policy Reason

The Family Educational Rights and Privacy Act (FERPA) (20 USC § 1232g; 34 CFR Part 99) is a Federal law that protects the privacy of students' education records. The law applies to all schools that receive funds under the US Department of Education's applicable program(s).

FERPA affords eligible students certain rights with respect to their education records. (An "eligible student" under FERPA is a student who is 18 years of age or older or who attends a postsecondary institution at any age.)

### Student Rights under FERPA

1. **Inspecting student records.** The right to inspect and review the student's education records within 45 days after the day DDBS receives a request for access. A student should submit to the Director of Operations a written request that identifies the record(s) the student wishes to inspect. DDBS will make arrangements for access and notify the student of the time and place where the records may be inspected. DDBS is not required to provide copies of materials in education records unless, for reasons such

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as great distance, it is impossible for parents or eligible students to inspect the records. DDBS may charge a fee for copies.

- 2. Amending student records.** Parents or eligible students have the right to request that DDBS amend the student's education records that they believe to be inaccurate, misleading, or otherwise in violation of the student's privacy rights under FERPA. A student who wishes to ask DDBS to amend a record should write the Director of Operations, clearly identify the part of the record the student wants changed, and specify why it should be changed.

If DDBS decides not to amend the record as requested, DDBS will notify the student in writing of the decision and the student's right to a hearing regarding the request for amendment. After the hearing, if DDBS still decides not to amend the record, the parent or eligible student has the right to place a statement within the record setting forth his or her comments about the contested information.

- 3. Releasing and disclosing student records.** The right to provide written consent before DDBS discloses personally identifiable information (PII) from the student's education records, except to the extent that FERPA authorizes disclosure without consent. Generally, DDBS must have written permission from the parent or eligible student before releasing any information from a student's record. However, the law allows DDBS to disclose education records without a student's prior written consent under the FERPA exception for disclosure to school officials with legitimate educational interests to the following parties or under the following conditions (34 CFR § 99.31):

- a. DDBS administrative, supervisory, academic, research, or support staff employees;
- b. a person serving on the DDBS Institutional Advisory Board who has a need to know;
- c. Certain government officials, in order to carry out lawful functions;
- d. Appropriate parties, in connection with financial aid for which a student has applied or which the student has received;
- e. Contractors outside of DDBS who perform an institutional service or function for which DDBS would otherwise use its own employees and who is under the direct control of the school with respect to the use and maintenance of PII from education records
- f. Organizations conducting certain studies for, or on behalf of, DDBS;
- g. Accrediting organizations;
- h. Individuals who have obtained court orders or subpoenas;
- i. Persons who need to know in cases of health and safety emergencies; and State and local authorities, within a juvenile justice system, under specific State law.

Upon request, DDBS also discloses education records without consent to officials of another school in which a student seeks or intends to enroll.

4. **Notification of disclosure.** DDBS may disclose, without consent, “directory” type information, such as a student’s name, address, telephone number, date of birth, honors and awards, and dates of attendance. However, DDBS must tell parents and eligible students about directory information requests and allow parents and eligible students a reasonable amount of time to request that DDBS not disclose directory information about them. DDBS must notify parents and eligible students annually of their rights under FERPA. The actual means of notification (special letter, student handbook, or newspaper article) is left to the discretion of DDBS.
5. **Faculty responsibilities regarding FERPA.** DDBS faculty must understand that once a student reaches 18 years of age, they, not the parents or guardians, hold legal privacy rights regarding grades, academic records, classroom performance, attendance, and behavior or discipline matters. In other words, if a parent, guardian, spouse, or other claimant contacts a faculty member with questions—academic, disciplinary, social, etc.—about any DDBS student, the faculty member must not divulge any information in order to protect the rights of the eligible student. If the parent/guardian/spouse/other claims that the student in question has signed a release that allows the claimant access to protected information, the faculty member must verify with DDBS administration that such a document is on file before divulging any information or answering any questions. Failure to follow these guidelines could result in legal action against both the institution and the faculty member.
6. **Right to file a complaint.** The right to file a complaint with the U.S. Department of Education concerning alleged failures by DDBS to comply with the requirements of FERPA. The name and address of the office that administers FERPA is:

**Family Policy Compliance Office  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202**

### **Frequently Asked Questions by Parents**

**Q. Why do I have limited access to my student’s college records?**

A. Under FERPA, the access rights that parents and legal guardians had in the elementary and secondary school setting are transferred to students once they attend a post-secondary educational institution like DDBS OR turn 18. Parents can be given access to records if the student grants the parent permission to access his or her records by submitting such information in writing to DDBS administrative staff.

**Q. What records does FERPA cover?**

A. The privacy protection FERPA gives to students is very broad. With limited exceptions, the FERPA regulations give privacy protection to the student’s “education records.” These are defined as records that are “directly related to a student and are maintained by an educational agency or institution or by a party acting for the agency or institution.” Examples of student

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records covered by FERPA are grade reports, transcripts, and most disciplinary files. FERPA does not cover counseling or medical records but other policies do.

**Q. How can I find out my student's grades?**

A. The best approach is to ask your student directly. Parents cannot have access to a student's grades unless they have written consent from the student.

**Q. Will I be notified if my student is placed on academic or disciplinary probation or suspension?**

A. No. Information about grades and academic standing is sent directly to students. You can, of course, ask your student to keep you informed about his or her academic performance.

**Q. In addition to the student, who has access to the education record?**

A. Generally, schools must have written permission from the student in order to release any information from a student's education record. However, FERPA allows schools to disclose those records, without consent, to the following parties or under the following conditions:

- School officials with legitimate educational interest;
- Other schools to which a student is transferring;
- Specified officials for audit or evaluation purposes;
- Appropriate parties in connection with financial aid to a student;
- Organizations conducting certain studies for or on behalf of the school;
- Accrediting organizations;
- To comply with a judicial order or lawfully issued subpoena;
- Appropriate officials in cases of health and safety emergencies; and
- State and local authorities pursuant to specific state law.

**Q. Will I be notified if my son or daughter is hurt or in danger?**

A. If we learn of an emergency involving one of our students, we will attempt to notify the student's parents in accordance with our emergency notification policy and procedures. Hospitals and police agencies will also follow their own notification protocols.

**Q. Will I be notified if my student is not attending classes?**

A. No. DDBS requires faculty to take attendance, however, parents are not notified.

**Q. I've seen press reports about a new FERPA provision allowing notice to parents when a student violates alcohol or drug laws. What position has DDBS taken on this new rule?**

A. FERPA regulations authorize - but do not require - disclosure to parents of "the student's violation of any federal, state, or local law, or of any rule or policy of the institution, governing the use or possession of alcohol or a controlled substance." DDBS does not disclose violations to parents, except in health and safety situations.

**Directory Information**

The only public information available is "directory information." DDBS may disclose this information for any purpose without the student's written consent. However, students may

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choose to restrict disclosure of directory information by contacting DDBS administrative staff. DDBS defines “Directory Information” as:

- Student name
- Address
- Telephone number(s)
- E-mail address
- Date and place of birth
- Field of study/program
- Enrollment status (i.e., enrolled full-time, half-time or not enrolled)
- Dates of attendance/enrollment
- Certificate(s) received
- Honors/awards received

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## **Appendix A DRUG AND ALCOHOL PREVENTION POLICY**

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### **Policy Reason**

The Part 86 regulations require that, as a condition of receiving funds or any other form of financial assistance under any federal program, an institution of higher education (IHE) must certify that it has adopted and implemented a program “to prevent the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees” both on the institution’s premises and as part of any of its activities, in order to comply with the Drug-Free Schools and Campuses Regulations (EDGAR Part 86.100, Subpart B).

### **DDBS Standards of Conduct for Students and Staff**

DDBS prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and staff on the property or as part of any DDBS activities. DDBS will immediately contact law enforcement officials to report all unlawful activities.

The health risks of the use of illicit drugs and alcohol abuse require providing education and referral for students and staff. DDBS provides education annually and refers students and staff to local services. Area drug abuse information, counseling and referral and treatment centers information is made available to students or staff members.

DDBS distributes drug and alcohol prevention information to all students and employees annually.

DDBS will expel students and terminate staff involved in unlawful possession, use or distribution of illicit drugs and alcohol. DDBS will refer such cases to the proper authorities for prosecution. Students and staff may be reinstated upon completion of an appropriate rehabilitation program.

As a condition of employment, employees must notify DDBS of any criminal drug statute conviction for a violation occurring in the workplace not later than five days after such conviction.

There are serious legal sanctions for illegal use of drugs and/or alcohol. There are serious health risks associated with such use. Health risks associated with the use of illicit drugs and the abuse of alcohol include: impaired mental and physical health, neurological disease/damage, memory loss, violence, impulsive behavior, convulsive seizures, homicide, suicide, cardiac disease or damage, gastritis, anemia, liver failure and pancreatic disease, deteriorating relationships, and death.

As a student and/or staff member at DDBS, I understand Dymond Designs Beauty School’s policies as stated above and recognize their impact on my future at the school if I break the law related to drug and/or alcohol use.



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## **Drug and Alcohol Policy**

DDBS provides a drug-free and alcohol-free environment for its faculty, staff and students. The unlawful possession, use, distribution, dispensation, sale, or manufacture of drugs or alcohol is prohibited on DDBS campus premises and at any DDBS school activity/function. No employee or student is to report or return to school, work, or any company activity while under the influence of drugs or alcohol. For purposes of this policy, a conviction includes a plea of guilty or of nolo contendere.

### **Alcohol and Drug Testing Policy**

If DDBS believes that a student or employee has been observed possessing or using a prohibited substance while on campus, random drug or alcohol testing may be conducted. Drug or alcohol testing may also occur if DDBS reasonably believes that any student or employee may be under the influence of drugs or alcohol during school/work hours, while engaged in school business or a sponsored activity and that this may adversely affect their performance or the campus environment. Any student or employee who has a positive drug or alcohol impairment test may be subjected to periodic, random testing for a period of up to one year.

### **Institutional Sanctions**

DDBS will expel students and terminate staff involved in unlawful possession, use or distribution of illicit drugs and alcohol. DDBS will refer such cases to the proper authorities for prosecution. Students and staff may be reinstated upon completion of an appropriate rehabilitation program.

As a condition of employment, employees must notify DDBS of any criminal drug statute conviction for a violation occurring in the workplace not later than five days after such conviction.

There are serious legal sanctions for illegal use of drugs and/or alcohol. There are serious health risks associated with such use. Health risks associated with the use of illicit drugs and the abuse of alcohol include: impaired mental and physical health, neurological disease/damage, memory loss, violence, impulsive behavior, convulsive seizures, homicide, suicide, cardiac disease or damage, gastritis, anemia, liver failure and pancreatic disease, deteriorating relationships, and death.

### **Legal Sanctions (Federal, State, and Local)**

Those students or employees in violation of Federal, State, and local laws for use, possession or distribution of controlled substances or alcohol abuse are subject to any of the following sanctions or combination thereof:

1. Prison sentence

2. Probation
3. Monetary penalties
4. Substance abuse programs
5. Suspension of driving privileges
6. Driver's education program
7. Community service

## **Health Risks Associated with Use and Abuse of Drugs and Alcohol**

DDBS is committed to providing its students and employees with a drug and alcohol-free workplace and learning environment. DDBS prohibits the unlawful possession, use, manufacture, or distribution of unauthorized drugs and alcohol in the workplace, on the campus, or at any activities. DDBS will provide a safe, responsive environment for all students and employees.

Outlined below is a listing of drugs and their health risks taken from the U.S. Drug Enforcement Administration website.

### ***Alcohol***

Alcohol (beer, wine, or liquor) has a high potential for physical and psychological dependence as well as resulting in increased tolerance. Possible effects include impaired memory, slurred speech, drunken behavior, slow onset, vitamin deficiency, and organ damage. Overdose may result in vomiting, respiratory depression, loss of consciousness, and possible death. Withdrawal may include trembling, anxiety, insomnia, vitamin deficiency, confusion, hallucinations, and convulsions.

Females who drink alcohol during pregnancy may give birth to infants with Fetal Alcohol Syndrome. These infants have irreversible physical abnormalities and mental retardation. In addition, research indicates that children of alcoholic parents are at greater risk than other youngsters of becoming alcoholics. Alcohol use is often related to acquaintance rape and failure to protect oneself from sexually transmitted diseases (STDs). Additionally, alcohol-related accidents are the number one cause of death in the 16-24-year-old age group.

### ***Narcotics***

Narcotics (including heroin, morphine, hydrocodone, oxycodone, codeine, and others) have a high potential for both physical and psychological dependence as well as resulting in increased tolerance. The possible effects of using narcotics include euphoria, drowsiness, respiratory depression, constricted pupils, and nausea. Overdose may result in shallow breathing, clammy skin, convulsions, coma, and death. Withdrawals may include irritability, tremors, panic nausea, chills, and sweating.

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### ***Other Depressants***

Other depressants (including GHB or liquid ecstasy, Valium, Xanax, Ambien, and barbiturates) have a potential for both physical and psychological dependence as well as resulting in increased tolerance. The possible side effects include slurred speech, disorientation, appearance of intoxication, and impaired memory. Overdose may result in shallow respiration, clammy skin, dilated pupils, weak and rapid pulse, coma, and possible death. Withdrawal may include anxiety, insomnia tremors, delirium, convulsions, and possible death.

### ***Stimulants***

Stimulants (including cocaine, methamphetamine, and methylphenidate) have a possible risk of physical and psychological dependence. Tolerance can develop with all stimulants. The possible side effects include increased alertness, excitement, euphoria, increased pulse rate and blood pressure, insomnia, and decreased appetite. Overdose may result in agitation, increased body temperature, hallucinations, convulsions, and possible death. Withdrawal may result in apathy, long periods of sleep, irritability, depression, and disorientation.

### ***Hallucinogens***

Hallucinogens (including MDMA, LSD, Phencyclidine, and others) are less likely to result in physical dependence, with the exception of phencyclidines and analogs, and vary in terms of psychological dependence, ranging from none to moderate (MDMA) to high (phencyclidine analog). Tolerance can develop. Possible side effects include heightened senses, teeth grinding, dehydration (MDMA and analogs), and hallucinations, altered perception of time and distance in other types of hallucinogens. Overdose may result in increased body temperature and cardiac arrest for MDMA and more intense episodes for LSD. Some hallucinogens may result in muscle aches and depression when in withdrawal (MDMA) or may result in drug seeking behavior.

### ***Cannabis***

Cannabis includes marijuana, tetrahydrocannabinol (THC), and hashish or hashish oil. It may result in moderate psychological dependence with THC resulting in physical dependence. Tolerance can develop in all forms. Possible effects include euphoria, relaxed inhibitions, increased appetite, and disorientation. Overdose may result in fatigue, paranoia, and possible psychosis. Withdrawal may occasionally result in insomnia, hyperactivity, and decreased appetite.

## **DDBS's Policy on Consumption and Possession of Marijuana**

DDBS does not allow the use, possession, or cultivation of marijuana or marijuana paraphernalia on its property or on any DDBS controlled premises. DDBS recognizes that

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federal laws take precedence over state laws. ***Therefore, all students, employees, and visitors must be aware that the Michigan Medical Marijuana Act (MMMA) and the Michigan Regulation and Taxation of Marijuana Act (MRTMA) conflict with Federal, criminal laws governing controlled substances as well as Federal laws requiring institutions receiving Federal funds, by grant or contract, to maintain drug-free campuses and workplaces.***

Because DDBS participates in such federal grant programs that would be jeopardized, the use, possession, or cultivation of marijuana in any form, for any purpose, on DDBS's property or premises, violates the DDBS Drug and Alcohol Policy even if a student, employee, or visitor has been properly certified as a medical marijuana user.

Students, employees, and visitors are asked to remove or dispose of their marijuana from DDBS's property and premises immediately. Furthermore, the MMMA and MRTMA state that employers are not required to accommodate employees who use medical marijuana. Therefore, employers have the right to refuse employment to anyone who fails a drug test. Additionally, the State of Michigan prohibits a person from undertaking any task under the influence of marijuana, when doing so would constitute negligence or professional malpractice, as in many areas of the medical field. As a result, drug testing may be required at any time by a prospective employer consistent with the laws of the State of Michigan and the requirements of potential employers.

### **Drug-Free Workplace with Drug & Alcohol Policies and Abuse Prevention Program**

Due to DDBS's participation in Title IV Federal Funds Programs, DDBS has established a Drug-Free Workplace with Drug & Alcohol Policies and Abuse Prevention Program. All employees and students must read, understand, and sign a statement regarding this policy. As a condition of enrollment/employment, students and staff must agree to willingly participate in the program and abide by the terms of the policy.

DDBS has established this program to inform employees and students about:

- DDBS's policy of maintaining a drug-free environment,
- Drug and alcohol counseling and rehabilitation,
- Penalties that may be imposed upon students and employees for drug abuse violations, and
- The dangers of drug abuse in the workplace.

In accordance with this policy and program, DDBS has imposed the following requirements:

- Employees shall notify their supervisor or other appropriate management personnel, and students shall notify the Director of Operations of any criminal conviction for a substance-related violation occurring in the workplace no later than five (5) days after

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- such conviction.
  - Within ten (10) days of having received notice, DDBS shall notify any federal contracting agency that a student or employee engaged in the performance of a federal contract or grant has had a criminal drug statute conviction for a violation in the workplace.
  - Any student or employee who is convicted for a violation occurring in the workplace is required to satisfactorily participate in a drug abuse assistance or rehabilitation program.

### **Biennial Review Policy**

To comply with the regulations, every two years an IHE must conduct a review of its drug and alcohol program to determine effectiveness and the consistency of sanction enforcement, in order to identify and implement any necessary changes. The Department of Education recommends that IHEs conduct the biennial review in even-numbered years and focus their report on the two preceding academic years.

Upon request, DDBS will make available to the Department of Education and to the public, all information distributed to students and employees and the results of the biennial review of DDBS's Drug and Alcohol Program.

### **Biennial Review Procedure**

The Director of Financial Aid and the Director of Operations will:

- Conduct a review of the Drug and Alcohol program in even-numbered years starting in 2022;
- Post the updated review on the School's website, in the student break area, and at the Financial Aid office;
- Provide, upon request, to the U.S. Department of Education and to any interested parties, all information distributed to students and employees regarding the results of a biennial review of the school's program;
- Determine the effectiveness of the program and what changes need to be implemented;
- Tally the number of drug and alcohol related instances that occurred either on-campus or as part of DDBS's activities;
- Determine the number and type of sanctions that were imposed; and
- Ensure that sanctions are consistently enforced.

### **Abuse Prevention Program**

DDBS encourages employees and students who may have substance abuse problems to seek

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professional advice and treatment. DDBS has adopted and implemented prevention programs within our institution to train all faculty and staff on our Drug and Alcohol abuse policy. In the event one of our staff or faculty should witness or report abuse on campus, DDBS will provide the resources necessary in order to prevent further, similar unlawful possession, use, or distribution of illicit drugs and alcohol by all students and employees on school premises or as part of any of its activities.

DDBS employees and students may obtain confidential assistance through Michigan’s “Get Help Now” map at [michigan.gov/bhrecovery](http://michigan.gov/bhrecovery) or by calling 1-800-622-HELP for a referral to a treatment center or support group in your area.

If a student or employee witnesses a violation of this policy by their peers, they are required to report as much to the Director of Operations or a member of the administration. If you need additional resources such as crisis intervention, treatment and recovery support, counseling, prevention information, or local contact information, please see the drug and alcohol awareness bulletin board located at the School. These are confidential resources.

For a complete list of the federal penalties due to a conviction for possession or distribution of drugs, please see the on-campus drug and alcohol awareness bulletin board or Appendix A.

## **Help, Information, & Resources**

Drugs and alcohol can be highly addictive and injurious to the body. Consumption of drugs or alcohol cause a number of marked changes in behavior and serious health threats. Impairment of employees while on the job or students while in school is likely to result in injury to others or third parties and affects the morale & productivity of everyone.

Abuse of alcohol and drugs can present significant health risks and medical consequences including, but not limited to, the following:

- Abusing alcohol or other drugs can be fatal.
- Alcohol abuse can result in liver damage & disease, gastrointestinal problems, and brain damage.
- Abuse of alcohol and marijuana during puberty can cause an imbalance of sex hormones, resulting in reduced muscle mass & shrinkage of testicles in males and menstrual difficulties & infertility in females.
- Long-term use of stimulants (“uppers,” including speed, crack, meth, amphetamines, etc.) may cause permanent damage to the brain, heart, lungs, and other organs.
- The use of cocaine and amphetamines can result in heart attacks. People who lack an enzyme called Pseudocholinesterase in their bodies can die from a single, minute dose of cocaine.

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- Inhalants (poppers, rush, nitrous oxide, sniffing glue or paint thinner, etc.) may cause mental confusion, mood swings, delusions, or hallucinations.
  - The use of hallucinogens — especially PCP (angel dust) — can result in an irreversible, drug-induced psychotic state and/or delusions, that can trigger life- threatening behavior.
  - Depressants (“downers,” including ludes, reds, 714s, barbs, etc.) greatly increase the risk of automobile accidents because they affect vision, judgment, coordination, and other physical skills.
  - Intravenous (IV) drug users (users of heroin and other opiates) risk infection by diseases such as hepatitis & Acquired Immune Deficiency Syndrome (AIDS) from sharing needles.

DDBS encourages employees and students who may have substance abuse problems to seek professional advice and treatment. DDBS has adopted and implemented prevention programs within our institution to train all faculty and staff on our drug and alcohol abuse policy. In the event one of our staff or faculty should witness, or report abuse on campus, DSDT will provide the resources necessary in order to prevent further, similar unlawful possession, use, or distribution of illicit drugs and alcohol by all students and employees on school premises or as part of any of its activities.

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## Appendix B – Federal Trafficking Penalties

### FEDERAL TRAFFICKING PENALTIES—

DRUG/SCHEDULE	QUANTITY	PENALTIES	QUANTITY	PENALTIES
Cocaine (Schedule II)	500–4999 grams mixture	<b>First Offense:</b> Not less than 5 yrs, and not more than 40 yrs. If death or serious injury, not less than 20 or more than life. Fine of not more than \$5 million if an individual, \$25 million if not an individual.  <b>Second Offense:</b> Not less than 10 yrs, and not more than life. If death or serious injury, life imprisonment. Fine of not more than \$8 million if an individual, \$50 million if not an individual.	5 kgs or more mixture	<b>First Offense:</b> Not less than 10 yrs, and not more than life. If death or serious injury, not less than 20 or more than life. Fine of not more than \$10 million if an individual, \$50 million if not an individual.  <b>Second Offense:</b> Not less than 20 yrs, and not more than life. If death or serious injury, life imprisonment. Fine of not more than \$20 million if an individual, \$75 million if not an individual.  <b>2 or More Prior Offenses:</b> Life imprisonment. Fine of not more than \$20 million if an individual, \$75 million if not an individual.
Cocaine Base (Schedule II)	28–279 grams mixture		280 grams or more mixture	
Fentanyl (Schedule II)	40–399 grams mixture		400 grams or more mixture	
Fentanyl Analogue (Schedule I)	10–99 grams mixture		100 grams or more mixture	
Heroin (Schedule I)	100–999 grams mixture		1 kg or more mixture	
LSD (Schedule I)	1–9 grams mixture		10 grams or more mixture	
Methamphetamine (Schedule II)	5–49 grams pure or 50–499 grams mixture		50 grams or more pure or 500 grams or more mixture	
PCP (Schedule II)	10–99 grams pure or 100–999 grams mixture		100 gm or more pure or 1 kg or more mixture	

PENALTIES		
Other Schedule I & II drugs (and any drug product containing Gamma Hydroxybutyric Acid)	Any amount	<b>First Offense:</b> Not more than 20 yrs. If death or serious injury, not less than 20 yrs, or more than life. Fine \$1 million if an individual, \$5 million if not an individual.  <b>Second Offense:</b> Not more than 30 yrs. If death or serious bodily injury, life imprisonment. Fine \$2 million if an individual, \$10 million if not an individual.
Flunitrazepam (Schedule IV)	1 gram	
Other Schedule III drugs	Any amount	<b>First Offense:</b> Not more than 10 years. If death or serious injury, not more than 15 yrs. Fine not more than \$500,000 if an individual, \$2.5 million if not an individual.  <b>Second Offense:</b> Not more than 20 yrs. If death or serious injury, not more than 30 yrs. Fine not more than \$1 million if an individual, \$5 million if not an individual.
All other Schedule IV drugs	Any amount	
Flunitrazepam (Schedule IV)	Other than 1 gram or more	<b>First Offense:</b> Not more than 5 yrs. Fine not more than \$250,000 if an individual, \$1 million if not an individual.  <b>Second Offense:</b> Not more than 10 yrs. Fine not more than \$500,000 if an individual, \$2 million if other than an individual.
All Schedule V drugs	Any amount	

Updated November 8, 2023



## Appendix C – Federal Trafficking Penalties - Marijuana

### FEDERAL TRAFFICKING PENALTIES—MARIJUANA—

DRUG	QUANTITY	1st OFFENSE	2nd OFFENSE *
Marijuana (Schedule I)	1,000 kg or more marijuana mixture; or 1,000 or more marijuana plants	Not less than 10 yrs. or more than life. If death or serious bodily injury, not less than 20 yrs., or more than life. Fine not more than life. Fine not more than \$10 million if an individual, \$50 million if other than an individual.	Not less than 20 yrs. or more than life. If death or serious bodily injury, life imprisonment. Fine not more than \$20 million if an individual, \$75 million if other than an individual.
Marijuana (Schedule I)	100 kg to 999 kg marijuana mixture; or 100 to 999 marijuana plants	Not less than 5 yrs. or more than 40 yrs. If death or serious bodily injury, not less than 20 yrs., or more than life. Fine not more than life. Fine not more than \$5 million if an individual, \$25 million if other than an individual.	Not less than 10 yrs. or more than life. If death or serious bodily injury, life imprisonment. Fine not more than \$20 million if an individual, \$75 million if other than an individual.
Marijuana (Schedule I)	More than 10 kgs hashish; 50 to 99 kg marijuana mixture More than 1 kg of hashish oil; 50 to 99 marijuana plants	Not less than 20 yrs. If death or serious bodily injury, not less than 20 yrs., or more than life. Fine \$1 million if an individual, \$5 million if other than an individual.	Not less than 30 yrs. If death or serious bodily injury, life imprisonment. Fine \$2 million if an individual, \$10 million if other than an individual.
Marijuana (Schedule I)	Less than 50 kilograms marijuana (but does not include 50 or more marijuana plants regardless of weight) marijuana plants;  1 to 49 marijuana plants;	Not less than 5 yrs. Fine not more than \$250,000, \$1 million if other than an individual	Not less than 10 yrs. Fine \$500,000 if an individual, \$2 million if other than individual
Hashish (Schedule I)	10 kg or less		
Hashish Oil (Schedule I)	1 kg or less		

\*The minimum sentence for a violation after two or more prior convictions for a felony drug offense have become final is a mandatory term of life imprisonment without release and a fine up to \$20 million if an individual and \$75 million if other than an individual.

Updated November 8, 2023

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## **Appendix D DATA & INFORMATION SECURITY PLAN AND PROCEDURE**

Created: 1/1/2023

Effective Date: 1/1/2023

### **DATA & INFORMATION SECURITY PLAN AND PROCEDURE PROGRAM**

#### **Overview**

The Gramm-Leach-Bliley Act (GLBA) requires financial institutions to explain their information-sharing practices to their customers and to safeguard sensitive data. Colleges participating in the Federal Student Aid (FSA) programs are subject to the information security requirements established by the FTC for financial institutions. As a financial institution covered under these information security requirements, Dymond Designs Beauty School (DDBS) has developed, implemented, and maintains a comprehensive data and information security program that is designed to create and implement the following: the written incident response, safeguards to control identified risk, monitor and test regularly/daily the effectiveness of our safeguards, train staff, and monitor our service providers by keeping this information security program current. DDBS has qualified staff members that oversee, implement, and report to our boards annually any changes, deletions, additions, and suggestions for this program.

#### **Designated Qualified Employees**

*Marlene Brooks-Director of Operations*

*Roxy Dunlap- Business Center*

#### **Third-Party Contractual IT Company**

*Doug Pettigrew -Electronic Brain Solutions*

*Hartford Insurance*

#### **Information Security Plan**

This Information Security Plan ("Plan") describes safeguards implemented by DDBS to protect covered data and information in compliance with the FTC's Safeguards Rule promulgated under the Gramm Leach Bliley Act (GLBA). With the use of the following updated firewall configuration, protection, and security software called Huntress, Webroot, Canari, RMM Monitoring, and Pen Testing Scanning. These safeguards are provided to:

- Ensure the security and confidentiality of covered data, student and information;
- Protect against anticipated threats or hazards to the security or integrity of such information; and

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- Protect against unauthorized access to or use of covered data and information that could result in substantial harm or inconvenience to any customer.

### **Information Security Program**

DDBS has developed written policies and procedures to manage control information such as identity and assess the risks that may threaten covered data and information maintained by DDBS. Directories have been created and controlled to allow for the sharing of data in one centralized controlled location. There are adjustments for the future of this program which includes annual and daily meetings and discussions around technology with Staff, Board Members, and IT Contractors which will allow DDBS to reflect on any changes in technology, the sensitivity of covered data/information, and internal or external threats to information security.

### **Risk Management & Compliance Assessment of Risks to Customer Information**

Risk assessments are conducted to identify, quantify, prioritize, and manage risks. Controls, which are applicable to each situation, have been applied to avoid violations of any legal obligation (e.g., statutory, regulatory, or contractual) which is also assessed through Electronic Brain Solutions (EBS). DDBS recognizes that it is exposed to both internal and external risks, including but not limited to the following:

- **Unauthorized Access:** For unauthorized access of covered data and information by someone other than the owner of the covered data and information access control is done by specific sharing with only one person having access to specific data. In addition, DDBS has implemented a policy for risk management & compliance by locking doors, locking computer screens when not in use and not leaving data on screen when not in use, and the use of strong computer passwords. This plan will assist with making sure that data/information is not compromised as result of system access by any unauthorized person.

**Interception of Data:** The business center at DDBS is responsible for the set-up and management of all email systems through Microsoft. Every message that is sent from the Microsoft account is encrypted. Employees do not use Gmail accounts to send anything with PII. Offsite data backup is encrypted at transit and at rest.

Western Digital Backup is used along with an image backup to the cloud to ensure that data/information is protected offsite with encryption. It is also used for detecting and remediating errors in the system, corruption of data, unauthorized access of covered data and information, unauthorized request for covered data and information/pretext calling which is followed by DDBS policy and procedure that states that no one will be allowed access to pii of another person, unauthorized access through hardcopy files/reports(files are kept in a fire proof locked

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cabinet in the padlocked data room) and unauthorized transfer of covered data and information through third party(third parties are vetted and not allowed access to data without an escort of DDBS personnel).

Recognizing that this may not represent a complete list of the risks associated with the protection of covered data and information, and that new risks are created regularly, the DDBS Information Security Program Coordinator along with the third-party contractor Electronic Brain Solutions, will actively participate and monitor appropriate cybersecurity advisory groups for identification of risks. There is also an annual 3<sup>rd</sup> party penetration testing and remediation assessment that is conducted.

Current safeguards are implemented, monitored, and maintained by the DDBS Information Security Program Coordinator and Electronic Brain Solution (third-party contractor) are reasonable, and considering current risk assessments are sufficient to provide security and confidentiality to covered data and information maintained by the school. Additionally, these safeguards reasonably protect against currently anticipated threats or hazards to the integrity of such information.

#### **Personnel Security Policy and Procedure**

References and/or background checks (as appropriate, depending on position) of new employees working in areas that regularly work with covered data and information, financials, and financial aid are checked. DDBS has contractual agreements in place that target keeping client information secure.

#### **Training & Awareness Policy and Procedure**

Employees are taught what is acceptable regarding client data which allows staff to become educated on the secure use of all applications and technology solutions During employee orientation, each new employee in these departments receives proper training on the importance of confidentiality of student hard-copy and digital records, user-groups, student financial information, and all other covered data and information. Each new employee is also trained in the proper use of computer information and passwords. Training includes controls and procedures to prevent employees from providing confidential information to an unauthorized individual, as well as how to properly dispose of documents that contain covered data and information. These training efforts should help minimize risk and safeguard covered data and information. Refresher training is required on an annual basis.

#### **Physical Security Plan/ Policy**

DDBS has addressed the physical security of covered data and information that will allow unauthorized parties the inability to access sensitive data by limiting access to only those employees who have a legitimate business reason to handle such information. For example, financial aid applications, income and credit histories, accounts, balances, and transactional information are available only to DDBS employees with an appropriate business need for such

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information. Furthermore, each department is responsible for maintaining covered data and information and is instructed to take steps to protect the information from destruction, loss, or damage due to environmental hazards such as fire and water damage or technical failures. This Plan/Policy has been implemented, this plan is implemented for permitting and enabling physical access to alternate authorized individuals (e.g., in the event primary authorized individuals are sick or not available).

### **Information Systems Network Security Plan/Policy**

Access to covered data and information via DDBS computer information system is limited to those employees and faculty who have a legitimate business reason to access such information. DDBS has policies and procedures in place including but not limited to access controls list for any data stored on the server to complement the physical and technical safeguards to provide security to DDBS information systems. Social security numbers are considered protected information under both GLBA and the Family Educational Rights and Privacy Act (FERPA).

The following are existing controls:

- Authorized individuals only.
- Workstations with passwords.
- Information sent electronically is encrypted and sent by authorized individuals only.
- Vulnerabilities on both network and systems are constantly monitored and addressed.
- All systems must be managed on a managed services platform to ensure systems are patched when needed.
- Unauthorized access to third parties is not permitted.

**Logical Access-** Processes are in place to ensure unauthorized access to systems does not take place, users setup using permissions and groups based on job function by doing the following:

- All users must have unique ID's not only for windows but for 3<sup>rd</sup> party software as well.
- Email's systems have unique user ID's/Passwords in place.
- User rights must be adjusted as needed for employees' current job function.

**Operations Management-** Operating systems are established to protect documents, computer media, tapes, removeable media, disks, input/output data and system documentation to protect sensitive information from unauthorized disclosure, modification, removal, and destruction by doing the following:

- All sensitive data is handled appropriately by the authorized person.
- Equipment containing data that has been decommissioned or repaired must have any data wiped to DOD standards provided the hardware contains any data.
- IT providers will test as needed at their facility.
- Employees will have other employees with different job functions check and double check that data has been entered correctly and is not mistakenly modified.

- Any changes must be discussed with the designated employee(s) that are trained in how to appropriately use equipment/software that was modified to prevent errors and/or risks.

### **Management of System Failures**

DDBS Information Security Program Coordinator has developed procedures to detect any actual or attempted attacks on DDBS systems and has detailed instructions for responding to an actual or attempted unauthorized access to covered data and information. In the event of a system failure The Program Coordinator/Contractual IT Company must first discover the cause of failure (If the failure was due to corrupt files or a hardware failure, addressing/fixing the issue and then restoring from backup), if the cause of the failure is determined to be a third party attack or something malicious, each machine effected should be disconnected from the network but kept running. It is important to contact the cybersecurity insurance provider first for guidance as to how to proceed within the parameters of policy.

### **Oversight of Service Providers**

Electronic Brain Solutions and DDBS will oversee the oversight of service providers by the requirements of the GLBA. DDBS has taken reasonable steps to select and retain service providers who maintain appropriate safeguards for covered data and information. This Information Security Program ensures that such steps are taken by contractually requiring service providers to implement and maintain such safeguards.

### **Continuing Evaluation and Adjustment**

The Information Security Program will be reviewed annually by the schools' boards, staff, and 3<sup>rd</sup> party IT company, and will be subject to periodic review and adjustment. Continued administration of the development, implementation and maintenance of the program will be the responsibility of the designated Information Security Program Coordinators, who will assign specific responsibility for technical (IT), logical, physical, and administrative safeguards implementation and administration as appropriate.

### **Procedure for Reporting Security Breaches to Students and the Department**

The Department considers any breach in the security of student records and information to be a demonstration of a potential lack of administrative capability.

Schools' SAIG Agreements include a provision that schools must notify the Department at CPSSAIG@ed.gov the same day of actual breaches as well as suspected breaches of the security of student records and information, and ED strongly encourages schools to notify their students of the breach at the same time.

In their reports to the Department, schools should include the following:

- Date of breach (suspected or known)



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- Impact of breach (# of records, etc.)
  - Method of breach (hack, accidental disclosure, etc.)
  - Information Security Program Point of Contact - Email and phone details
  - Remediation Status (complete, in process - with detail)
  - Next steps (as needed)

If you cannot email, contact the Departments security operations center (EDSOC) at 202-245-6550 to report data listed above. EDSOC operates 24 hours a day, seven days per week.

### **Procedures to Maintain Compliance with the GLB Act Re: Personally Identifiable Information (PII)**

7. All records containing pii are stored and maintained in a secure location.
  - a. Paper records and files are always stored in a locked fireproof cabinet in a locked room. The School Director of Operations controls access to these areas.
  - b. All stored data are protected against destruction or potential damage by employing fire-proof cabinets.
  - c. Paper records are also stored on secure server whose access is controlled by the Information Security Program Coordinator, Electronic Brain Solutions. Access to this information is password protected and not available to students.
  - d. Staff computers are password protected and students do not have access to them.
  - e. Student and employee PII are not stored on any computer system with a direct internet connection.
  - f. All student information is backed up daily through Electronic Brain Solution. All credit card information is processed through QuickBooks.
8. All electronic transmissions of student and employee PII are secure.
  - a. Social Security information, IRS information, and other sensitive financial data transmitted to DDBS directly from students shall use a secure connection such as a Secure Sockets Layer (SSL) or other currently accepted standard. This is so that the security of such information is protected in transit. Such secure transmissions are automatic. Students are advised against transmitting sensitive data via electronic mail.
  - b. DDBS contractually requires that inbound transmissions of PII, delivered to DDBS via other means, be encrypted or otherwise secured.
  - c. All outbound transmissions of PII are secured in a manner acceptable to the Information Security Program Coordinator. If PII must be transmitted to DDBS by e-mail, such transmissions are password protected or otherwise secured against compromise at the discretion of the Information Security Program Coordinator.
  - d. The Information Security Program Coordinator and third-party services review all student applications to ensure an appropriate level of security both within DDBS and within the third-party server and the IRS.

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9. All paper transmissions of student and employee information by DDBS are secure.
    - a. Any PII delivered by DDBS to third parties are always kept sealed.
    - b. Paper-based student/employee information is never left unattended in an unsecured area.
    - c. All paper transmission of student and employee information is stored in a fireproof locked cabinet inside a padlocked records room.
  10. All PII is disposed of in a secure manner.
    - a. The Information Security Program Coordinator will supervise the disposal of all records containing PII.
    - b. Paper-based PII is shredded and stored in a secure area until a disposal or recycling service picks it up.
    - c. All hard drives, diskettes, magnetic tapes, or any other electronic media containing PII shall be erased and/or destroyed prior to disposal. All hardware is recycled.
    - d. All PII is disposed of in a secure manner after any applicable retention period.
  11. The Information Security Program Coordinator maintains an inventory of School computers and handheld devices on or through which PII may be stored, accessed, or transmitted.
  12. The Information Security Program Coordinator develops and maintains appropriate oversight and audit procedures to detect the improper disclosure or theft of student information.

### **Information Security Program Policies and Procedures**

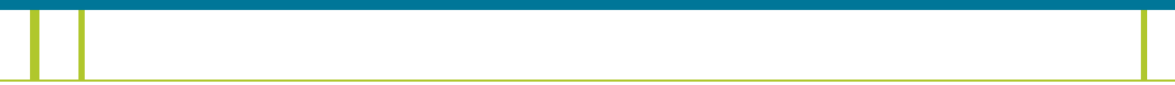
By using an updated firewall configuration, protection, and security software (huntress, Webroot, canari, RMM Monitoring, and Pen testing Scanning) DDBS continues to keep the objectives of the Information Security Program. DDBS implements, maintains, and enforces the following attack and intrusion safeguards to detect, prevent, and respond to attacks, intrusions, or other system failures.

DDBS employs Rollcall educational management software and Boston Educational Network, a fully encrypted school interface. Participating school administrators must be secured with a unique logon ID and password for access.

### **The Information Security Program Coordinator(s):**

DDBS Information Security Program Coordinator is Marlene Brooks (Director of Operations), and Roxy Dunlap (Business Center Coordinator). They are responsible for ensuring DDBS has adequate procedures in place to address any compromise of DDBS's information safeguards. The procedures include appropriate responses to specific types of attacks i.e., hackers, general security failure, denial of access to databases and computer systems, etc.





Based on the information contained in the questions below, there is a mix of hardware and software solutions to help protect and defend DDBS's infrastructure. The coordinators are responsible for the following:

1. Maintaining a working knowledge of appropriate technology for the protection of student PII.
2. EBS trains SpecOps on a weekly basis along with other training throughout the year.
3. Ensuring that DDBS has installed the most recent updates needed to resolve software vulnerabilities, the Information Security Program Coordinator periodically communicates with DDBS's computer vendor.
4. Making sure updates are installed automatically 4-5 days after they are released. They are monitored for any issues or failures. Third party patching occurs as updates are released.
5. Ensuring DDBS utilization of anti-virus and EDR software that updates automatically.  
Currently using Webroot monitored Anti-virus along with Canuri for ransomware protection and huntress for IDS and EDR.
6. Ensuring that DDBS maintains up-to-date firewalls. Firewall is updated per schedule of releases from the firewall company.
7. Managing DDBS's information security tools for employees and passing along updates about any security risks or breaches. Updates provided related to DDBS's specific infrastructure.
8. In the event of a computer or other technological failure, the Information Security Program Coordinator's will implement previously established procedures to preserve the security, confidentiality, and integrity of student PII. Electronic Brain Solutions will be managing or making repairs so they will know where the data is located and who is accessing it. Once the computer dies, Electronic Brain Solutions will destroy (physically) the hard drive and recycle the computer.
9. Ensures that access to student information is granted only to legitimate and valid users. The student information that resides on the server is access controlled by active directory logins.
10. Notifies students promptly if their PII is compromised.

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**DDBS has established a way for a person whose “personal identification information” was the subject of a” data breach” in compliance with the mandatory “data breach” notification statutes or regulations to contact students if PII is found to be compromised and a monitoring service that provides “data breach” victims with credit, fraud, public records or other monitoring alerts through Electronic Brain solutions as well as services that are covered under The Hartford.**

### **Cyber Incident Response Plan/Policy**

In the event of a cyber-incident (ransomware, breach, successful phishing attack etc....) the qualified coordinators or IT provider must do the following:

5. Disconnect the computer from the network but keep the system powered on. This may be done with huntress software but if not, it will require someone to physically disconnect the machine.
6. After the qualified individual has been alerted, they will reach out to Electronic Brain Solutions if that has not already been done.
7. The coordinator or Electronic Brain solutions will contact The Hartford which provides the cyber liability policy for instructions on how to proceed.
8. The Hartford will indicate the next steps and if a 3<sup>rd</sup> party investigator or response unit will be needed.

### **Physical Incident Policy**

In the event of a physical disaster (fire, flood, etc.) the following must be performed:

7. The coordinator must have access to the school to assess the damage to physical storage as well as technology.
8. After the assessment The Hartford insurance company will be notified.
9. An onsite evaluation of all IT equipment will be performed by the qualified coordinators and Electronic Brain Solutions.
10. After the assessment of any damage by the IT coordinator and Electronic Brain Solutions is performed and if a new server or solution is needed to restore the backup files and get the business applications up and running must be functioning as soon as possible.
11. Physical media will also be evaluated for damage and restoration possibilities.
12. If physical IT equipment is rendered useless, a virtual machine will be created in the cloud and all data, and all data and information temporarily migrated to that server.

### **Incident Management Policy**

A consistent approach to managing information security incidents, consistent with applicable law is in place to handle information security events and weaknesses once they are reported by doing the following:

- reporting any security incidents by documenting the incident completely. Logs and any other evidence of a “security breach” are saved for review.
- Measures to correct any breaches are taken immediately to stop ongoing attacks if found.

### **Business Continuity Management Policy**

Backup and recovery plans are documented, distributed, through the organization and easily obtained by office personnel if an event occurs by doing the following:

- Any Backup and recovery options that are presented to DDBS are reviewed regularly to ensure that the best plan is in place per DDBS needs.
- Currently all data is backed up offsite and tested for recoverability in the event of data loss.

### **Threat Assessment Policy**

This policy is in place to detect and prevent malware, phishing, compromised credentials or passwords along with sabotage and or fire by doing the following:

- The use of the anti-virus with Webroot.
- Constant monitoring with Huntress and anti-ransomware with Canuri.
- Monitoring via RMM.
- Firewall logs and updates.
- Backups both onsite and offsite are performed for disaster recovery.

### **Records Policy**

This policy explains how records are protected including stored information such as: financial records school (restricted), financial records student(private), tax information(restricted), loan applications(restricted), employee HR information(restricted), employee contact information(private), student contact information(private), student account balances(private), website content(public), student personal information(private), parent personal information(private), client personal medical information(private), student financial aid information(private), student grades and attendance(private), emergency contact(private), student paper files(private), student digital files(private). These are the procedures as follows:

- Working with Galactic Scan.
- Penetration testing is done annually.
- All information transferred to DDBS.
- Huntress 24/7
- SOC reviews possible incidents and removes nodes from the network if necessary.
- Traditional anti-virus by Webroot
- Monitoring by RMM.
- Canuri is staffed 24/7 and has alerts for any attempts to remove ransomware.
- Data housed on a specific drive or specific program named Rollcall which doesn't have encrypted database but relies on the security of the server where it resides.

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## **INSURANCE to COVER DATA and INFORMATION**

### **The Hartford Data Breach Response Expense Policy and Procedure**

The Hartford will pay for “data breach expenses” that DDBS incurs because of a “data breach” of personally identifiable information. The following is the procedure in event of a loss you must:

- Report the “data breach” to The Hartford within 30 days of the discovery of the “data breach.”
- Immediately record the specifics of the “data breach” and the date discovered.
- Cooperate with the investigation of the “data breach.”
- Assist The Hartford, upon request in the enforcement of any right against any person or organization which may have accessed, stolen or disclosed the information or data giving rise to a “data breach.”
- DDBS may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without prior written consent.
- DDBS has 1 year from the date of reporting a “data breach” to initiate services provided to the school.
- As soon as possible, give The Hartford should be told the description of how, when and where the “data breach” occurred, including but not limited to all the following, information as it becomes known to you:
  1. The method of “data Breach”
  2. The approximate date and time of the “data breach”
  3. The approximate number of files compromised because of the “data breach.”
  4. A detailed description of the type and nature of the information that was compromised.
  5. Whether or not the information was encrypted, and if so, the level of encryption.
  6. Whether or not law enforcement has been notified
  7. If available, the place of domicile for all persons whose “personally identifiable information” was the subject of a “data breach.”
  8. If available, who received the information contained in the “data breach.”
  9. Any other access, information or documentation were reasonably required to investigate or adjust the loss.
  10. Take all reasonable steps to protect “personally identifiable information” remaining in your care, custody, or control.
  11. Preserve, and permit us to inspect, all evidence of the “data breach.”
  12. If requested, permit The Hartford to question DDBS under oath, orally or in writing, at such times as may be reasonably required about any matter relating to the insurance or loss, including copies of DDBS books and records. In answering questions in writing DDBS answers must be signed.

### **The Hartford Data Breach Defense Policy and Procedure**

The Hartford will pay for “loss” on behalf of DDBS resulting from a “data breach claim” if the following conditions are met:

- The “data breach claim” was first made against DDBS during the policy period. A “data breach claim” will be deemed to have been made when notice of such “data breach claim” is received by you or by The Hartford, whichever comes first.
- DDBS had no knowledge of the “data breach” out of which the “data breach” arises.
- The “data breach claim” is reported to The Hartford within 30 days after you receive notice of the claim, but in no event later than 30 days after the end of the “policy period.”
- The “data breach” must involve “personally identifiable information” that was held by DDBS or on behalf in the “coverage territory.”
- DDBS must cooperate with The Hartford in any investigation, settlement or defense of the “data breach claim”, and assist The Hartford, upon their request in the enforcement of any right of recovery regarding any payment of “loss” under DDBS Data Breach Policy. DDBS must execute all papers required and do everything necessary to secure and preserve such rights, including the execution of any documents needed to enable The Hartford to bring suit in DDBS’s name.
- DDBS may not, except at our own cost, voluntarily make a payment, assume any obligation, or incur any expense without prior written consent.
- DDBS must take all reasonable steps to protect “personally identifiable information” remaining in the care of DDBS.
- DDBS must preserve all evidence of the “data breach”.

DDBS has established crises management services through Electronic Brain Solution that will be able to perform services a way for a person whose “personal identification information” was the subject of a “data breach” in compliance with the mandatory “data breach” notification statutes or regulations to contact students if PII is found to be compromised.

## **Definitions**

**Covered data and information** - for the purpose of this program includes student financial information (defined below) that is protected under the GLBA. In addition to this coverage, which is required under federal law, DDBS chooses as a matter of policy to include in this definition all sensitive data, including credit card information and checking/banking account information received during business hours by the school, whether such information is covered by GLBA. The covered data and information will include both paper and electronic records.

**Pretext calling** - occurs when an individual attempts to improperly obtain personal information of DDBS customers to be able to commit identity theft. It is accomplished by contacting the school, posing as a customer or someone authorized to have the customer's information, and using trickery and deceit, convincing an employee of the school to release customer-identifying information.

**Student financial information** - is that information that DDBS has obtained from a student or customer in the process of offering a financial product or service, or such information provided to the school by another financial institution. Offering a financial product or service includes offering student loans to students, receiving income tax

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information from a student's parent when offering a financial aid package, and other miscellaneous financial services. Examples of student financial information include addresses, phone numbers, bank and credit card account numbers, income and credit histories and Social Security numbers, in both paper and electronic format.

**Data Breach-** means loss, theft, accidental release or accidental publication of “personally identifiable information”, or circumstances objectively giving rise to a substantial risk that such a loss, theft release, or publication has occurred.

**Data Breach Expense-** Notification expenses to notify a person whose “personally identifiable information” was a subject of a “data breach” notification statutes or regulations.

**Loss-** meaning civil awards, settlements, and judgments (including any award or prejudgment interest), expenses incurred in the defense of a “regulatory proceeding.”

**Regulatory Proceeding-** meaning an investigation, demand or proceeding, including a request for information, brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other administrative or regulatory agency, or any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity seeking relief based upon a “data breach.

FTC regulations: 16 CFR 313.3(n) and 16 CFR 314.1–5 Gramm-Leach-Bliley Act: Sections 501 and 505(b)(2) U.S. Code: 15 USC 6801(b), 6805(b)(2)

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### CITIZEN OR ELIGIBLE NONCITIZEN

#### Policy Reason

To be eligible to receive federal, state, or institutional financial assistance, you must be a U.S. citizen or eligible non-citizen. You may be required to submit proof of your citizenship status before your financial aid application can be considered complete.

#### Federal Student Aid Eligibility Requirements

A student must meet certain requirements to be eligible for financial aid. Those requirements are:

- Must be enrolled in a program of study and pursuing a degree/certificate/other credential;
- Must be a US Citizen;
- Must have a valid social security number;
- May not be in default on a federal student loan or have an overpayment on a federal grant;
- Must meet the requirements for Student Academic Progress (SAP);
- Incarcerated students who are serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, or similar correctional institution have limited financial aid eligibility depending on the type of institution they are incarcerated in, as students are not considered to be incarcerated if in a halfway house or home detention or is sentenced to serve only weekends. Incarcerated students are not eligible for FSA loans but are eligible for Federal Pell Grants if not incarcerated in a federal or state penal institution.

#### Legal Name Information

Enter your full legal name on your financial aid application. Do not use a preferred name or nickname on your financial aid, admission, or other enrollment applications.

Your legal name is typically found on your Social Security Card. If you are a U.S. citizen, you must answer “U. S. Citizen” to the FAFSA question “Are you a U.S. citizen?” If you are a U.S. Permanent Resident or other eligible non-citizen, you must answer “Eligible Non-citizen” and then enter your 9-digit USCIS/ Alien Registration Number on the FAFSA.

#### Immigration Status Documentation

If after following the steps specified above you receive a request for proof of citizenship, you must submit acceptable documentation of your citizenship status to the financial aid office at DDBS.

#### Acceptable Documentation for U.S. Citizens

- A copy of your U.S. Passport, signed on the line which reads “Signature of Bearer;”

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- A copy of your U.S. Certificate of Citizenship or U.S. Certificate of Naturalization. This must be signed in two places: on the photo itself and also on the line which reads “True and Complete Signature of Holder;”
- A copy of your U.S. Passport card;
- If you are a U.S. Citizen who was born *in the U.S.*, you may provide a copy of your Birth Certificate;
- If you were born abroad and at least one parent (adoptive or biological, with legal custody of you) became a U.S. Citizen before you reached the age of 18, you are probably a naturalized citizen under the Child Citizenship Act of 2000. Nevertheless, to establish eligibility for federal financial aid you must provide a signed U.S. Passport, a U.S. passport card, or a signed U.S. Certificate of Citizenship. If you have applied for but have not yet been issued a U.S. Passport or U.S. Certificate of Citizenship, you must provide a statement attesting to that fact. In that case, you must also submit ALL of the following documents: a written explanation of your status, a copy of your legal parent’s signed U.S. Passport or signed Certificate of Citizenship, and a copy of the front/back of your U.S. Permanent Resident Card, if in your possession. You will be required to present **in person** your recently obtained signed U.S. Passport or U.S. Certificate of Citizenship.

### Acceptable Documentation for U.S. Permanent Residents

- A clear copy of the front and back of your U.S. Permanent Resident Card (not expired);
- A copy of your Machine-Readable Immigrant Visa (MRIV), which serves as temporary I-551.

### Acceptable Documentation for Other Non-citizens

If you are not a U.S. Citizen or US Permanent Resident, **but believe you may still be eligible for federal aid**, please provide **clear copies** of as many of the following documents as possible:

- All letters ever received from the Department of Homeland Security (often labeled I-797, I-797A, or I-797C). You may also provide any emails received from the Department of Homeland Security.
- The photo page of your current and previous foreign passport;
- All visa stamps for the U.S. in your current and previous passports.
- All I-94’s and I-94A’s (both current and previous). In addition to providing copies of the paper I-94 in your passport, it is also advised that you retrieve and print an electronic copy of your I-94 from the U.S. Department of Homeland Security.
- U.S. Employment Authorization Card.

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- Your Form I-485 Application to Register Permanent Resident status.

Once received, the above documents will then be matched with DHS records to verify that you hold a status that makes you eligible for the receipt of federal financial aid. Information on non-U.S. Citizens who qualify for federal student aid may be found on the U.S. Department of Education website.

### **Deferred Action for Childhood Arrivals (DACA), Temporary Protected Status (TPS), and Undocumented Students**

Undocumented students, and those in DACA or TPS status are not eligible for federal financial aid.

### **International Students**

Eligibility for federal need-based aid is limited to U.S. citizens and eligible non-citizens.

## **SECONDARY CONFIRMATION**

### **Policy Reason**

To establish institutional procedures for completing secondary citizenship confirmation.

### **Secondary Confirmation Process**

Written procedures establish that within 10 business days after DDBS receives the documentary evidence of immigration status submitted by a student that is required to undergo secondary confirmation, that the school completes the request portion of the Immigration and Naturalization Service (INS) Document Verification Request Form G-845, copy front and back sides of all immigration-status documents received from the student and attach copies to the Form G-845; and submit Form G-845 and attachments to the Financial Aid Office.

DDBS has established the following procedures relative to the secondary citizenship confirmation process for Title IV financial aid applicants who have indicated that they are eligible non-citizens or permanent residents of the United States. If the primary confirmation process does not confirm eligible Title IV applicant status and the student submits reasonable evidence of eligible status, the school will initiate the secondary confirmation process.

**ALL STUDENTS WHO INDICATE AN ELIGIBLE STATUS BUT WHOSE ELIGIBLE STATUS IS NOT CONFIRMED BY THE CENTRAL PROCESSING SYSTEM OUTPUT DOCUMENT WILL BE GIVEN A COPY OF THESE PROCEDURES.**

1. Students have thirty (30) days from the date DDBS receives the output document or thirty (30) days from the student's receipt of this document (whichever is later) to submit documentation for consideration of eligible non-citizen status.

2. Failure to submit the information by the deadline prevents DDBS from disbursing any Title IV funds or certifying the student as eligible for any Title IV funds.
3. DDBS will not make the decision regarding “eligible non-citizen” status without the student having the opportunity to submit documentation supporting a claim of eligibility.
4. Students must submit documentation of their current immigration status to the Financial Aid Office. This documentation must be an official document from the Immigration and Naturalization Service (INS). In order to initiate the required process, students must submit INS documents which are legible and which demonstrate the latest status with INS.

In the instance that FSA funds are disbursed but the financial aid office later determines (using secondary confirmation) that the student is not an eligible noncitizen, the student must be notified of his or her ineligibility and given an opportunity to contest the decision by submitting to DDBS any additional documents that support their claim to be an eligible noncitizen. If the documents appear to support the student’s claim, DDBS will submit them to U.S. Citizenship and Immigration Services (USCIS) using paper secondary confirmation. The student will be notified of the final decision, based on the secondary confirmation results.

### THIRD STEP VERIFICATION

#### Policy Reason

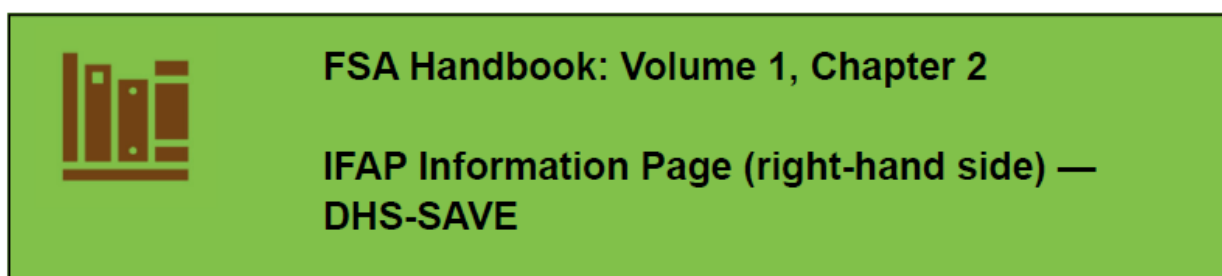
To establish institutional procedures for completing the third step citizenship verification

#### Third Step Verification Process

If the student doesn’t pass the primary or secondary citizenship matches with DHS or if you have conflicting information about his immigration status after receiving a match result, you must review the record for third step verification.

- Request the student’s most current, unexpired immigration document(s).
- Carefully review the student’s immigration documentation and determine if it supports eligibility for federal student aid.
- If it does not support an eligible status, you can tell the student that he is not eligible now, but may be eligible if/when he provides eligible noncitizen documentation.

If student appears eligible, school users will then submit the documentation and student information for review by the United States Citizenship and Immigration Services (USCIS) through the Systematic Alien Verification for Entitlements (SAVE) system.



### ABILITY TO BENEFIT

DDBS does not accept ability to benefit (ATB) students at this time.

### STUDENT ELIGIBILITY – HIGH SCHOOL COMPLETION

#### Policy Reason

To receive federal student aid funds, a student must be qualified to study at the postsecondary level. A student qualifies if they:

- Have a high school diploma (this can be from a foreign school if it is equivalent to a U.S. high school diploma);
- Have the recognized equivalent of a high school diploma, such as a
- Have a General Educational Development (GED) certificate or other state certificate;
- Have completed homeschooling at the secondary level; or
- Have the 'ability to benefit' from the education (ATB). (ATB is not accepted at DDBS.)

#### High School Completion Required for Admission at DDBS

If a student indicates on the FAFSA that they a diploma or high school equivalency certificate, the School isn't required to ask for a copy. However, DDBS requires a diploma for admission, therefore, the Financial Aid Office must rely on that copy of the diploma or high school equivalency certificate and not on the student's certification alone. By having such an admission

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requirement, it is assumed that all admitted students' high school completion or its equivalent has been confirmed. If DDBS has reason to believe that the high school documentation is not valid, the financial aid administrator must evaluate the validity of the student's high school completion.

Students who indicate on their FAFSA that they graduated high school must give the name, city, and state of the high school. The online and mobile FAFSAs will not allow students to skip these items, will have a drop-down list of both public and private high schools populated by the National Center for Education Statistics (NCES).

Snippet of FAFSA high school completion question:

27. What is the name of the high school where you received or will receive your high school diploma?  
Enter the complete high school name, and the city and state where the high school is located.

High School Name	<input type="text"/>	STATE <input type="text"/>
High School City	<input type="text"/>	

If student indicates, “none of the above” to the FAFSA question, “What will your high school completion status be when you begin college...,” the financial aid administrator will contact the student for further clarification.

### High School Diploma Verification Policy

The Department recognizes several equivalents to a high school diploma:

- General Educational Development (GED) certificate;
- Certificate or other official completion documentation demonstrating that the student has passed a state-authorized examination that the state recognizes as the equivalent of a high school diploma (certificates of attendance and/or completion are not included in this qualifying category);
- Associate degree;
- Successful completion of at least 60 semester or trimester credit hours or 72 quarter credit hours that does not result in the awarding of an associate degree, but that is acceptable for full credit toward a bachelor's degree at any institution: or
- Enrollment in a bachelor's degree program where at least 60 semester or trimester credit hours or 72 quarter credit hours have been successfully completed, including credit hours transferred into the bachelor's degree program;
- Foreign diplomas;
- For a student who enrolls without completing high school, a transcript indicating the student has excelled in high school.
  - The student must no longer be enrolled in high school, must satisfy your school's written policy for admitting such students, and must be starting a program that leads at least to an associate degree or its equivalent.

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- Note that merely possessing a certificate of attendance is not sufficient for a student to be Title IV aid eligible.
- Such a certificate may be issued without a student having completed all of the academic graduation requirements, including passing any required examinations.
- A state must consider a certificate or high-school-completion-equivalency test as equivalent to a high school diploma in that state in order for it to be considered equivalent to a high school diploma for Title IV aid eligibility purposes.

### High School Diploma Verification Procedure

#### *Responsibilities of the Financial Aid Administrator:*

- Accept the diploma,
- Review for accuracy,
- Verify all high school diplomas with policy,
- Diploma mills and Ability to Benefit are not accepted, and
- Send to Third Party Servicer for their approval, if there is doubt of the validity of document.

### Foreign Diploma Policy

Must have evidence that verification of a foreign high school diploma has been performed by an outside agency that is qualified to translate documents into English and confirm the academic equivalence to a U.S. high school diploma.

- 1) Note: High school diplomas/transcripts from other countries are acceptable toward the student eligibility general requirement, as long as the diploma is equivalent to a U.S. high school diploma.
- 2) Documentation of proof of completion of secondary education from a foreign country must be officially translated into English and officially certified as the equivalent of high school completion in the United States, at your own expense.

At student's expense the student can contact one of the Translation/Evaluation Companies (check with your state to see which ones meet their requirements) for an official certification and translation of the student's foreign high school diploma or transcript:

Fees vary by each organization and type of evaluation and translation requested.

### Foreign Diploma Procedure

#### *Responsibilities of the Financial Aid Administrator:*

- Don't accept foreign diploma if it is not translated;
- If unsure, accept the diploma;
- Review for accuracy;
- If there is concern that diploma is from a diploma mill, investigate;
- Student may be required to provide another proof of education.

### Diploma Mill Policy

All students must provide evidence that they possess a high school diploma, GED, a home study certificate or transcript from a home-study program that is equivalent to high school level and is recognized by the state of issuance.

In the event the validity of the high school diploma is in question, DDBS will use any or all of the following methods to determine validity.

### Diploma Mill Procedure

We will cross check the diploma with a list of “diploma mills” that has been generated through the industry. If the name of the school issuing the diploma appears on this list the high school diploma will require further investigation including but not limited to determining accreditation status, viewing transcripts provided to the student and viewing the subjects completed by the student.

#### *Responsibilities of the Financial Aid Administrator:*

- Don't accept diploma if it's known to be from a diploma mill;
- If unsure, accept the diploma;
- Review for accuracy;
- If there is concern that diploma is from a diploma mill, investigate;
- Student may be required to provide another proof of education.

### Secondary School Students

DDBS does not accept secondary school students.

### Homeschool Verification Policy

Though homeschooled students are not considered to have a high school diploma or the equivalent, they are eligible to enroll and potentially receive FSA funds if their secondary school education was in a homeschool that state law treats as a home or private school. Some states issue a secondary school completion credential to homeschoolers.

- If this is the case, in the state where the student was homeschooled, they must obtain this credential to be eligible for FSA funds, if the state requires it.
- The student can include in their homeschooling self-certification that they received this state credential.

An eligible institution is defined in part as one that admits as regular students only those who have a high school diploma or the equivalent, are beyond the compulsory age of attendance for the school's state, or are dually enrolled at the college and a secondary school. For students who finish homeschooling at a younger age, the Department considers them to be beyond the age of compulsory attendance if:

- The school's state would not require them to obtain a secondary completion credential as provided under state law; or the student has completed a secondary school education in a homeschool setting that qualifies as an exemption from compulsory attendance under state law.

### **Home School Verification Policy**

#### *Responsibilities of the Financial Aid Administrator:*

- Accept the certificate of completion or transcript;
- Review for accuracy;
- If there is concern that diploma is from a diploma mill, investigate;
- Student may be required to provide another proof of education.

### **Verification Tracking Group**

Students who are selected for verification may be required to provide documentation verifying their high school completion status before they may receive disbursement of federal student aid funds.

The Verification Tracking Groups V4—Custom Verification Group and V5—Aggregate Verification Group both require the submission and review of documents confirming the applicant's high school completion.

Additionally, schools must timely report the results of verification of high school completion to the CPS via FAA Access to CPS Online.

## **COMMENT CODES POLICY AND PROCEDURE**

### **Comment Codes Policy**

DDBS will follow the regulations set forth by ED to resolve student eligibility issues identified on the student's ISIR as C-Codes, citizenship or permanent resident, Selective Service registration, student's default status on FSA loans, etc. DDBS will work closely with BEN to ensure C-Codes are resolved per the rules and regulations set forth by ED.

The School will collect and review the documents related to C-Codes and provide BEN with the documents required for review as well. The student will be notified of the documentation required and will have 14 days to provide the information to the School or they will be responsible for making out-of-pocket payment arrangements with the institution.

The institution will inform the student prior to enrollment of C-Code information that will be needed in order to be eligible for Title IV Funds. If the institution finds that the student will be unable to clear C-Codes that deem the student ineligible for Title IV Funds, the institution will

inform the student that as long as they meet other admissions requirements, they may enroll on a cash payment basis.

The institution will review ISIR items that require C-Code resolution as identified in the annual ED publication of the SAR Comment Codes and Text and work with BEN to ensure the ability to identify all the C-Codes that require resolution.

### **Comment Codes Procedure**

DDBS will create the student's profile information in the BEN system and will follow their "Compliance Delay" to obtain the required documentation needed from the student and parent to resolve the C-Code. The institution will upload via the secure BEN portal the required documents for review or use a password protected e-mail if portal upload is unavailable.

BEN will review the documents and place the file in an "approved" or "rejected" status. Upon approval, BEN will review the documents again and move the file into a "final review" status. During this time, if no further information is needed and the C-Code has been resolved, the student will be ready for awarding/packaging of Title IV Funds.

If the student is placed in a "rejected" status BEN will notify the institution of what else is needed and the institution will inform the student. This process will continue until both BEN and the institution have reviewed and determined that the documentations has cleared any C-Code generated.

If the student receives a subsequent ISIR, after Title IV aid has been awarded by BEN, that generates a C-Code, BEN will place the student's file from "resolved" to "on hold" until C-Code has been resolved and finalized by BEN. The student's Title IV aid will remain on hold and no Title IV aid disbursements will be processed until the C-Code is considered resolved. If the student requires a revised award, BEN will process. The institution and BEN will review. BEN will inform DDBS of any C-Code resolution deficiency that exists upon the completion of the review.

### **Unusual Enrollment History – Comment Code Procedure**

Should a student receive a C-Code Verification of 359 or 360, the school will check NSLDS to obtain a list of all schools attended by the student. The school will inform the student that they must provide a transcript from all schools on the list before financial aid processing can continue.

Once the transcripts are submitted to the school, they are reviewed by the Financial Aid Administrator for compliance. If the transcripts show compliance, BEN is informed, and financial aid processing may continue. Should the transcripts show non-compliance, the student is informed, and options are reviewed based on what the transcripts show.

### VERIFICATION POLICY AND PROCEDURE

#### Reference

Federal Register July 8, 2022 (2023-2024 Verification items & documentation),  
34 CFR 668 Subpart E (668.51 – 668.61), GEN-21-05, GEN-21-06

#### UPDATES

**UPDATE FOR 2022/2023 AWARD YEAR AND BEYOND:** As noted in the September 1, 2021 Federal Register notice and GEN-21-06, starting with the 2022–23 Free Application for Federal Student Aid (FAFSA®) processing year, the Department has removed high school completion status as a verification item under tracking groups V4 and V5. As a result, while high school completion (or recognized equivalent) is still required for Title IV eligibility, institutions will no longer be required to obtain high school completion documentation in order to complete V4 or V5 verification. This means for the V4 tracking group, institutions will only be required to obtain student identity and statement of educational purpose information. For the V5 tracking group, institutions will still verify all items from Verification Tracking Group V1 (financial and tax information, household size and number in college), along with student identity and statement of educational purpose; however, institutions will not be required to obtain documentation of high school completion.

#### Policy Reason

The U.S. Department of Education requires that Federal Title IV applicants provide documentation to verify the accuracy of the information submitted on the Free Application for Federal Student Aid (FAFSA) each year. Federal regulations include verification as part of the Federal Student Aid (FSA) program requirements, and it is required for applicants for most FSA programs with the exception of students receiving only a parent or graduate PLUS loan or an unsubsidized Stafford loan. Each university is required to have policies for verifying the reported information. Federal regulations can be found at:

Federal Student Aid Handbook Application & Verification Guide,  
Chapter 4: Verification, Updates, and Corrections, and  
34 CFR 668.51-61

#### Policy and Procedural Statement

Verification is the process which requires an applicant to provide all documents necessary to verify the accuracy of data related to the calculation of their EFC.

Federal verification guidelines require that applicants are selected for verification by the Central Processing System (CPS) or by the school. At DDBS, federal verification is performed on all

applicants selected by the CPS and any application that the School has reason to believe is incorrect or has conflicting documentation.

Under certain circumstances a CPS selected application may be excluded from some or all of the federal verification requirements due to the following unusual circumstances including: death of the student, not an aid recipient, applicant is eligible to receive only unsubsidized student financial assistance, applicant verified by another school, or post enrollment (the student was selected for verification after ceasing to be enrolled). With the exception of the death of the student, however, none of these exemptions excuse the university from the requirement to resolve conflicting information.

### Deadlines and Failure to Submit Documentation

Documents must be received within two weeks, except for unusual circumstances, or before the U.S. Department of Education's deadline of **September 14, 2024 (2023-2024 academic year)**, whichever comes first. Verification must always be completed before awarding financial aid. If the student provides documentation after the deadline, the School will reevaluate the student's eligibility for subsidized aid and will award aid based on the availability of federal funds at the time of documentation submission. The verification process is complete when the School has received all requested documentation and a valid processed FAFSA report is on file, including any necessary corrections to the report. If the student does not provide the verification documentation or the School does not receive the valid processed FAFSA report by the deadline, the student forfeits his/her Pell grant for the award year.

Federal verification must typically be completed prior to the end of the academic year or before the student ceases enrollment, whichever occurs first. Students who fail to comply with verification requirements, including submitting documentation within required timelines, will not have Federal Title IV funds disbursed and may have Federal Title IV funds cancelled. DDBS considers the student to be the responsible party for providing information and completing the verification process.

### Verification Selection

DDBS identifies the students selected for verification during the financial aid application process by viewing the FAFSA output document called the Institutional Student Information Record (ISIR). A review of the student's financial aid application occurs after ISIR data is received and data entry of required information is completed. The ISIR will provide information about the student and family including a calculated Expected Family Contribution (EFC), document codes identifying specific Federal Verification Policy, information about the applicant data submitted, and written comments. The written messages provide additional information for the applicant to follow. The Federal Verification message for the student reads:

***“Your FAFSA has been selected for a review process called verification. Your school has the authority to request copies of certain financial documents from you and your parent(s).”***

### Verifiable Items

The verification activity will initially compare applicant data for accuracy and completeness and continue to resolve conflicting information. In this process DDBS requires verification of the following items:

For all applicants:

Household size

Number in college

For non-tax filers:

Income earned from work

For tax filers:

Adjusted Gross Income (AGI)

U.S. income tax paid

Income earned from work

Education tax credits (American Opportunity Tax Credit and Lifetime Learning Tax Credit)

Other untaxed income reported on tax return, for example: untaxed portions of Individual Retirement Account (IRA) distributions, untaxed portions of pensions, IRA deductions and payments, tax-exempt interest income.

### *How to Identify When a Student is Selected for Verification*

In order to identify if a student is selected for the verification process, the Financial Aid Administrator must review the student's ISIR for one of the following:

- An asterisk (\*) after the EFC;
- Verification Flag marked "Y" for yes;
- Verification Tracking Flag of V1, V4, or V5 (for the 2023/2024 academic year);
- Comment Code 170 or 171 (Dependent/Independent) will appear in the comments of FAA Section of the ISIR.

### Verification Tracking Groups

Students selected for verification are placed into one of the verification tracking groups. Each group has its own verification requirements, as detailed on the verification worksheets.

- V1 Standard Verification Group
- V2 Reserved
- V3 Reserved
- V4 Custom Verification Group
- V5 Aggregate Verification Group
- V6 Reserved



*Important: Students selected as a V4 or V5 by CPS must have their results reported in FAA Access to CPS Online ([faaaccess.ed.gov](http://faaaccess.ed.gov)) under the “Identity Verification Results” section. Students originally selected in V1 or V4 may be re-selected to the V5 group in a later transaction. Schools must complete the additional applicable verification before any future disbursements are made. Schools will not be liable for prior disbursements based on data available at that time. Verification tracking group changes will be designated with a “C” in the Verification Selection Flag data field on the ISIR.*

### How to Complete the Verification Process

DDBS will provide the student selected for verification with a DDBS Verification Worksheet. DDBS will send the worksheet through email to the email address on file for the student, and will follow-up with mailing a worksheet in the U.S. mail, if necessary. It is the student’s responsibility to submit the verification worksheet along with required documentation and applicable signature(s) promptly to the Financial Aid Office.

To complete the verification process, acceptable documentation may include IRS Tax Transcripts, IRS Tax Forms (1040, 1040A, 1040E, and requested tax schedules), and W-2’s. To resolve discrepancies in reported information, students may be required to submit additional documentation.

See Appendix A for acceptable documentation for verification.

### Updating FAFSA Information

Generally, a student cannot update FAFSA information that was correct as of the date the application was signed because the FAFSA is considered to be a “snapshot” of the family’s financial situation as of that date. For example, if a student’s family sold some stock after signing the FAFSA and spent the proceeds on an automobile or home improvement, the student cannot update the FAFSA to reflect a change in assets. After the FAFSA is signed, only certain items can be updated under the conditions listed below:

- (1) **Dependency Status Change:** If a student’s dependency status changes at any time during the award year, the student must update their FAFSA information. Students that are married after completing the FAFSA should contact the Financial Aid Office for further information.
- (2) **Verification of Household Size or Number in College:** An applicant whose FAFSA information is selected for verification of household size or number in college must update those items to be correct as of the date of verification.
- (3) **Marital Status Change:** The School may require a student to update FAFSA information under paragraph (1) or (2) of this section for a change in the student’s marital status if the School determines that the update is necessary to address an inequity or to reflect more accurately the student’s ability to pay. This update is reviewed on a case-by-case basis.



Note that in order to update the marital status for an already independent student during the award year, the student must be selected for verification (by ED or the School).

### **Correcting Errors on FAFSA Information**

Although a student cannot update FAFSA information that was filed correctly, except under limited conditions as listed above, errors made on the original FAFSA must be corrected. As stated previously, to apply for federal student aid, a student submits a Free Application for Federal Student Aid (FAFSA) to the Central Processing System (CPS). Generally, the FAFSA is submitted through the online process and the student receives from the CPS an electronic summary of their processed FAFSA, known as the Student Aid Report (SAR). Upon receipt of the SAR, the student should review all information listed on the SAR and submit for processing any errors reported on the original FAFSA to the CPS.

Verification results that require changes to the applicant information, and subsequent changes to the student's financial aid package, will be made prior to final disbursement of federal funds. For all students eligible for subsidized Title IV aid, DDBS will make appropriate changes to the student information electronically through the Department of Education's CPS to ensure each student has a correct valid ISIR. The student will be notified of this adjustment through email.

A student must be notified if their Title IV eligibility has changed as a result of the completion of verification.

### **Threshold for Submitting Changes**

After completing verification, the school may determine that certain data elements need to be corrected or updated. Changes to data resulting from verification must be submitted for reprocessing if they were to a non-dollar item or a single dollar item of \$25 or more. A non-dollar data item would be any field not presented in dollar values, such as household size or number in college.

If just one item meets the threshold for a required change, then all inaccurate items must be changed, including those that do not meet the threshold for required changes.

### **Federal Title IV Funds Disbursements**

DDBS completes federal verification for CPS- or School-selected applicants as a requirement of completing a student's financial aid application. Federal Title IV funds will not be disbursed until verification is completed. In some instances, the institution can make an interim disbursement of funds if it has no reason to believe that the application information is inaccurate. If the institution makes an interim disbursement, the verification process must be completed prior to the disbursement of any additional funds. In all instances the institution is liable for an interim disbursement if verification identifies an overpayment or the student fails to complete verification. DDBS does not make interim disbursements.

### Student Responsibility

If the verification results do not justify aid already disbursed, the student is responsible for repaying all aid for which they are not eligible. Failure to meet the repayment obligation will result in the student being referred by DDBS to the U.S. Department of Education.

### Fraud or Criminal Misconduct

Verification results that reveal possible fraud or criminal misconduct in connection with the financial aid application or verification process will result in the matter being referred by DDBS to the Office of the Inspector General of the U.S. Department of Education for investigation.

In the event that individual circumstances and unusual situations are not addressed or defined through standard verification procedures, additional review is necessary. These cases must be sufficiently documented and may be processed in accordance with regulations as defined in the Professional Judgment and Dependency Overrides Statute: HEA Sec.479A(a)(7) and Sec. 480 (d)(7).

Note that fraud is the intent to deceive as opposed to a mistake on an application.

### Contact

Questions regarding this policy or its intent should be directed to the Director of Financial Aid at 313- 974-6164.

### Acceptable Documentation for Verification 2023-2024

For each award year, the Secretary publishes in the Federal Register a notice announcing the FAFSA information that an institution and an applicant may be required to verify, as well as the acceptable documentation for verifying FAFSA information. The notice includes a chart which lists, for the 2023-2024 award year, the FAFSA information that an institution and an applicant and, if appropriate, the applicant's parent(s) or spouse may be required to verify under 34 CFR 668.56\*.

## Chapter 3 Student Eligibility

FAFSA information	Acceptable documentation
<p><i>Income information for tax filers:</i></p> <ul style="list-style-type: none"> <li>a. Adjusted Gross Income (AGI)</li> <li>b. U.S. Income Tax Paid</li> <li>c. Untaxed Portions of IRA Distributions and Pensions</li> <li>d. IRA Deductions and Payments</li> <li>e. Tax Exempt Interest Income</li> <li>f. Education Credits</li> </ul> <p><i>Income information for tax filers with special circumstances:</i></p> <ul style="list-style-type: none"> <li>a. Adjusted Gross Income (AGI)</li> <li>b. U.S. Income Tax Paid</li> <li>c. Untaxed Portions of IRA Distributions and Pensions</li> <li>d. IRA Deductions and Payments</li> <li>e. Tax Exempt Interest Income</li> <li>f. Education Credits</li> </ul>	<ul style="list-style-type: none"> <li>(1) 2021 tax account information of the tax filer that the Secretary has identified as having been obtained from the Internal Revenue Service (IRS) through the IRS Data Retrieval Tool and that has not been changed after the information was obtained from the IRS;</li> <li>(2) A transcript<sup>1</sup> obtained at no cost from the IRS or other relevant tax authority of a U.S. territory (Guam, American Samoa, the U.S. Virgin Islands) or commonwealth (Puerto Rico and the Northern Mariana Islands), or a foreign government, that lists 2021 tax account information of the tax filer; or</li> <li>(3) A copy of the income tax return<sup>1</sup> and the applicable schedules<sup>1</sup> that were filed with the IRS or other relevant tax authority of a U.S. territory, or a foreign government that lists 2021 tax account information of the tax filer.</li> </ul> <p>(1) For a student, or the parent(s) of a dependent student, who filed a 2021 joint income tax return and whose income is used in the calculation of the applicant's expected family contribution and who at the time the FAFSA was completed was separated, divorced, widowed, or married to someone other than the individual included on the 2021 joint income tax return—</p> <ul style="list-style-type: none"> <li>(a) A transcript obtained from the IRS or other relevant tax authority that lists 2021 tax account information of the tax filer(s); or</li> <li>(b) A copy of the income tax return and the applicable schedules that were filed with the IRS or other relevant tax authority that lists 2021 tax account information of the tax filer(s); and</li> <li>(c) A copy of IRS Form W-2<sup>2</sup> for each source of 2021 employment income received or an equivalent document.<sup>2</sup></li> </ul>

FAFSA information	Acceptable documentation
	<p>(2) For an individual who is required to file a 2021 IRS income tax return and has been granted a filing extension by the IRS beyond the automatic six-month extension for tax year 2021—</p> <ul style="list-style-type: none"> <li>(a) A copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2021;<sup>3</sup></li> <li>(b) Verification of non-filing<sup>4</sup> from the IRS dated on or after October 1, 2022;</li> <li>(c) A copy of IRS Form W-2<sup>2</sup> for each source of 2021 employment income received or an equivalent document;<sup>2</sup> and</li> <li>(d) If self-employed, a signed statement certifying the amount of AGI and U.S. income tax paid for tax year 2021.</li> </ul> <p><i>Note:</i> An institution may require that, after the income tax return is filed, an individual granted a filing extension beyond the automatic 6-month extension submit tax information using the IRS Data Retrieval Tool, by obtaining a transcript from the IRS, or by submitting a copy of the income tax return and the applicable schedules that were filed with the IRS that lists 2021 tax account information. When an institution receives such information, it must be used to verify the income and tax information reported on the FAFSA.</p> <p>(3) For an individual who was the victim of IRS tax-related identity theft—</p> <ul style="list-style-type: none"> <li>(a) A Tax Return DataBase View (TRDBV) transcript<sup>1</sup> obtained from the IRS; and</li> <li>(b) A statement signed and dated by the tax filer indicating that he or she was a victim of IRS tax-related identity theft and that the IRS has been made aware of the tax-related identity theft.</li> </ul> <p><i>Note:</i> Tax filers may inform the IRS of the tax-related identity theft and obtain a TRDBV transcript by calling the IRS's Identity Protection Specialized Unit (IPSU) at 1-800-908-4490. Unless the institution has reason to suspect the authenticity of the TRDBV transcript provided by the IRS, a signature or stamp or any other validation from the IRS is not needed.</p>

## Chapter 3 Student Eligibility

Income information for non-tax filers:  
Income earned from work

Number of Household Members .....

(4) For an individual who filed an amended income tax return with the IRS, a signed copy of the IRS Form 1040X that was filed with the IRS for tax year 2021 or documentation from the IRS that include the change(s) made to the tax filer's 2021 tax information, in addition to one of the following—

- (a) IRS Data Retrieval Tool information on an ISIR record with all tax information from the original 2021 income tax return;
- (b) A transcript obtained from the IRS that lists 2021 tax account information of the tax filer(s); or
- (c) A signed copy of the 2021 IRS Form 1040 and the applicable schedules that were filed with the IRS.

For an individual who has not filed and, under IRS or other relevant tax authority rules (e.g., the Republic of the Marshall Islands, the Republic of Palau, the Federated States of Micronesia, a U.S. territory or commonwealth or a foreign government), is not required to file a 2021 income tax return—

- (1) A signed statement certifying—
  - (a) That the individual has not filed and is not required to file a 2021 income tax return; and
  - (b) The sources of 2021 income earned from work and the amount of income from each source;
- (2) A copy of IRS Form W-2<sup>2</sup> for each source of 2021 employment income received or an equivalent document<sup>2</sup>; and
- (3) Except for dependent students, verification of non-filing<sup>4</sup> from the IRS or other relevant tax authority dated on or after October 1, 2022.

A statement signed by the applicant and, if the applicant is a dependent student, by one of the applicant's parents, that lists the name and age of each household member for the 2023–2024 award year and the relationship of that household member to the applicant.

**Note:** Verification of number of household members is not required if—

- For a dependent student, the household size indicated on the ISIR is two and the parent is single, separated, divorced, or widowed, or the household size indicated on the ISIR is three if the parents are married or unmarried and living together; or
- For an independent student, the household size indicated on the ISIR is one and the applicant is single, separated, divorced, or widowed, or the household size indicated on the ISIR is two if the applicant is married.

FAFSA information	Acceptable documentation
Number in College .....	<p>(1) A statement signed by the applicant and, if the applicant is a dependent student, by one of the applicant's parents listing the name and age of each household member, excluding the parents, who is or will be attending an eligible postsecondary educational institution as at least a half-time student in the 2023–2024 award year in a program that leads to a degree or certificate and the name of that educational institution.</p> <p>(2) If an institution has reason to believe that the signed statement provided by the applicant regarding the number of household members enrolled in eligible postsecondary institutions is inaccurate, the institution must obtain documentation from each institution named by the applicant that the household member in question is, or will be, attending on at least a half-time basis unless—</p> <ul style="list-style-type: none"> <li>(a) The applicant's institution determines that such documentation is not available because the household member in question has not yet registered at the institution the household member plans to attend; or</li> <li>(b) The institution has documentation indicating that the household member in question will be attending the same institution as the applicant.</li> </ul> <p><b>Note:</b> Verification of the number of household members in college is not required if the number in college indicated on the ISIR is "1."</p> <p>(1) An applicant must appear in person and present the following documentation to an institutionally authorized individual to verify the applicant's identity:</p> <ul style="list-style-type: none"> <li>(a) An unexpired valid government-issued photo identification<sup>5</sup> such as, but not limited to, a driver's license, non-driver's identification card, other State-issued identification, or U.S. passport. The institution must maintain an annotated copy of the unexpired valid government-issued photo identification that includes—           <ul style="list-style-type: none"> <li>i. The date the identification was presented; and</li> <li>ii. The name of the institutionally authorized individual who reviewed the identification; and</li> </ul> </li> <li>(b) A signed statement using the exact language as follows, except that the student's identification number is optional if collected elsewhere on the same page as the statement:</li> </ul>
Identity/Statement of Educational Purpose .....	

Last Updated December 19, 2023

## Chapter 3 Student Eligibility

### Statement of Educational Purpose

I certify that I \_\_\_\_\_ am  
(Print Student's Name)  
the individual signing this Statement of Educational Purpose and that  
the Federal student financial assistance I may receive will only be  
used for educational purposes and to pay the cost of attending  
\_\_\_\_\_ for 2023–2024.

(Name of Postsecondary Educational Institution)

(Student's Signature) (Date)

(Student's ID Number)

(2) If an institution determines that an applicant is unable to appear in person to present an unexpired valid government-issued photo identification and execute the Statement of Educational Purpose, the applicant must provide the institution with—

(a) A copy of an unexpired valid government-issued photo identification,<sup>5</sup> such as, but not limited to, a driver's license, non-driver's identification card, other State-issued identification, or U.S. passport that is acknowledged in a notary statement or that is presented to a notary; and

(b) An original notarized statement signed by the applicant using the exact language as follows, except that the student's identification number is optional if collected elsewhere on the same page as the statement:

### Statement of Educational Purpose

I certify that I \_\_\_\_\_ am  
(Print Student's Name)  
the individual signing this Statement of Educational Purpose and that  
the Federal student financial assistance I may receive will only be  
used for educational purposes and to pay the cost of attending  
\_\_\_\_\_ for 2023–2024.

(Name of Postsecondary Educational Institution)

(Student's Signature) (Date)

(Student's ID Number)



## Chapter 3 Student Eligibility

FAFSA information	Acceptable documentation
	(Student's ID Number)

<sup>1</sup> This footnote applies, where applicable, whenever an income tax return, the applicable schedules, or transcript is mentioned in the above chart.

The copy of the 2021 income tax return must include the signature of the tax filer, or one of the filers of a joint income tax return, or the signed, stamped, typed, or printed name and address of the preparer of the income tax return and the preparer's Social Security number, Employer Identification Number, or Preparer Tax Identification Number.

For a tax filer who filed an income tax return other than an IRS form, such as a foreign or Puerto Rican tax form, the institution must use the income information (converted to U.S. dollars) from the lines of that form that correspond most closely to the income information reported on a U.S. income tax return.

An individual who did not retain a copy of his or her 2021 tax account information, and for whom that information cannot be located by the IRS or other relevant tax authority, must submit to the institution—

- (a) Copies of all IRS Form W-2s for each source of 2021 employment income or equivalent documents; or
- (b) If the individual is self-employed or filed an income tax return with a government of a U.S. territory or commonwealth or a foreign government, a signed statement certifying the amount of AGI and income taxes paid for tax year 2021; and
- (c) Documentation from the IRS or other relevant tax authority that indicates the individual's 2021 tax account information cannot be located; and

(d) A signed statement that indicates that the individual did not retain a copy of his or her 2021 tax account information. If an individual who was the victim of IRS tax-related identity theft is unable to obtain a TRDBV, the institution may accept an equivalent document provided by the IRS or a copy of the signed 2021 income tax return the individual filed with the IRS.

<sup>2</sup> An individual who is required to submit an IRS Form W-2 or an equivalent document but did not maintain a copy should request a duplicate from the employer who issued the original or from the government agency that issued the equivalent document. If the individual is unable to obtain a duplicate W-2 or an equivalent document in a timely manner, the institution may permit that individual to provide a signed statement, in accordance with 34 CFR 668.57(a)(6), that includes—

- (a) The amount of income earned from work;
- (b) The source of that income; and
- (c) The reason why the IRS Form W-2, or an equivalent document, is not available in a timely manner.

<sup>3</sup> For an individual who was called up for active duty or for qualifying National Guard duty during a war or other military operation or national emergency, an institution must accept a statement from the individual certifying that he or she has not filed an income tax return or a request for a filing extension because of that service.

<sup>4</sup> If an individual is unable to obtain verification of non-filing from the IRS or other relevant tax authority and, based upon the institution's determination, it has no reason to question the student's or family's good-faith effort to obtain the required documentation, the institution may accept a signed statement certifying that the individual attempted to obtain the verification of non-filing from the IRS or other relevant tax authority and was unable to obtain the required documentation.

For IRS extension filers, the signed statement must also indicate that the individual has not filed a 2021 income tax return and list the sources of any 2021 income, and the amount of income from each source.

Since individuals without a Social Security number, an Individual Taxpayer Identification Number, or an Employer Identification Number are unable to obtain a verification of non-filing from the IRS, these individuals whose income is below the IRS filing threshold must submit to the institution a signed and dated statement—

- (a) Certifying that the individual(s) does not have a Social Security number, an Individual Taxpayer Identification Number, or an Employer Identification Number; and
- (b) Listing the sources and amounts of earnings, other income, and resources that supported the individual(s) for the 2021 tax year.

<sup>5</sup> An unexpired valid government-issued photo identification is one issued by the U.S. government, any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, a federally recognized American Indian and Alaska Native Tribe, American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau.

\*<https://www.federalregister.gov/documents/2022/07/08/2022-14511/free-application-for-federal-student-aid-fafsa-information-to-be-verified-for-the-2023-2024-award>

### Acceptable Documentation for Verification 2024-2025

For each award year, the Secretary publishes in the Federal Register a notice announcing the FAFSA information that an institution and an applicant may be required to verify, as well as the acceptable documentation for verifying FAFSA information. The notice includes a chart which lists, for the 2024-2025 award year, the FAFSA information that an institution and an applicant and, if appropriate, the applicant's parent(s) or spouse may be required to verify under 34 CFR 668.56\*.

## Chapter 3 Student Eligibility

FAFSA Information	Acceptable documentation
<p><i>Income information for non-tax filers</i> .....  Income Earned from Work .....</p>	<p><i>Note:</i> Tax filers may inform the IRS of the tax-related identity theft and obtain a TRDBV transcript by calling the IRS's Identity Protection Specialized Unit (IPSU) at 1-800-908-4490. Unless the institution has reason to suspect the authenticity of the TRDBV transcript provided by the IRS, a signature or stamp or any other validation from the IRS is not needed.</p> <p>(5) For an individual who filed an amended income tax return with the IRS, a signed copy of the IRS Form 1040X that was filed with the IRS for tax year 2022 or documentation from the IRS that include the change(s) made to the tax filer's 2022 tax information, in addition to one of the following—</p> <ul style="list-style-type: none"> <li>(a) Updated income and tax information from the IRS on an ISIR record with all tax information from the original tax return;</li> <li>(b) A transcript obtained from the IRS that lists 2022 tax account information of the tax filer(s); or</li> <li>(c) A signed copy of the 2022 IRS Form 1040 and the applicable schedules that were filed with the IRS.</li> </ul> <p>For an individual who has not filed and, under IRS or other relevant tax authority rules (e.g., the Republic of the Marshall Islands, the Republic of Palau, the Federated States of Micronesia, a U.S. territory or commonwealth or a foreign government), is not required to file a 2022 income tax return—</p> <ul style="list-style-type: none"> <li>(1) A signed and dated statement certifying— <ul style="list-style-type: none"> <li>(a) That the individual is not required to file a 2022 income tax return; and</li> <li>(b) The sources and amounts of earnings, other income, and resources that supported the individual(s) for the 2022 tax year;</li> </ul> </li> <li>(2) For individuals without a Social Security number (SSN), Individual Taxpayer Identification Number (ITIN), or Employer Identification Number (EIN), that they do not have an SSN, ITIN, or EIN;</li> <li>(3) A copy of IRS Form W-2<sup>2</sup> for each source of 2022 employment income received or an equivalent document<sup>2</sup>; and</li> <li>(4) Except for dependent students, verification of non-filing<sup>4</sup> for individuals who would file a return with a relevant tax authority other than the IRS dated on or after October 1, 2023.</li> </ul> <p><i>Note:</i> The collection of documentation to verify income earned from work is also used to determine if the applicant (and the applicable spouse or parent) was required to file a U.S. income tax return for the 2022 tax year.</p>
<p>Family Size .....</p>	<p>Since family size is based on the number of individuals listed and claimed on the IRS tax return, if transferred directly from the IRS and unchanged, family size does not need to be verified. However, when information is not transferred from the IRS, or if the applicant updated their family size when presented with the opportunity to do so on their FAFSA, the following documentation is sufficient for verification:</p> <p>A statement signed by the applicant and, if the applicant is a dependent student, by one of the applicant's parents, that lists the name and age of each family member for the 2024–2025 award year and the relationship of that family member to the applicant.</p> <p><i>Note:</i> Verification of family size is not required if—</p> <ul style="list-style-type: none"> <li>• For a dependent student, the family size indicated on the ISIR is two and the parent is single, separated, divorced, or widowed, or the household size indicated on the ISIR is three if the parents are married, remarried or unmarried and living together; or</li> <li>• For an independent student, the family size indicated on the ISIR is one and the applicant is single, separated, divorced, or widowed, or the household size indicated on the ISIR is two if the applicant is married or remarried.</li> </ul>
<p>Identity/Statement of Educational Purpose .....</p>	<p>(1) An applicant must appear in person and present the following documentation to an institutionally authorized individual to verify the applicant's identity:</p> <ul style="list-style-type: none"> <li>(a) An unexpired valid government-issued photo identification<sup>5</sup> such as, but not limited to, a driver's license, non-driver's identification card, other State-issued identification, or U.S. passport. The institution must maintain an annotated copy of the unexpired valid government-issued photo identification that includes— <ul style="list-style-type: none"> <li>i. The date the identification was presented; and</li> <li>ii. The name of the institutionally authorized individual who reviewed the identification; and</li> </ul> </li> </ul>

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FAFSA Information	Acceptable documentation
<p><i>Income information for tax filers</i> .....</p> <p>(a) Adjusted Gross Income (AGI)</p> <p>(b) Income Earned From Work</p> <p>(c) U.S. Income Tax Paid</p> <p>(d) Untaxed Portions of IRA Distributions</p> <p>(e) Untaxed Portions of Pensions</p> <p>(f) IRA Deductions and Payments</p> <p>(g) Tax Exempt Interest Income</p> <p>(h) Education Credits</p> <p>(i) Foreign Income Exempt from Federal Taxation</p>	<p>Items a through h, if transferred directly from the IRS and unchanged, do not need to be verified. When information is not transferred from the IRS, and for item i, the following documentation is sufficient for verification:</p> <p>(1) A transcript<sup>1</sup> obtained at no cost from the IRS or other relevant tax authority of a U.S. territory (Guam, American Samoa, the U.S. Virgin Islands) or commonwealth (Puerto Rico and the Northern Mariana Islands), or a foreign government, that lists 2022 tax account information of the tax filer; or</p> <p>(2) A copy of the income tax return<sup>1</sup> and the applicable schedules<sup>1</sup> that were filed with the IRS or other relevant tax authority of a U.S. territory, or a foreign government that lists 2022 tax account information of the tax filer.</p> <p>(3) If item d or e contains a rollover, collect a signed statement confirming the amount of the rollover in the untaxed pension or IRA distribution. Note that even if d or e are transferred as FTI, rollovers still need to be verified as they are manually entered.</p>
<p><i>Income information for tax filers with special circumstances</i> .....</p> <p>(a) Adjusted Gross Income (AGI)</p> <p>(b) Income Earned from Work</p> <p>(c) U.S. Income Tax Paid</p> <p>(d) Untaxed Portions of IRA Distributions</p> <p>(e) Untaxed Portions of Pensions</p> <p>(f) IRA Deductions and Payments</p> <p>(g) Tax Exempt Interest Income</p> <p>(h) Education Credits</p> <p>(i) Foreign Income Exempt from Federal Taxation</p>	<p>(1) For a student, or the parent(s) of a dependent student, who filed a 2022 joint income tax return and whose income is used in the calculation of the applicant's student aid index and who at the time the FAFSA was completed was separated, divorced, widowed, or married to someone other than the individual included on the 2022 joint income tax return—</p> <p>(a) A transcript obtained from the IRS or other relevant tax authority that lists 2022 tax account information of the tax filer(s); or</p> <p>(b) A copy of the income tax return and the applicable schedules that were filed with the IRS or other relevant tax authority that lists 2022 tax account information of the tax filer(s); and</p> <p>(c) A copy of IRS Form W-2<sup>2</sup> for each source of 2022 employment income received or an equivalent document.<sup>2</sup></p> <p>(2) For an individual who is required to file a 2022 IRS income tax return and has been granted a filing extension by the IRS beyond the automatic six-month extension for tax year 2022—</p> <p>(a) A signed statement listing the sources of any 2022 income and the amount of income from each source;</p> <p>(b) A copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2022;<sup>3</sup></p> <p>(c) A copy of IRS Form W-2<sup>2</sup> for each source of 2022 employment income received or an equivalent document;<sup>2</sup> and</p> <p>(d) If self-employed, the signed statement must indicate the amount of estimated AGI and U.S. income tax paid for tax year 2022.</p> <p>(3) If d or e contains a rollover, collect a signed statement confirming the amount of the rollover in the untaxed pension or IRA distribution. Note that even if d or e are transferred as FTI, rollovers still need to be verified as they are manually entered.</p> <p><i>Note:</i> An institution may require that, after the income tax return is filed, an individual granted a filing extension beyond the automatic 6-month extension submit tax information by obtaining a transcript from the IRS, or by submitting a copy of the income tax return and the applicable schedules that were filed with the IRS that lists 2022 tax account information. When an institution receives such information, it must be used to reverify the income and tax information reported on the FAFSA.</p> <p>(4) For an individual who was the victim of IRS tax-related identity theft—</p> <ul style="list-style-type: none"> <li>• A Tax Return DataBase View (TRDBV) transcript<sup>1</sup> obtained from the IRS; and</li> <li>• A statement signed and dated by the tax filer indicating that he or she was a victim of IRS tax-related identity theft and that the IRS has been made aware of the tax-related identity theft.</li> </ul>

*Last Updated December 19, 2023*



## Chapter 3 Student Eligibility

FAFSA Information	Acceptable documentation
	<p>(b) A signed statement using the exact language as follows, except that the student's identification number is optional if collected elsewhere on the same page as the statement:</p> <p><i>Statement of Educational Purpose</i>  I certify that I _____ am _____  (Print Student's Name)  the individual signing this Statement of Educational Purpose and that the Federal student financial assistance I may receive will only be used for educational purposes and to pay the cost of attending for 2024–2025.  (Name of Postsecondary Educational Institution)</p> <p>(Student's Signature) (Date)</p> <p>(Student's ID Number)</p> <p>(2) If an institution determines that an applicant is unable to appear in person to present an unexpired valid government-issued photo identification and execute the Statement of Educational Purpose, the applicant must provide the institution with—</p> <p>(a) A copy of an unexpired valid government-issued photo identification,<sup>5</sup> such as, but not limited to, a driver's license, non-driver's identification card, other State-issued identification, or U.S. passport that is acknowledged in a notary statement or that is presented to a notary; and</p> <p>(b) An original notarized statement signed by the applicant using the exact language as follows, except that the student's identification number is optional if collected elsewhere on the same page as the statement:</p> <p><i>Statement of Educational Purpose</i>  I certify that I _____ am _____  (Print Student's Name)  the individual signing this Statement of Educational Purpose and that the Federal student financial assistance I may receive will only be used for educational purposes and to pay the cost of attending _____ for 2024–2025.  (Name of Postsecondary Educational Institution)</p> <p>(Student's Signature) (Date)</p> <p>(Student's ID Number)</p>

<sup>1</sup> This footnote applies, where applicable, whenever an income tax return, the applicable schedules, or transcript is mentioned in the above chart.

The copy of the 2022 income tax return must include the signature of the tax filer, or one of the filers of a joint income tax return, or the signed, stamped, typed, or printed name and address of the preparer of the income tax return and the preparer's Social Security number, Employer Identification Number, or Preparer Tax Identification Number.

For a tax filer who filed an income tax return other than an IRS form, such as a foreign or Puerto Rican tax form, the institution must use the income information (converted to U.S. dollars) from the lines of that form that correspond most closely to the income information reported on a U.S. income tax return.

An individual who did not retain a copy of his or her 2022 tax account information, and for whom that information cannot be located by the IRS or other relevant tax authority, must submit to the institution—

- a. Copies of all IRS Form W-2s for each source of 2022 employment income or equivalent documents; or
- b. If the individual is self-employed or filed an income tax return with a government of a U.S. territory or commonwealth or a foreign government, a signed statement certifying the amount of AGI and income taxes paid for tax year 2022; and
- c. Documentation from relevant tax authorities other than the IRS that indicates the individual's 2022 tax account information cannot be located; and

- d. A signed statement that indicates that the individual did not retain a copy of his or her 2022 tax account information.

If an individual who was the victim of IRS tax-related identity theft is unable to obtain a TRDBV, the institution may accept an equivalent document provided by the IRS or a copy of the signed 2022 income tax return the individual filed with the IRS.

<sup>2</sup> An individual who is required to submit an IRS Form W-2 or an equivalent document but did not maintain a copy should request a duplicate from the employer who issued the original or from the government agency that issued the equivalent document. If the individual is unable to obtain a duplicate W-2 or an equivalent document in a timely manner, the institution may permit that individual to provide a signed statement, in accordance with 34 CFR 688.57(a)(6), that includes—

- (a) The amount of income earned from work;
- (b) The source of that income; and
- (c) The reason why the IRS Form W-2, or an equivalent document, is not available in a timely manner.

<sup>3</sup> For an individual who was called up for active duty or for qualifying National Guard duty during a war or other military operation or national emergency, an institution must accept a statement from the individual certifying that he or she has not filed an income tax return or a request for a filing extension because of that service.

<sup>4</sup> If an individual is unable to obtain verification of non-filing from a relevant tax authority and, based upon the institution's determination, it has no reason to question the student's or family's good-faith effort to obtain the required documentation, the institution may accept a signed statement certifying that the individual attempted to obtain the verification of non-filing from the relevant tax authority and was unable to obtain the required documentation.

<sup>5</sup> An unexpired valid government-issued photo identification is one issued by the U.S. government, any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, a federally recognized American Indian and Alaska Native Tribe, American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau.

## Chapter 3 Student Eligibility

The individual FAFSA items that an applicant must verify are based upon the Verification Tracking Group to which the applicant is assigned as outlined in the following chart.

Verification tracking flag	Verification tracking group name	FAFSA Information required to be verified
V1	Standard Verification Group	<b>Tax Filers</b> <ul style="list-style-type: none"> <li>Adjusted Gross Income.</li> <li>Income Earned From Work.</li> <li>U.S. Income Tax Paid.</li> <li>Untaxed Portions of IRA Distributions.</li> <li>Untaxed Portions of Pensions.</li> <li>IRA Deductions and Payments.</li> <li>Tax Exempt Interest Income.</li> <li>Education Tax Credits.</li> <li>Foreign Income Exempt from Federal Taxation.</li> </ul> <b>Non-Tax Filers</b> <ul style="list-style-type: none"> <li>Income Earned from Work.</li> </ul> <b>Tax Filers and Non-Tax Filers</b> <ul style="list-style-type: none"> <li>Family Size.</li> </ul>
V2	Reserved	N/A.
V3	Reserved	N/A.
V4	Custom Verification Group	<ul style="list-style-type: none"> <li>Identity/Statement of Educational Purpose.</li> </ul>
V5	Aggregate Verification Group	<b>Tax Filers</b> <ul style="list-style-type: none"> <li>Adjusted Gross Income.</li> <li>Income Earned From Work.</li> <li>U.S. Income Tax Paid.</li> <li>Untaxed Portions of IRA Distributions.</li> <li>Untaxed Portions of Pensions.</li> <li>IRA Deductions and Payments.</li> <li>Tax Exempt Interest Income.</li> <li>Education Tax Credits.</li> <li>Foreign Income Exempt from Federal Taxation.</li> </ul> <b>Non-Tax Filers</b> <ul style="list-style-type: none"> <li>Income Earned from Work.</li> </ul> <b>Tax Filers and Non-Tax Filers</b> <ul style="list-style-type: none"> <li>Family Size.</li> <li>Identity/Statement of Educational Purpose.</li> </ul>
V6	Reserved	N/A.

### Other Sources for Detailed Information

We provide a more detailed discussion on the verification process in the following resources that will be available on the Knowledge Center web page at <https://fsapartners.ed.gov/knowledge-center>:

- 2024–2025 Application and Verification Guide.
- 2024–2025 FAFSA Specifications Guide: Volume 6- ISIR Guide, Volume 7—Comment Codes.
- 2024–2025 COD Technical Reference.

• Program Integrity Information—Questions and Answers on Verification at [www2.ed.gov/policy/highered/reg/hearulemaking/2009/verification.html](http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/verification.html).

**Accessible Format:** On request to the program contact person listed under **FOR FURTHER INFORMATION CONTACT**, individuals with disabilities can obtain this document in an accessible format. The Department will provide the requestor with an accessible format that may include Rich Text Format (RTF) or text format (txt), a thumb drive, an MP3 file, braille, large print, audiotape, or compact disc or other accessible format.

### Electronic Access to This Document:

The official version of this document is the document published in the **Federal Register**. You may access the official edition of the **Federal Register** and the Code of Federal Regulations at [www.govinfo.gov](http://www.govinfo.gov). At this site you can view this document, as well as all other documents of this Department published in the **Federal Register**, in text or Portable Document Format (PDF). To use PDF, you must have Adobe Acrobat Reader, which is available free at the site.

You may also access documents of the Department published in the **Federal Register** by using the article search feature at: [www.federalregister.gov](http://www.federalregister.gov). Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Department.

**Program Authority:** 20 U.S.C. 1070a, 1070b–1070b–4, 1087a–1087j, and 20 U.S.C. 1087–51–1087–58.

**Nasser H. Paydar,**  
Assistant Secretary for Postsecondary Education.  
[FR Doc. 2023–20211 Filed 9–18–23; 8:45 am]  
**BILLING CODE 4000–01–P**

### DEPARTMENT OF ENERGY

#### Federal Energy Regulatory Commission

#### Combined Notice of Filings #1

Take notice that the Commission received the following exempt wholesale generator filings:

**Docket Numbers:** EC23–286–000.  
**Applicants:** Earp Solar, LLC.  
**Description:** Earp Solar, LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.  
**Filed Date:** 9/13/23.  
**Accession Number:** 20230913–5047.  
**Comment Date:** 5 p.m. ET 10/4/23.  
**Docket Numbers:** EC23–287–000.

Last Updated December 19, 2023

### RESOLVING CONFLICTING DATA

#### Policy Reason

Schools must have an adequate system to identify and resolve discrepancies in the information that the school receives from different sources with respect to a student's application for financial aid under the Title IV, HEA programs.

DDBS's procedures ensure that conflicting data is resolved for our applicants as follows:

#### Applicants Selected for Verification

We require the applicant to provide adequate documentation to determine if the applicant's FAFSA includes discrepancies for the items that have been identified as subject to verification by the Department of Education. In addition to FAFSA data items identified by the Department of Education as subject to verification, we may also request additional documentation if we have reason to believe that any information on the application used to calculate the EFC is discrepant or inaccurate (or if any supporting documentation is discrepant or inaccurate) to resolve the conflicting information.

#### Applicants Not Selected for Verification

We resolve conflicting information regardless of whether or not the applicant was selected for verification. As required, the Financial Aid Office will review all tax returns/transcripts provided to the school even if they were not requested. All Comment Codes on the ISIR will be reviewed and resolved by the Financial Aid Office.

#### Other Applicant Information Received by the School

We have an adequate internal system to identify conflicting information that we may receive, regardless of the source. For example, information that could impact the financial aid status of each student applicant is reported promptly to the Financial Aid Office for clarification and resolution. Listed below are some possible sources of conflicting data and the department working together with the Financial Aid Office for resolution:

**Admissions Office:** High School Diploma

**Business Office:** Report outside awards

**Admissions & Business Offices:** Report changes in enrollment

**Financial Aid Office - NSLDS:** Review financial aid history, including aid received from prior colleges

In addition, the following chart provides examples of issues we treat as conflicting data and requiring resolution:



Chart A provides examples of **conflicting information** and provides common examples of conflicting information.

*Last Updated December 19, 2023*

### Chart A: Examples of Issues Considered Conflicting Data

- A student is not selected for verification, but a tax return or IRS transcript is on file and information conflicts with items on the FAFSA.
- An IRS 1040 transcript shows single head of household and on the FAFSA/ISIR shows the same person as married.
- A parent or student reports on their FAFSA, and signed a verification worksheet that they will not file an IRS tax return. You have reason to believe that they would have been required to file a U.S. Income Tax Return, as the amount of reported income on the FAFSA is greater than or equal to the minimum amount required to file as indicated in the instructions provided by the IRS.
- A school received statements or information that suggests that the copy of the IRS Income Tax Return received is not the IRS Income Tax Return actually filed with the IRS.
- A school receives a “Profile” from CSS where the student reports a specific amount of untaxed income; FAFSA reports a different amount. (If the school receives the CSS Profile, it must ensure that information contained there does not conflict with other documents received by the school). The information on the FAFSA must be correct and must not conflict with the CSS Profile if a school collects it).
- Veterans Affairs (VA) benefits verified by the certifying official don’t match the FAFSA. (To resolve conflicting information, the school can rely on the certifying official).
- Admissions information received impacts student eligibility (i.e., student accepted into a certificate program has not yet graduated from high school, student received scholarship from high school, etc.).
- The student’s Academic Progress or enrollment status on file in the Financial Aid Office doesn’t agree with the information from the Admissions Office.

### Fraud and Abuse

Should fraud or abuse be detected or suspected, report it to the Director of Financial Aid. The Director will consult with the school’s legal counsel prior to referring it for investigation to the Office of the Inspector General of the Department of Education or any agency outside the school.

All credible information indicating that an applicant for Title IV may have engaged in fraud or other criminal conduct will be provided. Fraud is an intent to deceive as opposed to a mistake. In addition, we will refer any third-party servicer who may have engaged in fraud, breach of fiduciary responsibility, or other illegal conduct involving the FSA Programs.

### OIG Address and Phone Numbers

Office of Inspector General  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202-1510  
1-800-MIS-USED

Email: [oig.hotline@ed.gov](mailto:oig.hotline@ed.gov)

Web: <https://tips.hhs.gov>

#### *Regional Offices Telephone No. National Hotline*

Boston, MA (617) 289-0174  
New York, NY (646) 428-3861  
Philadelphia, PA (215) 656-6900  
Atlanta, GA (404) 562-6460  
Chicago, IL (312) 730-1620  
Dallas, TX (214) 661-9530  
Denver, CO (303) 844-0058  
Kansas City, MO (816) 268-0530  
Long Beach, CA (562) 980-4141  
San Juan, PR (787) 766-6278  
Washington, DC (202) 245-6911

### OIG Referrals Reference

34 CFR 668.16(g)  
IRS Publication 17

## SATISFACTORY ACADEMIC PROGRESS STANDARDS AND POLICY

### Reference

34 CFR 668.34 – Satisfactory Academic Progress

### Policy Reason

An institution must establish a reasonable Satisfactory Academic Progress (SAP) policy for determining whether an otherwise eligible student is making satisfactory academic progress in their educational program and may receive assistance under Title IV, *Higher Education Act of 1965* (HEA) federal assistance programs.



### SAP Policy

The SAP policy is applied consistently to all students enrolled at DDBS (full-time or part-time). It is printed in the DDBS Program Catalog & Student Handbook to ensure that all students receive a copy before enrollment. The policy complies with the guidelines established by the Council on Occupational Education (COE) and federal regulations established by the United States Department of Education (ED).

Students must maintain satisfactory academic progress throughout their training to comply with DDBS policy and to remain eligible for Title IV student financial assistance. Also, students who do not receive financial aid and are paying out-of-pocket must maintain SAP progress throughout their training. The academic and attendance requirements apply to every student enrolled in the school, whether they receive financial aid or pay cash—all periods of enrollment count towards SAP, including periods when a student does not receive financial assistance. The school's policy is to apply SAP consistently to all students enrolled in all offered programs, whether full-time or part-time.

Both qualitative (academics/grades) and quantitative (attendance, pace of progression, and time frame) standards are used to evaluate Standard Academic Progress. Students must meet the school's academic and attendance standards on a **cumulative basis** (start date to evaluation date) to maintain SAP and for Title IV eligibility.

### Minimum Qualitative Requirement

#### Academic Standard

The qualitative element used to determine Satisfactory Academic Progress is a reasonable grading system defined by assigned academic learning. Students receive an academic education and a minimum number of practical experiences. Academic knowledge is evaluated after each unit of study. Practical assignments are evaluated as completed and count toward course completion only when rated as satisfactory. If the performance does not meet satisfactory requirements, it is not counted, and the student must repeat the performance. Each student is given at least two (2) comprehensive practical skills evaluations during the course. Practical skills are evaluated according to text procedures and outlined in the school's practical skills evaluation criteria.

Students must maintain a written grade average of **75%** and pass the final theory and practical exams before graduation. Students must make up for failed or missed tests and incomplete assignments. Numerical grades are recorded according to the following scale:

Interpretation: Excellent, Good, Satisfactory, Failing

GRADING SYSTEM USED FOR ALL TESTS IS AS FOLLOWS:

100-90%.....	EXCELLENT
89-80%.....	GOOD
79-75%.....	SATISFACTORY

*Last Updated December 19, 2023*

BELOW 74%.....FAILING

**Cosmetology, Advanced Esthetics, and Esthetics students must maintain an academic average of at least 75% or higher on a cumulative basis as of the evaluation date to meet the academic standards of this policy to be considered making progress (satisfactory).**

DDBS rounds percentage calculations using normal rounding methods.

Only courses for which the student receives a passing grade are acceptable for the unit requirement in calculating the SAP status. Incomplete courses and withdrawals are not counted as completed units. Students are required to verify attendance for terms in which they receive unsatisfactory grades.

### Minimum Quantitative Requirements

#### Attendance Standard

Students must attend a minimum of 67% of the hours they are scheduled to attend based on the student's enrollment agreement. A student's attendance is determined by dividing the total hours attended by the total clock hours scheduled as of the evaluation date.

Note: Regardless of the average level of attendance, students who have more than 30 days of consecutive absences will be dismissed. When calculating attendance, a leave of absence will extend a student's contract end period and maximum time frame by the same number of days taken in the leave of absence. The frequency of evaluations ensures that students have ample opportunity to meet academic progress and the attendance requirements of at least one evaluation by midpoint in the course.

#### Pace of Progression

**At least 67% of all coursework attempted must have successfully passing grades.** The pace of progression progress is calculated by dividing **cumulative** hours that have been completed by the **cumulative** hours attempted by the student. The 67% completion rate maintains a pace of progress toward the degree or certificate that ensures completion of the academic credential within the maximum time frame allowed. DDBS rounds pace to the nearest whole number using normal rounding methods.

#### Maximum Time Frame

**Students must complete their program and certificate in no more than 150% of the program's average published length in clock hours.** For an *undergraduate program measured in clock hours*, the maximum timeframe cannot be longer than 150 percent of the educational program's published length, as measured by the cumulative number of clock hours the student is required to complete and expressed in calendar time. Students may use their total program clock hours required multiplied by 1.5 to determine the clock hour limit, as shown below. DDBS rounds percentage calculations using normal rounding methods.

## Chapter 3 Student Eligibility

A full-time student, by definition, is scheduled to complete 35 clock hours per week, and the number of weeks varies by program. A part-time student, by definition, is scheduled to complete 20 clock hours per week, and the number of weeks varies by program.

The maximum time allowed for students to complete each program within Satisfactory Academic Progress is listed below:

Cosmetology – 2,250 clock hours and 72 weeks (full-time)
Advanced Esthetics – 900 clock hours and 27 weeks (full-time)
Esthetics – 600 clock hours and 18 weeks (full-time)
Cosmetology – 2,250 clock hours and 117 weeks (part-time)
Advanced Esthetics – 900 clock hours and 45 weeks (part-time)
Esthetics – 600 clock hours and 30 weeks (part-time)

All accepted transfer hours from another institution are counted as both attempted and completed hours to determine when the maximum allowable timeframe has been exhausted.

Note: Federal financial aid regulations require DDBS to discontinue federal financial aid if an SAP review indicates that the student cannot complete their program within 150% of the program's average published length.

A leave of absence will extend the student's contract period and maximum time frame by the same number of days in the absence.

Students who do not complete within the maximum of the required timeframe will be permitted to continue to graduation. However, any student not completing the course within their contracted time will be charged the hourly fee as stated on their enrollment agreement for each hour needed to complete the course.

### Evaluation Periods

Evaluations will determine if the student has met the minimum requirements for Satisfactory Academic Progress. The frequency of assessments ensures that students have had at least one (1) evaluation by the midpoint in their respective courses. Evaluation periods are determined by the length of the program and the student's enrollment date.

The policy provides that a student's academic progress is evaluated at the end of each payment period if the educational program is either one academic year in length or shorter than an academic year; or for all other educational programs, at the end of each payment period or a least annually to correspond with the end of a payment period.

Students are evaluated for Satisfactory Academic Progress based on actual clock hours completed at the end of each period as follows:

Cosmetology: 450, 900, 1200  
Advanced Esthetics: 300



Esthetics: 200

Transfers: If the hours needed at the school are less than 900 hours (for cosmetology), then the first evaluation period will occur at the mid-point of the hours required rather than at 450 or 300, based on the program.

For all students receiving Title IV funds, students will be evaluated when they reach both the clock hours and the number of weeks for disbursements of funds.

Students who meet both the quantitative and qualitative requirements described herein will be deemed to be making progress until the subsequent scheduled evaluation.

### **Determination of Progress Status**

New students will be considered making **progress** from their actual starting date until their first evaluation period. Students meeting the minimum requirements for academics and attendance at the evaluation point (450-900-1200 actual clock hours) are considered to be making progress until the subsequent scheduled evaluation.

Students who fail to meet minimum requirements for academics and attendance at the evaluation point each payment period are placed on “**Warning**” and are considered making Satisfactory Academic Progress during the warning period until the subsequent scheduled evaluation. Students in “Warning” status are eligible to receive Title IV funds.

Students who fail to meet minimum requirements for academics and attendance at the next evaluation point after the “Warning” period will be placed on “**Probation**” and considered to be making satisfactory academic progress while during the probationary period if the student successfully appeals the decision. Additionally, students who cannot meet satisfactory standards may be placed on probation. Students placed on an academic plan must be able to meet requirements. Students who are progressing will be considered satisfactory.

After a student has been placed on “Warning” or “Probation” status, students not meeting the minimum requirements for academics and attendance at the next evaluation point are placed on “**Suspension**,” and the student will be determined as NOT making Satisfactory Academic Progress. If applicable, students will not be deemed eligible to receive Title IV funds during that period.

Students will receive a copy of their Satisfactory Academic Progress determination (“Progress,” “Warning,” “Probation,” or “Suspension”) at the time of each evaluation. The administration will advise the student in writing on the actions required to attain Satisfactory Academic Progress. Students will be notified via email of any changes to their Title IV eligibility (positive or negative) as a result of an SAP issue. Students deemed not maintaining Satisfactory Academic Progress may have their Title IV funding interrupted unless the student is on Warning, has received approval from an appeal resulting in a Probation status, or meets minimum academic and attendance requirements on the subsequent scheduled evaluation.

### Warning Policy

Students who fail to meet minimum requirements for academics and attendance are placed on warning. The student will be advised in writing on the actions required to attain Satisfactory Academic Progress by the subsequent evaluation. The student must meet both the academic and attendance requirements or be placed on probation in the following review.

### Warning Procedure

An academic warning status will be for one academic period and will be determined based on:

- (1) Failure to meet the minimum qualitative 75% GPA requirement for academics and the quantitative 67% attendance or
- (2) Failure to progress at a pace to ensure completion within the maximum timeframe

The student will be advised in writing by a designated school official. Satisfactory Academic Progress policy specific to “Warning” below:

- (1) Students may not appeal an Academic Warning.
- (2) Students on Academic Warning are eligible to receive Federal Title IV funds for one additional academic period.
- (3) DDBS will review the student’s attendance and academic status, and the student will be counseled as necessary to determine if the student can reasonably meet the SAP requirements. This may include a recommendation for termination.
- (4) Students may not be placed on Academic Warning for consecutive academic periods.
- (5) A student failing to meet the SAP requirements at the end of the academic warning period will be sent a Probationary letter detailing their option to appeal the decision.

### Probation

Probation status is assigned to a student who fails to make Satisfactory Academic Progress on the second SAP evaluation. Aid eligibility may be reinstated for one payment period, and the student is required to fulfill specific conditions as stipulated in a Probation Plan. See below.

If it is determined, based on the appeal, that the student should be able to meet the SAP standards by the end of the subsequent payment period, they may be placed on probation without an academic plan. Probation is for one payment period only.

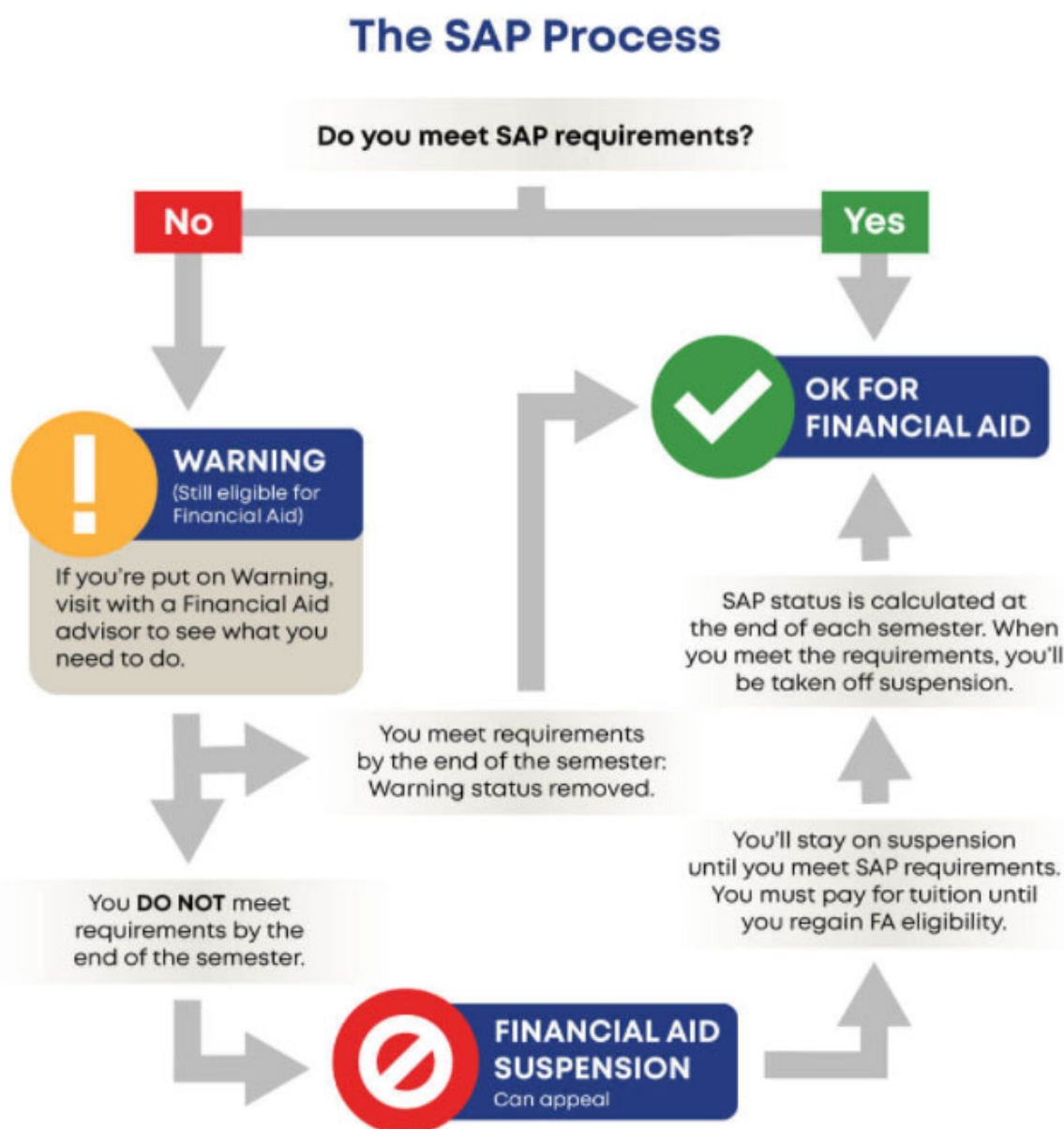
### Probation Plan

Students placed on an academic Probation Plan must meet the academic plan's requirements by the end of the next evaluation period. The student will be advised in writing of the actions required to attain Satisfactory Academic Progress by the subsequent evaluation. Students who are progressing according to their specific academic plan will be considered making Satisfactory Academic Progress.

Suppose at the end of the probationary period the student has still not met both the academic and attendance requirements required for Satisfactory Academic Progress or as specified by the academic plan. In that case, they will be determined as NOT making Satisfactory Academic Progress and, if applicable, the student will not be deemed eligible to receive Title IV funds. Students will not be placed on academic probation for consecutive academic periods.

### Notification

Students will be notified via email of any changes to their Title IV eligibility (positive or negative) as a result of an SAP issue. Notifications include warning status, appeal decisions, loss of eligibility, or regaining of eligibility.



### Re-establishing SAP

Students may re-establish Satisfactory Academic Progress and Title IV aid, as applicable, by meeting minimum academic and attendance requirements by the end of the warning or probationary period.

Suppose the student begins a payment period not making Satisfactory Academic Progress but reverses that designation before the end of that payment period. In that case, the student will be eligible for federal aid for the next payment period.

### Make-up Time Policy

Students are expected to make up missed days and exams. Students may utilize the various school schedules and classes to complete make-up time and exams. All attendance make-up time will be completed during normal school hours but in the student's non-scheduled class time.

### Interruptions, Course Incompletes, Repetitions, and Withdrawals

If enrollment is temporarily interrupted for a Leave of Absence, the student will return to school in the same progress status as prior to the leave of absence. Hours elapsed during a leave of absence will extend the student's contract period and maximum time frame by the same number of days taken in the leave of absence and will not be included in the student's cumulative attendance percentage calculation. Students who withdraw prior to completion of the course and wish to re-enroll will return in the same satisfactory academic progress status as at the time of withdrawal if the student returns within 180 days.

Course incompletes, repetitions, and non-credit courses have no effect on the satisfactory academic progress policy.

A grade of incomplete (I) may be changed to a passing grade within the program length from the date of receiving the grade if the student satisfactorily completes all of the requirements set forth by the course instructor. Otherwise, the incomplete grade of an "I" will automatically be changed to an "F."

A student is given 14 days from the end of the term to make arrangements with their instructor if they have an "I" grade because of excused absences. To change the "I" grade, the student must make up the missing coursework within 14 days. Once the 14-day mark has passed, the failing (F) grade will become permanent if the work remains incomplete, and the student has to retake the coursework. When a grade of "I" is changed to a grade, SAP is re-calculated.

Because of the generous make-up time policy at DDBS, students are expected to make up missed days and exams. Therefore, course repetition does not apply to this institution.

When a student withdraws from a class, those hours are counted as attempted and not completed.

### **Non-credit, Remedial Courses, and Repetitions**

Non-credit, remedial courses, and repetitions do not apply to this institution. Therefore, these items have no effect upon the school's satisfactory academic progress standards.

### **Withdrawal Policy**

A student will be considered withdrawn if the following occurs:

1. The student notifies the Director of his/her intent to withdraw
2. A formal termination (unofficial withdrawal) by the Student shall occur more than 14 days from the last day of physical attendance.
3. The School officially notifies the Student of dismissal from the program.

### **Changes in Majors or Degrees**

DDBS does not allow students to transfer programs. No clock hours can be transferred to any other programs. If a student requests to change a program after the fifth day, he/she must receive approvals from the school's Director of Operations, the Financial Aid department, and wait until the next program's availability date.

### **Pursuit of a Second Degree**

Students choosing to pursue a second program or certificate at DDBS after completion of a first program or certificate will have their satisfactory academic progress calculated starting with the second program or certificate. Any coursework from the initial program or certificate that also applies to the second program will be included in the SAP calculations.

### **Semesters /Terms**

DDBS recognizes the use of semesters and terms, however program enrollment is not determined by academic terms.

### **Transfer Hours**

DDBS does accept most transfer hours for coursework completed at another institution. Transcripts will be evaluated for eligible clock hour transfers. Transcripts will be accepted from the State of Michigan. Students with eligible transfer hours exceedingly more than half the DDBS program clock hours will be required to issue a placement exam for transferrable clock hour totals.

Transfer hours accepted by DDBS do count towards the student's maximum time allowed in the SAP calculation.

### Suspension and Termination Policy

Suppose at the end of the probationary period, the student has still not met both the academic and attendance requirements required for Satisfactory Academic Progress or by the academic plan. In that case, they will be determined as NOT making Satisfactory Academic Progress, and, if applicable, the student be deemed NOT eligible to receive Title IV funds.

Suspension or termination from DDBS may happen if the student is found in violation of the student code of conduct, but particularly if he/she participates in any of the following but not limited to:

1. Possession of illegal drugs or alcohol on school premises, grounds, or parking lot,
2. Theft from students, or of School property, or supplies,
3. Willful destruction of School property,
4. Insubordination,
5. Loud, boisterous behavior or foul language, or
6. Failure to pass Satisfactory Academic Program probation.

### Academic Review Procedures and Appeal Process

If a student is determined to be in probationary or suspended status, the student may appeal the determination within ten (10) calendar days of notification. Appeals submitted outside of this deadline will be accepted and considered but may be applied for a subsequent academic period.

Reasons for which students may appeal a negative progress determination include:

- the death of a relative,
- injury or illness of the student, or
- other special or mitigating circumstance.

The student must submit a written appeal to the school describing why they failed to meet SAP **with** supporting documentation of why the determination should be reversed.

**Note: This information should include what has changed about the student's situation to allow them to achieve SAP by the next evaluation point.**

The Satisfactory Academic Progress Appeals Committee will review the appeal documents, and a decision will be made and reported to the student within thirty (30) calendar days. The appeal and decision documents will be retained in the student file. If the appeal is approved, the Satisfactory Academic Progress determination will be updated, and federal financial aid will be reinstated, if applicable. The committee's decision is final.

### Certificates of Completion

Once a student has completed all of the required course hours and course requirements, a certificate of completion will be issued to the student or program funder. The institution may withhold official academic transcripts and certificate of completion if the student has not met all

financial obligations. Once all school obligations are met each student must take state board exams within 30 days of course completion. They must complete the Practical and Theory Test and achieve a 75% on each test to receive a Michigan State license.

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### PROFESSIONAL JUDGMENT & DEPENDENCY OVERRIDE

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#### Policy Reason

Section 479A of the Higher Education Act of 1965, as amended, authorizes the Financial Aid Administrator to use professional judgment, on a case-by-case basis for students with “special circumstances” that affect a family’s ability to pay for a college education that is not reflected in the information provided on the Free Application for Federal Student Aid (FAFSA). The FAFSA is designed to determine a family’s ability to pay for higher education by calculating the Expected Family Contribution (EFC) amount.

The EFC is a measure of how much the student and his or her family can be expected to contribute to the cost of the student’s education for the year. The information provided on the FAFSA is used to calculate the EFC. These circumstances must be documented and must be analyzed on a case-by-case basis. Financial aid Representatives may treat a student with special circumstances differently than the strict application of the methodology would otherwise permit. Adjustments can either increase or decrease a student’s EFC or cost of attendance. The reason for the adjustment must relate to that student’s special circumstances and must be documented in the student’s file.

#### Professional Judgment Policy

ED regulation provides the authority for an aid administrator to use Professional Judgment (PJ) on a case-by-case basis only to adjust the student’s cost of attendance or the data used to calculate their EFC (Section 479A of the HEA, as amended). This adjustment is valid only at the institution processing the PJ. The reason for the adjustment must be documented and it must relate to the special circumstances that differentiate the student/parent—not to conditions that exist for a whole class of students.

The Boston Educational Network annually develops and maintains PJ forms to assist institutions in collecting and documenting professional judgments. A key component of validating a PJ is to ensure that the institution has supplied sufficient documentation to support the special circumstance, ideally from a third-party source. While BEN strongly encourages the institution to strive to obtain a 3rd party source, this is not always possible. BEN will review and analyze the PJ documentation submitted by the institution to validate that the PJ documentation sufficiently satisfies ED requirements.



ED expects financial aid administrators must make “reasonable” decisions that support the intent of the PJ provision and BEN will refer to this ED guidance when validating the PJ documents. Institutions are ultimately held accountable for all professional judgment decisions, for fully documenting each decision and maintaining the PJ documents in the student’s file for each award year.

BEN will make the ISIR correction after BEN has validated the PJ documentation. All other student eligibility requirements must be satisfied prior to BEN processing the ISIR correction for a PJ. Student eligibility requirements include, but are not limited to, ED verification, C-Code resolution and resolution of conflicting information.

### **Professional Judgment Procedure**

Professional judgement can only be done after verification is complete if the student was chosen for verification. Professional judgment is used to take into consideration factors which have not been reflected on the FAFSA. The professional judgment may either increase or decrease data elements used to calculate a student’s EFC.

Professional judgment cannot be exercised for the following:

- to circumvent the law or regulations,
- to waive general student eligibility requirements,
- to change a student’s status from independent to dependent,
- to adjust the EFC directly,
- to alter the need analysis formula or change table values, or
- to create a new category in the cost of attendance.

The Financial Aid Administrator is expected and required to make reasonable decisions that support the intent of the provision. The school is held accountable for all professional judgment decisions made and for fully documenting each decision.

### **Responsible Parties**

#### *Student*

- Must express in writing reason to be considered for PJ, and
- Utilize forms from BEN

#### *Director of Financial Aid*

- Must obtain and maintain documentation of the changed circumstances supporting the Professional Judgment (PJ) decision
- Exercise PJ where appropriate, only the cases of special circumstances
- Seek the assistance of BEN when necessary
- Meet with the Director of Operations to review
- Make the final decision based on adequate documentation.



- The institution is responsible for obtaining the PJ documents from the student and/or parent and providing the documents to BEN. BEN strongly encourages the institution to use the PJ forms developed by BEN (available under the Downloadable Resources section of the BEN school portal) to document the case for the PJ for a specific award year. The institution is required, per USDE regulation, to obtain supporting documentation to validate the special circumstance (preferably from a third-party source). Supporting documents are a key element in BEN determining if a PJ meets USDE requirements as they provide evidence of the special circumstance. Examples of supporting documentation are:
  - unemployment benefit statement
  - statement from an employer
  - W-2's
  - Recent paystubs
  - Tax returns
  - Medical payments
  - Signed and dated statements from the student/parent
- Emails and communicates with Compliance at BEN and waits to hear next step.

Note: All decisions are final; there is no appeal process to the U.S. Department of Education.

### **Not Eligible for Dependency Override – Parent Refusal to Complete FAFSA & No Parental Support**

Students whose parents refuse to support them are not eligible for a dependency override, but they may be able to receive Federal Direct Unsubsidized Loans only. For a student to be eligible for this provision the institution must provide BEN the following signed and dated statements from the parent:

- (1) They (parents) refuse to complete their FAFSA and
- (2) They (parents) do not and will not provide any financial support to the student and
- (3) The date parental support ended to the student

When the institution determines that a student is eligible for Title IV aid under this provision, the FAA decision must be documented and the statements from the parents must be uploaded to BEN. This will require the institution to contact BEN so that BEN can create a special compliance delay so the institution can upload the parent signed and dated statements.

Note: These statements will need to be obtained for each award year as applicable.

Qualified BEN staff will analyze and evaluate each uploaded document and determine whether the document is approved, needs additional clarification or that updates are required. Documents that are approved by BEN staff will be identified in the BEN system as “approved” and documents that are not approved will be identified in the BEN system as “rejected”. When the submitted document is placed under the rejected status, the BEN reviewer will provide an explanation and/or comment documenting why the document was rejected to assist the institution. This process may be repeated multiple times if incorrect (or conflicting) information is provided.

After all the required documents have been approved by BEN staff, BEN will award the student despite the fact that the ISIR will be a rejected application with no EFC (assuming there are no outstanding eligibility issues). BEN will award the student Federal Direct Unsubsidized Loans up to the maximum the student would normally be eligible for depending on their grade level (but not the amount a student can get when his parent is unable to get a PLUS loan).

*See DCL GEN-08-12 and GEN-11-15 for additional information.*

### **Changing Dependency Status Procedure**

#### **Responsible Parties**

##### *Financial Aid Administrator*

- Contacts BEN to enter a compliance delay.
- Provides compliance paperwork to student.
- Uploads completed compliance delay paperwork.
- Wait to hear from BEN.

##### *Student*

- Complete compliance delay paperwork
- Submit to FA office

### **Dependency Override Policy**

Dependent students must report their parents' income and assets on the FAFSA as well as their own. Parents of dependent students are expected to contribute toward the cost of their college education. Federal student aid programs are based on the concept that a dependent student's parents have the primary responsibility for paying for their child's education.

Sometimes extraordinary circumstances make it impossible for a student who does not meet the definition of independent to obtain his or her parents' financial information. In extremely rare cases, the Director of Financial Aid may authorize a Dependency Override. If the school grants a Dependency Override, the student can apply for aid in the same manner as an independent student, using only the student's income and asset information.

The Director of Financial Aid at DDBS will only consider documented cases of child abuse or the current and continuing incarceration/institutionalization of the custodial parent as being extraordinary circumstances. Consideration is on a case-by-case basis.

Note: In most cases the non-custodial parent would then become the custodial parent.

### **Dependency Override Procedure**

DDBS will not grant a Dependency Override when the sole basis for the request is that parents do not claim the student on income tax return, parents do not wish to provide income and tax

information, parents simply do not wish to contribute to educational expenses or the student is self-supporting.

Students who wish to apply for a Dependency Override must submit the following documentation:

- A letter of explanation, written by the student, explaining the extraordinary family circumstances that led to the student leaving the parent household. The letter must include information on the student's means of support since leaving the parent household.
- Letters (on letterhead) from three professionals detailing their first-hand knowledge verifying the family circumstances as described by the student. Professionals may include guidance counselors, clergy members, teachers, doctors, family counselors, mental health professionals and law enforcement personnel. The letters must include the professional's name, job title and contact information. In most cases, court documents will be requested.
- Copies of the student's federal income tax return transcripts for the current and preceding year. The letter of explanation requesting a Dependency Override along with all required documentation should be sent to the Director of Financial Aid.

\*If the Director of Financial Aid determines homelessness, it must be on a case-by-case basis and documented, but is *not* a professional judgment or dependency override. However, it is processed as a dependency override in FAA Access.

### **Burden of Proof**

The burden of proof is on the student to show why a special circumstance is appropriate to more accurately reflect the family's ability to pay.

### **Unaccompanied Homeless Youth Policy**

If a student does not have and cannot get documentation from authorities, the financial aid administrator must determine if she is an unaccompanied youth who is homeless or is self-supporting and at risk of being homeless. It is important to make homeless youth determinations on a case-by-case basis.

### **Unaccompanied Homeless Youth Procedure**

#### **Responsible Parties**

##### *Financial Aid Administrator*

- Ask for help with determining eligibility from local school district homeless liaisons, state homeless education coordinators, or the National Center for Homeless Education (<http://center.serve.org/nche>).
- Use discretion when gathering information and respect the student's privacy. Some information, such as that protected by doctor-patient privilege, is confidential.
- Determine eligibility based on the legal definitions provided.

- Unaccompanied homeless youth may use the address of your school as their own on the FAFSA.
- Use third party servicer.

### STUDENT GRIEVANCE POLICY AND PROCEDURE

#### Purpose of the Procedure / Introduction

DDBS's aim is to ensure that students with a grievance relating to their education or attendance can use a procedure, which can help to resolve grievances as quickly as possible.

#### Policy

Any student who feels they have not received adequate and/or fair treatment in all matters related to; school policies regulations and procedures in accordance with the current student handbook may seek consideration through a formal grievance policy.

#### Purpose

To provide all students with means for impartial consideration in grievance procedures.

#### Guidelines

**Stage 1:** Statement of Grievance: If the student feels that the matter has not been resolved through informal discussions with the instructor/student meeting, the student should put their grievance in writing to the Director of Operations to further resolve the said issue.

See appendix A for Student Grievance Form.

**Stage 2:** The Grievance Meeting: The Director of Operations must schedule the Grievance meeting within three (3) days receipt of the grievance. If the grievance includes the Director of Operations, the Director of Operations or designee may coordinate the meeting.

**Stage 3:** The Response: The Director of Operations or designee will respond, in writing, the response shall be issued to the student within five (5) days following the grievance meeting.

#### Procedure

Students must take all reasonable steps to attend the meeting, but for any unforeseen reason the student or the Director of Operations cannot attend, the meeting must be rearranged. Should a student companion and/or parent/guardian be unable to attend then the student must make contact within 3 days of the date of the letter to arrange an alternative date within five (5) days of the original date provided. These time limits may be extended by mutual agreement.

### Appeal

If the matter is not resolved to the student's satisfaction, they must state their grounds of appeal in writing within five (5) business days of receipt of the decision letter. Within ten (10) business days of receiving an appeal letter, the student should receive a written invitation to attend an appeal meeting. A member of the school's Advisory Committee will take the appeal meeting. After the appeal meeting with the Advisory Committee member, the Director of Operations must inform the student in writing of their decision within three (3) business days of the meeting. No further action can be taken.

If conflict is still without resolve, please contact:

Council on Occupational Education  
7840 Roswell Road, Building 300, Suite 325  
Atlanta, GA 30350 Telephone: 770-396-3898 / FAX: 770-396-3790  
[www.council.org](http://www.council.org).

Or

State of Michigan Bureau of Professional Licensing  
PO Box 30670 Lansing, MI 48909  
Telephone: (517) 241-9288  
Website: [www.michigan.gov](http://www.michigan.gov)  
Email: [BPLHelp@michigan.gov](mailto:BPLHelp@michigan.gov).

## Veterans Addendum to the Catalog

DDBS will permit any covered individual to attend or participate in the course of education during the period beginning on the date on which the individual provides to the educational institution a certificate of eligibility for entitlement to educational assistance under Chapter 31 or 33 and ending on the earlier of the following dates:

- The date on which the Department of Veterans Affairs provides payment for such course of education to said institution;
- The date that is 90 days after the date on which the educational institution certifies for tuition and fees following receipt from the student such certificate of eligibility.

DDBS will not impose any penalty, including the assessment of late fees, the denial of access to classes, libraries, or other institutional facilities, or the requirement that a covered individual borrow additional funds, on any covered individual because of the individual's inability to meet their financial obligations to the institution due to the delayed disbursement of funding from the Department of Veterans Affairs.

Appendix A – Student Grievance Form

STUDENT GRIEVANCE FORM

Name of Complaint: \_\_\_\_\_

Student Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Address: \_\_\_\_\_

1. Please provide a one or two sentence description of your complaint.

\_\_\_\_\_  
\_\_\_\_\_

2. Please describe the nature of your complaint in full detail indicating what happened, when the event occurred and who was involved. If additional space is needed, use the reverse side.

\_\_\_\_\_  
\_\_\_\_\_

3. Indicate when and with whom you have already spoken regarding this grievance and what attempts have been made toward resolution.

\_\_\_\_\_  
\_\_\_\_\_

4. Indicate what specific resolution you are seeking or recommending.

\_\_\_\_\_  
\_\_\_\_\_

\*I hereby certify that the statements made pertaining to my complaint are truthful and accurate.

\_\_\_\_\_  
Student Signature of Complainant

\_\_\_\_\_  
Date

### Appendix B – LOA Policy and Procedure

#### LEAVE OF ABSENCE POLICY AND PROCEDURE

##### Purpose

DDBS recognizes that it is sometimes necessary for students to interrupt their enrollment for a short period of time and take a leave of absence. The policy and procedure will guide the student through the processes needed to grant request.

An authorized leave of absence (LOA) is a temporary interruption in a student's program of study. LOA refers to the specific time period during a program when a student is not in attendance. A LOA is not required if a student is not in attendance only for an institutionally scheduled break. However, a scheduled break may occur during a LOA. A LOA must meet certain conditions to be counted as a withdrawal requiring an institution to perform a refund calculation. For a student at DDBS to be approved for a Leave of Absence rather for medical or personal reason, the following conditions must be met:

##### Leave of Absence Procedures

- The school's policy for a Leave of Absence (LOA) requires a student to submit a request in writing.
- The written request must contain dates for the leave and the reason for the request and include the student's signature.
- The LOA together with any additional Leaves of Absence must not exceed a total of 180 days in any 12- month period.
- The school's policy requires a student to apply in advance for a LOA unless unforeseen circumstances (emergency) prevent the student from doing so. For example, if a student were injured in a car accident and needed a few weeks to recover before returning to school, the student would not have been able to request the LOA in advance.
- The school may grant an LOA to a student who did not provide the request prior to the LOA due to unforeseen circumstances if the school documents the reason for its decision and collects the request from the student at a later date either via mail, email, fax, an authorized individual or in person. In this example, the beginning date of the approved LOA would be determined by the school Director/Administrator to be the date the student was unable to attend school because of the accident.
- The request for Leave of Absence Form is made available in the Student Handbook & Catalog.
- A student granted a LOA that meets these criteria is not considered to have withdrawn, and no refund calculation is required at that time. For the Leave of Absence to be approved, there must be a firm and clear reasonable expectation that the student will return from the LOA. If it is determined that the student has no intention of returning, refer to the Withdrawal Policy. The student's contract will be extended by the same number of days taken in the LOA. Changes to the contract period on the enrollment

agreement must be initiated by all parties. If the student does not return by the withdrawal date for the purpose of calculating a refund, is always the student's last day of attendance.

- When the student returns from a LOA, the student's education will continue from the actual hours earned. The start and ending date will be adjusted accordingly.
- Please note that any student who fails to return to the school at the end of an approved Leave of Absence is considered to have withdrawn from the school.
- Students who do not follow the procedure for obtaining an approved Leave of Absence will be subject to the school's stated policies on attendance for any and all absences recorded, regardless of circumstances.

### **Responsible Parties:**

#### **Director of Operations/Admissions Coordinator**

- Receive request in advance in writing, from instructor which will include the reason for the student's request and include the student's signature within two weeks.
- Approve the leave
- Make sure the leave of absence does not exceed 30 days with any additional leaves with a twelve-month period (only 1 leave will occur within 12-month period).
- The Admissions Coordinator will make an addendum on the original contract to make sure it is the same number of days taken in the LOA then report it to the Digital Records Clerk for file update.
- The Director of Operations along with instructor assure the education of the student continues upon his return

#### **Student**

- Request in advance in writing a request for leave of absence
- Get approval following the policy of the institution
- Make sure it does not exceed 30 days with any additional leaves within a 12-month period.
- Make sure an addendum is made to student contract
- Return with request days of actual leave of absence



## Appendix C – SAP Appeal Form



## Satisfactory Academic Progress Appeal Form

(Please print neatly – illegible forms will not be processed)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email/phone: \_\_\_\_\_

Meeting financial aid satisfactory academic progress (SAP) standards is a requirement for financial aid eligibility. If you do not meet SAP standards, you may submit an appeal requesting financial aid reinstatement consideration.

Reasons for Appeal	Required Documentation
<input type="checkbox"/> Personal illness or injury <input type="checkbox"/> Personal crisis <input type="checkbox"/> Illness of a family member <input type="checkbox"/> Death in the family <input type="checkbox"/> Second degree <input type="checkbox"/> Other <b>NOTICE:</b> Lack of awareness of withdrawal policies and/or requirements for SAP and lack of preparation for college coursework are <b>not</b> acceptable reasons for an appeal.	<p><b>ATTACH a <u>one-page explanation</u> of what happened and what has changed AND supporting documentation of your situation</b></p> <p>NOTE: Include your <i>name</i> and <i>student ID</i> number at the top of each document.</p> <p>The explanation must include:</p> <ul style="list-style-type: none"> <li>▪ <b>What happened</b> and why the event(s) caused you to be unable to maintain satisfactory progress</li> <li>▪ <b>What has changed</b> and what steps you have taken or will take to achieve and maintain satisfactory academic progress</li> </ul> <p><b>Note:</b> If this not your first SAP appeal, you <b>MUST</b> submit the <b>Student Improvement Plan-SAP Part 2 Form</b>.</p>

SAP review components are:

- (1) **Cumulative Grade Point Average (GPA):** 75% is required for academics and 68% is required for attendance
- (2) **Pace of Progression (completion percentage):** At least 67% of all coursework attempted must have successfully passing grades.
- (3) **Maximum Time Frame:** Students must complete their program in no more than 150% of the program's average published length.

**Incomplete appeals will be denied. We may request additional documentation.**

Signature \_\_\_\_\_

Email complete appeal to [raynakarpuk@ddbs.edu](mailto:raynakarpuk@ddbs.edu).

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## **FINANCIAL AID OVERVIEW**

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### **Financial Aid Objective**

Our Financial Aid objective is to provide every student with the opportunity to apply for all financial assistance available to successfully complete their training at our School.

### **Financial Aid Interview**

The Financial Aid Office performs the following functions during the interview:

1. Provides information regarding the application process and eligibility criteria for all of the programs which are available,
2. Assists with the completion of the application forms, if needed,
3. Documents that the student meets the general eligibility criteria for participating in the programs, and
4. Assists in the estimation of the amounts of financial aid and determines sources of financial aid that will comprise the total award package.

### **Student Eligibility**

In order for a student to be eligible to receive aid from Federal financial aid programs they:

1. Must be enrolled in a program of study and pursuing a degree/certificate/other credential;
2. Must be a US Citizen;
3. Must have a valid social security number;
4. May not be in default on a federal student loan or have an overpayment on a federal grant;
5. Must meet the requirements for Student Academic Progress (SAP);
6. Incarcerated students who are serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, or similar correctional institution have limited financial aid eligibility depending on the type of institution they are incarcerated in, as students are not considered to be incarcerated if in a halfway house or home detention or is sentenced to serve only weekends. Incarcerated students are not eligible for FSA loans but are eligible for Federal Pell Grants if not incarcerated in a federal or state penal institution.

### **Student Ineligibility**

A student is not eligible for Federal financial aid if they:

1. Are enrolled in an elementary or secondary school,
2. Are in default on a student loan, or owe a refund on a student grant from the Title IV programs,
3. Are a member of a religious order,

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4. Have borrowed in excess of the annual or aggregate loan limits for the financial aid loan programs, or
5. Are enrolled in a remedial program.

### Citizenship

The ISIR serves as documentation to prove the student's eligible non-citizenship status. If the ISIR shows there was not an INS match, the Financial Aid Office sends copies of the documents the student provides to the INS, along with a G-845 (for Secondary Confirmation). The Financial Aid Office also sends notification to the student to provide eligibility documentation within 30 days. The School may approve the disbursement of funds based on the determination that the student has submitted documents to support the student's claim to be a citizen or eligible non-citizen, and has no other documentation that conflicts with the immigration status documentation submitted.

If after the funds are disbursed, the Financial Aid Office learns that the student is NOT a citizen, or eligible non-citizen, the funds must be returned as follows:

1. If the Financial Aid Office followed all required procedures, and had no reason to believe that the documents submitted to the School did not support the student's claim to be an eligible noncitizen, the student is liable.
2. The Financial Aid Office must make a reasonable effort to contact the student, and to collect the amount that was disbursed in error.
3. If the Financial Aid Office makes an error in determining that a student is an eligible non-citizen, the School is liable.
4. Citizenship or eligible non-citizen documents may be used in later award years if the documents have not expired.

For information on secondary and third-step confirmation verification of citizenship, see chapter 3 under "Documentation."

### Regaining Eligibility

#### REASON FOR INITIAL INELIGIBILITY

#### REGAINS ELIGIBILITY

Pell Grant and Direct Loans  
Campus-Based

#### Default on Loan or Overpayment Debt

Student was in default on a Federal loan or owed an overpayment on a grant or loan at the beginning of the academic year, but repaid in full, made satisfactory repayment arrangements or otherwise resolved the default or overpayment during the year

Eligible beginning with the payment period during which the default was resolved

Eligible the entire period of enrollment during which the default or overpayment

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REASON FOR INITIAL INELIGIBILITY

REGAINS ELIGIBILITY

Pell Grant and  
Campus-Based

Direct Loans

was resolved

**Satisfactory Academic Progress**

Student did not meet satisfactory academic progress standards at the beginning of the Academic year, but met them during the Year (see Satisfactory Academic Progress

Eligible beginning with the payment period during which the student met the academic progress standards

Eligible the entire period of enrollment in which the student met the academic progress standards-follow school policy

**Ability to Benefit**

Student without high school diploma or equivalent had not obtained a passing score on an approved “ability-to-benefit” test by the beginning of the academic year, but passed such a test during the year

Ineligible, unless grandfathered

Ineligible, unless grandfathered

**Citizenship Status**

Student failed to meet citizenship status requirements at the beginning of the academic year, but met them during the year

Eligible for the entire award year in which proper citizenship status is met

Eligible for the entire period of enrollment in which proper citizenship status is met

**Valid Social Security Number**

Student was not able to provide confirmation of reported DDN at the beginning of the academic year, but was able to provide confirmation during the year status

Eligible for the entire year in which confirmation status is met

Eligible for the entire period of enrollment in which proper citizenship is met

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### BASIC PACKAGING CONCEPTS

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#### Policy Reason

“Packaging” is the term used to describe the process of determining a student’s eligibility for federal student aid without exceeding the student’s financial need or the cost of attendance (COA). How this is achieved depends on several variables:

- The student’s cost of attendance, EFC, and financial need;
- The federal student aid programs offered at your school and the regulatory limits on those programs;
- The amount of any aid the student is receiving from the school and/or other sources;
- The student’s enrollment status;
- Institutional policies.

#### Estimated Financial Assistance

Estimated Financial Assistance (EFA) is the amount of federal, state, institutional, and private financial assistance a school estimates a student will receive.

As part of a packaging calculation, it is the aid received, or expected to receive, during a payment period of enrollment.

EFA includes sources of support that a student receives as a result of being a student. Some examples include:

- Pell Grants
- Educational loans
- Grants and scholarships
- Tuition and fee waivers
- Net earnings from need-based employment
- Fellowships and assistantships
- Employer tuition reimbursement

#### Treatment of VA Educational Benefits

VA educational benefits are not treated as estimated financial assistance (EFA). Veterans’ educational benefits are also not to be counted as income, and therefore are not reported as income on the FAFSA.



**FSA Handbook, Volume 3, Chapter 7**  
**Higher Education Act, Section 480(c)**



**ACADEMIC YEAR AND PAYMENT PERIOD**

**Academic Year Definition Policy**

For purposes of defining an academic year, a week is a consecutive seven-day period; a week of instructional time is any week in which at least one day of regularly scheduled instruction or examinations occurs or, after the last scheduled day of classes for a term or payment period, at least one day of study for final examinations occurs; and instructional time does not include any vacation periods, homework, or periods of orientation or counseling.

***The definition of the Academic Year for this institution is 900 clock hours and 26 weeks.***

An academic year is 900 clock hours and 26 weeks long for the Cosmetology program.

An academic year is 400 clock hours and 12 weeks long for the Esthetics program.

The Cosmetology program is 1500 clock hours and 45 calendar weeks long for full-time students and 66 weeks long for part-time students.

The Esthetics program is 400 clock hours and 12 calendar weeks long for full-time students and 20 weeks long for part-time students.

**Academic Year Requirements**

Every eligible program must have a defined academic year. The academic year is one component used in determining a student's eligibility for Title IV aid. A school may have different academic years for different academic programs. In some cases, the definition *must* be different, such as in the case of a clock-hour program and a credit-hour program. For FSA purposes, the academic year is defined in weeks of instructional time and for undergraduate programs in credit or clock-hours. The program's academic year does not have to coincide with the school's academic calendar.

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### Weeks of Instructional Time in an Academic Year

The minimum standard for weeks of instructional time:

- For a program offered in clock hours, the academic year must include at least 26 weeks of instructional time.

The minimum standards for weeks of instructional time described above apply to both undergraduate and graduate or professional programs.

The number of weeks of instructional time is based on the period that generally begins on the first day of classes in the academic year and ends on the last day of classes or the last day of examinations, whichever is later.

### Clock-hours in an Academic Year

For *undergraduate* educational programs, the law and regulations set the following minimum standards for coursework earned by a full-time student in an academic year:

- 900 clock-hours for a program measured in clock-hours.

For *graduate and professional* programs, there is no minimum hour component to the definition of an academic year.

### Academic Calendars & Non-terms

If a program measures progress in clock-hours, it is always treated as a non-term program.

### Payment Periods

The payment period is applicable to all FSA programs except FWS. For example, FSA program disbursements (except FWS payments) must be made on a payment period basis. Another example is that a student's satisfactory academic progress (SAP) evaluation must correspond with the end of a payment period.

### Clock-hour and Non-term Programs

For all clock-hour programs and for credit-hour programs that do not have academic terms, payment periods are defined as described below. As noted earlier, these same payment period requirements also apply when disbursing Direct Loans to students enrolled in programs with nonstandard terms that are not substantially equal in length.

If you are determining the payment periods for a program for which one of the measures (either clock or credit-hours or length of instructional time) is less than an academic year

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and the other measurement is not, the program is considered less than an academic year in length, and you follow the payment period rules below for a program that is one academic year or less in length.

*If the program is one academic year or less in length:*

- The first payment period is the period in which the student successfully completes half of the credit or clock-hours AND half of the weeks of instructional time in the program.
- The second payment period is the period in which the student completes the remainder of the program.

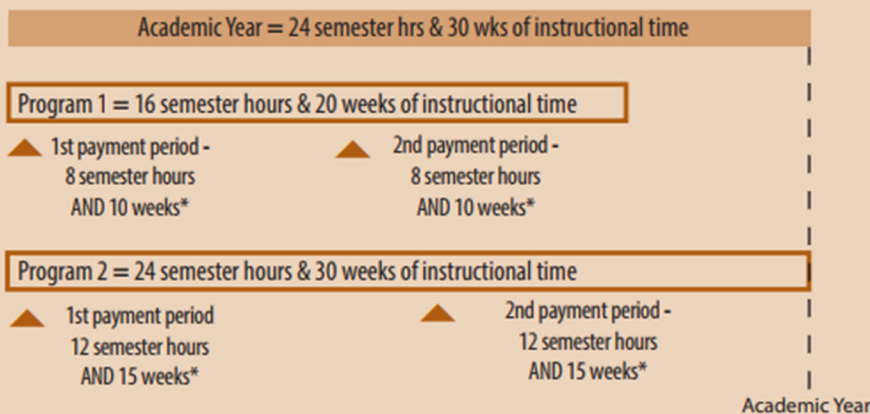
*If the program is more than one academic year in length:*

- For the first academic year of the program and for any subsequent full academic year, follow the payment period rules above for a program that is one academic year or less in length, substituting “academic year” for “program.”
- For any remaining portion of a program that is more than half of an academic year (as measured in both clock or credit hours and weeks of instructional time), but less than a full academic year—
  - The first payment period is the period in which the student successfully completes half of the credit or clock-hours AND half of the weeks of instructional time in the remaining portion of the program; and
  - The second payment period is the period of time in which the student successfully completes the remainder of the program.
    - For any remaining portion of a program that is half of an academic year or less, the payment period is the remainder of the program.
- For any remaining portion of a program that is half of an academic year or less, the payment period is the remainder of the program.

## Example

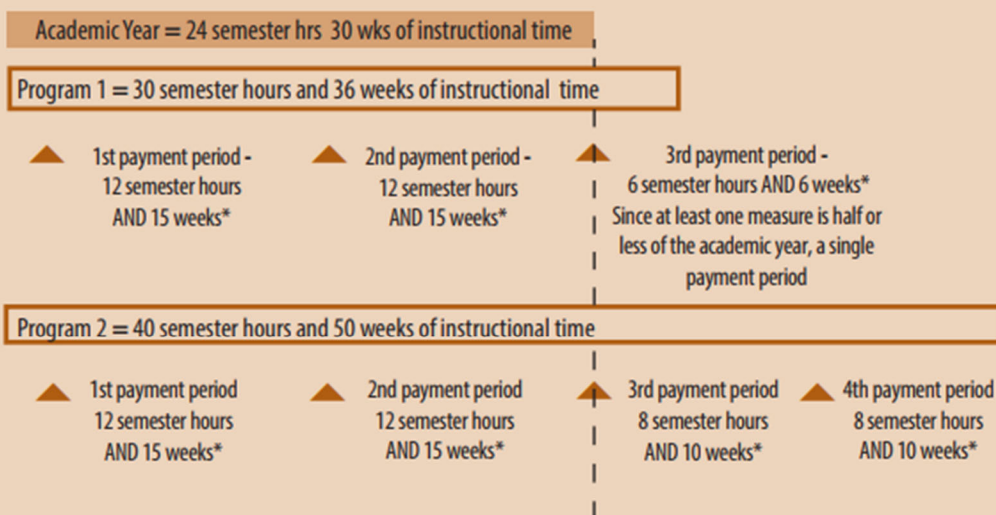
## Non-term Programs—One Academic Year or Less

In both of these examples, the school defines the academic year for the program as 24 semester hours and 30 weeks of instructional time. The first program is less than an academic year; the second program is a full academic year.



## Non-term Programs—More than an Academic Year

In both of these examples, the school defines the academic year for the program as 24 semester hours and 30 weeks of instructional time. The first program is an academic year with a remaining portion less than half of an academic year; the second program is an academic year with a remaining portion greater than half of an academic year.



\*Weeks of instructional time.

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### Progression to Next Payment Period Based on Completion of Hours and Weeks

There are two cases where you must use credit or clock-hours and weeks of instructional time to determine the length of the payment period:

- Clock-hour and non-term credit-hour programs, and
- For Direct Loans, programs with nonstandard terms that are not substantially equal in length.

**Note:** For these programs, a new payment period for purposes of making the next disbursement of a grant or loan cannot begin until the student successfully completes both the credit or clock-hours and the weeks of instruction in the previous payment period. A student “successfully completes” credit or clock-hours if your school considers the student to have passed the coursework associated with those hours.

The Pell Grant amount that a student is eligible to receive for a payment period is determined based on the number of hours and weeks in the scheduled payment periods for a program that are established at the beginning of the program based on the program length. These scheduled payment periods do not change, regardless of a student’s rate of progression through a clock-hour or non-term credit hour program. This means that if a student completes additional weeks of instructional time or hours while completing the other measure of a payment period, the actual number of weeks or hours that the student completes before a disbursement can be made for the next payment period may differ from the number of weeks or hours in the scheduled payment period used to determine the student’s grant amount for the payment period.

**Important:** Although a student’s completion of additional weeks or hours in a payment period has no effect on the scheduled payment periods for purposes of determining Pell Grant payment amounts, an undergraduate student who accelerates in a clock-hour or non-term credit-hour program may have reduced Direct Loan eligibility in the final academic year of a program. Specifically, if a student enrolled in a program that is greater than one academic year in length completes additional clock or credit hours prior to the final academic year of the program, this may result in a final period of study that contains fewer clock or credit hours than the number of hours in the program’s defined academic year. In this circumstance, the Direct Loan annual loan limit for an undergraduate student must be prorated (reduced).

### Prior-Year Charges Allowance

You may include up to \$200 for prior-year charges in one or more payment periods in the current award year (\$200 total, not in each payment period in the current award year). This \$200 allowance must only be for tuition, fees, school-provided room & board, and, with the student’s or parent’s authorization, educationally related goods and services provided by the prior-year school. For more details, see 34 CFR 668.164(c)(3).

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**COST OF ATTENDANCE (BUDGET)**

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**Policy Reason**

Cost of attendance (COA) is determined by law (Higher Education Act, Sec. 472) and is not subject to regulation by the Department. The law specifies the types of costs that are included in the COA, but each school must determine the appropriate and reasonable amounts to include for each eligible COA category for its students, based on the criteria described in this chapter.

**Responsible Party**

The Director of Financial Aid is responsible for establishing the annual cost of attendance for all DDBS programs for both part-time and full-time attendance types.

**Procedure to Determine Annual COA – 2020-2021 AY (Initial Year)**

The tuition and the books & supplies components are exact figures, taken from the published prices in DDBS materials for the year.

Because Cosmetology is a 12-month program, all figures stated are for a full year, while the Manicuring, Esthetics, and Esthetics Instructor programs are all 400 clock-hours and 12 weeks, which is approximately 3 months. All annual COA components, where applicable, are prorated for 3 months for the manicuring, esthetics, and esthetics instructor programs.

We have chosen to associate a zero cost for both room and board for all students who indicate that they plan to live “with parent” for the academic year. For full-time students who have marked that they will live “off campus,” we have utilized data from the Bureau of Economic Analysis, as published by 24/7 Wall St. online at <https://247wallst.com/state/cost-of-living-in-michigan>. This resource states that the typical renter in Michigan spends \$850 a month on housing and \$3,240 annually on food for a single adult. \$9,930 is the amount the average single adult in the state spends a year on transportation (not including the cost of purchase of a vehicle). The personal/misc component of the COA is comprised of the \$3,455 per year average health care costs for a single adult in the state.

The State of Michigan registration is \$63 for cosmetology, manicuring, and esthetics, and the PSI exam/test fee is \$167 for each exam.

The loan fees component of the cost of attendance figure takes the current loan origination fee for the 1<sup>st</sup> year dependent student annual loan amounts.



## Procedure to Determine Annual COA – 2023-2024 AY

The tuition and books & supplies components are taken from exact figures.

The social security cost-of-living adjustment (COLA) is 8.7% in 2023, as reported by Barrons.com. Therefore, we have taken the previous year's dollar figures for room, board, transportation, and personal/misc and have multiplied them by the annual COLA percentage to obtain the new figures.

The loan fee has not changed, and the State of Michigan registration and the PSI exam/test fees remain the same.

## 2023-2024 Cost of Attendance for Entire Program

2023-2024 Cost of Attendance for Entire Program						
	Cosmetology - 11 mo		Esthetics - 3 mo		Advanced Esthetics - 6 mo	
	w/parent	not w/parent	w/parent	not w/parent	w/parent	not w/parent
<b>Tuition</b>	\$20,000	\$20,000	\$10,000	\$10,000	\$15,000	\$15,000
<b>Books &amp; Supplies</b>	\$2,500	\$2,500	\$2,000	\$2,000	\$2,500	\$2,500
<b>Housing*</b>	\$0	\$10,903	\$0	\$2,974	\$0	\$5,947
<b>Food*</b>	\$0	\$3,463	\$0	\$945	\$0	\$1,889
<b>Transportation</b>	\$10,614	\$10,614	\$2,895	\$2,895	\$5,790	\$5,790
<b>Personal/Misc</b>	\$3,693	\$3,693	\$1,007	\$1,007	\$2,014	\$2,014
<b>Loan Fees ESTIMA</b>	\$58	\$58	\$58	\$58	\$0	\$0
<b>Registration Fee</b>	\$100	\$100	\$100	\$100	\$100	\$100
<b>State of MI regist</b>	\$63	\$63	\$63	\$63	\$63	\$63
	<b><u>\$37,028</u></b>	<b><u>\$51,394</u></b>	<b><u>\$16,123</u></b>	<b><u>\$20,042</u></b>	<b><u>\$25,467</u></b>	<b><u>\$33,303</u></b>

## Cost of Attendance Procedure

The COA for a student is an estimate of that student's educational expenses for the period of enrollment. DDBS establishes student COA using average expenses (for students with the same enrollment status) rather than actual expenses. Students must be awarded on the basis of a COA comprised of allowable costs assessed all students carrying the same academic workload.

The types of costs that may be included are the same for all FSA programs. For the Campus-Based and Direct Loan programs, the COA is based on the student's enrollment status, is a student's cost for the period for which the aid is intended. For Pell Grants and Iraq & Afghanistan Service Grants, the COA is always the full-year costs for a full-time student, so DDBS may have to prorate actual or average costs for students who are attending less than an academic year (or who are part-time in a term program) or prorate down for students who are attending for periods longer than an academic year.

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As explained above, the types of costs included in the COA are determined by law in accordance with section 472 of the HEA. These costs, as described below, are the only costs that may be included in a student's COA. If a cost is not listed below, it may not be included as part of the COA.

### Allowable Costs

A student's COA is the sum of the following:

- (1) The tuition and fees normally assessed for a student carrying the same academic workload.** This includes graduation fees, if incurred while the student is still enrolled and when required by the program and paid by all students, and costs of rental or purchase of equipment (including equipment for instruction by telecommunications), materials, or supplies required of all students in the same course of study.
- (2) An allowance for books, supplies, transportation, and miscellaneous personal expenses.** This allowance can include:
  - a. A reasonable amount, as determined by your school, for the documented **rental or purchase of a personal computer** that the student will use for study for the enrollment period. For example, a computer purchased in the summer for use in the fall term may be included.
  - b. Costs for **operating and maintaining a vehicle that is used to transport the student to and from school**, but not for the purchase of a vehicle.
  - c. Costs incurred by a student for a **prior learning assessment** (e.g., an exam or a portfolio evaluation).
- (3) An allowance for room and board.** For all students, schools must include in their COA an allowance for room and board. For students residing in institutionally owned or operated housing, the allowance should be based on the amount normally assessed most of the school's institutionally-housed residents for room and board. For all other students, the allowance should be based on the expenses reasonably incurred by each type of student for room and board.
- (4) For a student with dependents, an allowance for costs expected to be incurred for dependent care.** This covers care during periods that include but are not limited to class time, study time, field work, internships, and commuting time for the student. The amount of the allowance should be based on the number and age of such dependents and should not exceed reasonable cost in the community for the type of care provided. Note that because students are often unaware of this allowance, schools should make clear when counseling students, about the availability of the dependent care allowance and how to request that an allowance for dependent care be included in their cost of attendance.

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- (5) **An allowance for the one-time direct costs of obtaining a first professional license or certificate for students who are enrolled in a program that requires such professional licensure or certification.** This allowance may only be provided one time per student per eligible academic program. Examples of allowable costs include fees charged to take a licensing exam, costs of applying for and obtaining the license or certification, and, at the discretion of the school, costs incurred in traveling to a residency interview for a medical student. Under this provision, the costs must be incurred during (not after) a period of enrollment, even if the exam is after the end of the period.
- (6) **For study-abroad programs approved for credit by the student's home institution, reasonable costs associated with such study.** This is not applicable for study at DDBS.
- (7) **For a student with a disability, an allowance for expenses related to the student's disability.** These expenses include special services, personal assistance, transportation, equipment, and supplies that are reasonably incurred and not provided by other agencies.
- A student is considered to have a disability if he or she has a physical or mental impairment that substantially limits a major life activity, such as if the student is deaf, has a mental disability, is hard of hearing, has a speech or language impairment, is visually disabled, is seriously emotionally disturbed, orthopedically impaired, autistic, has a traumatic brain injury, is otherwise health impaired, or has specific learning disabilities that require special education and related services.
- (8) **For students engaged in a work experience through a cooperative education program, an allowance for reasonable costs associated with such employment.**
- (9) **For students receiving loans, the fees required to receive them (for example, the loan fee for a Direct Loan).** You may also include the fees required for non-federal student loans that must be considered estimated financial assistance (EFA) for the student when packaging aid. In all cases, you can either use the exact loan fees charged to the student or an average of fees charged to borrowers of the same type of loan at your school. To be included in the COA, any loan fees for private loans must be charged to the borrower during the period of enrollment for which the loan is intended.

### For Less-than-half-time Students

For students enrolled less-than-half-time, COA can include only:

- (1) **Room and board for a limited duration.** Schools have the option to include in the COA for a less-than-half-time student an allowance for room and board for up to three semesters (or equivalent), with no more than two of the semesters being

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consecutive at any one school. You are not required to monitor COA components from other schools attended by the student.

- (2) **Tuition and fees;**
- (3) **An allowance for books and supplies;**
- (4) **Transportation (but not miscellaneous & personal expenses); and**
- (5) **An allowance for dependent-care expenses.**

### Adjustments for Special Circumstances

The Director of Financial Aid has the authority to use **professional judgment** to adjust the COA on a case-by-case basis to allow for special circumstances. Such adjustments must be documented in the student's file.

### Limitations to Tuition and Fees Component

- (1) **Overtime charges.** A school may not use Title IV funds to pay overtime charges for a student who fails to complete his or her academic program within the normal time frame. Section 472 of the HEA defines COA as the tuition and fees normally assessed a student carrying the same academic workload required of all students in the same course of study. Overtime charges are in addition to normal tuition and fees, and since they are not charges normally assessed, they may not be included in a student's COA for Title IV purposes, and therefore Title IV funds may not be used to pay charges, even if a school obtains a student's (or parent's) authorization to do so.

This restriction applies to both clock-hour and credit-hour programs. For example, some clock-hour programs assess "overtime charges" for students who don't complete the program within an established timeframe. Some credit-hour programs also charge additional tuition or fees for each course a student takes if the student fails to complete his/her program(s) within an established time-frame. In both cases, such charges may not be counted in the Title IV COA, and Title IV funds may not be used to pay for the additional charges

- (2) **Finance Charges.** You may not use Title IV funds to pay finance charges or fees that are incurred because a student utilizes a financing method provided by the school to pay for educational expenses over time. Because students or families choose to incur these additional expenses rather than paying the balance due at registration, the additional charges are not considered educational expenses, and may not be included in a student's cost of attendance.

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### Costs for Periods Other Than Nine Months

The COA used to package Campus-Based aid and Direct Loans covers the student's actual period of enrollment. Therefore, if the student will be attending for more than nine months, you must use a higher COA that includes living expenses, such as room and board, for the longer period of time. If the student will be attending for less than nine months, you must use a lower COA. You can choose to prorate the allowances you use for nine months, or you can calculate the cost in any other reasonable way.

When calculating for periods other than nine months, be sure to use the rules for the corresponding EFC type. There are three types of EFC for periods other than nine months, each with their own treatment: EFC for dependent students; EFC for independent students without dependents other than a spouse; and EFC for independent students with dependents other than a spouse.

### Adjusting Costs for Pell Grants

The types of costs included in the Pell Grant budget are the same as those for the other FSA programs; however, Pell Grant costs are always based on the costs for a *full-time student for a full academic year*.

For Pell, costs for programs or enrollment periods longer or shorter than an academic year must be prorated so that they are the costs for one full academic year. This is true for both parts of the academic year definition: if either the number of weeks or the number of clock/credit-hours differs from the academic year standard, the costs must be prorated to determine the full-time, full-year Pell budget.

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## PACKAGING AND AWARDING AID

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### Packaging and Awarding Aid Policy

The institution interviews a prospective student and develops a financial plan for the incoming student. The institution is responsible for informing the student of all Title IV financial aid programs, including the maximum loan eligibility available for the student's program of study. The School also informs the student of when aid can be expected to be disbursed, e.g., in each payment period. With the consent of the student, the institution forwards the request for aid to the Boston Educational Network for awarding and packaging. This is accomplished by the institution submitting a Student Aid Profile into the BEN software system. Based on the information submitted by the institution, the student ISIR and following USDE awarding regulations, BEN develops a financial aid notification for each student. BEN will not award or disburse any Title IV aid for an award year until the student has satisfied all other eligibility requirements including, but not limited to:

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- all C Codes have been satisfactorily resolved;
- verification process has been completed, as required;
- all conflicting information has been resolved.

BEN is responsible for evaluating numerous student specific factors when determining the Title IV aid that the student qualifies for. Some of the main factors are the student's:

- selected program of study,
- dependency status,
- EFC, and
- prior Title IV aid (NSLDS).

The institution is responsible for informing the student of their rights, requirements, and responsibilities in accepting the aid package. It is the institution's responsibility to review the student ISIR and resolve any conflicting information (preferably prior to the submission of the student profile).

Institutions are responsible for providing student enrollment data to the National Student Loan Data System (NSLDS) and to report students who transfer to their institution in the same award year in which they have received aid from another institution to the NSLDS transfer student monitoring list. BEN will verify the institution's policies, procedures and practices during the 24 Student File and Institution Policy Review to ensure accurate and timely reporting of student enrollment status to NSLDS.

### **Packaging and Awarding Aid Procedure**

The institution is responsible for creating and submitting a Student Profile using the secure Boston Educational Network software system for each student who is requesting Title IV aid. The student must have an ISIR for the corresponding aid request submitted and all qualifying conditions met (see above) by the institution before an award notification can be evaluated and created by BEN.

It is the institution's responsibility to review the student ISIR and resolve any conflicting information (preferably prior to the submission of the student profile). BEN will not award or disburse any Title IV aid for a specific award year until the student has satisfied all other eligibility requirements including, but not limited to, all C-Codes have been resolved and documented, the verification process has been completed and all conflicting information has been resolved.

After all eligibility requirements have been satisfied (verification, C Codes, conflicting information, etc.) the student file is ready for further evaluation by qualified BEN staff to prepare for the awarding of Title IV aid.



### ISIR Review

When a student file is deemed ready to be awarded (termed “In Process” by the BEN system) (which includes clearing all the compliance edits), a qualified BEN processor will perform additional reviews of the ISIR to determine if there are additional factors that will impact the ability to award Title IV aid to the student. The qualified BEN processor will review the ISIR to determine if they find any conflicting information within the data contained in the ISIR. This review will occur even in cases where the student has cleared the verification and/or C Code review process. The BEN processor will review the comment codes on the ISIR to determine if there are any items the USDE has highlighted and will create a **compliance delay** if the comment code requires further documentation. In addition, the BEN processor will review the information on the ISIR to determine if information appears to be incorrect or conflicting.

For example, if the ISIR indicates that the student is recently married (and would not have filed a joint tax return because they were not married during the tax year), but the AGI reflects only one income earned from work values, a compliance delay may be created which will require the institution to review the ISIR data.

When Title IV aid has been awarded for a previous award year and an aid request for a subsequent award year is created by the institution, the BEN processor will review both the current ISIR and the subsequent award year ISIR. This is done to determine if there are any material discrepancies between the two award years that create a conflicting information situation.

When conflicting information is found, the BEN processor will create a Compliance Delay for the institution. It is the institution’s responsibility to work with the student to address and resolve the discrepancy. Resolution may require ISIR corrections and/or the institution providing an explanation on the Compliance Delay. Until the conflict has been properly rectified, the student file will remain **On Hold** status in the BEN system and no Title IV aid will be awarded or disbursed for either award year.

Any necessary ISIR corrections will be processed by the student/parent or by the institution (with documented authorization from the student/parent). When the institution determines that the information is correct on the ISIR, the institution will provide a further explanation in the compliance delay (usually in the Response Box) that is also retained in the student’s file at the institution. BEN will be alerted by the BEN system when a corrected ISIR is available and will review the corrected ISIR or institutional response when available and re-evaluate the information to determine if the student is ready for awarding.



### OVERAWARDS

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#### Overaward Policy

An overaward occurs when the Title IV aid that has been awarded and the Estimated Financial Assistance (EFA) added together exceed need or COA, or both.

#### Two types of overawards:

1. Awarded aid exceeds the student's **need**
  - The aid package includes subsidized federal student aid and other EFA. When totaled, the amount exceeds need.
2. Awarded aid exceeds the student's ***Cost of Attendance (COA)***
  - The aid package includes any combination of unsubsidized federal student aid, subsidized federal student aid, and other EFA. When totaled, the amount exceeds COA.

It is extremely important that packages are checked for **both** types of overawards, and both types of overawards are resolved appropriately.

Overaward Exception: When Pell Grant is the only federal student aid in the package.

See Appendix A for Overaward Worksheet.

### OVERPAYMENT

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**Overpayment Definition:** Student receives Title IV funds in excess of his/her eligibility

#### Causes

1. School error
2. Student error

If due to school error—school repays entire amount. Possible causes:

- Unresolved overawards
- Interim disbursements, or failure to complete verification
- Miscalculated COA
- Payment in excess of loan limits

- Required recalculations not performed

If due to student error–student repays amounts of \$25 or more.

- School must notify student in writing requesting repayment
- Inform student that failure to repay or make satisfactory arrangements to repay will result in loss of eligibility for Title IV aid
- School must consider claims by student that school made error

### Overpayments Due to Student Error

If due to student error–student repays amounts of **\$25** or more

- Student repays school in full
- If school permits, student may make satisfactory arrangements to repay school
- If student does not repay or make satisfactory arrangements to repay, school must refer overpayment to ED.

### Informing ED of Overpayments

School must report overpayments via NSLDS website within 30 days of the date the school learns of the overpayment. Pell Grant overpayments  $\geq$  \$25 due to student error to ED's Debt Resolution Group or the school may repay for student.

### Steps to Correct Pell Grant Overpayments

- School repays amount for which it is responsible, and/or may repay for the student
- Student repays amount for which he/she is responsible or makes satisfactory arrangements to repay.

### Steps to Correct Direct Loan Overpayments

- If loan is fully disbursed when overpayment is discovered, no action required
- Student will repay according to terms of the promissory note.

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## TITLE IV REFUNDS

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### Policy Reason

The U. S. Department of Education requires that schools determine the amount of Title IV aid earned by a student who withdrawals or fails to complete the period of enrollment. DDBS must determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the amount of time the student was scheduled to be in attendance (in a clock

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hour program). Up through the 60% point in the period of enrollment, a pro-rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. After the 60% point in the period of enrollment, a student has earned 100% of the Title IV funds he or she was scheduled to receive. For a student who withdraws after the 60% point, there are no unearned funds. Federal regulations can be found at:

**Federal Student Aid Handbook, Volume 5 Chapter 1 Withdrawals and the Return of Title IV Funds  
34 CFR 668.22**

### **Policy and Procedural Statement**

At DDBS, Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive.

If a recipient of a Title IV grant or loan withdraws from an institution after beginning attendance, the amount of Title IV grant or loan assistance earned by the student must be determined. If the amount disbursed to the student is greater than the amount the student earned, the unearned funds must be returned. If the amount disbursed to the student is less than the amount the student earned and for which the student is otherwise eligible, they may be eligible to receive a post-withdrawal disbursement of the earned aid not received.

If a student never begins attendance, funds are unearned. Eligibility to receive the awarded funds was never established. Therefore, no R2T4 calculation is performed and all of the FSA funds are returned to the FSA programs. 34 CFR 668.21. Example: when a student reduces their course load, this represents a change in enrollment status, not a withdrawal. Therefore, no R2T4 is required.

As a clock-hour school, DDBS is required to take attendance. If a school is required to take attendance, then a determination must be made within 14 days of the student ceasing attendance whether s/he has withdrawn. If so, the withdrawal date is always the last date of attendance.

The date of determination is the date as of which the school determines a student has ceased attendance.

Within 30 days from the date of determination:

- The R2T4 calculation must be completed,
- The student must be notified of any post-withdrawal disbursement for which they are eligible, and
- The student must be notified of any grant overpayment they may owe.

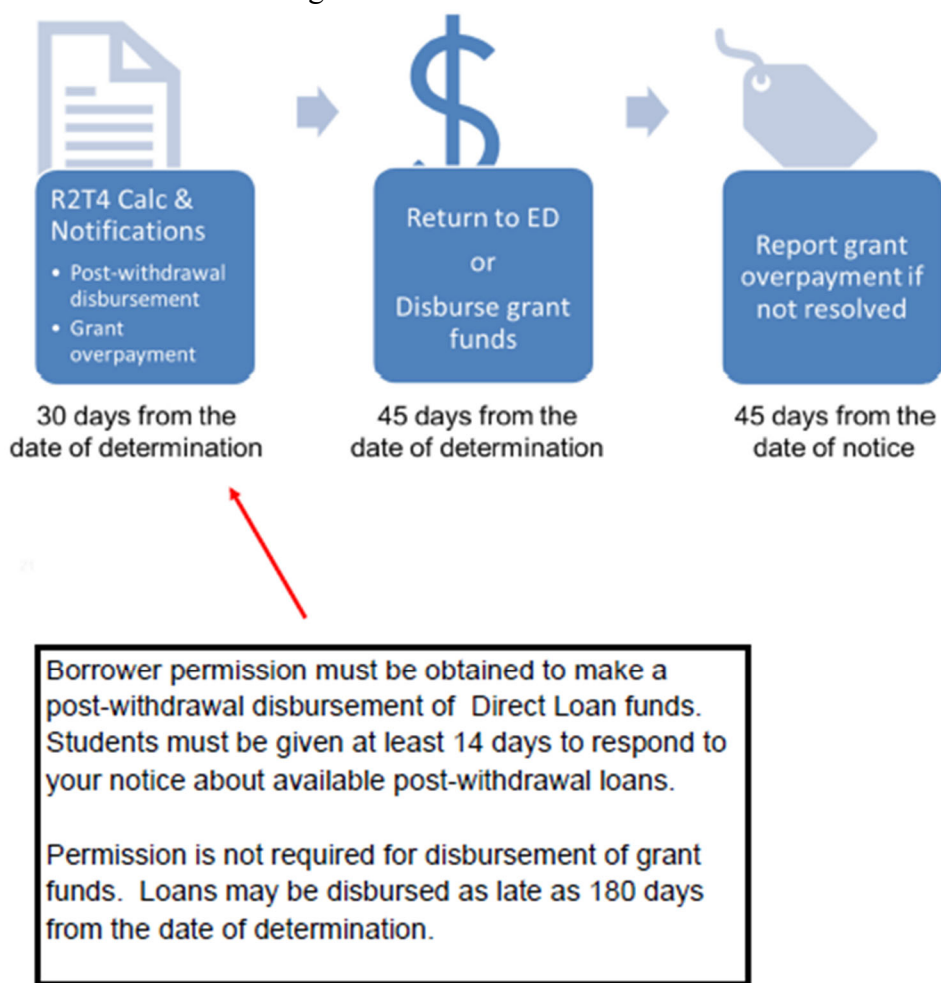
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Within 45 days from the date of determination:

- Any funds must be returned to the Department of Education and any post-withdrawal disbursement of Title IV grant funds must be made.



Within 180 days from the date of determination:

- Any post-withdrawal disbursement of Title IV loan funds the student accepted after being notified must be made.

***Note: The requirements for Title IV program funds calculations are separate from any DDBS institutional refund policy when a student withdraws.***

### Leave of Absence/Withdrawal Process

A student may leave DDBS by either taking a leave of absence (leaving DDBS temporarily with the firm and stated intention of returning) or withdrawing (leaving DDBS with no intention of returning). Students choosing to take a leave of absence should first contact their instructor(s) to discuss their plans while on leave and to work out any conditions that may be necessary for a smooth return to DDBS.

A student deciding to leave DDBS should take the following steps:

- Submit a request in writing requesting a Leave of Absence to their instructor
- The written request must contain dates for the leave and the reason for the request and include the student's signature

Note: For the complete Leave of Absence policy, see the current DDBS Operations Handbook.

### Determination of Withdrawal Date

Because DDBS is required to take attendance, a student's withdrawal date is always the last date of academic attendance as determined by DDBS from its attendance records. This date is used for all students who cease attendance, including those who do not return from an approved LOA, those who take an unapproved LOA, and those who officially or unofficially withdraw.

#### Official Withdrawals (Notification Provided by the Student)

It is the responsibility of the student to provide written notice of the intention to withdraw or take a leave of absence from DDBS. This written notification can be provided to the student's instructor or the administrative staff.

For students who notify DDBS of their intent to withdraw or take a leave of absence, the official date of withdrawal or leave of absence is the last date of academic attendance.

#### Unofficial Withdrawal (No Official Notification Provided by the Student)

For a student who withdraws without providing notification to DDBS, the institution determines the withdrawal date as the student's last date of attendance as determined by DDBS from its attendance records. This category of withdrawals includes students that drop out and students that do not earn a passing grade.

**An unofficial withdrawal occurs when a student leaves DDBS without notice and/or when he/she is not meeting satisfactory academic progress. A student's withdrawal date is their last date of physical attendance. Any student that does not provide**

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**official notification of his or her intent to withdraw and is absent for more than 14 consecutive calendar days will be subject to termination and be considered to have unofficially withdrawn.**

### **Date of Determination that the Student Withdrew**

The date of determination is the date as of which the School determines that a student has ceased attendance, or the day that the student notifies the School that they will not be returning.

Except in unusual instances, the date of the institution's determination that the student withdrew should be no later than 14 days after the student's last date of attendance as determined by the institution from its attendance records.

### **Calculation of Earned Title IV Assistance**

Only *scheduled hours* are used to determine the percentage of the period completed by a student withdrawing from a clock-hour program.

For a clock-hour program, the percentage of the period completed is determined by dividing the number of hours the student was scheduled to complete in the payment period or period of enrollment, as of the day the student withdrew, by the total number of clock hours in the same period as follows:

$$\frac{\text{number of clock hours the student was scheduled to complete in the period}}{\text{total number of clock hours in the period}}$$

The amount of Title IV federal aid earned by the student is determined on a pro-rata basis up to 60% of the semester. If the student completed 30% of a term, 30% of the aid originally scheduled to be received would have been earned. Once a student has completed more than 60% of a term, all awarded aid (100%) has been earned. Federal regulatory requirements define the percentage of federal aid earned and the order in which the unearned aid is returned.

The calculation of earned Title IV funds includes the following grant and loan funds if they were disbursed or could have been disbursed to the student for the period of enrollment for which the return calculation is being performed:

- Pell Grant
- Iraq and Afghanistan Service Grant
- Federal Supplemental Opportunity Grant (FSEOG)
- Unsubsidized Direct Stafford Loans

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- Subsidized Direct Stafford Loans
- Federal PLUS Loans

*Please note that a school does NOT count scheduled hours during periods when a student is on a leave of absence or “make-up” hours that were not part of the student’s normal schedule.*

### **Institutional Charges**

Institutional charges are used to determine the portion of unearned Title IV aid that the school is responsible for returning. DDBS ensures that all charges for tuition, fees, books, kit bags, and all other applicable institutional charges are included in the return calculation. Institutional charges do not affect the amount of Title IV aid that a student earns when they withdraw. The institutional charges used in the calculation usually are the charges that were initially assessed by the student for the period of enrollment. If, after a student withdraws, the institution changes the amount of institutional charges it is assessing a student or decides to eliminate all institutional charges, those changes affect neither the charges nor aid earned in the calculation.

### **Amount of Title IV Aid Earned by the Student**

The amount of Title IV aid earned by the student is determined by multiplying the percentage of Title IV aid earned by the total of *Title IV program Aid disbursed* plus the *Title IV aid that could have been disbursed* to the student or on the student’s behalf.

### **Total Title IV Aid to Be Returned**

Suppose the total amount of Title IV grant and loan assistance that was earned as of the withdrawal date is less than the amount that was disbursed to the student. In that case, the difference between the two amounts will be returned to the Title IV program(s), and no further disbursements will be made.

If a student has received excess funds, DDBS must return a portion of the excess equal to the lesser of the student's institutional charges multiplied by the unearned percentage of funds or the entire amount of the excess funds.

The funds will be returned in the order below as prescribed by federal regulations within 45 days from the date of determination that a student withdrew:

- Unsubsidized Direct Stafford Loans
- Subsidized Direct Stafford Loans
- Federal PLUS loans
- Federal Pell Grants
- Iraq and Afghanistan Service Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)



### Post-Withdrawal Disbursements

If the total amounts of the Title IV grant and loan assistance earned as of the withdrawal date are more than the amount that was disbursed to the student, the difference between the two amounts will be treated as a **post-withdrawal disbursement**. If there are outstanding charges on the student's account, DDBS will credit the student's account for all or part of the post-withdrawal disbursement amount up to the amount of allowable charges.

Any amount of a post-withdrawal disbursement that is not credited to a student's account will be offered to the student within 30 days of the date that the institution determined that the student withdrew. Upon receipt of a timely response from the student, DDBS will disburse the funds within 90 days of the date of determination of the student's withdrawal date.

Any post-withdrawal disbursement due must meet the current required conditions for late disbursements. For example, the Department must have processed a SAR or ISIR with an official expected family contribution (EFC) prior to the student's withdrawal.

#### Example: Harry

Student Harry's cosmetology program started on January 8 and on January 26, the school discovered that Harry had stopped attending. His **last date of attendance** was January 17 (through which time Harry was **scheduled to have attended** 45 hours). Harry received a Pell Grant in the amount of \$2,000.00 and a Subsidized Direct Loan for \$1,700.00.

The Financial Aid Office began the withdrawal process and required calculations. Because DDBS is required to take attendance, Harry's **withdrawal date** is his last date of attendance at an academically related activity, January 17. The date of the institution's **determination** that Harry withdrew is the date that the aid office received information that Harry had ceased attendance, which was January 26.

Because DDBS uses the payment period as the basis for its Return calculation, the \$2,000.00 in Pell funds and the \$1,700.00 in Subsidized Direct Loan funds Harry was scheduled to receive once he had completed the first 450 hours of his program is included as Title IV funds that **could have been disbursed**. Therefore, **total Title IV aid disbursed and could have been disbursed** for the period of enrollment equals  $\$2,000.00 + \$1,700.00 + \$2,000.00 + \$1,700.00 = \$7,400.00$ .

Only scheduled hours are used to determine the percentage of the period completed by a student withdrawing from a clock-hour program. The percentage of the period completed by a student is determined by dividing the number of hours the student was scheduled to complete in the payment period or period of enrollment as of the day the student withdrew by the total number of clock hours in the same period.

- Number of clock hours Harry was scheduled to complete by January 17 = 45

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- Number of clock hours in the period of enrollment = 900
- $45 \text{ clock hours} \div 900 \text{ clock hours} = 0.050$ .

**Percentage of period of enrollment completed** = 5.0%.

Because this percentage is less than or equal to 60%, the **percentage of Title IV aid earned** is 5.0%.

The **amount of Title IV aid earned by the student** is calculated by multiplying the percentage of period of enrollment completed by the total of the Title IV aid disbursed and could have been disbursed for the period of enrollment.

$$5.0\% \times \$7,400.00 = \$370.00.$$

Because the total Title IV aid earned is less than the total Title IV aid disbursed, no post-withdrawal disbursement is due.

Because the total Title IV aid disbursed is greater than the total Title IV aid earned, **Title IV aid must be returned**. In this example, \$3,330.00 is the amount of Title IV aid that must be returned.

$$\$3,700.00 - \$370.00 = \$3,330.00.$$

The **total institutional charges** for the period of enrollment are \$8,500.00.

Subtracting the percentage of Title IV aid earned from 100% equals the **percentage of Title IV aid unearned**. In this case, 95.0%.

The **amount of unearned charges** in this case:

$$\$8,500 \times 95.0\% = \$8,075.00.$$

The **amount of unearned Title IV aid due from the school** is the lesser of the amount of Title IV aid to be returned (\$3,330.00) and the unearned institutional charges (\$8,075.00). The amount of unearned Title IV aid due from the school is \$3,330.00.

The only Title IV loan disbursement Harry received was a Subsidized Direct Loan disbursement of \$1,700.00. Since \$1,700.00 is less than the \$3,330.00 amount for the school to return, the school must return the entire \$1,700.00 to the Direct Loan Program.

After the school returns \$1700.00 to the Direct Loan program, the balance to be returned by the school is \$1,630.00 (\$3,330.00 – \$1700.00). Harry received \$2,000.00 in Pell Grant funds, so the school returns the \$1,630.00 to the Pell Grant Program.

*The school must return any unearned funds within 45 days from the date of the institution's determination that Harry withdrew.*

Because the difference between the amounts of Title IV aid the school must return (\$3,330.00) and the total amount of Title IV aid that is to be returned (\$3,330.00) is \$0.00, there is no **amount of Title IV aid due from the student.**

### **Six Calendar Days – Pre-registered Student**

Any student who either officially or unofficially withdraws before six (6) calendar days after the beginning of School will be considered to be a “pre-registered,” or never attended student.

### **Veterans Refund Policy**

The unused portion of tuition, fees, and other charges for veterans or eligible persons who fail to enter a course or who withdraw or discontinue prior to completion will be refunded for all amounts paid that exceed the approximate pro-rata portion of the total charges that the length of the completed portion of the course bears to the total length of the course. The pro-rata will be determined on the ratio of the number of days or hours of instruction completed by the student to the total number of instructional days or hours in the course. Please refer to the Institution Refund Policy.

### **Contact**

Questions regarding this policy or its intent should be directed to the Director of Financial Aid at 313-974-6164.

Appendix A Institutional Refund Policy – updated 1/29/2021

## REFUND POLICY AND SIGNATURE FORM

1. **Refunds for Classes Canceled by the Institution.** If tuition and fees are collected in advance of the start date of a program and the institution cancels the class, 100% of the tuition and fees collected must be refunded. The refund shall be made within 45 days of the planned start date.
2. **Refunds for Students Who Withdraw on or before the First Day of Class.** If tuition and fees are collected in advance of the start date of classes and the student does not begin classes or withdraws on the first day of classes, no more than \$100 of the tuition and fees may be retained by the institution. Appropriate refunds for a student who does not begin classes shall be made within 45 days of the class start date.
3. **Refunds for Students Enrolled Prior to Visiting the Institution.** Students who have not visited the school facility prior to enrollment will have the opportunity to withdraw without penalty within three days following either attendance at a regularly scheduled orientation or following a tour of the facilities and inspection of the equipment.
4. **Refunds for Students Enrolled in Professional Development, Continuing Education, or Limited Contract Instruction.** Institutions engaging in programs, which are short-term, must have a written policy or contract statement regarding whether or not fees and instructional charges are refundable.
5. **Refunds for Withdrawal after Class Commences**  
Refunds policy for programs obligating students for periods of 12 Months or less the refund policy for Students attending non-public institutions who incur a financial obligation for a period of 12 months or less shall be as follows: (i) During the first 10% of the period of financial obligation, the institution shall refund at least 90% of the tuition; (ii) After the first 10% of the period of financial obligation and until the end of the first 25% of the period of obligation, the institution shall refund at least 50% of the tuition; (iii) After the first 25% of the period of financial obligation and until the end of the first 50% of the period of obligation, the institution shall refund at least 25% of the tuition; and, (iv) After the first 50% of the period of financial obligation, the institution may retain all of the tuition.
6. **Refund Policy for programs obligating students for periods beyond twelve months**  
Programs longer than 12 months that financially obligate the student for any period of time beyond 12 months shall release the student of the obligation to pay beyond the 12

to pay beyond the 12  
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months if the student withdraws during the first 12 months. The calculation of the refund for the unused portion of the first 12 months shall be based on section above. If the student withdraws during any subsequent period following the first 12 months, the student's refund for the unused portion of the tuition applicable to the period of withdrawal shall be based on the section above. Student agrees to comply with the assigned schedule for applicable All Beauty Programs, which may change from time to time at the discretion of the school. Student agrees to attend theory class as scheduled for the duration of the course of study regardless of whether all required tests have been taken and passed.

### **REFUND POLICY-NOTICE OF CANCELLATION**

For applicants who cancel enrollment or students who withdraw from enrollment a fair and equitable settlement will apply. The following policy will apply to all terminations for any reason, by either party, including student decision, course or program cancellation, or school closure.

Any funds due the applicant or students shall be refunded within 45 days of official cancellation or withdrawal. Official cancellation or withdrawal shall occur on the earlier of the dates that:

- (1) Applicant is not accepted by the school: The applicant shall be entitled to a refund of all monies paid.
- (2) A student (or legal guardian) cancels his/her enrollment in writing within three business days of signing the enrollment agreement. In this case all monies collected by the school shall be refunded, regardless of whether or not the student has actually started classes.
- (3) A student cancels his/her enrollment after three business days of signing the contract but prior to starting classes. In these cases, he/she shall be entitled to a refund of all monies paid to the school less the registration fee in the amount of \$50.00
- (4) A student notifies the institution of his/her withdrawal in writing.
- (5) A student on an approved leave of absence notifies the school that he/she will not be returning. The date of withdrawal shall be the earlier of the date of expiration of the leave of absence or the date the student notifies the institution that the student will not be returning.
- (6) A student is expelled by the school: (Unofficial withdrawals will be determined by the institution by monitoring attendance at least every 30 days.)
- (7) In type 2, 3, 4 or 5, official cancellations or withdrawals, the cancellation date will be determined by the postmark on the written notification, or the date said notification is delivered to the school administrator or owner in person.

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For students who enroll and begin classes but withdraw prior to course completion (after three business days of signing the contract), the following schedule of tuition earned by the school applies. All refunds based on scheduled hours:

**PERCENT OF SCHEDULED TIME TOTAL TUITION SCHOOL ENROLLED TO  
TOTAL COURSE/PROGRAM SHALL RECEIVE/RETAIN:**

0.01% to 04.9%	20%
5% to 09.9%	30%
10% to 14.9%	40%
15% to 24.9%	45%
25% to 49.9%	70%
50% and over	100%

All refunds will be calculated based on the student's last date of attendance. Any funds due a student who withdraws shall be refunded within 45-days of a determination that a student has withdrawn, whether officially or unofficially. In the case of disabling illness or injury, death in the student's immediate family or other documented mitigating circumstances, a reasonable and fair refund settlement will be made. If permanently closed or no longer offering instruction after a student has enrolled, the school will either provide a full refund of all funds paid or completion of the course at a later time. If the course is canceled subsequent to a student's enrollment, the school will either provide a full refund of all funds paid or completion of the course at a later time.

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**Student Signature**

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**Date**

## Appendix B - Overaward Worksheet

Overaward WorksheetStudents must be evaluated for both types of overawards:

1) Over Need and 2) Over COA

Student Name: \_\_\_\_\_  
School ID: \_\_\_\_\_**Part 1: Check for Over Need****Step 1: Determine Need**A. COA \_\_\_\_\_ minus B. EFC \_\_\_\_\_ = **C. Need** \_\_\_\_\_**Step 2: Check for Awards over Need**D. List Subsidized Federal  
Student Aid awardedPell Grant \$ \_\_\_\_\_  
FSEOG \$ \_\_\_\_\_  
Sub Direct Loan \$ \_\_\_\_\_  
Perkins Loan \$ \_\_\_\_\_  
FWS \$ \_\_\_\_\_E. Award adjustment,  
if neededN/A  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_F. Revised aid  
package\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

Other Estimated Financial Assistance (EFA)

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_**D. Total** \$ \_\_\_\_\_**F. Total** \$ \_\_\_\_\_**Step 3: If Over Need (D. Total > C),** determine adjustments (Column E) needed to make **F. Total = C.**  
Then record adjustments to student's package before moving to Part 2.**Part 2: Check for Over COA****Step 1: List COA****A. COA** \$ \_\_\_\_\_**Step 2: Check for Awards over COA****Important:** In column G below, enter the revised award amounts from Part 1, Column F aboveG. List all Title IV Federal  
Student Aid awardedPell Grant \$ \_\_\_\_\_  
FSEOG \$ \_\_\_\_\_  
Sub Direct Loan \$ \_\_\_\_\_  
Perkins Loan \$ \_\_\_\_\_  
FWS \$ \_\_\_\_\_  
Unsub Direct Loan \$ \_\_\_\_\_  
PLUS Loan \$ \_\_\_\_\_  
TEACH Grant \$ \_\_\_\_\_H. Award adjustment,  
if neededN/A  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_I. Revised aid  
package\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

Other Estimated Financial Assistance (EFA)

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_**G. Total** \$ \_\_\_\_\_**I. Total** \$ \_\_\_\_\_**Step 3: If Over COA (G. Total > A),** determine adjustments needed (Column H) to make **I. Total = A.**  
Then record adjustments to student's package.**IMPORTANT: Be sure required adjustments to COD are also completed.**

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## PELL GRANT BASICS

### Policy Reason

Pell Grant awards are based on the 9-month Expected Family Contribution (EFC) on the student's valid SAR or ISIR, the academic year structure (see Chapter 1 of this volume), and the cost of attendance (COA) for a full-time student for a full academic year (see Chapter 2 of this volume). The Scheduled Award amounts are specified on the Pell Grant payment schedules released by the Department.

### Federal Pell Grant Basics

Federal Pell Grants are the foundation of a federal student aid package. The amounts of Federal Pell Grants can change annually. For the 2023-24 award year, the maximum grant award is \$7,395 for a full-time student for one award year (unless the student qualifies for Year-Round Pell).

### Federal Pell Grant Eligibility Restrictions

**Undergraduates only**—Recipients must be undergraduates who do not already have a bachelor's or professional degree. A student with a baccalaureate or professional degree is ineligible even if the degree is from an unaccredited school or is not recognized by your School. Similarly, a student with a baccalaureate or professional degree from a foreign school usually isn't eligible for a Pell Grant.

**Concurrent awards at more than one school**—a student may not receive a Pell Grant to attend two or more schools concurrently.

**Involuntary civil commitment**—Students are not eligible to receive a Federal Pell Grant if they are subject to involuntary civil commitment upon completion of a period of incarceration for a forcible or non-forcible sexual offense.

**Incarceration**—Beginning July 1, 2023, all incarcerated students who are enrolled in eligible prison education programs and meet other criteria will be eligible for Pell Grants.

### Federal Pell Grant Definitions

#### Payment Periods

A payment period is equal to one half the clock hours in the program or academic year – whichever is less.

At DDBS, payment periods for the Cosmetology program are as follows:

- i. 0-450 clock hours
- ii. 451-900 clock hours

- iii. 901-1200 clock hours
- iv. 1201-1500 clock hours.

For the Esthetics program, payment periods are as follows:

- i. 0-200 clock hours
- ii. 201-400 clock hours.

### **Scheduled Award (34 CFR 690.63(g))**

A scheduled award is the maximum Federal Pell Grant a student with a given EFC and COA can receive if enrolled full-time for a full **academic year**. Awards for each EFC are found on the “Federal Pell Grant Program Payment and Disbursement Schedules.” A student may be eligible for up to 150% of a scheduled award in one **award year**. The ability for a student to receive more than 100% of a scheduled Pell award is sometimes called “Year-Round Pell” (YRP).

### **Annual Award (34 CFR 690.2)**

For term-based, credit-hour programs, the annual award applies to a payment period, and is based on the student’s true enrollment status (full,  $\frac{3}{4}$ ,  $\frac{1}{2}$ , or less than  $\frac{1}{2}$ )

- The award is taken from the corresponding Payment Schedule
- If the student is full-time, the Annual Award is the Scheduled Award.

For all *clock-hour programs and nonterm credit-hour programs*, the award is always taken from the full-time Payment Schedule.

- The Scheduled Award is the Annual Award for these students.

### **Year-Round Pell (YRP)**

Students may be eligible to receive up to 150% of their Scheduled Award in one award year. This provision is sometimes called Year-Round Pell. This often occurs in summer terms which are treated as either a header or trailer and the student already exhausted his or her Scheduled Award for that award year.

To be eligible for awards in excess of 100% of the Scheduled Award, students **must** be enrolled at least half-time. Note that students eligible for Year-Round Pell awards are still subject to the normal Pell Grant duration of eligibility and Lifetime Eligibility Use (LEU) limits. Thus, the use of the Year-Round Pell will accelerate a student reaching the 600% LEU threshold.

See below for details on YRP.

## Initial Calculation of a Federal Pell Grant

- The first calculation of a student's Pell award, based on a current, documented enrollment status, which may be projected
- The earliest date for the calculation is the date of receipt of an ED-produced EFC, such as on a SAR or ISIR
- If no date is documented, the initial calculation is the later of
  - The processed date of initial ISIR and the student's enrollment status as of that date, or
  - The date the student enrolls.

## Iraq and Afghanistan Service Grants

Otherwise eligible students whose parent or guardian died as a result of U.S. military service in Iraq or Afghanistan after September 11, 2001 may receive:

- If already eligible for Pell, the maximum Pell Grant, regardless of EFC
- If not Pell-eligible due to an EFC that is too high, the Iraq and Afghanistan Service Grant in the amount of the maximum Pell Grant

The student must have been younger than 24 years when the parent or guardian died, or have been 24 or older and enrolled at a higher education institution at the time of the parent's death.

Students are identified through the ISIR match between CPS and the Department of Defense (DOD).

## Children of Fallen Heroes Scholarship (CFH)

Pell-eligible students whose parent or guardian died in service as a public safety officer may receive the maximum Pell Grant amount, regardless of the student's EFC (so long as it was Pell eligible).

There is no ISIR match that can identify students who may be eligible for CFH Scholarships.

## PELL FORMULA 4: CLOCK-HOUR PROGRAMS

### Awarding Pell Grants Using Formula 4

Pell Grant awards are based on the 9-month Expected Family Contribution (EFC) on the student's valid SAR or ISIR, the academic year structure of the student's program of study, and the cost of attendance for a full-time student for a full academic year. The Scheduled Award

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amounts are specified on the Pell Grant payment schedules released annually by ED. Unlike term-based programs, which determine Pell awards based on the student's enrollment status and appropriate Pell payment schedule, clock-hour and credit-hour with no term programs ALWAYS use the full-time payment schedule regardless of the student's enrollment status.

In order for a school to use Formula 4 for Pell Grants, the school must offer:

- Programs in clock-hours, and/or
- Programs in credit-hours with no terms.

## Five Steps in a Pell Grant Calculation

### Step 1: Determine Enrollment Status

At least half-time or less-than-half-time

### Step 2: Determine Pell Grant COA – Proration

For Pell, costs for programs longer or shorter than an academic year must be prorated to reflect the costs of one award year by using this formula.

*Multiply program COA by the lesser of two fractions to determine Pell COA:*

$$\frac{\text{Hours in program's definition of an academic year}}{\text{Hours to which the costs apply}}$$

OR

$$\frac{\text{Weeks of instructional time in program's definition of an academic year}}{\text{Weeks of instructional time in enrollment period to which the costs apply}}$$

### Step 3: Determine Scheduled/Annual Award

As discussed online, the Scheduled Award is the maximum Pell amount for a specific EFC and Pell COA, that a student would receive when enrolled full-time for a full academic year.

For clock-hour or non-term credit-hour programs, the Scheduled Award is the Annual Award and the Annual Award is **always** taken from the full-time Pell Grant payment schedule—even if the student is attending less than full-time.

#### Step 4: Determine the Payment Periods

The academic year is divided into payment periods which are determined by the published length of the program (in hours and weeks of instructional time). So, it is important to use both the hours (clock or credit) **AND** the weeks to determine not only the payment periods but also to know that a student must successfully complete the clock-hours **AND** the weeks of instructional time in a payment period to progress to the next payment period.

Note: If the remainder of the program is not more than one-half of an academic year in **both clock hours and weeks**, there is only one remaining payment period.

Example:

### Example #1 (18/19) – David

A/Y definition is 900 hours/30 weeks

**Example #1:** Program 1200 clock hours/40 weeks

Payment periods: 450/15; 450/15; 300/10; 0 EFC

450/15

450/15

300/10

8/1/18

4/15/19

Scheduled award multiplied by *lesser* of:

Clock hrs. in the payment period (450) (300)

Clock hrs. in the A/Y (900)

OR

Weeks in the payment period (15) (10)

Weeks in the A/Y (30)

Both fractions are the same for all 3 payment periods, so can use either fraction

Scheduled award: \$6,095

PP1:  $\$5920 \times 450/900 = \$3,047.50$

PP2:  $\$5920 \times 450/900 = \$3,047.50$

PP3:  $\$5920 \times 300/900 = \$2,031.66$

(additional Pell) – must be ½ time

45

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#### Step 5: Calculate Payment for Payment Period

Annual Award multiplied by the *lesser* of:

$$\frac{\text{Clock-hours in the payment period}}{\text{Clock-hours in the program's definition of an academic year}}$$

OR

$$\frac{\text{Weeks of instructional time in the payment period}}{\text{Weeks of instructional time in program's definition of an academic year}}$$

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Example:

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### Example #1(18/19) – David

- Maximum Pell student could receive in 2018-2019 is 150% of scheduled award
- 0 EFC = scheduled award \$6,095
  - 150% = \$9,142.50 (most David could receive in 18/19)
- David so far has received \$8,126.66(133.3%)
  - \$3047.50(50%) + \$3047.50(50%) + \$2031.66(33.3%)
- If enrolled in a NEW program, still has \$1,015.84 (16.7%) in 18/19 Pell
  - \$8,126.66 + \$1,015.84 = \$9,142.50 (150%)
- To receive additional Pell must be  $\frac{1}{2}$  time

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## Pell Grant Fractions & Rounding Policy

COD only accepts cents in disbursement record payment amounts for Pell Grants (not origination records). Schools can choose to round Pell Grant disbursements if they do not wish to process cents.

## Pell Grant Fractions Procedure

When using fractions, be careful to multiply first, and then divide to avoid an incorrect result. For example, here's the correct way to prorate a \$2,150 Scheduled Award for a payment period that is a nonstandard term of 10 weeks of instructional time, for a program that has 30 weeks of instructional time.

$$\$2,150 \quad \times \quad \frac{10}{30} \quad \text{is multiplied as} \quad \frac{2,150 \times 10}{30} = 716.67$$

In this case, if you divide the fraction to get a decimal (0.333333...) and then round the decimal either down (0.33) or up (0.34), your calculation will result in a number that's too low (709.50) or too high (731).

## Pell Grant Rounding Procedure

The Common Origination and Disbursement System (COD) accepts cents and whole dollar amounts in payment amounts for Pell. When rounding, round up if the decimal is 0.50 or higher; round down if it is less than 0.50. When rounding for a student expected to be enrolled for more than one payment period in an award year, alternate rounding up and down.

It is DDBS's policy to round to the nearest dollar. Students expected to be enrolled for more than one payment period in an award year will have the greater dollar Pell award in the 1<sup>st</sup> payment and the lesser dollar Pell award in the 2<sup>nd</sup> payment to account for the rounding. This policy on rounding is applied equally to all students.

**Important: These rounding rules do not apply if the amount disbursed would exceed the student's Scheduled Award or place the student's LEU over 600%.**

## CROSSOVER PAYMENT PERIODS

### Determining the Award Year for Crossover Pell Awards

You may assign crossover payment periods to the award year that best meets the needs of your students and maximizes a student's eligibility over the two award years in which the crossover payment period occurs (you must source Pell funds from the award year to which the payment period is assigned). 34 CFR 690.64.

### Crossover Payment Periods

- Payment period that includes 6/30 **and** 7/1
- Aid may be paid from *either* award year
- A crossover payment period *must* be assigned to and paid from one award year
  - Student *must* have valid SAR/ISIR for assigned year and have remaining eligibility
- Any aid drawn down for crossover period may pay all costs associated with the period (even if paying from next award year)
- May use different award year for Pell than for other Title IV aid

### Checking Half-time Enrollment Status

For clock-hour programs and for non-term credit-hour programs, enrollment status only makes a difference if the student is attending less-than-halftime. If that's the case, only certain components of the COA are used.

The annual award for a student in a clock-hour or non-term credit-hour program is taken from the full-time payment schedule, even if the student is attending less than full-time.

### **Calculating Payment Amounts**

Pell Grants must be paid in installments over the course of the academic year or program of study to help meet the student's cost in each payment period. The payment period determines when Pell funds are disbursed and the exact amount to be disbursed.

In non-term programs, the student's Pell award is not reduced for part time enrollment unless the student is enrolled less than half-time in which case the student's COA must be adjusted. However, if the program is less than an academic year (in either clock/credit-hours or weeks of instructional time), students enrolled in that program won't receive a full Scheduled Award.

As in the case of the other formulas, you must perform comparable prorations of the award for each payment period in the student's program. The calculation for the payment period prorates a student's Scheduled Award based on the number of credit or clock-hours in the payment period as they compare to the credit or clock-hours in the defined academic year or the number of weeks of instructional time in the payment period as they compare to the weeks of instructional time in the academic year. To determine the payment for a payment period, multiply the student's Scheduled Award by the lesser of:

**Number of clock-hours in the payment period**  
**Number of clock-hours in the program's academic year**

**OR**

**Weeks in the payment period**  
**Weeks in the program's academic year (at least 30  
for credit-hour, at least 26 for clock-hour)**

### **Enrollment Status Standards for Clock-hour and Other Non-term Programs**

For non-term programs, the enrollment minimum is:

- Full-time in clock-hours: at least 24 clock-hours per calendar week

### **Coursework completion requirement & withdrawal/re-entry**

Students in non-term programs must successfully complete a payment period to receive subsequent payments.

#### *Payment Period – Two Award Years*

If a student enrolls in a payment period that is scheduled to occur in two award years:

- The entire payment period must be considered to occur within one award year;

- The institution must determine for each Federal Pell Grant recipient the award year in which the payment period will be placed;
- If an institution places the payment period in the first award year, it must pay a student with funds from the first award year; and
- If an institution places the payment period in the second award year, it must pay a student with funds from the second award year.

An institution may not make a payment which will result in the student receiving more than his or her Scheduled Federal Pell Grant for an award year.

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## **YEAR-ROUND PELL (YRP)**

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### **Policy Reason**

Students may be eligible to receive up to 150% of their Scheduled Award for an award year. This provision is called Year-Round Pell. It's called "Year-Round" because it allows students to receive additional Pell/IASG funds, often in summer terms which are treated as either a header or trailer, whereas without the provision for Year-Round Pell/IASG, a student's remaining Pell eligibility would often be truncated for a summer term treated as a trailer when the student had already exhausted their Scheduled Award for an award year, or prematurely exhaust the student's Pell eligibility for an award year if the summer term was treated as a header. A student's additional aid eligibility is certified by the "Additional Eligibility Indicator" or AEI, in COD.

### **Year-round Pell Procedure**

To be eligible to receive Pell/IASG funds in excess of 100% of their Scheduled Award during a single award year, students must be enrolled at least half-time. For Year-Round Pell (& Year-Round IASG), students do not receive more Pell/IASG funds in each payment period for the same enrollment status, COA, and EFC. Instead, the student receives the same amount as is normally calculated for a payment period, but a student who is enrolled at least half-time and is in all other ways Pell or IASG-eligible may receive Pell or IASG funds for an award year up to 150% of their calculated Scheduled Award.

## Year-Round Pell clock-hour example

Eugene enrolls in Springfield University for an 1125 clock-hour program (over 32.5 weeks, see graphic below). His program occurs entirely within the 2020-21 award year, and has an Academic Year of 900 clock hours and 26 weeks of instructional time. Eugene has a Scheduled Award of \$5550.

Springfield awards Eugene \$2775 in Pell after he completes each of the first two segments of 450 clock-hours and 13 weeks of instructional time. For the remaining 225 hours and 6.5 weeks of instructional time in the program, Springfield calculates that Eugene would be eligible to receive \$1,387.50 in Pell, if his Scheduled Award would allow it. Prior to Year-Round Pell, Eugene would be out of luck, as his Scheduled Award has been expended by the \$5550 he's already received for 2020-21, but with Year-Round Pell, if he is enrolled at least half-time and remains in all other ways Pell-eligible, Eugene is eligible to receive up to an additional 50% of his \$5550 Scheduled Award, for a maximum total of \$8325.

Adding \$1387.50 to the \$5550 Eugene has already received, Springfield sees that he will be awarded a total of \$6937.50 for 2020-21, which is within his \$8325 Year-Round Pell maximum. Note that Springfield does **not** increase his final award for the award year to match his Year-Round Pell maximum; Eugene's awards for each term are calculated according to the normal Pell rules.

450 hours/13 weeks \$2,775	450 hours/13 weeks \$2,775	225 hours/6.5 weeks \$1,387.50
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## Calculating and Awarding Remaining Eligibility

The Pell payment for a transfer student is calculated in the same way as for any new student. That is, you must calculate payments for each payment period following the rules given in this chapter. However, a transfer student's remaining Pell eligibility at your school is reduced if the student received Pell funds for the same award year at any prior schools. You can identify the student's prior Pell disbursements when you review his or her Financial Aid History in NSLDS and COD.

## Calculating Remaining Eligibility

Once you've identified the Pell amounts that a transfer student has already received for the ongoing award year, you must calculate the percentage of the Scheduled Award that has been used. This percentage is calculated by dividing the amount disbursed at the previous school by the student's Scheduled Award at that school (COD calculates this and you can refer to COD to see what the percentage of remaining eligibility will be for a student).

$$\frac{\text{Pell disbursed at prior school}}{\text{Scheduled Award at prior school}} = \% \text{ of Scheduled Award used}$$

Then subtract this percentage from 100% (or 150%, if the student is enrolled and eligible for a Year-Round award). The result is the maximum percentage of the Scheduled Award that the student may receive at your school. Note that a transfer student receives the same payments as

any other student until the limit (up to 150% of a Scheduled Award, see Year-Round Pell & IASG section, previously in this chapter) is reached. **Give the student the full amount for each payment period, rather than trying to ration the remaining amount by splitting it evenly across the remaining terms.**

### **Payment Period for a Transfer Student at a Non-term School**

When a student transfers into a non-term credit-hour or clock-hour program at a new school, that student is starting a new payment period. For a transfer student, the length of the program is the number of clock or credit-hours and the number of weeks of instructional time that the student will be required to complete in the new program. If the remaining clock or credit-hours *or weeks of instructional time* are half an academic year or less, then the remaining hours and weeks of instructional time constitute one payment period.

### **Why Percentages are Used**

The reason for using percentages when calculating remaining eligibility is that a student may have different Scheduled Awards at different schools/programs, and using percentages ensures that a student does not receive more than 100% (or 150%, if enrolled and eligible for a Year-Round award) of the student's Scheduled Award. For example, the costs of attendance at the two schools may be different. The percentages are also used to compare the portions of a student's total eligibility that have been used at both schools. (If the student's Scheduled Award is the same at both schools, the financial aid administrator can find the amount of the student's remaining eligibility simply by subtracting the amount received at the first school from the Scheduled Award).

### **Avoiding Pell Grant Overawards**

A Pell Grant overaward can be caused by a school making an error in reading the Pell payment schedule (for example, using the wrong EFC or COA). A Pell Grant overaward can also be caused by a school using the wrong payment schedule (for example, using the full-time schedule to determine the award for a student who is not registered as a full-time student, or who dropped to less than full time enrollment status before beginning attendance in all classes.)

A Pell Grant overaward can also result if an applicant enters incorrect data on a FAFSA and the EFC derived from the incorrect data is smaller than it should be (for more detail about the FAFSA and EFC data, see the Application and Verification Guide). A Pell overaward also exists if a student scheduled to receive a Pell Grant fails to begin class or is otherwise determined to be ineligible for FSA assistance (for example, having exceeded the Lifetime Eligibility Used [LEU] in COD).

Finally, an overaward exists whenever a student is scheduled to receive or is receiving a Pell Grant for attendance at two or more schools concurrently. All of these Pell Grant overawards must be corrected. For more detail on the requirements and methods of resolving overawards, see *Volume 4, Chapter 3*.



## **NSLDS Financial Aid History and Transfer Monitoring**

Before disbursing FSA funds to a transfer student, you must obtain a financial aid history for the student and you must inform NSLDS about the transfer student so that you can receive updates through the Transfer Student Monitoring Process. The financial aid history will not only identify Pell Grant disbursements that the student received at other schools, but also tell you if the student is ineligible for any FSA aid due to default or overpayment, if the student has reached or exceeded the annual or aggregate loan limits, or if the student has reached the Pell Lifetime Eligibility Used limit (LEU). There are several ways for you to get a student's financial aid history from NSLDS. You can:

- Use the NSLDS Financial Aid History section of the ISIR;
- Log on to the NSLDS Professional Access website and access the data online for a student;
- For multiple students, use the FAT 001 Web report, which you submit from the Reports tab on the NSLDS site (you retrieve the results through SAIG); or
- Send a batch TSM/FAH Inform file to request aid history data for several students, which will be returned in either extract or report format through SAIG. The TSM/FAH processes and batch file layouts are posted on the IFAP website at the NSLDS reference materials link under Processing Resources.

### **Pell Grant Lifetime Eligibility Used (LEU)**

Per the Consolidated Appropriations Act of 2012 (CAA), a student's maximum duration of Pell eligibility is 6 Scheduled Awards, as measured by the percentage of "Lifetime Eligibility Used" (LEU) field in COD (one Scheduled Award equals 100% LEU). A separate maximum of 600% LEU also applies to Iraq & Afghanistan Service Grant awards. A student is ineligible to receive further Pell or Iraq & Afghanistan Service Grant funds if they have reached or exceeded the 600% limit for the applicable program (i.e., Pell or Iraq & Afghanistan Service Grant).

To calculate an award for a student whose LEU level will reduce the student's eligibility (i.e., an LEU greater than 400% but less than 600%), you must first check the most current LEU level in COD. Subtract the LEU percentage from 600%, then multiply the student's Scheduled Award by the resulting percentage. For example, Jack has 534% LEU in COD. His school subtracts 534% from 600%, leaving him with 66% of a Scheduled Award remaining. His Scheduled Award is \$5,650, so his school multiplies \$5,650 by 0.66, which equals \$3,729, which is then disbursed per the normal Pell formula and payment period rules.

## **PELL RECALCULATIONS**

### **Initial Calculation**

An initial calculation is the first calculation that is made on or after the date the school has received a Department-produced EFC (this may be an EFC from a SAR/ISIR, FAA Access, or

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FAFSA.gov) such as the student's initial SAR or ISIR with an official EFC, and uses the enrollment status at the time of the initial calculation. If you've estimated the student's eligibility prior to receiving a SAR or ISIR for the student, you must confirm prior estimated eligibility or determine the student's eligibility at the time the SAR or ISIR is received.

You should document the date that you initially calculate a student's Pell Grant. The earliest date is the date of receipt of a Department-produced EFC, such as on a SAR or ISIR (assuming the school has a documented or projected enrollment status for the student). If you fail to document the date of the initial calculation, you must use the later of

- a. the date that the SAR or ISIR is first received and the student's enrollment status as of that date, or
- b. the date the student enrolls.

Your school is considered to have received the ISIR on the date it was processed. This date is labeled "Processed Date" on the ISIR. In the case of a SAR, your school is considered to have received it on the date processed unless you document a later date. The processing date on a SAR is the date above the EFC and, on a SAR Acknowledgment, the "Transaction Processed Date."

### **Change in the EFC**

If the student's EFC changes due to corrections, updating, or an adjustment, and the EFC change would change the amount of the Pell award, you must recalculate the Pell award for the entire award year. If, as a result of the recalculation, the student has received more than his or her award amount, then the student has received an overpayment. In some cases, you may be able to adjust an award) by reducing or canceling later payments to the student.

A student selected for verification can be paid based on the corrected output document that you receive during the "verification extension" (120 days after the student's last day of enrollment, not to extend beyond the deadline date established by a Federal Register notice). For example, if you receive a reprocessed ISIR reflecting the results of the student's verification during the extension period and the ISIR has a lower EFC than the previous ISIR (increasing the student's eligibility), you calculate the student's Pell Grant based on the valid ISIR.

### **SAR/ISIR with different EFC**

If you receive a SAR or ISIR with an EFC different from the one you used for the payment calculation, you must first decide which document is valid. If the new information is the correct information, the new SAR or ISIR is the valid record. In most cases, you must recalculate the student's Pell award for the entire award year based on the new EFC.

### **Change in Enrollment Status**

You must report changes to a student's enrollment status to NSLDS in a timely manner. Any change requiring a recalculation of award may also require an update to the student's enrollment status. If the student doesn't begin attendance in all of his or her classes, resulting in a change in the student's enrollment status, you must recalculate the student's award based on the lower

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enrollment status. A student is considered to have begun attendance in all of his or her classes if the student attends at least one day of class for each course in which that student's enrollment status was determined for Federal Pell Grant eligibility. Note that clock-hour and non-term programs are always based on full-time enrollment status for Pell.

If you recalculate a Pell award because the student's enrollment status has changed, you must also take into account any changes in the student's costs at that time. For example, if a student enrolls full-time for the first semester and then drops to less than half time during that semester, the student's costs will change, because only certain cost components are allowed for less-than-half-time students. You must use the cost for a less-than-half-time student for a full year to calculate the student's less-than-half-time award. You must not combine the two costs or average them.

The regulations don't require any recalculation for changes in enrollment status **after the student has begun attendance in all of his or her classes**. However, your school **may** have a policy of recalculating an award if a student's enrollment status changes within a term. If such a policy is established, it must take into account any changes in the student's COA and must be applied consistently to all students in a program. If your school chooses to recalculate for a student whose enrollment status increases from half-time to full-time, it must also recalculate for a student whose enrollment status decreases. If your school establishes a policy allowing optional recalculations for an educational program, this policy must be in writing.

The initial calculation of a student's Pell Grant may occur subsequent to the "add/drop" date of the term, including terms with compressed coursework. If that is the case, you must use the student's effective enrollment status on the date of the initial calculation, and there would be no recalculations of the student's Pell Grant for the term due to a subsequent change in enrollment status, assuming the student began attendance in each class. If the student's payment for the term is being disbursed in a subsequent payment period, you may pay the student only for the coursework completed in the term.

If you don't establish a policy for recalculation within a term, a student who begins attendance in all classes would be paid based on the initial calculation, even if his or her enrollment status changes before the disbursement is made. If the student withdraws from all of his or her classes (or doesn't begin attending any classes), you must follow the procedures discussed in *Volume 5*.

### **Enrollment Change within Payment Period Example**

Johnathan registers for a full-time course load at Coulton College, and Coulton initially calculates a full-time award for him. He begins attending all of his classes but subsequently drops to half-time. Depending on Coulton's recalculation policy, Johnathan may still be paid based on full-time enrollment as long as he's otherwise eligible for payment. On the other hand, if Coulton did not receive Johnathan's first processed valid SAR or ISIR with an official EFC until after he dropped to half-time enrollment, the Pell initial calculation would be based on his enrollment status at the time the output document was received (half-time).

## **Change in COA**

When a student's COA changes during the award year, and his or her enrollment status remains the same, you may (but are not required to) establish a policy under which you recalculate the student's Pell Grant award. If you choose to establish a policy under which you recalculate Pell for changes in costs, you must consistently apply that recalculation policy to all students in the program.

## **Enrollment Change Recalculation Example**

Sammy registers for a full-time course load (15 credit-hours), and Danbury College makes a first-term disbursement on that basis 10 days before the term starts. When the term starts, Sammy only begins attendance in three classes (9 credit-hours). Danbury must recalculate Sammy's Pell award based on the lower enrollment status. Any difference between the amount Sammy received and his new recalculated award is an overpayment.

## **Tuition and Fee Charges and Recalculation**

If the school recalculates a student's Pell Grant due to a change in enrollment status, continuing to charge tuition and fees for credit hours no longer included in the student's enrollment status for Pell Grant purposes does not affect the requirement to recalculate the student's Pell Grant. For example, Jayson enrolls as a full-time student at Wilson University with 12 credits, but never starts attendance in a 3-credit class that starts after the school's "add/ drop" date. Jayson's award must be recalculated as three-quarter-time even though the college charges tuition for any classes dropped after the "add/ drop" date and continues to charge Jayson for 12 credits.

## **DISBURSEMENT FOR BOOKS AND SUPPLIES**

### **Disbursement of Books & Supplies for Pell Eligible Students 34 CFR 668.164(m)**

A Federal Pell Grant eligible student, with a valid Institutional Student Aid Report (ISIR) on file with DDBS may purchase, by the seventh day of a payment period, the books and supplies required for the payment period by clarifying their intent to use HEA program funds at the time of registration if, 10 days before the beginning of the payment period:

- (i) DDBS could disburse the title IV, HEA program funds for which the student is eligible; and
- (ii) Presuming the funds were disbursed, the student would have a credit balance.

The amount DDBS provides to the Federal Pell Grant eligible student to obtain for purchase books and supplies is the lesser of the presumed credit balance or the amount needed by the student, as determined by the institution.

The Federal Pell Grant eligible student may opt out of the way the institution provides for the student to obtain or purchase books and supplies.

If a Federal Pell Grant eligible student uses the way provided by the institution to obtain or purchase books and supplies, the student is considered to have authorized the use of title IV, HEA funds and the institution does not need to obtain a written authorization.

### **30-day Delay Requirement**

If the 30-day delayed disbursement provisions for Direct Loans apply to a student, and a Direct Loan is the only Title IV aid the student is receiving, DDBS does not have to comply with the provisions above. DDBS, in both its financial aid information and its notifications provided to students receiving FSA funds, is required to provide information detailing how DDBS will provide for Pell-eligible students to obtain or purchase required books and supplies by the seventh day of a payment period under certain conditions and how the student may opt out. The information must indicate whether the school will enter a charge on the student's account at the school for books and supplies or pay funds to the student directly. Also, during the financial aid counseling process, the school must explain, to students who qualify for advanced funds, how:

- To purchase books and supplies
- The process is handled at DDBS
- To opt out.

### **Verification**

To be eligible to receive the disbursement for books and supplies, a student must meet all of the student eligibility requirements prior to the start of their payment period. In order to be covered by the special provisions for books and supplies a student must have completed the verification process, cannot have an unresolved "C" code on the SAR and ISIR, or have unresolved conflicting information within at least 10 days before the start of the student's payment period.

### **Institutional Charges vs. Non-Institutional Charges**

The Department of Education's longstanding guidance has been that a charge for books and supplies must be considered an institutional charge if a student does not have a "real and reasonable" opportunity to purchase the required course materials from any other source but the school. A student has a "real and reasonable" opportunity to obtain required course materials from another source if:

1. The required course materials are available for purchase at a relatively convenient location unaffiliated in any way with the institution; and
2. DSDT does not restrict the availability of financial aid funds, so the student can exercise the option to purchase the required course materials from alternative sources in a timely manner.

If students do not have a real and reasonable opportunity to obtain the required books, supplies, and equipment from another source, DDBS must ensure that it meets the requirements found in 34 CFR 668.164(c)(2) for including those items in tuition and fees, e.g., having an arrangement with a book publisher or other entity that enables it to make those books or supplies available to students below competitive market rates.

### **Prorating Institutional Charges**

If an institution routinely debits students' ledger accounts for books, supplies, and equipment along with tuition and fees, it is an institutional charge. We consider all institutional charges to be part of a student's tuition and fees for the purposes of implementing the regulations found in 34 CFR 668.164(c)(1)(i) relating to the crediting of a student's account. The regulations provide a specific formula for prorating charges if an institution assesses charges for more than a payment period at a time.

For programs with substantially equal payment periods, where DDBS charges up-front for the whole program, total institutional charges, including any books, supplies or equipment charges, must be divided by the number of payment periods in the program. For other programs, DDBS must divide the number of clock hours in the payment period by the number of hours in the program and multiply the result by the total institutional charges for the program.

Regardless of whether DDBS charges for other types of tuition and fees by the payment period, if students do not have a real and reasonable opportunity to purchase the books, supplies, and equipment elsewhere and those items are intended for use over a greater timeframe than a payment period, the cost of books, supplies, and equipment (including kits) must be prorated when determining the amount of Title IV aid to credit for a given payment period.

In cases where an institution charges tuition and fees by payment period, but is required to prorate the cost of books, supplies, and equipment over more than one payment period, DDBS should add the cost of the books and supplies prorated under the regulatory formula to the tuition and fees it charges for the payment period when determining the amount of Title IV aid to credit to the student's account for that payment period and the amount to provide to the student as a credit balance.

### **Return of Title IV Funds Considerations**

Unless an institution receives funds under the reimbursement or heightened cash management monitoring payment methods, a student or parent may provide an optional authorization for DDBS to hold their Title IV credit balance refund under 34 CFR 668.165(b)(1)(ii). Under that authorization, DDBS may retain Title IV funds in excess of the prorated amount. If this occurs and the student subsequently withdraws from a non-term program measured in either clock or credit hours, under 34 CFR 668.22(g)(3) DSDT must consider as "institutional charges" per Step 5 of the Return of Title IV Funds calculation, the greater of:

1. The prorated amount of the student's institutional charges as determined under 34 CFR 668.164(c)(5); or

2. The amount of Title IV funds that DSDT retained as of the student's withdrawal date, which may exceed the prorated amount as a result of the student or parent's authorization for DSDT to retain those funds.

Additionally, when a student withdraws, ED regulations limit the amount of the Title IV aid that an institution must return to the ED for aid credited to certain types of unreturnable equipment, even if charges for such equipment would otherwise be considered an institutional charge under 34 CFR 668.164(c)(1)(i). When performing a Return of Title IV Funds calculation, an institution may exclude from institutional charges the total documented cost of unreturnable equipment and the documented cost of returnable equipment if not returned in good condition within 20 days of withdrawal. Note that the amount that may be excluded is the amount that DDBS actually paid for the materials, not necessarily what it charged students to purchase them.

## **FISCAL RECORDS AND DISBURSEMENT REQUIREMENTS FOR PELL GRANTS AND DIRECT LOANS**

### **Fiscal Reporting Process Policy**

DDBS is required to submit financial records audited by a CPA with annually updated credentials from GAAP, ED, and COE. To remain in good standing with both the ED and COE, the audited financial report's outcome must fall within their guidelines.

### **Fiscal Recordkeeping Process Policy**

DDBS must keep comprehensive, accurate program and fiscal records related to its use of FSA program funds. The importance of maintaining complete, accurate records cannot be over-emphasized. Program and fiscal records must demonstrate DDBS can meet the administrative and fiscal requirements for participating in the FSA programs.

DDBS has a CPA and third-party auditor that maintains documentation of all fiscal records:

Nathan Ferguson, CPA L.L.C.  
120 E FM 544,  
Suite 72 # 262  
Murphy, TX 75094  
(214) 263-7705  
[www.nathanfergusoncpa.com](http://www.nathanfergusoncpa.com)

Electronic Brain Solutions, LLC secures all of DDBS's electronic fiscal data.

Records must demonstrate proper administration of FSA program funds and a clear audit trail for FSA program expenditures. For example, records for each FSA recipient must clearly show that the student was eligible for the funds received and that the funds were disbursed in accordance with program regulations. In addition to the general, institutional record keeping requirements

discussed here, DDBS must also comply with all program-specific record keeping requirements contained in the individual FSA regulations.

DDBS maintains all required records in a systematically organized manner. Unless a specific format is required, DDBS may keep required records in:

- Hard copy
- Optical disk
- Microform
- USB Drive
- Computer file
- Other media formats.

All other record information, regardless of the format used, must be retrievable in a coherent hard-copy format or in a media format acceptable to the ED. The requirement providing for other media formats acceptable to the Department allows for the use of new technology as it is developed. The Department will notify DDBS of acceptable media formats; schools should not apply for approval of a media format.

DDBS must comply with the following laws of record retention:

- The minimum Record Retention Periods for FSA funds is approximately 3 years
- Loans are retained UNTIL THE END of the award year in which the student last attended
- The loan is satisfied, or the documents are needed to enforce the obligation
- The date on which a loan is assigned to the DOE, cancelled, or repaid
- End of the award year for which the aid was awarded
- End of the award year in which the report was submitted.

Any document that contains a signature, seal, certification, or any other image or mark required to validate the authenticity of its information must be maintained in its original hard copy or in an imaged media format. This includes tax returns, verification statements, Student Aid Reports (SARs) used to determine eligibility, and any other document wherein the signature, seal, etc., contained on it is necessary for the document to be used for the purposes for which it is being retained.

DSDT may maintain a record in an imaged media format only if the format can reproduce an accurate, legible, and complete copy of the original document. When printed, the copy must be approximately the same size as the original document.

Please note that promissory notes that are signed electronically, must be maintained electronically in accordance with the requirements of 34 CFR 668.24(d)(3)(i) through (iv).

### **Disbursement of Federal Funds Policy**

DDBS will inform students of the amount of funds that they or their parents can expect to receive back from each FSA program. This includes FWS, how, and when those funds will be disbursed. This notification must be sent before the disbursement is made. If the funds include a Stafford Loan (whether Direct Loan), the notice must indicate which funds are from subsidized

*Last Updated November 8, 2023*



loans and which are from unsubsidized loans. DDBS must provide the best information that it has regarding the amount of FSA program funds a student can expect to receive. Because the disbursements received by a student may differ slightly from the amount projected by DDBS due to loan fees and rounding differences, DDBS may include the gross amount of the loan disbursement or a close approximation of the net disbursement amount. DDBS must also notify students and/or parents when Stafford or PLUS loan funds are being credited to a student's account. This notification must be sent no earlier than 30 days before and no later than 30 days after crediting the student's account. The notification must include:

- The date and amount of the disbursement
- The student's (or parent's) right to cancel all or part of the loan or disbursement, and
- The procedures and the time by which the student (or parent) must notify the school that he or she wishes to cancel the loan or disbursement.

These policies apply to the following programs: Pell Grant, FSEOG, and Direct Loan. We have indicated when a rule applies to FWS.

Policies for crediting FSA funds to the student's account and making direct disbursements to the student or to the parent, with provisions for early disbursements, delayed disbursements, and late disbursements:

(1) Notifications & Authorizations

- a. Notification of disbursement
- b. Required student/parent authorizations
- c. Notification/authorization by electronic means

(2) Method of disbursement

- a. Credit to the student's account (school may hold credit balance if authorized)
- b. Disbursement directly to the student or parent

(3) Disbursement rules/ timing of multiple disbursements

- a. FWS students must be paid at least once a month
- b. Funds may be disbursed up to 10 days before classes begin (in most cases)
- c. Disbursements to 1st-time, 1st-year, Stafford borrowers must be delayed 30 days
- d. Requirement to successfully complete coursework in clock-hour and nonterm credit-hour and certain nonstandard term credit-hour programs
- e. DDBS may make unequal FSEOG disbursements to meet uneven costs
- f. Under certain conditions, late disbursements must be made to students

(4) Prompt disbursement rules

- a. Usually there is a 3-day timeframe for DSDT to disburse to student/parent after receiving funds
  - i. Exception: school may delay returning Stafford/PLUS funds to the lender in some cases.

- b. The school may not use an in-person or telephonic conversation as the sole means of notification because these are not adequate and verifiable methods of providing notice
  - i. However, a school may use in person and telephone notices in addition to those provided in writing.

If the student or parent borrower wishes to cancel all or a portion of a loan, he or she must inform the school. The school must honor a request if it receives the request before the start of the payment period, or if it receives the request within 14 days after being sent the notice to the borrower. If the school receives a student's or parent's request for cancellation after these dates, the school may, but is not required to, honor the request. Regardless of when the request is received, the school must inform the student or parent of the outcome of the request.

When acting upon a loan cancellation request, DDBS must return the loan proceeds and cancel the loan as appropriate. DDBS is not responsible for returning any portion of a loan that was disbursed to a student or parent directly before the request for cancellation was received. However, DDBS takes an active role in advising the borrower to return the funds already received.

Before the school can perform any of the following activities, it must obtain authorization from a student (or parent borrower):

- Disburse FSA funds (including FWS wages) by EFT to a bank account designated by the student or parent.
- Use FSA funds (including FWS) to pay for allowable charges other than tuition, fees, and room and board if the student contracts with the school.
- Hold an FSA credit balance.
- Apply FSA funds to minor prior-year charges.

A school may not require the student or parent to provide the authorization and must clearly explain to the student or parent how to cancel or modify the authorization. The student or parent may cancel or modify the authorization at any time.

If a student or parent cancels an authorization to use FSA program funds, the cancellation or modification cannot be retroactive—it takes effect on the date that the school receives it from the student or parent. Upon notifying a student of their next disbursement by electronic mail or otherwise, following up on any electronic notice for which it receives an “undeliverable” message is encouraged.

Anytime a school returns a loan disbursement or any portion of a loan disbursement to a lender, the origination fee is reduced in proportion to the amount returned. If a student returns the full amount of a loan within 120 days of disbursement, the loan is cancelled, and the origination fee is eliminated.

If a student borrower not in repayment returns a loan disbursement or any portion of a loan disbursement to the lender within 120 days after disbursement, the origination fee is reduced in proportion to the amount returned.

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## IRAQ AND AFGHANISTAN SERVICE GRANT PROGRAM

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### Policy Reason

The Iraq and Afghanistan Service Grant (IASG) is awarded to a student whose parent or guardian died as a result of performing military service in Iraq or Afghanistan and the student is not receiving a Federal Pell Grant only because of that program's need requirement. The Iraq and Afghanistan Service Grant award amount provided to an eligible student for an award year may not exceed the maximum Federal Pell Grant for that award year with adjustments, if necessary, for things such as the student's enrollment status and the student's Title IV cost of attendance (COA) used to determine financial need.

It is important to note that the Iraq and Afghanistan Service Grant is not based on an eligible student's financial need nor is it considered estimated financial assistance that reduces the amount of any other Federal student aid that the student may also qualify for. It is also important to note that effective with the 2012-2013 award year, the duration of a student's eligibility to receive an Iraq and Afghanistan Service Grant is limited to a total of 12 semesters (or its equivalent).

### Procedures for the Iraq and Afghanistan Service Grant

#### DOD Match Flag and SAR Comment Code 298

DDBS monitors incoming ISIRS for the DOD Match Flag "Y", with the parent's date of death and SSN for student(s) who could potentially be eligible for additional Title IV aid, including a maximum Pell Grant award or an Iraq and Afghanistan Service Grant.

The DOD Match Flag is the result of the match with the Department of Defense to identify an applicant whose parent was a member of the U.S. Armed Forces who died as a result of service in Iraq or Afghanistan after September 11, 2001.

When a student matches with the DOD file, the ISIR always shows a "Y" in the DOD Match Flag field and the parent's date of death is populated. But SAR comment code 298 (which informs the student of a possible change in the student's eligibility for federal student aid) is only generated when the CPS DOD Table is updated after the student filed the FAFSA (a system generated transaction occurs and generates the comment). For more details, see the 2021-22 ISIR Guide.

## **Identification of Eligible Students and Notification by the Department**

The Department will notify the student when a student appears to meet the criteria for Zero EFC treatment for children of soldiers or the Iraq & Afghanistan Service Grant, based on a match with a Department of Defense (DoD) file of eligible dependents. The match will be performed when a student submits a FAFSA or FAFSA correction (and periodically thereafter). When an eligible student is identified, the Department will generate a Central Processing System (CPS) transaction for the student, and the resulting ISIR will include a “DOD Match Flag,” associated comment code 298 (in some cases), and the parent or guardian’s date of death.

Note that Zero EFC treatment under this provision will not force an auto-zero EFC; the EFC will be calculated based on the student’s financial situation, but the flag and date of the parent or guardian’s death, along with the student’s calculated EFC, will aid the School in determining if the student is eligible for Zero EFC treatment for children of soldiers, or an award under the Iraq & Afghanistan Service Grant program. The Department will also send a letter to each matched student that informs the student of his or her possible increase in eligibility for FSA funds. The letter advises the student to contact his or her financial aid administrator for more information.

## **Additional Aid Eligibility for Certain Children of Soldiers: Zero EFC Treatment or Iraq & Afghanistan Service Grant**

*HEA Sec. 420R, November 6, 2009 Electronic Announcement*

An otherwise Pell-eligible student whose parent or guardian died as a result of U.S. military service in Iraq or Afghanistan after September 11, 2001, may receive increased amounts of federal student aid if the student was less than 24 years old when the parent or guardian died, or was enrolled at an institution of higher education at the time of the parent or guardian’s death. There are two different provisions for eligible children of soldiers, depending on whether the student has an EFC that falls within the range for Pell Grant eligibility or not.

### **Zero EFC Treatment for Dependents of Soldiers**

A school must use an EFC of 0 to package all federal student aid if the student meeting the above criteria has a Pell-eligible EFC. (Note that the zero EFC is only used for packaging purposes; the School does not actually change the student’s calculated EFC.) When submitting an origination to COD for a student of this type, the School must include the CPS transaction containing the DOD Match Flag set to “Y,” or the award will not be accepted.

A student with an EFC that is not Pell eligible is potentially eligible to receive an award under the Iraq & Afghanistan Service Grant program (see Iraq & Afghanistan Service Grant below).

### **Iraq and Afghanistan Service Grant**

To receive the Iraq & Afghanistan Service Grant, the student must have an EFC that is not Pell eligible. Iraq & Afghanistan Service Grants are made under the same terms and conditions as Pell, and disbursements for each payment period are calculated in the same manner as described for Pell.

Unlike Pell Grants, however, Iraq and Afghanistan Service Grant award amounts must be reduced as required by the federal budget cut known as the sequester.

When submitting an origination to COD for a student receiving an Iraq & Afghanistan Service Grant, the School must include the CPS transaction containing the Department of Defense (DOD) Match Flag set to “Y,” or the award will not be accepted. The award may not exceed the student’s COA. Iraq and Afghanistan Service Grants are not considered Estimated Financial Assistance for packaging purposes.

Note that children of public safety officers are not eligible for Iraq & Afghanistan Service Grants.

The Year-Round Pell provision also applies to Iraq & Afghanistan Service Grants.

## RECONCILIATION

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Reconciliation of the Pell Grant program is included in Chapter 6 along with the reconciliation of the Direct Loan program.

## Chapter 6 Federal Direct Loan Program

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## **BORROWER ELIGIBILITY FOR FEDERAL DIRECT LOANS / PLUS**

### **Policy Reason**

Before the School originates a Federal Direct Loan, it must determine the student's eligibility.

### **Direct Loan Eligibility**

A person must be enrolled as a regular student in an eligible program to receive Federal Student Aid (FSA) funds. To be eligible for Direct Loans, undergraduate students attending a school that participates in the Pell Grant Program must first receive a determination of their eligibility for Pell Grants. Generally, a student must be enrolled or accepted for enrollment in a degree or certificate program to receive Title IV funds. A student must meet all of the general Title IV eligibility requirements and be enrolled at least half-time.

### **Cost of Attendance**

Cost of attendance policy and procedure is covered in chapter 4 of this manual.

### **Estimated Financial Assistance**

Estimated Financial Assistance (EFA) is the amount of federal, state, institutional, and private financial assistance a school estimates a student will receive. As part of a packaging calculation, it is the aid received, or expected to receive, during a payment period of enrollment.

EFA includes sources of support that a student receives as a result of being a student. Some examples include:

- Pell Grants
- Educational loans
- Grants and scholarships
- Tuition and fee waivers
- Net earnings from need-based employment
- Fellowships and assistantships
- Employer tuition reimbursement

### **Treatment of VA Educational Benefits**

VA educational benefits are not treated as estimated financial assistance (EFA). Veterans' educational benefits are also not to be counted as income, and therefore are not reported as income on the FAFSA.



## FSA Handbook, Volume 3, Chapter 7

### Higher Education Act, Section 480(c)

#### 150% Direct Subsidized Loan Limit

On December 27, 2020, Congress passed the Consolidated Appropriations Act, which in part, repealed the lifetime limit on the period for which a borrower can receive subsidized loans of up to 150% of program length (often referred to as Subsidized Usage Limit Applies).

### GENERAL REQUIREMENTS

#### Policy Reason

To ensure Federal Direct Loan/PLUS loans are awarded properly

#### Basics of Student Loans

The U.S. Department of Education (ED) offers Direct Loans through the William D. Ford Federal Direct Loan (Direct Loan) Program. There are three types of Direct Loans that can help students and parents pay for education after high school.

LOAN TYPE	AVAILABLE TO	DETAILS AND UPDATES
Direct <b>Subsidized Loans*</b>	Undergraduate students who have financial need	<a href="https://studentaid.gov/sub-unsub">StudentAid.gov/sub-unsub</a>
Direct <b>Unsubsidized Loans*</b>	Undergraduate, graduate, and professional degree students	<a href="https://studentaid.gov/sub-unsub">StudentAid.gov/sub-unsub</a>
Direct PLUS Loans	Graduate and professional degree students, and parents of dependent undergraduate students (you must not have an adverse credit history)	<a href="https://studentaid.gov/plus">StudentAid.gov/plus</a>

Subsidized and unsubsidized loans are federal student loans for eligible students to help cover the cost of higher education at a four-year college or university, community college, or trade, career, or technical school. The U.S. Department of Education offers eligible students at participating schools Direct Subsidized Loans and Direct Unsubsidized Loans. (Some people refer to these loans as Stafford Loans or Direct Stafford Loans.)

## Steps to Receive Direct Loans

### *Step 1: Fill out the FAFSA form*

To apply for Direct Loans, you need to complete the Free Application for Federal Student Aid (FAFSA®) form every year you're in school. Completing and submitting the FAFSA form is free, and the fastest and easiest way to do so is online at [StudentAid.gov](https://studentaid.gov).

### *Step 2: Complete the Loan Agreement (Master Promissory Note (MPN)) and Loan Entrance Counseling*

Before you can receive a Direct Loan, you'll have to sign a loan agreement called a Master Promissory Note (MPN). If you're borrowing for the first time, you'll also need to complete Entrance Counseling. Both requirements can be completed on [StudentAid.gov](https://studentaid.gov).

### *Step 3: Determine how much you should borrow*

Figure out how much money you will need to borrow to cover your education expenses for each year you're in school.

Your school determines the amount and loan type(s) you can borrow based on your cost of attendance and other financial aid you receive each academic year. However, there are limits on the amount in subsidized and unsubsidized loans that you may be eligible to receive each academic year and the total amounts that you may borrow for undergraduate and graduate study (aggregate loan limits). The actual loan amount you are eligible to receive each academic year may be less than the annual loan limit. These limits vary depending on:

- What year you are in school and
- Whether you are a dependent or independent student.

## **Direct Loan Origination Fees**

Origination fees are deducted from the gross amount of the loan borrowed. The loan fee is a percentage of the loan amount and is proportionately deducted from each loan disbursement. The percentage varies depending on when the loan is first disbursed, as shown in the chart below.

## Loan Fees for Direct Subsidized Loans and Direct Unsubsidized Loans

First Disbursement Date	Loan Fee
On or after 10/1/20 and before 10/1/24	1.057%
On or after 10/1/19 and before 10/1/20	1.059%

## Loan Fees for Direct PLUS Loans

First Disbursement Date	Loan Fee
On or after 10/1/20 and before 10/1/24	4.228%
On or after 10/1/19 and before 10/1/20	4.236%

Loans first disbursed prior to Oct. 1, 2019, have different loan fees.

### Direct Loan Interest Rates

## Interest Rates for Direct Loans First Disbursed on or After July 1, 2023, and Before July 1, 2024

Loan Type	Borrower Type	Fixed Interest Rate
Direct Subsidized Loans and Direct Unsubsidized Loans	Undergraduate	5.50%
Direct Unsubsidized Loans	Graduate or Professional	7.05%
Direct PLUS Loans	Parents and Graduate or Professional Students	8.05%

All interest rates shown in the chart above are fixed rates. A fixed rate will not change for the life of the loan.

*Last Updated November 8, 2023*

## Interest Payments

If you choose not to pay the interest while you are in school and during grace periods, and during deferment or forbearance periods, your interest will accrue (accumulate) and be capitalized (that is, your interest will be added to the principal amount of your loan).

## Annual Limits for Subsidized and Unsubsidized Loans

The following chart shows the annual limits for subsidized and unsubsidized loans for both dependent and independent students.

Year	Dependent Students (except students whose parents are unable to obtain PLUS Loans)	Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans)
First-Year Undergraduate Annual Loan Limit	\$5,500-No more than \$3,500 of this amount may be in subsidized loans.	\$9,500-No more than \$3,500 of this amount may be in subsidized loans.
Second-Year Undergraduate Annual Loan Limit	\$6,500-No more than \$4,500 of this amount may be in subsidized loans.	\$10,500-No more than \$4,500 of this amount may be in subsidized loans.

## MASTER PROMISSORY NOTE REQUIREMENT

### Policy Reason

To include procedures that outline requirements for borrowers to complete the Master Promissory Note (MPN).

### Master Promissory Note Policy

Completion of the Master Promissory Note (MPN) is required before a student can receive their first Direct Subsidized or Direct Unsubsidized Loan as an undergraduate. Parent borrowers who elect to take out the Parent PLUS loan are also required to complete a Master Promissory Note for a Parent PLUS loan prior to disbursement.

## Master Promissory Note Information

The Master Promissory Note (MPN) is the legal document used to make one or more Direct Loans for one or more academic years (up to 10 years). By signing an MPN, the borrower is agreeing to repay all loans made under the MPN. Schools may choose to use Master Promissory Notes to make multiple loans for multiple academic years (Multi-Year Functionality feature) or choose to require that each borrower sign a new note for each academic year (Single-Year Functionality feature).

MPNs are not school-specific and may be used across schools. For example, if a student transfers from school A to school B, the previously completed MPN may be used to obtain loans while attending school B (if school B also uses the Multi-Year Functionality feature of the MPN).

## Master Promissory Note Procedure

The Master Promissory Note (MPN) can be completed online at [studentaid.gov](https://studentaid.gov). The MPN is your promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(s).

You may receive more than one loan under an MPN over a period of up to 10 years to pay for your or your child's educational costs. Completion of the MPN is transmitted to your School.

For a PDF or Read-Only version of the student subsidized/unsubsidized Direct Loan MPN, go to

<https://studentaid.gov/mpn/subunsub/landing>.

For a PDF or Read-Only version of the Parent PLUS MPN, go to

<https://studentaid.gov/mpn/parentplus/landing>.

## COUNSELING REQUIREMENTS

### Policy Reason

To include procedures that outline requirements for initial and exit counseling.

### Entrance Counseling Policy

Entrance Counseling is required before a student can receive their first Direct Subsidized, or Direct Unsubsidized Loan as an undergraduate. Parent borrowers who elect to take out the Parent PLUS loan are also required to complete Entrance Counseling prior to disbursement.

## Entrance Counseling Procedure

To ensure that students understand their responsibilities regarding their obligations that they are assuming, if a student has not previously received a subsidized, unsubsidized, or a PLUS loan (graduate/professional students only) under the Direct Loan Program, the student must complete entrance counseling for their specific loan type before receiving any funds.

Documentation of any prior approvals of loans, Title IV funds, or HEA funds will be available for review from the National Student Loan Data System (NSLDS). This documentation should include a transcript or other similar forms from any previous institution that demonstrates Title IV enrollment.

A counseling session will take 20-30 minutes to complete. Students must complete the counseling in a single session. Students cannot save a partially completed counseling session. The Financial Aid Office will contact students via email to notify them of the requirement of Entrance Counseling. [Studentaid.gov](https://studentaid.gov) provides entrance loan counseling in an interactive, online format. All students will be informed that Entrance Counseling is required before they can receive their first Direct Subsidized or Direct Unsubsidized Loan as an undergraduate.

### Initial Loan Counseling 685.304(a) for Direct Subsidized Loan, Direct Unsubsidized Loan, and Direct PLUS Loan borrowers

Counseling Borrowers	Located In	Offices Involved
<b>Initial Counseling:</b> Must ensure that entrance counseling is conducted with each student loan borrower prior to making the first disbursement of the proceeds of a loan to a student borrower unless the student borrower has received a prior Loan. <u>685.304(a)(2)</u>	Student's file	Financial Aid
Entrance Counseling for borrowers must provide the borrower with comprehensive information on the terms and conditions of the loan and on the responsibilities of the borrower with respect to the loan. This information may be provided to the borrower: <ul style="list-style-type: none"><li>• During an entrance counseling session, conducted in person;</li><li>• On a separate written form provided to the borrower that the borrower signs and returns to the school; or</li><li>• Online or by the interactive electronic means, with the borrower acknowledging receipt of the information.</li></ul> <u>685.304(a)(3)</u>	Financial Aid Office	Financial Aid
If entrance counseling is conducted online or through interactive electronic means, the school must take reasonable steps to ensure that each student borrower receives the counseling materials, and participates in and completes the entrance counseling, , which may include completion of any interactive program that tests the borrower's understanding of the terms and conditions of the borrower' loans. <u>685.304 (a)(3)iii).</u>	Financial Aid Office	Financial Aid
Must ensure that an individual with expertise in the title IV programs is reasonably available shortly after the counseling to answer the student borrower's questions. As an alternative, in the case of a student borrower enrolled in a correspondence program or a study-abroad program approved for credit at the home institution, the student borrower may be provided with written counseling materials before the loan proceeds are disbursed. <u>685.304(5)</u>	Financial Aid Office	Financial Aid



Entrance counseling for Direct Subsidized Loan Direct Unsubsidized Loan borrowers must explain the use of a Master Promissory Note (MPN), emphasize to the borrower the seriousness and importance of the repayment obligation the student borrower is assuming. And describe the information outlined in <u>685.306</u> and <u>685.307</u>	Financial Aid Office	Financial Aid
Develop initial loan counseling materials to include all of the elements outlined in <u>685.304(a)(6)</u> .	Financial Aid Office	Financial Aid
Maintain documentation of initial counseling in each student's file. <u>685.304(9)</u>	Student's file	Financial Aid

## Exit Counseling Policy

Just as students who receive Direct Loans must complete entrance counseling prior to receiving their first loan disbursement, a student who withdraws or graduates must be provided exit counseling if they received Direct Loans at DDBS.

Because student borrowers are required to be enrolled at least half-time to receive Direct Loans, exit counseling must also be provided to students who drop below half-time enrollment.

As with entrance counseling, students may complete exit counseling at [studentaid.gov](https://studentaid.gov), using the Department's counseling guide, or schools may provide counseling via other methods if all required elements are present. Though the elements of exit counseling are similar to entrance counseling, the focus is more on helping students to transition to repayment and manage their Direct Loan debt responsibly.

## Exit Counseling Procedure

Regulations require that schools provide exit counseling. DDBS requires all students who have received a student loan to complete an in-person exit counseling workshop or an online exit counseling at [studentaid.gov](https://studentaid.gov).

The Financial Aid Office will contact students via email to notify them of the requirement of Exit Counseling. [Studentaid.gov](https://studentaid.gov) provides exit loan counseling in an interactive, online format.

Students must complete the counseling in a single session. All students will be informed that Exit Counseling is mandatory prior to graduation, program completion, and upon withdrawal.

## Exit Loan Counseling 685.304(b) for Direct Subsidized and Direct Unsubsidized Loan borrowers

Counseling Borrowers	Located In	Offices Involved
<p><b>Exit Counseling:</b> Determine the method that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower shortly before the student borrower ceases at least half-time study at the school (i.e. in person, audiovisual presentation or interactive electronic means). If interactive electronic means is the method, your procedures include reasonable steps to ensure that each student borrower receives the counseling materials and participates in and completes the exit counseling.</p> <p><b>Note: Grad PLUS exit requirement:</b> If a school is conducting exit counseling for a borrower who has also received a Stafford loan, Grad PLUS information must be included in the exit counseling.</p>	Financial Aid Office	Financial Aid
Ensure staff member with expertise in the Title IV programs to be reasonably available shortly after the exit counseling to answer questions.	Financial Aid Office	Financial Aid
Ensure borrowers enrolled in correspondence programs or study abroad programs are provided with written counseling materials within 30 days after the student borrower completes the program.	n/a	n/a
Ensure borrowers who withdraw from the school without the school's prior knowledge or fail to complete exit counseling are provided with exit counseling through interactive electric means or by mailing written counseling materials to the borrower's last known address within 30 days after the school learns the borrower has withdrawn or failed to complete the required exit counseling.	Financial Aid Office	Financial Aid
Develop exit counseling materials to include all of the elements outlined in <u>685.304(b)(4)</u> .	Financial Aid Office	Financial Aid
Ensure that the information required in <u>685.304(b)(4)(ix)</u> is provided to the Secretary within 60 days after the borrower provides the information.	Financial Aid Office	Financial Aid
Maintain documentation of exit counseling in each student's file.	Financial Aid Office	Financial Aid

## PARENT LOAN FOR UNDERGRADUATE STUDENTS (PLUS)

### Policy Reason

To provide information on the Parent PLUS Loan and detail instructions on obtaining a Parent PLUS Loan to assist with the student's educational expenses.

### Parent PLUS Direct Loan Program

The U.S. Department of Education makes Direct PLUS Loans to eligible parents through schools participating in the Direct Loan Program. A Direct PLUS Loan is commonly referred to as a parent PLUS loan when made to a parent borrower.

Because DDBS is strictly a trade school, the graduate student PLUS Loan is not offered.

### Parent PLUS Direct Loan Eligibility

To receive a parent PLUS loan, you must

- Be the biological or adoptive parent (or in some cases, the stepparent) of a dependent undergraduate student enrolled at least half-time at an eligible school;
- Not have an adverse credit history (unless you meet certain additional requirements); and
- Meet the general eligibility requirements for federal student aid.

### Steps to Apply for the Parent PLUS Loan

*Step 1: Fill out the online parent PLUS application form*

Your student must have filled out the FAFSA application form. To apply for the parent PLUS loan, go to the online Direct PLUS Loan Application for Parents at <https://studentaid.gov/plus-app/parent/landing>.

The information that you provide will be sent to the school that you select. The School will use the information collected to determine your eligibility for a Direct PLUS Loan as a parent and process your application.

*Step 2: Complete the Master Promissory Note (MPN) and Entrance Counseling*

If you are eligible for a parent PLUS loan, you will be required to sign a Direct PLUS Loan *Master Promissory Note* (MPN), agreeing to the terms of the loan. If you are a first-time PLUS loan borrower, you are also required to complete Entrance Counseling at [studentaid.gov](https://studentaid.gov). If you're taking out parent PLUS loans for more than one child, you'll need to sign separate Direct PLUS Loan MPNs for the loans you receive for each child.

*Step 3: Determine how much you should borrow*

The maximum PLUS loan amount you can borrow is the cost of attendance at your child's school minus any other financial assistance your child receives. The cost of attendance is determined by the school.

### **PLUS Loan Request for Supplemental Information**

When you apply for a Direct PLUS Loan as a parent, you can authorize the school to use your loan funds to satisfy your student's other educational related charges after tuition and fees, and room and board (for on-campus students) have been paid. You are not required to provide this authorization.

As a parent borrower, you can also use the Direct PLUS Loan Application to:

- Designate whether the school pays any credit balance to the student or to you.
- Request a deferment while the student is in school, and for an additional deferment for six months after the student ceases to be enrolled at least half time, and
- Request a change to the loan amount specified in a previously submitted application.

### **Parent PLUS Loan Origination Fee**

There is a loan fee on all Direct PLUS Loans. Origination fees are deducted from the gross amount of the loan borrowed. The loan fee is a percentage of the loan amount and is proportionately deducted from each loan disbursement. The percentage varies depending on when the loan is first disbursed, as shown in the chart below.

### **Loan Fees for Direct PLUS Loans**

First Disbursement Date	Loan Fee
On or after 10/1/20 and before 10/1/24	4.228%
On or after 10/1/19 and before 10/1/20	4.236%

Loans first disbursed prior to Oct. 1, 2019, have different loan fees.

### **Parent PLUS Loan Current Interest Rate**

The Direct PLUS Loan offers a fixed 8.05% interest rate for the 2023-2024 school year and flexible loan limits. This is a fixed interest rate for the life of the loan.

## Adverse Credit History

A credit check will be performed during the application process. If you have an adverse credit history, you may still receive a parent PLUS loan through one of these two options:

1. Obtaining an endorser who does not have an adverse credit history. An endorser is someone who agrees to repay the parent PLUS loan if you do not repay it. The endorser cannot be the child on whose behalf you are borrowing.
2. Documenting to the satisfaction of the U.S. Department of Education that there are extenuating circumstances relating to your adverse credit history.

With either option 1 or option 2, you also must complete credit counseling for parent PLUS loan borrowers.

### Electronic Announcement dated January 27, 2015

#### What is considered “adverse credit”?

- (1) Has one or more debts with a total combined outstanding balance greater than \$2,085, that are 90 or more days delinquent as of the date of the credit report, or that have been placed in collection or charged off, during the two years preceding the date of the credit report; or
- (2) Has been the subject of a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment, or write-off of a debt under Title IV of the Act during the five years preceding the date of the credit report.

## Additional Direct Unsubsidized Loans

If you are unable to obtain a parent PLUS loan, your child may be eligible for additional unsubsidized loans. Contact the school’s financial aid office for more information.

Note: Before originating a loan for increased loan amounts, the financial aid administrator must document the basis of the dependent student's increased unsubsidized loan eligibility. It is not automatic.

### **Special Loan Counseling for Certain PLUS Borrowers**

Special loan counseling is required for any PLUS Loan applicant who has an adverse credit history but who qualifies for a PLUS Loan through the process for reconsideration due to extenuating circumstances or by obtaining an endorser for the loan. This counseling is mandatory only for these certain PLUS Loan borrowers. However, it is available to all PLUS Loan borrowers. This special PLUS Loan counseling is separate and distinct from the PLUS Loan entrance counseling that all graduate and professional student PLUS Loan borrowers must complete. Special PLUS Loan counseling is available on [Studentaid.gov](https://studentaid.gov) (click on *Apply for Aid*). Borrowers that are required to complete this counseling will be notified. Once the counseling is completed, COD will generate a code and notify the school.

## **STUDENT LOAN CODE OF CONDUCT**

### **Scope**

All officers, employees and agents of Dymond Designs Beauty School (DDBS)

### **Distribution**

Annual distribution of the Code of Conduct to all school officers, employees and agents with responsibilities related to student loan activities

### **Definitions**

1. “**Employee**” or “**School employee**” means any employee, agent, student financial aid staff member, director, officer or trustee of the School. For purposes of the Code of Conduct provisions relating to gifts, this term includes family members of the employee and those living in the same household as the employee.
2. “**School**” means all campuses, departments or other components of the higher education institution adopting this Code of Conduct that is located in Michigan.

3. **“Student loan lender”** or **“lender”** means any entity involved in making, holding, consolidating, originating, servicing or guaranteeing any loan to students or parents to finance higher education expenses. This includes lenders who provide private education loans as well as lenders who provide loans that are made, insured or guaranteed by the U.S. Department of Education, except loans under the William D. Ford Direct Loan Program.
4. **“Revenue-sharing arrangement”** means an arrangement between a school and a lender under which –
  - a. A lender provides or issues a loan that is made, insured, or guaranteed under a Title IV financial aid program.
  - b. The institution recommends the lender or the loan products of the lender and, in exchange, the lender pays a fee or provides other material benefits, including revenue- or profit-sharing, to the institution, an officer, or employee of the institution, or an agent.
5. **“Gift”**
  - a. In general means any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary or retail value of more than ten dollars (\$10.00) as calculated over a 12-month period, or as defined by a School policy consistent with applicable federal and state law. The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.
  - b. Exceptions include:
    - i. Standard material, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.
    - ii. Food, refreshments, training, or informational material furnished to an officer or employee of an institution, or to an agent, as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of education loans to the institution, if the training contributes to the professional development of the officer, employee, or agent.
    - iii. Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the institution if the terms, conditions, or benefits are comparable to those provided to all students of the institution.
    - iv. Entrance and exit counseling services provided to borrowers to meet the institution’s responsibilities for entrance and exit counseling as required under the Title IV financial aid loan program as long as the institution’s staff are in control of the counseling (whether in person or via electronic capabilities) and the counseling does not promote the products or services of any specific lender.



- v. Philanthropic contributions to an institution from a lender, servicer, or guarantor of education loans that are unrelated to education loans or any contribution from any lender, guarantor, or servicer that is not made in exchange for any advantage related to education loans.
- vi. State education grants, scholarships, or financial aid funds administered by or on behalf of a State.
- c. Gifts to a family member of an officer or employee of an institution, to a family member of an agent, or to any other individual based on that individual's relationship with the officer, employee, or agent, will be considered a gift if:
  - i. the gift is given with the knowledge and acceptance of the officer, employee, or agent; and
  - ii. the officer, employee, or agent has reason to believe the gift was given because of the official position of the officer, employee, or agent.

## **Code of Conduct**

This code is supplemental to existing school policies related to conflicts of interest and commitment.

### ***Institutional Compensation***

Dymond Designs Beauty School will not enter into any revenue-sharing arrangement with any lender. The school will not accept anything of value from a student loan lender in exchange for any advantage or consideration to the lender related to its education loan activity. This prohibition shall include, but not limited to: (1) the School's receipt from any lender of any computer hardware for which the School pays below market prices, (2) preferential rates for, or access to, a lender's other financial products and (3) printing costs or services.

### ***Financial Relationship Prohibition***

No officer or employee of Dymond Designs Beauty School who is employed in the financial aid office or who otherwise has responsibilities with respect to education loans, or agent who has responsibilities with respect to education loans, shall solicit or accept any gift from a lender, guarantor, or servicer of education loans.

### ***Master Promissory Notes***

Dymond Designs Beauty School shall inform borrowers of the procedure(s) for completing the Master Promissory Note or other loan agreement with the lender of the borrower's choice, whether the lender is the U.S. Department of Education or a private lender. Dymond Designs Beauty School does not have preferred lender arrangements of any kind or a preferred list.

### ***Private Loans***

Dymond Designs Beauty School shall not certify student eligibility for a private education loan without first informing the borrower that (a) federal financial assistance

(including grants and Title IV loans) may be available and (b) federal loans may provide more advantageous terms to the borrower than private loans.

### ***Opportunity Loans***

Dymond Designs Beauty School shall not enter into an opportunity loan agreement with a student loan lender under which the School provides concessions or promises to the lender that prejudice other borrowers. An “opportunity” loan means a student loan provided to borrower with poor or no credit history, or who otherwise would not meet the student loan lender’s eligibility criteria. In addition, DDBS shall not certify student eligibility for an opportunity loan made available pursuant to an agreement between the School and a lender unless (i) the agreement includes the option of short term or partial loans not to exceed one year and (ii) the School informs the borrower of the short term or partial loan option, so the borrower can consider different or less expensive financing if the borrower’s financial condition improves.

### ***Staffing Assistance from Lenders***

Dymond Designs Beauty School shall not request or accept from any lender any assistance with call center or financial aid office staffing, including in-person school-required initial or exit counseling, except as permitted by applicable federal student loan requirements. The School shall ensure that any lender employees on campus are accurately represented as such and not misidentified as School agents or employees. While lenders may provide professional development training to financial aid administrators and participate in financial literacy outreach activities, lender employees must clearly disclose the name of the entity preparing any written materials and may not promote the lender’s products.

### ***Implementation***

Dymond Designs Beauty School:

1. Agrees to publish the Student Loan Code of Conduct prominently on its website within ten business days of its adoption by the School; and
2. Shall require all of its employees with direct responsibilities relating to student loans to obtain training concerning the Student Loan Code of Conduct, applicable federal and state student loan laws and regulations, and related School policies and procedures within 90 days of the date the School adopts this Code, or for new employees, within 90 days of the date of hire. The School shall adopt procedures to ensure these employees maintain current knowledge of the Code and applicable regulations.

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## **PAYMENT OF A REFUND OR RETURN OF TITLE IV**

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### **Policy Reason**

To include procedures for the school to pay a portion of the student's refund or return of title IV, HEA program funds that is allocable to a Direct Loan to the Secretary.

### **Notification**

DDBS provides simultaneous written notice to the borrower if the School pays a refund or return of title IV, HEA program funds to the Secretary on behalf of the borrower.

In determining the portion of a student's refund or return of title IV, HEA program funds that is allocable to a Direct Loan, the school follows the procedures established in 668.22 for allocating and paying a refund or return of title IV, HEA program funds that is due.

### **Return of Title IV Funds Procedure**

Refer to Chapter 3 for information on the return of Title IV funds.

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## **DIRECT LOAN QUALITY ASSURANCE SYSTEM**

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### **Direct Loan Quality Assurance System**

DDBS is required by statute, 34 CFR 685.300(b)(9), to implement a quality assurance system within our financial aid office. The Director of Financial Aid in concert with our third-party servicer, The Boston Educational Network, initiates and maintains the quality assurance system. The Director of Operations of the School will review and comment periodically on the effectiveness of this system.

The Director of Financial Aid is responsible for updating the process to ensure DDBS complies with the Direct Loan quality assurance component.

### **Reporting to the Common Origination and Disbursement (COD) System**

1. Reporting Loan Originations
  - a. Once an enrolled student has received a valid Institutional Student Information Record (ISIR) and has met all our enrollment requirements, a financial aid profile is sent to our servicer, BEN. The profile consists of the student's enrollment/registration information and the aid the student is requesting.
  - b. BEN then reviews the information, cross-references the ISIR for any conflicting data, and then awards the student the appropriate aid.
  - c. The award letter is then retrieved by the school and provided to the student.

*Last Updated November 8, 2023*

- d. A loan origination record is submitted to COD by BEN.
- e. The next business day BEN retrieves the student's loan origination acknowledgement from COD. If necessary, any errors or rejections are reviewed and/or corrected and resubmitted to COD.

## 2. Reporting Loan Disbursements and Adjustments

- a. Based on the processing of loan disbursements (See Disbursing Loan Funds below), at the end of the workday BEN creates a loan disbursement file for transmission to COD. The file consists of all loan disbursements processed that working day.
- b. The file acknowledgement is then retrieved by BEN from COD.
- c. This file is imported into BEN's internal student accounting system.
- d. All files are reviewed. All accepted and rejected student files are identified at that time.
- e. If there are any errors or rejected files BEN promptly corrects the affected file(s) and resubmits a new file to COD. BEN then retrieves the corrected file submitted for corrections.
- f. BEN then reviews the corrected file and once again identifies any errors or rejections.
- g. Once all the disbursement files have been accepted by COD, BEN creates a disbursement roster containing all the accepted student disbursement records.

## Disbursing and Returning Loan Funds

### 1. Disbursing Loan Funds

- a. Our financial aid office and BEN coordinate the disbursing of loan funds. Our primary focus is to ensure that students are eligible for Title IV aid at the time of disbursement. Both offices verify that all awarding issues have been satisfied (i.e. verification, C-Codes, loan origination, etc.). Our school will not disburse an "interim" disbursement to students before awarding issues have been resolved.
- b. Prior to requesting the student's first disbursement of student loans, the school performs or verifies that the student has completed loan entrance interview counseling.
- c. Once we have confirmed that the student has met all eligibility requirements (e.g. admissions, successful completion of a payment period, maintaining SAP, accepted award letter, COD accepted signed promissory note, etc.) we then log into the secure BEN institutional portal and request the student's disbursement.
- d. BEN reviews each student disbursement request with the goal of ensuring that the request is accurate and appropriate. If any question(s) arise, BEN will notify the school via a "compliance delay" notice before processing the student's disbursement request. The student's disbursement will be processed after the discrepancy has been resolved and no remaining eligibility issues exist.
- e. BEN processes the loan disbursement request in their internal accounting system.

- f. BEN creates and transmits a disbursement file to COD via the CPS (See Reporting Loan Disbursements and Adjustments above).
- g. After ALL of the transmitted loan disbursement records have been accepted by COD, BEN creates a “disbursement roster” which we download from our school portal.
- h. We then review the roster for appropriateness and accuracy. We notify BEN if there are any variations between our expected disbursements and the actual disbursement roster.
- i. BEN then requests the funds using the G5 system. The funds are wired directly into our institutional Title IV (federal funds) account.
- j. The next business day we verify that the funds have been transmitted from ED into our federal funds account. We instruct BEN if the funds have not arrived or are different then the total amount on our disbursement roster. Next, we transfer those funds from the federal funds (Title IV) account to our operating account.
- k. We credit the student’s account with the amount of their disbursement(s). In addition, we notify the student that day of the disbursement, as well as, inform them they have the right to rescind all or part of the loan disbursement. We post the student’s account/ledger the date of the roster, which coincides with the date ED accepted the student disbursement.

This system is developed to ensure that all reporting of disbursements is in compliance with the ED’s 15-day reporting, posting, and notification requirements.

## 2. Returning Loan Funds

- a. Once it has been determined that a student has ceased enrollment our financial aid office immediately performs refund calculations. (Title IV and Institutional)
- b. If it has been determined that there is a Title IV refund due ED, the financial aid office notifies the Director of Operations of the refund amount that is needed to be deposited into the school’s federal funds (Title IV) account for this student refund.
- c. The Director of Operations then deposits the refund amount into the federal funds account. This may take place by a transfer of funds from the operating account to the federal funds account, or if for some reason this is not available a physical check is written, and a deposit is completed.
- d. On the date that the refund was deposited/transferred into the federal funds account, the business office notifies the financial aid office of this transaction.
- e. Once the financial aid office is notified of the refund transaction, we immediately notify BEN with a Refund Request form via secure email.
- f. The school posts the refund to the student’s account/ledger.
- g. BEN reviews the Refund Report for accuracy and appropriateness (i.e., T4 program, award year, amount, etc.).
- h. BEN then posts the refund(s) in G5.
- i. Once G5 retrieves the funds from the school’s account and acknowledges the deposit, BEN then notifies COD of the student’s refund.

- j. COD is notified of the date G5 acknowledged the refund, the T4 program refunded, as well as the corresponding award year.

Making and Posting Student Title IV refunds are a high priority of our institution. Accuracy and timeliness are of utmost importance. A large amount of our Financial Aid training budget is dedicated to this issue. The ownership of the institution understands the complexity of this subject and strives to be in complete compliance.

### **Disbursing the Correct Loan Amount to the Correct Student**

#### **1. Disbursing the Correct Loan Amount**

- a. With the assistance of our third-party servicer, BEN, we have a two-tier system of disbursing funds and adjustments.
- b. Before any disbursement is initiated a student, award letter has been generated by our third-party servicer and accepted by the student. We review this award letter for accuracy and appropriateness prior to delivering it to the student.
- c. The student's scheduled award is created, and an estimated date of disbursement is generated.
- d. All student loan origination records are submitted to COD at the time the award letter is generated.
- e. All loan origination records contain the amount and expected date of all anticipated disbursements for a student.
- f. Prior to disbursing any loan funds an "accepted" loan originated record must be on file for each student loan.
- g. The submission of the student loan disbursement record to COD must correspond identically with the student loan origination record, if not, COD rejects the record.
- h. No student disbursement is initiated until all disbursement records are accepted and processed by COD.

#### **2. Disbursing to the Correct Student**

- a. After reviewing each student's enrollment and financial aid information we submit a request for disbursement to our servicer, BEN. When requesting this disbursement, we review the expected/anticipated disbursement for this transaction.
- b. BEN reviews the request for accuracy and appropriateness. If the request is not accurate or appropriate (i.e., too early), the request is suspended until the discrepancy is resolved.
- c. BEN submits the disbursement to COD (the amount, award year, T4 program, etc.).
- d. BEN retrieves the accepted disbursement record from COD.
- e. The accepted disbursement record is then placed on a student disbursement roster and made available to us.
- f. We then review the roster for appropriateness and accuracy.

- g. If we do not have any issues, BEN then requests the roster funds via the G5 system.
- h. The Director of Operations notifies financial aid that the funds have been transmitted from ED to our federal funds account.
- i. The Business Office posts the roster detail to each individual's student account.
- j. The students are then notified via receipts, that the disbursement has taken place and informs them of their right to rescind all or part of the loan disbursement.

### **Summary**

To ensure accuracy, the Director of Operations verifies that the funds transmitted from ED to the school's federal funds account equal the grand total of BEN's roster. The Business Office posts the roster amount to each individual student account.

The Director of Operations verifies that the funds posted to the student's accounts equal the amount indicated on BEN's disbursement roster.

### **Reconciliation**

This information is provided in chapter 1 under "Fiscal Requirements."

## **REPORTING REQUIREMENTS**

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### **Policy for Reporting Accurate Disbursement Dates to COD**

Once a student has started class or achieved the next level for financial aid disbursements, the following procedure is to be followed for accurately logging payments/disbursement dates to the student account card.

### **Procedure for Reporting Accurate Disbursement Dates to COD**

Prior to any and all disbursements of Title IV Federal funds, the Financial Aid Director verifies that the student has met a list of required criteria. Students who have opted to utilize Title IV funds must have first met all requirements that would have made them considered an eligible recipient. Once it has been established that the student is eligible, and the student's file has been awarded and processed then a disbursement request can be made. The criterion is as follows but not limited to:

- The student must physically matriculate in the program of their choice,
- The student must meet all of the outlined admissions requirements of the school,
- The student must have completed and submitted a Master Promissory Note for students who are electing to participate in the Direct Loan Program
- The student is enrolled at least half time.



- The student is maintaining SAP as per the school's policy.
- Entrance loan counseling has been completed.
- Award notifications have been accepted by the student.

The period start date must be entered. For period 1, it is always the student's start date. Subsequent period start dates are determined by the date the student began the 2<sup>nd</sup>, 3<sup>rd</sup>, or 4<sup>th</sup> payment period. This information is found in the secure student database. The Director of Operations locates the period start date for each student and includes it in the disbursement request. The hour trigger number is entered for the next payment period. For instance, if it is the second payment period for Cosmetology, the number 450 is entered. A report is then generated showing the exact date the student hit that mark.

NOTE: Transfer, re-enroll and students with overlapping academic years may have different measurement points than those listed. The Director of Financial Aid works directly with BEN to determine the period start dates for these students.

The Financial Aid Director prints the SAP progress report for each payment period by going to the secure student database system and requesting the SAP progress report for each period as outlined above.

The Director of Operations, using the secure student database system, determines how many total clock hours the student has completed and enters that number on the disbursement request page. This number is found by selecting student master and selecting the student by name. The complete number of hours will appear in this section.

The Director of Operations logs in to the secure BEN portal and submits a disbursement request by clicking on the "Disbursement Requests" link.

The type of aid is selected, Pell or Direct Loans.

The payment period is selected and that is:

Cosmetology:

P1 = 0 – 450 clock hours  
 P2 = 451 – 900 clock hours  
 P3 = 901 – 1200 clock hours  
 P4 = 1201 – 1500 clock hours

Esthetics:

P1 = 0 – 200 clock hours  
 P2 = 201 – 400 clock hours.

Advanced Esthetics:

P1 = 0 – 300 clock hours  
P2 = 301 – 600 clock hours.

BEN reviews each student disbursement request to ensure accuracy. If question(s) arise, BEN will notify the school via a posted compliance delay on the BEN website. Once the compliance delay has been resolved, BEN processes the loan disbursement request in their internal accounting system. BEN creates and transmits a disbursement file to COD via CPS. Once all of the transmitted loan disbursement records have been accepted by COD, BEN creates a disbursement roster.

Once the disbursement report is generated by BEN, the disbursement report is printed and reviewed by the Director of Operations. If there are any discrepancies including the date posted, the Director of Operations contacts BEN to address the discrepancies. BEN then requests the funds from the G5 system. The disbursement date on the report is circled by the Director of Operations showing the date reported to COD. This avoids any confusion on what date is to be used. The circled date is verified to be the same as the date on the student ledger account card. The Business Office logs the payments to the student ledger account card and provides each student with a notice of disbursement and right to cancel for loan disbursements. Another copy of the notice is filed in the student file.

The disbursement report is filed by the Financial Aid Representative.

The disbursement dates are reviewed once again during the monthly Title IV reconciliation.

### **Policy and Procedure for Timely Updates to NSLDS**

DDBS is responsible for accurate and timely accounting and reporting of the student's enrollment data to National Student Loan Data System (NSLDS). The accuracy and timeliness of the data reported to NSLDS is imperative for the USDE to determine if the student is still attending, must be moved into repayment, or is eligible for an in-school deferment, etc.

### **Student Schedule Change**

Once the student has requested the schedule change and paid the fee, the entire staff and pertinent faculty are notified. Once that has been completed, the student database is updated by the Financial Aid Director. If the Financial Aid Director should not be available in a timely manner, the President will do the student database update. The student database provides the information needed to accurately update NSLDS. NSLDS is updated by the Financial Aid Director. Should the Financial Aid Director not be available in a timely manner, the President will make the update in NSLDS. In NSLDS, the effective date is entered, the new schedule is selected, and a new expected completion date is also entered prior to confirming the new information. Once it has been confirmed and saved, a printout showing the change is filed with the student file. This is all completed within 30 days of the schedule change request.

## **Student Leave of Absence**

Once the student has requested a leave of absence, the entire staff and pertinent faculty are notified. Once that has been completed, the student database is updated by the Financial Aid Director. If the Financial Aid Director should not be available in a timely manner, the President will do the student database update. The student database provides the information needed to accurately update NSLDS. NSLDS is updated by the Financial Aid Director. Should the Financial Aid Director not be available in a timely manner, the President will make the update in NSLDS. In NSLDS, the effective date is entered, A is selected showing the LOA status, and a new expected completion date is also entered prior to confirming the new information. Once it has been confirmed and saved, a printout showing the change is filed with the student file. This is all completed within 30 days of the schedule change request.

## **Student Graduates**

Once the student has graduated the student database is updated by the Graduate Services Director. If the Graduate Services Director should not be available in a timely manner, the President will do the student database update. NSLDS is then updated by the Financial Aid Director. Should the Financial Aid Director not be available in a timely manner, the President will make the update in NSLDS. In NSLDS, the effective date is entered, G is selected showing graduate status. The expected completion previously entered into NSLDS is reviewed. If it is accurate, no change is made. If it is not accurate as can happen with a clock hour program, the accurate graduation date is entered prior to confirming the information. Once it has been confirmed and saved, a printout showing the change is filed with the student file. This is all completed within 30 days of the schedule change request.

## **Student Withdraws / Is Terminated**

Once the student has withdrawn or is terminated, the student database is updated by the Financial Aid Director. If the Financial Aid Director should not be available in a timely manner, the President will do the student database update. NSLDS is then updated by the Financial Aid Director. Should the Financial Aid Director not be available in a timely manner, the President will make the update in NSLDS. In NSLDS, the effective date is entered, W is selected showing withdraw status. The end date previously entered into NSLDS is updated to reflect the last date of attendance. The information is then confirmed. Once it has been confirmed and saved, a printout showing the change is filed with the student file. This is all completed within 30 days of the schedule change request.

## **Program Changes**

Should DDBS find the need to change programs or schedules for any program offered, the Financial Aid Director will make the necessary additions or changes in NSLDS. The Financial Aid Director will also inform BEN, in writing, so BEN can make the necessary additions or changes in COD. Should the Financial Aid Director not be available in a timely manner, the Director of Operations will make the updates in NSLDS.

## **Program Additions**

Should DDBS add a program to the curriculum, the Financial Aid Director will update NSLDS to reflect the new program information. The Financial Aid Director will also inform BEN, in writing, so BEN can make the additions to COD. Should the Financial Aid Director not be available in a timely manner, the Director of Operations will make the update in NSLDS.

## **Student Status Confirmation Report (SSCR)**

DDBS will report and certify enrollments for ALL students who are included in their NSLDS Student Status Confirmation Report (SSCR), at least every two months (the “60-day rule”).

## **SSCR / NSLDS Procedures**

The Financial Aid Director is responsible for submitting a Student Status Confirmation Report (SSCR) to NSLDS at least every 60 days using the schedule established in NSDLS by DDBS for SSCR submission. DDBS will process the Student Status Confirmation Report within 15 days of the NSLDS scheduled date. In the absence of the Financial Aid Director, the Director of Operations will submit the SSCR to NSLDS.

## **FISCAL RECORDS AND DISBURSEMENT REQUIREMENTS FOR PELL GRANTS AND DIRECT LOANS**

### **Fiscal Reporting Process Policy**

DDBS is required to submit financial records audited by a CPA with annually updated credentials from GAAP, ED, and COE. To remain in good standing with both the ED and COE, the audited financial report’s outcome must fall within their guidelines.

### **Fiscal Recordkeeping Process Policy**

DDBS must keep comprehensive, accurate program and fiscal records related to its use of FSA program funds. The importance of maintaining complete, accurate records cannot be over-emphasized. Program and fiscal records must demonstrate DDBS can meet the administrative and fiscal requirements for participating in the FSA programs.

DDBS has a CPA and third-party auditor that maintains documentation of all fiscal records:

Nathan Ferguson, CPA L.L.C.  
120 E FM 544,  
Suite 72 # 262  
Murphy, TX 75094  
(214) 263-7705

Electronic Brain Solutions, LLC secures all of DDBS's electronic fiscal data.

Records must demonstrate proper administration of FSA program funds and a clear audit trail for FSA program expenditures. For example, records for each FSA recipient must clearly show that the student was eligible for the funds received and that the funds were disbursed in accordance with program regulations. In addition to the general, institutional record keeping requirements discussed here, DDBS must also comply with all program-specific record keeping requirements contained in the individual FSA regulations.

DDBS maintains all required records in a systematically organized manner. Unless a specific format is required, DDBS may keep required records in:

- Hard copy
- Optical disk
- Microform
- USB Drive
- Computer file
- Other media formats.

All other record information, regardless of the format used, must be retrievable in a coherent hard-copy format or in a media format acceptable to the ED. The requirement providing for other media formats acceptable to the Department allows for the use of new technology as it is developed. The Department will notify DDBS of acceptable media formats; schools should not apply for approval of a media format.

DDBS must comply with the following laws of record retention:

- The minimum Record Retention Periods for FSA funds is approximately 3 years
- Loans are retained UNTIL THE END of the award year in which the student last attended
- The loan is satisfied, or the documents are needed to enforce the obligation
- The date on which a loan is assigned to the DOE, cancelled, or repaid
- End of the award year for which the aid was awarded
- End of the award year in which the report was submitted.

Any document that contains a signature, seal, certification, or any other image or mark required to validate the authenticity of its information must be maintained in its original hard copy or in an imaged media format. This includes tax returns, verification statements, Student Aid Reports (SARs) used to determine eligibility, and any other document wherein the signature, seal, etc., contained on it is necessary for the document to be used for the purposes for which it is being retained.

DDBS may maintain a record in an imaged media format only if the format can reproduce an accurate, legible, and complete copy of the original document. When printed, the copy must be approximately the same size as the original document.

Please note that promissory notes that are signed electronically, must be maintained electronically in accordance with the requirements of 34 CFR 668.24(d)(3)(i) through (iv).

### **Disbursement of Federal Funds Policy**

DDBS will inform students of the amount of funds that they or their parents can expect to receive back from each FSA program. This includes FWS, how, and when those funds will be disbursed. This notification must be sent before the disbursement is made. If the funds include a Stafford Loan (whether Direct Loan), the notice must indicate which funds are from subsidized loans and which are from unsubsidized loans. DDBS must provide the best information that it has regarding the amount of FSA program funds a student can expect to receive. Because the disbursements received by a student may differ slightly from the amount projected by DDBS due to loan fees and rounding differences, DDBS may include the gross amount of the loan disbursement or a close approximation of the net disbursement amount. DDBS must also notify students and/or parents when Stafford or PLUS loan funds are being credited to a student's account. This notification must be sent no earlier than 30 days before and no later than 30 days after crediting the student's account. The notification must include:

- The date and amount of the disbursement
- The student's (or parent's) right to cancel all or part of the loan or disbursement, and
- The procedures and the time by which the student (or parent) must notify the school that he or she wishes to cancel the loan or disbursement.

These policies apply to the following programs: Pell Grant, FSEOG, and Direct Loan.

Policies for crediting FSA funds to the student's account and making direct disbursements to the student or to the parent, with provisions for early disbursements, delayed disbursements, and late disbursements:

- (1) Notifications & Authorizations
  - a. Notification of disbursement
  - b. Required student/parent authorizations
  - c. Notification/authorization by electronic means
- (2) Method of disbursement
  - a. Credit to the student's account (school may hold credit balance if authorized)
  - b. Disbursement directly to the student or parent
- (3) Disbursement rules/ timing of multiple disbursements
  - a. FWS students must be paid at least once a month
  - b. Funds may be disbursed up to 10 days before classes begin (in most cases)
  - c. Disbursements to 1st-time, 1st-year, Stafford borrowers must be delayed 30 days
  - d. Requirement to successfully complete coursework in clock-hour and nonterm credit-hour and certain nonstandard term credit-hour programs

- e. DDBS may make unequal FSEOG disbursements to meet uneven costs
- f. Under certain conditions, late disbursements must be made to students

(4) Prompt disbursement rules

- a. Usually there is a 3-day timeframe for DDBS to disburse to student/parent after receiving funds
  - i. Exception: school may delay returning Stafford/PLUS funds to the lender in some cases.
- b. The school may not use an in-person or telephonic conversation as the sole means of notification because these are not adequate and verifiable methods of providing notice
  - i. However, a school may use in person and telephone notices in addition to those provided in writing.

If the student or parent borrower wishes to cancel all or a portion of a loan, he or she must inform the school. The school must honor a request if it receives the request before the start of the payment period, or if it receives the request within 14 days after being sent the notice to the borrower. If the school receives a student's or parent's request for cancellation after these dates, the school may, but is not required to, honor the request. Regardless of when the request is received, the school must inform the student or parent of the outcome of the request.

When acting upon a loan cancellation request, DDBS must return the loan proceeds and cancel the loan as appropriate. DDBS is not responsible for returning any portion of a loan that was disbursed to a student or parent directly before the request for cancellation was received. However, DDBS takes an active role in advising the borrower to return the funds already received.

Before the school can perform any of the following activities, it must obtain authorization from a student (or parent borrower):

- Disburse FSA funds (including FWS wages) by EFT to a bank account designated by the student or parent.
- Use FSA funds (including FWS) to pay for allowable charges other than tuition, fees, and room and board if the student contracts with the school.
- Hold an FSA credit balance.
- Apply FSA funds to minor prior-year charges.

A school may not require the student or parent to provide the authorization and must clearly explain to the student or parent how to cancel or modify the authorization. The student or parent may cancel or modify the authorization at any time.

If a student or parent cancels an authorization to use FSA program funds, the cancellation or modification cannot be retroactive—it takes effect on the date that the school receives it from the student or parent. Upon notifying a student of their next disbursement by electronic mail or otherwise, following up on any electronic notice for which it receives an “undeliverable” message is encouraged.



Anytime a school returns a loan disbursement or any portion of a loan disbursement to a lender, the origination fee is reduced in proportion to the amount returned. If a student returns the full amount of a loan within 120 days of disbursement, the loan is cancelled, and the origination fee is eliminated.

If a student borrower not in repayment returns a loan disbursement or any portion of a loan disbursement to the lender within 120 days after disbursement, the origination fee is reduced in proportion to the amount returned.

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## RECONCILIATION

### Monthly and Annual Reconciliation Policy

DDBS reconciles all cash and funds disbursed with Business Office Records, ledger cards, and banks statements, on a monthly and annual basis.

### Monthly and Annual Reconciliation Procedure

Responsibilities of the following parties:

#### *Financial Aid Representative/Business Office Representative*

- Determine the amount disbursed each month according to BEN and the reconciliation report.

#### *Business Office Representative*

- Determines the amounts disbursed and cash collected each month according to the Business Office Records, ledger, and bank statements.

### Monthly and Annual Reconciliation Policy

DDBS reconciles monthly and annually all cash and funds disbursed each month to the business office records, ledger cards and banks statements.

### Monthly and Annual Reconciliation Procedure

Responsibilities of the following parties:

#### *Financial Aid Representative/Business Office Representative*

- Determines the amount disbursed each month according to the third party servicer, BEN, reconciliation report.

### *Business Office Representative*

- Determines the amounts disbursed and cash collected each month according to the business office records, ledger, and bank statements.