



TITLE IV FEDERAL STUDENT AID POLICIES & PROCEDURES
2026-2028

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SECTION 1 — INSTITUTIONAL INFORMATION

1.1 Mission Statement

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 with 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

Our DDBS team members and students demonstrate professionalism through diversity and inclusion, and business culture. Our organization prides itself on integrity and 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, or protected veteran status.

1.2 Institutional Ownership

Institutional Information/Ownership Structure/State Licensure

Dymond Designs Beauty School LLC, located at 3300 E. Jefferson Ste. 450, Detroit, MI 48207. Dymond Designs Beauty School is a privately owned beauty postsecondary institution offering career-focused education in cosmetology and related beauty industry programs. The institution received school licensure in 2018 through the State of Michigan Department of Licensing and Regulatory Affairs (LARA) and received national accreditation through the Council on Occupational Education in 2021.

On January 25, 2023, Dymond Designs Beauty School LLC was approved by the U.S. Department of Education to participate in Title IV Federal Student Aid programs.

The school maintains multiple administrative offices and employs skilled educators and staff to support the instructional and operational needs of students.

Date of Revision: 7/1/2024, 3/26/2025, 4/18/2026

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 4/18/2026

1.3 School Accreditation Policy

Dymond Designs Beauty School was awarded its National Accreditation from the Council on Occupational Education Agency (COE), and adheres to the rules, regulations, and standards of quality of the Commission.

School Accreditation Procedure

Director of Operations/Owner

- Pays applicable fees
- Completes application
- Confirms program approval is kept current
- Renews accreditation when needed
- Remain in compliance with all standards and conditions
- Attend workshops, as necessary

1.4 State Authorization

State Authorization Policy

Dymond Designs Beauty School (DDBS) is licensed through the State of Michigan Department of Licensing and Regulatory Affairs Bureau of Professional Licensing. DDBS adheres to the rules and regulations of the State of Michigan Board of Cosmetology. Renewal takes place every year on November 1st for the State of Michigan Licensing based on the date listed on the current license.

State Approval Procedure

Director of Operations/Owner

- Pays applicable fees
- Completes application

1.5 Institutional Eligibility & ECAR

Institutional Eligibility & ECAR

Dymond Designs Beauty School maintains institutional eligibility for participation in the Title IV Federal Student Financial Aid programs through the U.S. Department of Education. Eligible programs approved for Title IV participation are identified through the institution's Eligibility and Certification Approval Report (ECAR) and Program Participation (PPA). Institutional eligibility documentation is maintained on file and available for review by authorized agencies.

Gainful Employment Disclosure

Dymond Designs Beauty School provides Gainful Employment disclosures in accordance with applicable federal regulations established by the U.S. Department of Education. Information regarding program cost, completion rates, job placement outcomes, licensure requirements, median loan debt, and other consumer information is made available to prospective and current students through the institution's website, catalog, and admissions process. DDBS reports to the U.S. Department of Education Gainful Employment information through reporting systems such as the National Student Loan Data System, FSA reporting systems, and through institutional disclosures published on the school's website and catalog.

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Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 4/18/2026

General Institutional Requirements

Purpose

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 before the expiration of the current period of participation.

Eligibility and Certification Approval Report (ECAR) Policy

The Director of Financial Aid at DDBS 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 in the 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 initial E-App was submitted on 1/12/2022.

The E-App is located on the FSA Partner Connect homepage at fsapartners.ed.gov/home/. 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 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 is kept on file by the owner, along with a copy of the most recent ECAR. The signed PPA and the ECAR are in the Director of Financial Aid's and CEO's filing cabinets, 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 before 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 before 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)

If DDBS receives a Provisional Certification, the Director of Financial Aid and the Director of Operations are responsible for coordinating the outlined provisions in compliance with the Provisional Certification.

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Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 4/18/2026

Updating Information Policy - ECAR

Purpose

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/Owner are responsible for coordinating the response to ED regarding any reported changes that affect the institution's eligibility.

Updating Program

The Director of Financial Aid and the Owner are responsible for the recertification application; DDBS will update information about its educational programs, Classification of Instructional Programs (CIP), program names, and program lengths. Within 10 days of making the change, DDBS will update its E-App with applicable changes no later than 90 calendar days before the PPA expires for re-certification.

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

Policy and Procedure for updating ECAR

Dymond Designs Beauty School will update the ECAR in the event of adding additional programs, a change of ownership, recertification, closure of a location, changing from clock hours to credit hours, or adding additional locations.

The updated FSA Partners website is fsapartners.ed.gov/. The expanded features of FSA Partner Connect allow FSA professionals to now access almost all federal financial aid websites from this location on the website using their login.

To access ECAR:

1. Log on to fsapartners.ed.gov
2. Go to Title IV Program Eligibility
3. In the drop-down menu, select Title IV Participation Application
4. On the right-hand side, click on Application to Participate in the Federal Student Financial Aid Programs (E-App)
5. Click on Get Started

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.

1. Change in accrediting agency (notify the Department when you begin making any change that deals with institution-wide accreditation).

2. Change in state authorizing agency
3. Change in institutional structure.
4. Increase in the level of educational programs (e.g., baccalaureate degree programs, graduate degree programs, etc.) beyond the scope of current approval.
5. Addition of short-term (300–599 clock-hour) programs.
6. Addition of direct assessment programs, comprehensive transition and postsecondary programs or non-degree programs.
7. Changes to the FSA programs (Pell Grants, Direct Loans, etc.) for which the institution is approved.
8. Change in the type of ownership.
9. Change in ownership.
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.
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 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. It 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 the name of the school*.
2. Change to the name of a CEO, Director of Operations, or chancellor.
3. Change to the name of the chief fiscal officer or chief financial officer.
4. Change in the individual designated as the lead program administrator (financial aid administrator) for the FSA programs.
5. Change in the governance of a public institution.
6. Decrease in the level of programs offered (e.g., the institution drops all its graduate programs).
7. Change from or to clock hours or credit hours.
8. Change the length of a program in credit/clock hours or weeks of instruction.
9. Address change for principal location*.
10. Name or address change for other locations*.

11. Closure of a branch /campus or additional location that the institution was required to report.
12. Addition of an accredited and licensed location under certain conditions (34 CFR 600.20(c)(1)).
13. Change to the institution's third-party services that deal with the FSA program of funds.
 1. Changes related to GE programs, including:
 - a. Establishing the eligibility or reestablishing the eligibility of the program.
 - b. Discontinuing the program's eligibility because of debt-to-earning 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 ED copies of the approvals for the change.

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

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

1.6 Program Participation Agreement (PPA)

Program Participation Agreement Statement

Dymond Designs Beauty School participates in Title IV Federal Student Financial Aid Programs through an approved Program Participation Agreement with the U.S. Department of Education.

1.7 Administrative Capability

Administrative Capability Statement

Dymond Designs Beauty School (DDBS) maintains administrative capabilities in accordance with applicable federal and state regulations. The institution employs qualified personnel responsible for the administration of admissions, academic, financial aid, student records, and compliance operations.

DDBS maintains written policies and procedures, internal controls, staff training, and recordkeeping systems designed to support compliance with Title IV Federal Student Aid program requirements, accreditation standards, and state licensing regulations.

Date of Revision: 7/1/2024, 3/26/2025, 4/18/2026, 6/27/2026

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 4/18/2026, 6/27/2026

Administrative Capability Policy and Procedure

Purpose

The Administrative Capability Policy is the school's ability to administer Title IV programs in accordance with statute and regulations. This policy helps to document the responsibilities of the various offices with respect to the approval, disbursement, and delivery of Title IV, Higher Education Act Program Assistance (HEA), and the preparation and submission of reports to the U.S. Department of Education (ED).

Administrative Capability Procedure

The administrative capability of a school is reviewed through annual compliance audits, program reviews through FSA, the Council on Occupational Education Accrediting Agency (COE), and within the internal office of the school.

The procedure for all reviews is the responsibility of the Business Center Liaison, Director of Financial Aid, and CEO. Each office will submit documentation of all administrative offices to the auditor, accrediting agency, and FSA annually or when needed to provide documentation of the administrative capabilities and responsibilities of each office in accordance with the statute and regulations. All staff involved in the administration of federal student aid are required to complete annual training to ensure continued compliance with federal regulations.

Verifying BEN's Policies, Procedures, and Practices

DDBS understands that its contractual agreement with The Boston Educational Network (BEN) is an integral part of the Title IV process. DDBS acknowledges that the signed contract with BEN provides a detailed delineation of functions and duties that outline the responsibilities of DDBS and BEN. In addition, DDBS has reviewed BEN's Policy and Procedure Manual, which provides a more detailed account to further enhance its understanding of the functions and responsibilities of each party. Finally, DDBS annually reviews a copy of BEN's Third-Party Servicer Compliance Examination of the Title IV Programs, completed by an independent certified public accountant. DDBS is therefore aware of any limitations, suspensions, or terminations imposed on BEN. DDBS utilizes all this information to verify that BEN is adhering to all aspects of the Title IV, HEA

regulations as prescribed by the U.S. Department of Education.

Personally Identifiable Information (PII) and BEN

DDBS secures student PII when dealing with The Boston Educational Network by using the secure portal upload functions made available through our third-party service provider. There are different options available, depending upon the documentation that is being provided to BEN. If a situation arises wherein DDBS is unavailable to use one of the uploading functions, the document is password-protected and sent to BEN using a secure email. The password is then provided to BEN using a separate email to maintain the integrity of PII.

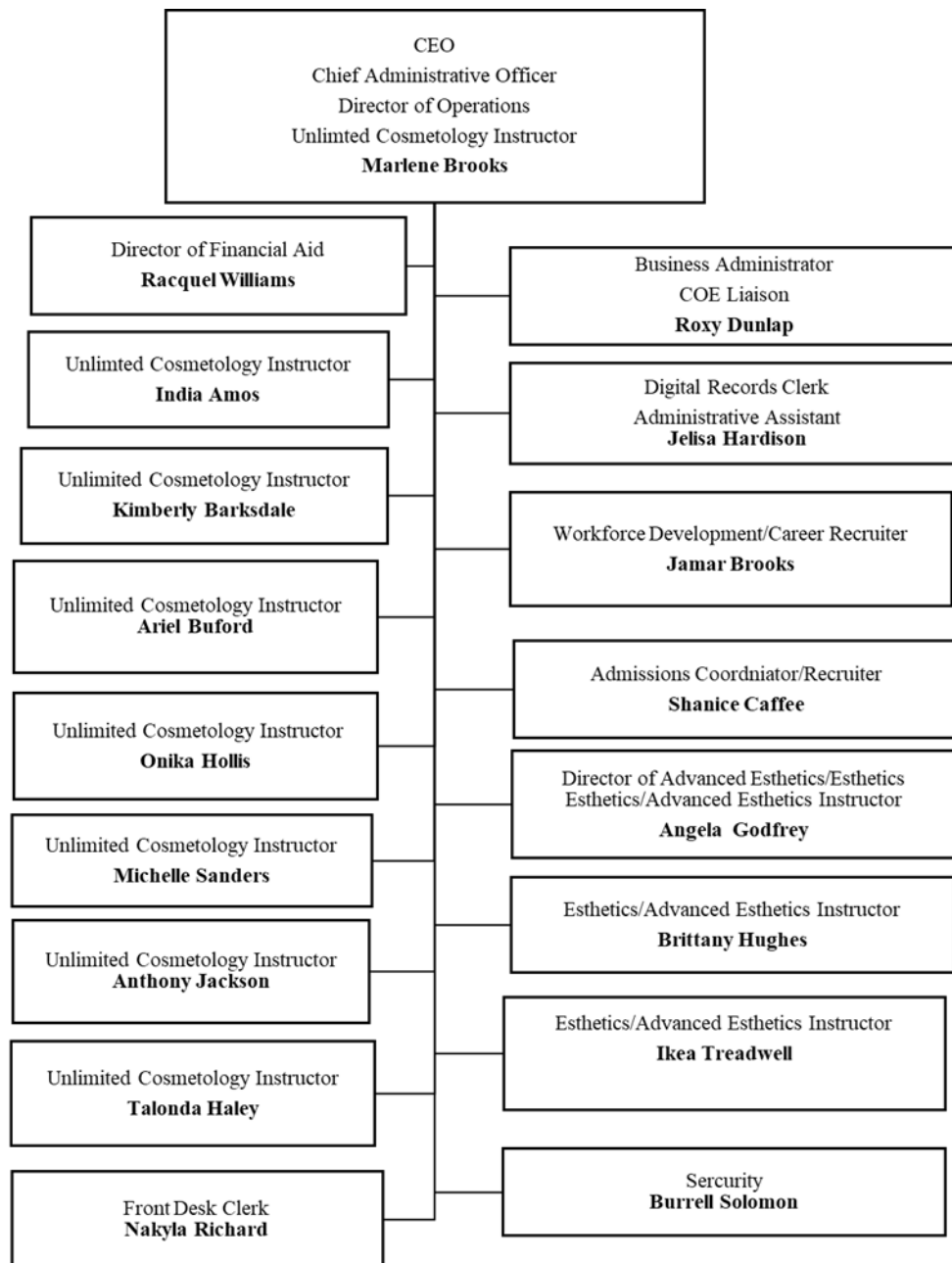
Federal Student Aid Policies and Procedures Manual

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 is available for review by all interested parties via the website or in any administrative office at Dymond Designs Beauty School. Availability for this manual is available to auditors and program reviewers.

This Manual is intended 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 workflow. 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.
 6. Information regarding the Family Educational Rights and Privacy Act (FERPA).

1.8 Dymond Designs Beauty School Organizational Chart



1.9 Eligible Program List

Cosmetology Program	1500 Clock-hours
Esthetics Program	750 Clock-hours
Advanced Esthetics Program	750 Clock-hour

Class Schedule

Holiday and Calendar Information:

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

Cosmetology

Length: 11 Months (1500 Hours)

Monday 8:30am – 3:30pm; Tuesday, Wednesday, Thursday, and Saturday 8:30am - 4:00pm

Course Start Date

January 6, 2026
February 3, 2026
March 10, 2026
April 7, 2026
May 5, 2026
June 9, 2026
July 7, 2026
August 4, 2026
September 8, 2026
October 5, 2026
November 2, 2026
December 7, 2026
January 4, 2027
February 1, 2027
March 1, 2027
April 5, 2027
May 3, 2027
June 7, 2027
July 5, 2027
August 2, 2027
September 6, 2027
October 4, 2027
November 1, 2027
December 6, 2027
January 3, 2028
February 7, 2028
March 6, 2028
April 3, 2028
May 1, 2028
June 5, 2028
July 3, 2028
August 7, 2028
September 4, 2028

Full-time (45 weeks)

Expected Graduation Date

November 24, 2026
December 19, 2026
January 26, 2027
February 29, 2027
March 23, 2027
April 30, 2027
May 23, 2027
June 23, 2027
July 29, 2027
August 10, 2027
September 8, 2027
October 12, 2027
November 8, 2027
December 7, 2027
January 6, 2028
February 10, 2028
March 9, 2028
April 12, 2028
May 9, 2028
June 7, 2028
July 15, 2028
August 10, 2028
September 9, 2028
October 12, 2028
November 7, 2028
December 13, 2028
January 13, 2029
February 10, 2029
March 10, 2029
April 12, 2029
May 9, 2029
June 13, 2029
July 14, 2029

October 2, 2028
November 6, 2028
December 4, 2028

August 9, 2029
September 15, 2029
October 11, 2029

Esthetics & Advanced Esthetics

Length: 6 Months (750 Hours)

Tuesday 8:30am – 3:30pm; Wednesday – Saturday 8:30am - 4:00pm

Course Start Date

January 6, 2026
February 3, 2026
March 10, 2026
April 7, 2026
May 5, 2026
June 2, 2026
July 7, 2026
August 4, 2026
September 1, 2026
October 6, 2026
November 3, 2026
December 1, 2026
January 5, 2027
February 2, 2027
March 2, 2027
April 6, 2027
May 4, 2027
June 1, 2027
July 6, 2027
August 3, 2027
September 7, 2027
October 5, 2027
November 2, 2027
December 7, 2027
January 4, 2028
February 1, 2028
March 7, 2028
April 4, 2028
May 2, 2028
June 6, 2028
July 4, 2028
August 1, 2028
September 5, 2028
October 3, 2028
November 7, 2028
December 5, 2028

Full-time (23 Weeks)

Expected Graduation Date

June 16, 2026
July 14, 2026
August 19, 2026
September 15, 2026
October 13, 2026
November 10, 2026
December 15, 2026
January 12, 2027
February 9, 2027
March 11, 2027
April 8, 2027
May 5, 2027
June 4, 2027
July 3, 2027
July 31, 2027
September 4, 2027
October 2, 2027
October 30, 2027
December 4, 2027
January 6, 2028
February 10, 2028
March 9, 2028
April 6, 2028
May 10, 2028
June 2, 2028
June 30, 2028
August 5, 2028
September 2, 2028
September 30, 2028
November 4, 2028
December 5, 2028
December 30, 2029
February 3, 2029
March 3, 2029
April 7, 2029
May 4, 2029

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:

- A copy of your Machine-Readable Immigrant Visa (MRIV), which serves as a temporary I-551.

1.10 Academic Year Definition

Academic Year Definition

DDBS defines the academic year as the measurement of instructional weeks and clock hours used to determine Title IV financial aid eligibility, Satisfactory Academic Progress (SAP), and Return to Title IV (R2T4) calculations. The academic year establishes the framework for program structure, financial aid disbursement periods, and student academic progression.

The institution offers both full-time and part-time enrollment options. Academic progression, SAP evaluations, and financial aid eligibility are based on the student's assigned enrollment status within the defined academic year structure.

The academic year serves as the foundation for the SAP policy and procedures, payment period calculations, and R2T4 determinations, as outlined in the institution's respective policies.

1.11 Catalog & Student Handbook Distribution

Student Handbook and Catalog Distribution

Dymond Designs Beauty School distributes the student handbook and catalog to students during orientation and before enrollment. Current versions are also made available electronically through the institution's website for continuous student access.

School Information Available to Students

Informational materials are made available to all enrolled students, and all prospective students requesting such information can receive it in digital/hardcopy. These materials include the school's Program Catalog and Student Handbook, the Jeanne Clery Disclosure of the school's Security Policy, Title IV Policies and Procedures Manual, and the school's Consumer Information. Please refer to the school's website and the school's hard copy of Title IV Manual for information regarding policies and procedures, which are located under the Admissions and Financial Aid tab, the Policies and Procedures tab.

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
13. Gainful Employment Disclosures

14. Admissions Policy
15. Satisfactory Academic Policy (SAP)
16. Attendance Policy
17. Leave of Absence Policy

The Jeanne Clery Disclosure of DDBS Security Policy can be found digitally on the school's website under the Admissions and Financial Aid tab, in hardcopy form inside the Title IV Manual upon request. Which will provide 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
11. Child Protection Act
12. Violence Against Women Act

Financial aid information included in the Title IV Manual or in the Consumer Information Disclosures describes all financial aid programs available at the school

1. Procedures and descriptions of forms used to apply for aid
2. Student eligibility criteria
3. How awards are determined, including the amounts of each award
4. Estimates of typical costs for off-campus room and board, transportation, and any additional costs the student may expect
5. Student rights and responsibilities
6. Requirements the student must maintain to continue to be eligible for financial aid (e.g., standards for satisfactory progress)
7. Method and frequency of payment; and
8. Refund distribution policy

Date of Revision: 7/1/2024, 3/26/2025, 4/18/2026

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 4/18/2026

Calendar of Activities Policy

Policy Reason

The purpose of the Calendar of Activities Policy is to establish a structured schedule of academic, administrative, financial aid, and compliance-related activities for the institution. This policy ensures that all Title IV responsibilities, educational operations, reporting deadlines, and student services are conducted in a timely, organized, and compliant manner.

The calendar serves as an operational planning tool for administration, faculty, financial aid personnel, and staff to support institutional effectiveness and maintain compliance with federal Title IV regulations, accrediting agency standards, and state licensing requirements.

The Calendar of Activities includes, but is not limited to:

- Academic start and end dates
- Enrollment periods and orientation schedules
- Attendance monitoring and academic evaluations
- Satisfactory Academic Progress (SAP) review dates
- Financial aid disbursement schedules
- Return to Title IV (R2T4) monitoring timelines
- Graduation and completion dates
- State board testing preparation and licensing activities
- Annual reporting and compliance deadlines
- Faculty meetings, staff training, and institutional reviews

The institution reviews and updates the Calendar of activities annually, or as needed, to ensure accuracy, effectiveness, and ongoing compliance with all applicable regulations governing Title IV eligible cosmetology programs.

The calendar of all financial aid activities for the calendar years 2025 through 2027. This calendar includes an explanation of activities for each month of the year.

2025-2027

<u>December 1, 2024,</u>	FAFSA form available for 2025-26 aid year
<u>January 1, 2025,</u>	New Year's Day – No school
<u>January 20, 2025,</u>	Martin Luther King Jr. Day
<u>February 1, 2025,</u>	First Day of Black History Month
<u>February 17, 2025,</u>	Presidents' Day
<u>April 20, 2025,</u>	Easter
<u>May 26, 2025,</u>	Memorial Day – No school
<u>June 19, 2025,</u>	Juneteenth
<u>June 30, 2025,</u>	2024-25 FAFSA Federal deadline
<u>July 4, 2025,</u>	Independence Day – No school
<u>September 1, 2025,</u>	Labor Day – No school
<u>September 17, 2025,</u>	Constitution 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.

<u>October 1, 2025,</u>	FAFSA application available online for 2026-27 aid year
<u>November 11, 2025,</u>	Veterans Day
<u>November 27, 2025,</u>	Thanksgiving Day – No school
<u>December 24, 2025,</u>	Christmas Eve – No school
<u>December 25, 2025,</u>	Christmas Day – No school
<u>December 26, 2025,</u>	Kwanzaa
<u>December 31, 2025,</u>	New Year's Eve – No school
<u>January 1, 2026,</u>	New Year's Day – No school
<u>January 19, 2026,</u>	Martin Luther King Jr. Day
<u>February 1, 2026,</u>	First Day of Black History Month
<u>February 16, 2026,</u>	Presidents' Day
<u>April 5, 2026,</u>	Easter
<u>May 25, 2026,</u>	Memorial Day – No school
<u>June 19, 2026,</u>	Juneteenth
<u>June 30, 2026,</u>	2025-26 FAFSA Federal deadline
<u>July 4, 2026,</u>	Independence Day – No school
<u>September 7, 2026,</u>	Labor Day – No school
<u>September 17, 2026,</u>	Constitution 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.

<u>October 1, 2026,</u>	FAFSA application available online for 2027-28 aid year
<u>November 11, 2026,</u>	Veterans Day
<u>November 26, 2026,</u>	Thanksgiving Day – No school
<u>December 24, 2026,</u>	Christmas Eve – No school

<u>December 25, 2026,</u>	Christmas Day – No school
<u>December 26, 2026</u>	Kwanzaa
<u>January 1, 2027,</u>	New Year’s Day – No school
<u>January 18, 2027,</u>	Martin Luther King Jr. Day
<u>February 1, 2027,</u>	First Day of Black History Month
<u>February 15, 2027,</u>	Presidents’ Day
<u>March 28, 2027,</u>	Easter
<u>May 31, 2027,</u>	Memorial Day – No school
<u>June 19, 2027,</u>	Juneteenth
<u>June 30, 2027,</u>	2026-27 FAFSA Federal deadline
<u>July 4, 2027,</u>	Independence Day – No school
<u>September 6, 2027,</u>	Labor Day – No school
<u>September 17, 2027,</u>	Constitution 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.

<u>November 11, 2027,</u>	Veterans Day
<u>November 25, 2027,</u>	Thanksgiving Day – No school
<u>December 24, 2027,</u>	Christmas Eve – No school
<u>December 25, 2027,</u>	Christmas Day – No school
<u>December 26, 2027,</u>	Kwanzaa

SECTION 2 — TITLE IV ADMINISTRATION

2.1 Financial Aid Office Structure

General Administrative Requirement

The Federal Student Aid Policies and Procedures Manual (Title IV Policies and Procedures 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 at Dymond Designs Beauty School. The Title IV Manual is also useful to other offices at our school 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 DDBS's mission to provide the most up-to-date training and an innovative curriculum with the core objective of job placement after completion of the course. We strive to inspire individuals and help them implement their education to become 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 and reporting 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 Director of Financial Aid and Business Center Liaison 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 Business Center Liaison and Director of Financial Aid will complete all regulatory reporting.

The Director of Financial Aid, Admissions Coordinator, and Business Center Liaison, along with the supportive staff members' counsel, package, and complete the verification process. The Director of Financial Aid also resolves comment ("C") codes concerning applications for Federal Student Aid. The financial aid and business center departments coordinate and consult with the third-party servicer, Boston Educational Network (BEN), for processing all Title IV financial aid.

The Business Center Department is responsible for generating a report to review the group of such students and monitor the 14 days' time 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 and during the following hours and days, except for all national and institutional holidays and inclement weather-related

emergency closures.

Tuesday	8:30 am to 3:30 pm
Wednesday	8:30 am to 4:00 pm
Friday	8:30 am to 4:00 pm
Saturday	8:30 am to 4:00 pm
Telephone:	(313) 974-6164
Email:	<u>finaid@ddbbs.edu</u>
Website:	<u>www.ddbs.edu</u>

The DDBS Financial Aid staff provides the tools and resources necessary to open the door to quality education. Regardless of the size of the school, the Financial Aid Department will always retain enough qualified personnel to administer 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.

2.2 Separation of Duties

Various offices work independently as required by the regulatory agencies, but in close coordination. All offices report to the CEO/Director of Operations at DDBS. The admissions coordinator is responsible for all recruitment and admissions activities performed by admissions representatives, registration, and orientation of new students. The Financial Aid Department is responsible for administering the FSA programs and guides prospective loan applicants. The Business Office Liaison and the Student Records Clerk maintain student records related to all payments, including Title IV for student financial assistance. The Business Office Liaison is also responsible for administering accounting, record keeping, and reporting functions related to the school's use of federal and other funds, and internal controls and sound business and financial management practices. The Director of Operations is responsible for daily operations in all aspects and for the school's FSA programs, in addition to managing its resources, developing and implementing an operational plan, and ensuring that procedures are carried out properly.

2.3 Internal Controls

DDBS maintains a system of internal controls designed to ensure compliance with all federal Title IV regulations and safeguard federal student aid funds. Responsibilities for authorization, disbursement, reconciliation, and reporting are separated among qualified personnel in accordance with the institution's separation of duties policy to reduce the risk of error, fraud, or misuse of funds. All Title IV transactions are reviewed for accuracy and documented in accordance with federal regulations and institutional policies. Reconciliations between the financial aid office, business office, and federal systems are performed regularly, and discrepancies are resolved promptly. Access to student financial systems is restricted based on job responsibilities and reviewed periodically. The institution also conducts ongoing monitoring and internal reviews to verify compliance with applicable regulations, laws, and requirements.

2.4 Compliance Oversight

DDBS maintains an effective compliance oversight framework to ensure adherence to all applicable federal, state,

accreditor, and institutional requirements related to Title IV programs. The Director of Financial Aid, Director of Operations, and Business Center Liaison are responsible for monitoring regulatory changes, communicating updates to relevant departments, and implementing necessary procedural modifications. Responsible parties conduct periodic reviews of policies, procedures, and operational activities to evaluate compliance effectiveness and identify areas requiring corrective action. Findings from audits, internal reviews, and program assessments are documented, promptly addressed, and monitored through resolution. Training is provided regularly to employees involved in Title IV administration to support consistent application of regulatory requirements and institutional controls.

Policies & Procedures Development Responsibilities

The Director of Financial Aid is responsible for the development, implementation, and updates of all Title IV policies and procedures and performs/maintains periodic reviews and updates. The Director of Operations is responsible for ensuring all departments are aware of any changes, the implementation of policies and procedures, or the development of new ones. Updates are implemented 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. The Policies and Procedures manual is available online on the institution's official website, ddbs.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 for updates via email for up-to-date information.

Date of Last Revision: 7/1/2024, 3/26/2025, 4/18/2026

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 4/18/2026

Adequate Checks and Balances Procedure

Administrative Organization & Department Management

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

Administrative Organizational Staff Director of Operations/CEO

Position Summary:

Dymond Designs Beauty School seeks a full-time Director of Operations to oversee all day-to-day operations and assist with the facilitation of all programs at the school's main campus. He / She is responsible for the daily operations of all aspects and for the school's FSA programs, in addition to managing its resources, developing and implementing an operational plan, and ensuring that procedures are carried out properly. This position provides active and visible leadership through the promotion of DDBS's culture, mission, and core beliefs. Candidates are strongly urged to have excellent organizational management.

The ideal candidate will be enthusiastic, patient, a team player, friendly, and excited to learn. Excellent communication skills and the ability to manage multiple details and tasks in a fast-paced environment are essential. Interested candidates should submit a cover letter and resume to the Director of Operations.

ESSENTIAL DUTIES:

1. Overseeing daily operations and school activities of school personnel in admissions, education, student services, and administration
2. Providing leadership through strong team structure and communication
3. Maintaining and improving student attendance and retention
4. Motivating campus associates through recognition and career development
5. Achieving school goals and establishing specific targets for the budget
6. Monitoring student onboarding and job placements
7. Establishing partnerships within the community to facilitate job placement and alternative training opportunities
8. Excellent leadership and organizational abilities
9. Superior knowledge of industry regulations and operational guidelines
10. In-depth knowledge of data analysis software
11. Working knowledge of customer relationship management
12. Proven knowledge of performance evaluation metrics in a business setting
13. Outstanding negotiation skills
14. Excellent interpersonal, written, and oral communication skills
15. Demonstrated success in innovating solutions to increase productivity and profitability.
16. Overseeing daily financial operations, quarterly and yearly budgets, accounts payable/receivable.
17. Responsible for the financial standards for administering the FSA Programs
18. Has an individual capable of administering the FSA programs and coordinating federal and nonfederal financial aid.
19. Ensures schools have an adequate number of qualified staff to administer FSA programs.
20. Ensures that a procedure to report changes to ED about the school's current eligibility status (for example, changes in ownership, address, name, officials, and third-party).
21. Must refer any suspected cases of FSA fraud, abuse, or misrepresentation to the ED's Office of Inspector General.
22. If the schools fail to meet the standards of financial responsibility, the CEO must obtain a letter of credit.
23. The CEO must have an independent auditor perform an annual federal audit of the school's FSA financial operations.
24. The CEO must cooperate fully with any program reviews or audits and make available all necessary information to the reviewers or auditors, services, programs, and location.
25. Must have a procedure to ensure that FSA funds for new programs and locations are not disbursed until approval (when required) is received from ED.
26. Must establish clear lines of responsibility among pertinent school offices.
27. Has good communication and cooperation among personnel in the pertinent school offices.
28. Maintains effective record-keeping systems for both student records and financial records.
29. Must have an adequate system for checks and balances to ensure separation of award functions from disbursement functions.
30. Must have accurate information about student applicants for FSA aid and resolve any discrepancies or inconsistencies.
31. Provides adequate financial aid and loan debt management counseling to students.

32. Must ensure compliance with cybersecurity requirements.
33. No criminal or fraudulent activities have occurred as it manages federal funds and administers FSA programs.
34. Must establish reasonable standards of satisfactory academic progress (SAP) for students.
35. Has established a fair and equitable institutional refund policy (if required by the school's accrediting agency).
36. Must have an operable drug-free workplace, as required by the Drug-Free Workplace Act.
37. Make available all published information required by the Student Right-to-Know Act, the Campus Security Act, and any other applicable laws and regulations.
38. Provides the services described in its publication.

Business Center Liaison

Position Summary:

The school's business center liaison is responsible for most FSA-related fiscal operations within the school's business center. The business liaison provides critical services to the school in managing both federal and non-federal financial aid programs. Administering the accounting, record keeping, and reporting functions related to the school's use of federal and other funds requires many detailed, complex systems. The liaison is responsible for strong internal controls and sound business and financial management practices that are key to the success of these operations and for properly delivering funds to students.

ESSENTIAL DUTIES:

1. Ensuring compliance with all state, local, federal, and accredited agencies, which include financial audits, PSI testing schedules, CPL, and Annual Report Reports and Data.
2. Responsible for paying all invoices and bills for the school.
3. Attending all mandatory meetings internally and externally.
4. Able to multitask
5. Maintain a system of internal controls that includes adequate checks and balances.
6. Coordinate activities and cooperate with the financial aid office in *projecting cash needed to cover disbursements*, processing cancellations and institutional refunds*, obtaining authorization to pay FSA funds*, being aware of the changes in FSA laws and regulations, submitting accurate and timely reports*, and reconciling records to ensure financial aid and cash paying funds are adjusted properly and recorded.
7. Ensure that the functions of authorizing and disbursing FSA funds remain separate.
8. Maintain records consisting of Generally Accepted Accounting Principles and government auditing standards.
9. Maintain records to ensure a clear audit paper trail.
10. Draw down and return FSA funds to program accounts.
11. Disburse funds to eligible students from FSA funds to program accounts.
12. Maintain a system of student accounts that records charges, credits, and due amounts.
13. Ensure compliance with cybersecurity requirements.
14. Calculate the return of *Title IV* funds, and if it applies, authorize post-withdrawal disbursements to students.
15. Establish and implement the institution's refund policy (if required by the school's accredited agency or state agency).

16. Process returns of the *Title IV* funds to program accounts and post-withdrawal disbursements to students according to the applicable federal laws and regulations.
17. Assist in reporting FSA expenditures to the Department promptly.
18. Reconcile accounts, including: *reconciling cash between school records and bank statements and reports*reconciling federal funds between bank statements and federally reported balances.
19. Assist in completing applications, fiscal reports, and federal funds.
20. Maintain a cash management system to meet disbursement requirements and federal laws and regulations.
21. Provide general stewardship for federal funds, including maintaining bank accounts and investments as appropriate.
22. Prepare for and participate in FSA program reviews and audits.
23. Before making a first disbursement of Direct Loan Funds, confirm that the borrowers have completed the entrance counseling.
24. Ensure that the Direct Loan Borrowers have completed exit counseling within the time permitted by the appropriate regulations and school policies.

Director of Financial Aid

Position Summary:

Responsible for administering the FSA programs and providing guidance to prospective loan applicants.

General Accountabilities:

1. Facilitate and implement policies and procedures of DDBS
2. Responsible for advising and counseling students and parents about financial aid.
3. Provides students with consumer information, as required by federal regulations
4. Attend all required DDBS staff meetings
5. Develop written policies and procedures about the way the school administers FSA programs.
6. Determines Student eligibility for financial aid assistance.
7. Adhere to the principle of separation of functions (no single office or individual may authorize payments and disburse FSA funds to students).
8. In administering financial aid programs, we will coordinate financial aid activities with those of other school offices.
9. Monitor Student SAP (Satisfactory Academic Progress).
10. Maintain school records and student records that document the administration of the financial aid office.
11. Assist in reconciling loan records (for schools in the Direct Loan Program.
12. Reconcile student financial aid data provided to the business office to ensure all payments have been made, return of FSA funds have been accounted for, and expenditures have been reported.
13. Have a procedure to report any changes to ED about the school's current eligibility status (for example, change in ownership, address, name, officials, third-party servicers, etc.)
14. Perform limited fiscal operations, such as *authorizing payment of FSA funds to student accounts or to students directly* authorizing return of *Title IV* funds to program accounts and post-withdrawal disbursements to students. *Notifying a student who owes an overpayment because of the student's withdrawal from the school to recover the overpayment and provide data for reports.
15. Keep up-to-date changes in laws and regulations to ensure that the school remains in compliance.

16. Assist in reporting program expenditures.
17. Manage and report on activities that involve financial aid.
18. Calculate the return of *Title IV* funds and, if it applies, authorize post-withdrawal disbursements to students.
19. Notify ED of the overpayments
20. Provide entrance and exit counseling to Direct Loan borrowers as part of the award and delivery process.
21. Implement and make sure the Financial Aid Program is following federal guidelines
22. Communicates with Boston Educational Network, auditors, Director of Operations/CEO, and Business Office regarding *Title IV* funds.

Admissions Coordinator and Recruiter

Position Summary:

The Admission Coordinator & Recruiter is responsible for recruiting and admitting students to the school. This position is operated by the main branch. The Admission Coordinator & recruiter actively seeks out potential students externally to seek students to enroll by attending or presenting at job/college fairs, open houses, visiting high schools, businesses, and any other form of external recruitment. For internal recruiting, develop and implement marketing materials and strategies, conduct tours, answering telephone and in-person questions about enrollment. Another primary responsibility is managing the student application process, acting as the primary point of contact for prospective students and their families by answering questions, conducting orientation after enrollment with another school admin. This position works closely with the following departments: Financial Aid, Business Center, and the Director of Operations, and requires the individual to be enthusiastic, patient, a team player, friendly, and organized.

ESSENTIAL DUTIES:

1. Receive, read, route, and/or file incoming mail, acknowledging where appropriate
2. Answer the main telephone lines of the Admission Office or the school, to answer questions on admissions as well as general school information
3. Maintain online admission appointment calendar, coordinate applicant interviews and visits
4. Track progress of incoming application materials, following up on and requesting missing information
5. Attend meetings and training courses as required
6. Compose and manage correspondence; organize admission office mailings
7. Coordinate, organize, and prepare for admission office events with educators (open houses, exploration sessions, information sessions, job/college fairs, etc.), including RSVP and confirmations
8. Assist and manage in the reenrollment process of current and returning students
9. Create statistical reports/trackers for daily and monthly updates, to monitor all recruitment and enrollment
10. Participate in activities related to the admission office
11. Receive, monitor, and report all registration enrollment payments
12. Perform other work-related duties assigned by the Director of Operations
13. Maintain relationships with spa/salon owners, counselors in high schools, and guidance offices
14. Review transcripts from other schools and transfer students to collaborate with the director about next steps

15. Conduct Interviews
16. Verification of student transcripts
17. Notify the student if accepted or denied admissions
18. Prepare a monthly report due by the 5th of each month on the status of their department
19. Provide detailed information about the school's academic programs, admissions requirements, financial aid options, and student life
20. Follow up and assist students with the application process to ensure they complete the application process
21. Create emails, brochures, and website content to attract potential applicants
22. Maintain accurate records, positive student interaction, and status through email, phone, or text
23. Knowledge of the school's admission and recruitment process, which includes application requirements and financial options
24. Weekly external tracker of the names of all external potential students that were spoken to, externally recruited, and enrolled, separate from internal recruitment

Student Digital Records Clerk

Position Summary:

Dymond Designs Beauty School seeks a full-time position for a Student Digital Records Clerk within the administrative offices. The responsibility of this position includes, but is not limited to, creating and developing all student digital records through the Rollcall Software System. This position also entails inputting data such as attendance, grades, exams, Minimum Practical Applications (MPA's), start/end date, student personal information, completed clock hours, and cumulative grades/attendance for students' official transcripts. The Student Digital Records Clerk will be responsible for training faculty on how to create and input data into a student's digital file. The Digital Clerk will work closely with the Admissions Coordinator and Instructors to ensure all student data is correct. The Student Digital Record Clerk will receive all student hard-copy files from the admissions coordinator and Director of Operations **ONLY** so that an academic digital record of the student is created. All academic and attendance are recorded by Instructors then given to the Data Clerk for input into the student's academic digital file.

The ideal candidate will be enthusiastic, patient, a team player, friendly, excited to learn, and willing to grow within the organization. Excellent communication skills and the ability to manage multiple details and tasks in a fast-paced environment are essential. Interested candidates should submit a cover letter and resume to the Chief Executive Officer of DDBS.

ESSENTIAL DUTIES:

The Student Digital Record Clerk's daily task is:

1. To create an academic digital file for each student.
2. Input all student information needed to create an official transcript, such as student information, grades, course descriptions, and other information in accordance with policies.
3. Must greet visitors in person or on the phone, providing customer service with guidance regarding the registration process; may refer customers to the appropriate department.
4. Processes name changes, any student updates, and all academic and demographic information in the digital files.
5. Maintains digital files in proper order; pulls records for processing and refiles.
6. Performs miscellaneous job-related duties as assigned.

7. Works with DDBS Rollcall or any SMS Software Representative in developing or changing the student digital records (If-needed) to remain in compliance with the State of Michigan Department of Licensing and Regulatory Affairs (LARA) Cosmetology Division and the Council of Occupational Education.
8. Responsible for training faculty to create student digital files if there are more opportunities to grow the records department.
9. Performs other work-related duties assigned by the Director of Operations.
10. Works directly with the admissions coordinator, business center, and financial aid office with multiple tasks needed throughout the day.
11. Attend meetings and training courses as required
12. Responsible for all upkeep and disposal of all student records.
13. Must maintain organized files and assist with all federal, state, and local agencies' regulations for proper compliance.
14. Must update all records for withdrawal of students.
15. Must assist in any administrative duty when needed.

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025

2.5 FISCAL MANAGEMENT PROCEDURES

Dymond Designs Beauty School maintains written fiscal management procedures to ensure accurate accounting, safeguarding, disbursement, reconciliation, and reporting of Title IV federal student aid funds in accordance with federal regulations and institutional policies.

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

Federal Bank Account Requirements Policy

Dymond Designs Beauty School (DDBS), located in Michigan, has federal aid accounts separate from the school's regular checking account. These accounts maintain federal funds, such as those from the Federal Student Aid (FSA) program. DDBS ensures that these funds are used only for eligible students receiving Pell Grants/Direct Loans and has:

- Identified that FSA funds are maintained in the account by including the phrase "Federal Funds" at the beginning of the name of the account,

ED has required 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:

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

Federal Bank Account Requirements Procedure

Director of Operations/CEO

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

- Confirm when transferring funds that the account name has not changed and is labeled “Federal Funds.”

Business Center Liaison

- Maintaining copies of all relevant documentation
- Reconciliation for all bank accounts

Interest-Bearing or Investment Account

Dymond Designs Beauty does not hold an interest-bearing or investment account.

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

Fiscal Recordkeeping Process Policy

DDBS submits financial records audited by an independent auditing firm using annually updated standards and guidance established by GAAP and the U.S. Department of Education. Secure electronic fiscal data is maintained and protected through established institutional safeguards. DDBS maintains good standing with both ED and the Council on Occupational Education by ensuring audited financial reports remain within required compliance guidelines.

DDBS maintains comprehensive and accurate programmatic and fiscal records related to the administration and use of Federal Student Aid program funds. These records document the institution's compliance with administrative and fiscal requirements for participation in Title IV programs and support the accuracy, accountability, and integrity of all financial aid operations.

DDBS is an accredited institution that maintains documentation of all fiscal records in accordance with regulatory and institutional requirements. DDBS's third-party service provider, Boston Educational Network, the Financial Aid Director, and the Business Office Liaison securely maintain the institution's electronic fiscal data. Institutional records document the proper administration of Federal Student Aid program funds and provide a clear audit trail for all transactions and expenditures. Records for each FSA recipient include documentation supporting student eligibility, award determinations, and fund disbursements in accordance with program regulations. DDBS also maintains records necessary to support compliance with both general institutional recordkeeping requirements and all applicable program-specific Title IV record retention requirements.

DDBS maintains all required records in a systematically organized manner through both secured hard copy files and electronic records. Physical records are protected through controlled access systems, with access granted based on assigned job responsibilities. Electronic records are maintained on the institution's private network and are accessible only to authorized personnel in accordance with institutional access controls and security procedures.

DDBS complies with applicable federal record retention requirements related to Federal Student Aid programs. Records associated with FSA funds are retained for a minimum of three years in accordance with federal

regulations. Loan records are maintained through the end of the award year in which the student last attended and, when applicable, until the loan is satisfied, assigned to the U.S. Department of Education, canceled, or repaid. Records related to awards and required reporting are retained through the end of the applicable award year in which the aid was awarded, and the corresponding 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 is maintained in both its original hard copy and in electronic 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. Promissory notes that are signed electronically are maintained electronically in accordance with the requirements of 34 CFR 668.24(d)(3)(i) through (iv).

Fiscal Recordkeeping Process Procedure

Financial Aid Director, Business Office Liaison & Records Clerk

The Financial Aid Office, Business Office, and Records Clerk are responsible for maintaining 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.

Admissions Coordinator & Records Clerk

The Admissions Office and Records Clerk maintain the following documentation in student files:

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

Director of Operations & Business Center Liaison

The Director of Operations and Business Center Liaison maintains the following documentation:

- State agency reports,
- Accreditation reports and approval,
- Self-evaluation reports, and
- DDBS financial records
- Program Participation Agreements
- Audits

Director of Financial Aid and Business Center Liaison

The Director of Financial Aid or Business Center Liaison maintains 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 and Business Center Liaison

January 2 – Contact the CPA to request the necessary audit documents

February 2 – Submit final audited financials to ED (no later than June 30)

Ongoing – make corrections suggested by ED

June 30 – Final submission of corrected audited financials to ED

Monthly – maintain monthly records

Ongoing – Keep books in compliance by communicating with auditing companies

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 Reporting Process Procedure

Third-Party Servicer:

- Maintain records throughout the year.
- At the end of each year, submit the records and relevant documentation to the institution (for review and verification).

Business Center Liaison & Director of Financial Aid

- **Review and Verification:** Both administrators review the records and verify the accuracy of the information submitted by the third-party servicer.
- **Submission to Auditor:** After verification, the administrators submit the records to the Auditor for further review and approval.

Fiscal Recordkeeping Process Policy and Third –Party Oversight

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 that DDBS can meet the administrative and fiscal requirements for participating in the FSA programs.

DDBS has a CPA and a third-party auditor that maintains documentation of all fiscal records:

Wilkes CPA's & Advisors, LLP

1721 Cochran Road, Suite 200

Pittsburgh, PA 15220-1002

Phone: 412-278-2200

Fax: 412-278-1998

Toll-free: 877-208-2200

www.wilkecpa.com

DDBS has a CPA and a third-party servicer for all IT and maintenance of all fiscal records:

Electronic Brain Solutions LLC

3509 Biddle Ave

Wyandotte, MI 48192

Phone: 734-288-8327

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 to provide 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 Period 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).

Fiscal Recordkeeping Process Procedure **Third-Party Servicer**

- **Record Maintenance:** The third-party servicer is responsible for maintaining accurate and up-to-date financial records for the institution, including student accounts, transactions, and other relevant financial data.
- **End-of-Year Submission:** At the end of each fiscal year, the third-party servicer submits the financial records to the designated institution administrators (such as the Business Center Administrator or Financial Aid Administrator) for review.

Business Center Liaison & Director of Financial Aid

- **Initial Review and Verification:** Both the Business Center Liaison and Director of Financial Aid receive the records from the third-party servicer and review them for completeness, accuracy, and compliance with relevant financial and regulatory standards.
- This review includes verifying student balances, payments, disbursements, and financial aid.
- **Corrections (if necessary):** If discrepancies or errors are identified during the review, the administrators work with the third-party servicer to correct the records before further submission.
- **Approval and Final Verification:** After ensuring all records are accurate and complete, the administrators approve the records for submission to the Auditor.

Records Clerk

- All fiscal records, including the third-party servicer's documentation, administrator reviews, and auditor reports, must be retained according to institutional policy and regulatory requirements. This may include digital storage and/or physical storage in the Records Room.
- All fiscal records, including the third-party servicer's documentation, administrator reviews, and auditor reports, must be retained according to institutional policy and regulatory requirements. This may include digital storage and/or physical storage in the Records Room.
 - The retaining period typically aligns with legal or accreditation requirements (e.g., 7 years).

Auditor

- **Auditing:** The Auditor is responsible for reviewing the submitted financial records and conducting an audit to ensure that the records comply with applicable accounting standards, regulatory requirements, and internal policies.
 - The Auditor may request additional documentation or clarification during the audit process.
- **Report Preparation:** Upon completion of the audit, the Auditor provides a formal report on the findings, including any recommendations for improvements or corrections.
- **Final Approval:** The finalized audit report has been submitted to the Director of Operations and the Business Center Administrator for approval.

2.6 Cash Management Procedures

Cash Management Policy

Date of Last Revision: 6/27/2026

Dymond Designs Beauty School's Cash Management Policy has an accounting system that provides effective control over and accountability for all funds received from the U.S. Department of Education's (ED's) Grant Administration and Payment System (G5). Internal controls are reviewed annually, and assessment of cash management processes are documented.

Cash Management Procedure

Dymond Designs Beauty School has a payment method that is used to request funds for Pell Grants from the Department of Education prior to disbursing aid for eligible students. DDBS uses a third-party service, Boston Educational Network (BEN), for Verifications, Loan/Pell Processing, and Disbursements. Any amount requested is only for what is immediately needed at that time. Once the amount has been requested and disbursed from the school's federal account, the school must disburse within the 3-day time frame according to federal regulations, unless unusual circumstances can be documented. Student Satisfactory Academic Progress is confirmed before approving disbursement requests.

DDBS has separate federal bank accounts (Federal Funds, Pell, and Federal Funds Loan) that are 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 to the school, if applicable.

Payments to students are made by crediting the students' accounts through the Business Center Liaison through an email notification within 3 days, which includes the expected or actual date of payment and the amount to be paid from each program. The Business Office and Financial Aid Office record all payments and disbursements to the students' accounts.

If Title IV funds that are credited to a student's account exceed the school's charges and create a credit balance, the credit balance is returned as follows:

- a. To the student via paper check within 30 days if a student has paid all charges, including known charges for hours clocked over contract, 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 calculations of refunds.
2. DDBS 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.
 3. 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.

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025

2.7 Reconciliation Procedures

Reconciling G5, the DDBS Federal Funds Account, and the General Ledger Policy

Every month, BEN reconciles its records of Title IV activity between COD (student disbursements and student refunds) and G5 (cash disbursements and refunded cash). DDBS then completes the reconciliation process by reconciling the student accounts with the federal funds account and general ledger with documentation of disbursements and refunded money from COD and G5 provided by BEN.

Reconciling G5, the DDBS Federal Funds Account, and the General Ledger Procedure

Business Center Liaison

1. Log in to the BEN financial aid portal
2. From the main menu, scroll down to the bottom of the screen to the “Reporting” section and select the “Disbursement Request Report” link.
3. Use the calendar to select the monthly date range that you want to access (ex. 1/1/xx – 1/31/xx), choose the appropriate Award Year, and select the Pell or Loan option.
4. Once the date range and Title IV program are established, select the magnifying glass button.
5. The results will produce a list of all Title IV disbursements and refunds for the specified period (monthly). Print this result.
 - a. The printed report will be titled BEN Disbursement Request Report.
 - b. Any refunds for the period selected will be titled REFUND under the Transaction Type column.
 - c. Refunds will be listed by student name, with the amount refunded appearing as an Adjustment Amount.
6. The Refund Ledger report on the portal will also provide any refund (and only refund) amounts for the chosen period.
7. Run a report from DDBS (student ledger transactions) using the same criteria.
 - a. EX 1/1/xx – 1/31/xx
 - b. Title IV program (if available)
8. Compare the results of the two reports: the BEN Disbursement Journal Record Report (including disbursements and refunds) and the DDBS report using the same date range.
 - a. The sum of disbursements and refunds on each report should match.
 - b. The results of the two reports are also cross-checked with the general operating account bank statement and the federal funds account bank statement.
9. Identify and resolve any discrepancies.
10. These figures should also match the activity with our Federal Funds account. If there are discrepancies within this comparison, they must be resolved as well.
11. To tie amounts directly to student ledger transactions, follow these steps:
 - a. Log into the BEN school portal
 - b. Click on the “Disbursements” link under Reporting on the left-hand side.
 - c. Select the chosen date range.
 - d. Select the Title IV program (DL or Pell, which includes SEOG)
 - e. Click the Retrieve button
 - f. This will provide all Disbursements in that Title IV program for the selected time period.
 - g. The report can be exported directly to Excel to aid in data analysis, combination, and

organization.

- h. Use the report from Step #6 above (Refund Ledger) to compare refunds for the time period. Compare these results to DDBS for internal student ledger transactions.
12. Return to the BEN FA portal and access the DDBS “Downloads” folder. Each month BEN will place a spreadsheet in this folder with the COD and G5 data from the previous month for reconciliation purposes. This spreadsheet contains the institution’s Beginning Cash Balance (COD), Cash Receipts and Refunds of Cash (G5), drawdowns, disbursements, and adjustment information, and Ending Cash Balance. The data is compiled from the monthly SAS reports and allows DDBS to reconcile from the ledger transaction account all the way through the COD and G5 systems. Any resolutions to a non-\$0 Ending Cash Balance are documented here, including timing issues or other reconciling concerns.
13. Once DDBS has verified that all reports match (all disbursements, refunds, and adjustments on the BEN Disbursement Report and DDBS internal record system, and the federal funds account has been balanced, the entire reconciliation process is complete for that Title IV program for the specified (monthly) period.
14. This process will be completed for each Title IV program DDBS offers.
 - a. Federal Pell and Direct Loans
15. Reconciliation must be completed each month. For example, the next month to reconcile is 2/1/xx-2/28/xx, followed by 3/1/xx-3/31/xx, and so on.

Reconciling G5 and the school’s federal funds account and the general ledger

1. Log in to the BEN school portal
2. From the main menu, scroll down to the bottom of the screen to the “Reporting” section and select the “Reconciliation Report” link.
 - a. This is below where you access Pell and loan rosters.
3. Use the calendar to select the monthly date range that you want to access (ex. 1/1/xx – 1/31/xx), choose the appropriate Award Year, select the Pell, SEOG, Loan, or All Program option, and choose the Detailed option.
 - a. Typically, “All Award Years” and “All Award Types” will be selected when reconciling the federal funds account, as this will show all the Title IV activity for the period selected.
4. Once the criteria are established, select the magnifying glass button.
5. The results will produce a list of Title IV disbursements and refunds for the specified period (monthly) and Title IV program(s). Print or export this result.
6. Compare the cash transactions from this report to the transactions in your Federal Funds account. If there are discrepancies within this comparison, they must be resolved.
7. Be sure to reconcile all Title IV activities for each award year and Title IV program for each month. DDBS will maintain a record of the monthly reconciliation activities and any corrections that were made for future review.

Posting payments:

Pell – Federal Pell (description with year and period)

DL- S – Direct Loan Subsidized (description with year and period)

DL – U – Direct Loan Unsubsidized (description with year and period) DL – Plus - (description with year and period)

Tuition – Needs to say: Tuition – Personal Funds (check, cash, money order, credit card)

TFC needs to say – TFC alternative loan funds.

Scholarships or ACE grants need to say where the funds came from.

Posting refunds:

Refund to the student

Refund to student from federal funds (check) Refund to student from cash (check)

Refund to student from cash (cash) Refund to Direct Lending

Refund to federal direct subsidized loan (EFT), Refund to federal direct unsubsidized loan (EFT)

Refund to Pell

Refund to Federal Pell Grant (EFT)

Monthly and Annual Reconciliation Procedure**Business Center Liaison**

- Determine the amount disbursed each month according to the third-party servicer, BEN, and the reconciliation report
- Compares the monthly reconciliation report so BEN can complete the COD and tracks all discrepancies in an Excel sheet
- Works with (BEN) third-party servicers to assist in resolving any discrepancies and reconciling any reports
- Determine the amounts disbursed and cash collected daily according to the Business Office records, ledger, and bank statements

Third-Party Servicer

- Works with the business center liaison to resolve discrepancies
- Prepares monthly reconciliation reports

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.

DDBS has the following procedure for excess cash: (1) receiving the funds from the Department, or (2) depositing or transferring 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 7 days.

Upon finding that DDBS maintained an excess cash balance more than 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 the heightened cash monitoring payment method.

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025

2.8 COD Reporting Procedures

a. Reporting to the Common Origination and Disbursement (COD) System

1. Reporting Loan Originations
2. Once an enrolled student has received a valid Institutional Student Information Record (ISIR) and has met the Institution's enrollment requirements, a financial aid profile is sent to BEN. The profile consists of the student's enrollment/registration information. (See Awarding and Student Packaging section).
3. BEN then reviews the information, cross-references the ISIR for any conflicting data, and then awards the student the appropriate aid.
4. The Award Letter is then retrieved by the Institution and provided to the student. The student authorizes and accepts the amount of aid requested by signing the official award letter.
5. A loan origination record is submitted to COD by BEN.
6. 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.

b. Reporting Loan Disbursements and Adjustments

1. 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.
2. A file acknowledgement is then retrieved by BEN from COD.
3. This file is imported into BEN's internal student accounting system.
4. All files are reviewed. All accepted and rejected student files are identified at that time.
5. If there are any errors or rejected files, BEN promptly corrects the affected file(s) and resubmits a new file to COD.
6. BEN then retrieves the corrected file they submitted for corrections. BEN then reviews the corrected file and once again identifies any errors or rejections.
 - a. Once all the disbursement files have been accepted by COD, BEN creates a disbursement roster containing all the accepted student disbursement records.

c. Disbursing and Returning Loan Funds

1. Disbursing Loan Funds

- a. DDBS and BEN coordinate the disbursing of loan funds. The 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.). BEN will not disburse an "interim" disbursement to students before awarding issues have been resolved.
- b. Prior to requesting the students' first disbursement of student loans, the Financial Aid Administrator verifies that the student has completed Entrance Loan Counseling and a Master Promissory Note.
- c. Once the Institution has confirmed that the student has met all eligibility requirements (e.g., Financial Aid Administrator Business Center Administrator, and teachers' successful

- completion of a payment period, maintaining SAP, accepted award letter, COD accepted, ETC.), then the Business Center Administrator logs into the secure BEN institutional portal and requests the student's disbursement.
- d. BEN reviews each student disbursement request to ensure that the request is accurate and appropriate. If any question(s) arise, BEN will notify the Institution 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 the transmitted loan disbursement records have been accepted by COD, BEN creates a "disbursement roster," which we download from our school portal. We then review the roster for appropriateness and accuracy.
 - h. The Business Center Administrator notifies 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, the Institution verifies that the funds have been transmitted from ED into our federal funds account. The Institution instructs BEN to find out if the funds have not arrived or are different than the total amount on our disbursement roster. Next, the Institution transfers those funds from the federal funds (Title IV) account to our operating account.
 - k. Financial Aid Administrator credits the student's account with the amount of their disbursement(s). In addition, the Business Center Administrator notifies the student on the day of the disbursement, as well as informing them that they have the right to rescind all or part of the loan disbursement.
 - l. The Financial Aid Administrator posts the student's account/ledger on the date of the roster, which coincides with the date ED accepted the student's disbursement. This system is developed to ensure that all reporting of disbursements follows the USDE's 15-day reporting, posting, and notification requirements.

2. Returning Loan Funds

- a. Once it has been determined that a student has ceased enrollment, the Institution immediately performs refund calculations. (Title IV and Institutional)
- b. If it has been determined that there is a Title IV refund due ED, the Institution notifies BEN of the refund amount that is deposited into the Institution's federal funds (Title IV) account for this student refund.
- c. This may take place by a transfer of funds from the institution's 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 Institution notifies BEN of this transaction.
- e. Once the Institution completes the refund transaction, they immediately notify BEN with a Refund Request form via secure email or the school's financial aid portal.
- f. The Institution 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 Institution'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 must be a high priority of the Institution. Accuracy and timeliness are of utmost importance. A large amount of our Financial Aid training is dedicated to this issue. The owner of the institution and BEN understand the importance of this subject and strive to be in complete compliance.

3. Disbursing the correct loan amount to the correct student
 - a. BEN and the Institution have a two-tier system of disbursing funds and adjustments.
 - b. Before any disbursement can be initiated, an Official Award Letter must be generated by BEN. The Institution and students review this award letter for any changes to the aid requested by the students. Any discrepancies are explained and resolved before delivering the aid 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. Before disbursing any loan funds, an "accepted" loan originated record must be on file for each student loan. 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.
 - g. No student disbursement is initiated until all disbursement records are accepted and processed by COD.
4. Disbursing to the correct student
 - a. After reviewing each student's enrollment and financial aid information, the Institution submits a request for disbursement to BEN. When requesting this disbursement, the Institution reviews 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 the Institution.
 - f. The Institution then reviews the roster for appropriateness and accuracy.
 - g. If the Institution does not have any issues, BEN then requests the roster funds via the G5 system.
 - h. BEN notifies the Institution that the funds have been transmitted from ED to the federal funds account.
 - i. The Institution posts the roster details to each student account.
 - j. Once posted, the Institution prints all student account transactions for that day and cross-references this report with the disbursement roster from BEN.
 - k. Any discrepancies are identified and resolved at this time.

- l. The Institution notifies the student that the disbursement has taken place and informs them of their right to rescind all or part of the loan disbursement.

In Summary, to ensure accuracy, BEN verifies that the funds transmitted from ED to the Institution's federal funds account equal the total of BEN's roster. The Institution posts the roster amount to each student account. The Institution verifies that the funds posted to the students' accounts equal the amount indicated on BEN's disbursement roster.

COD/ G5 Procedure

Director of Financial Aid

- After the interview and application are complete, the Financial Aid Administrator will do a COD search on each student.
- The COD search will give the FAA demographics along with details about the awards they hold.
- The Financial Aid Administrator uses BEN to assist in COD.

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025

2.9 Reporting Requirements

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 and Student Ledger

Before any 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 criteria are as follows, but not limited to:

- The student must physically matriculate in the program of their choice,
- The student must meet all 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 start date must be entered. For period 1, it is always the student's start date. Subsequent period's start dates are determined by the date the student began the 2nd, 3rd, or 4th payment period. This information is found in the secured student database. The Business Center Administrator 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, enter 450. A report is then generated showing the exact date the student hits 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 start dates for these students.

The Financial Aid Director prints the SAP progress report for each payment period by accessing the secure student database system and requesting it for each period, as outlined above.

The Director of Operations, using the secure student database system, determines the total number of clock hours the student has completed and enters it on the disbursement request page. This number is found by selecting the student master and selecting the student by name. The complete number of hours will appear in this section.

The Business Center Administrator 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 – 375 clock hours, P2 = 376 – 750 clock hours.

Advanced Esthetics:

P1 = 0 – 375 clock hours, P2 = 376 – 750 clock hours.

BEN reviews each student’s disbursement request to ensure accuracy. If questions arise, BEN will notify the school by posting a compliance delay on the BEN website. Once the compliance delay is resolved, BEN processes the loan disbursement request within its internal accounting system. BEN creates and transmits a disbursement file to COD via CPS. Once all the transmitted loan disbursement records have been accepted by COD, BEN creates a disbursement roster. Once the disbursement report is generated by BEN, it is printed and reviewed by the Business Center Administrator. If there are any discrepancies, including the date posted, the Business Center Administrator 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 about what date is to be used. The circled date is verified to be the same as the date on the student ledger account. The Business Office logs the payments to the student ledger account and provides each student with a notice of disbursement and the right to cancel for loan disbursements. Another copy of the notice is filed in the student's file.

The disbursement report is filed by the Records Clerk.

The disbursement dates are reviewed once again during the monthly Title IV reconciliation.

Disbursement Notification Procedure

Third Party Servicer

- Disburses funds.

Director of Operations

- Transfers funds from FF Account

Director of Financial Aid

- Puts disbursements on the ledger

Business Center Liaison

- Notifies students on the ledger, email, or gives the student a receipt.

Records Clerk

- Files disbursement report.

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025

2.10 NSLDS Reporting Procedures

DDBS is responsible for accurate and timely accounting and reporting of the students' enrollment data to the National Student Loan Data System (NSLDS). The accuracy and timeliness of the data reported to NSLDS are imperative for the USDE to determine whether the student is still attending, must enter repayment, or is eligible for an in-school deferment.

Student Schedule Change

Student

- Requests schedule change;
- Pays the requisite fee.

Business Center Representative

- Completes a Schedule Change form;
- Notifies the entire staff and pertinent faculty

Director of Financial Aid

- Makes notations on the annual Financial Aid Tracking spreadsheet and the Enrollment Reporting spreadsheet;
- Updates NSLDS within 30 days of the schedule change request;
- In NSLDS, the effective date is entered, the new schedule is selected, and the new expected completion date is also entered.
- Confirms and saves the new information in NSLDS;
- Prints out a copy of the NSLDS change
- Gives this copy to the Records Clerk for filing in the student's paper and digital files.

Director of Operations

- If the Director of Financial Aid is unable to make the NSLDS updates, make the updates in NSLDS.

Records Clerk

- Files the NSLDS printout in the applicable student's paper and digital files.

Student Leave of Absence

Student

- Requests Leave of Absence in writing, according to the LOA policy;

Business Center Representative

- Completes a Leave of Absence form;
- Notifies the entire staff and pertinent faculty

Director of Financial Aid

- Makes notations on the annual Financial Aid Tracking spreadsheet and the Enrollment Reporting spreadsheet;
- Updates NSLDS within 30 days of the LOA
- In NSLDS, the effective date is entered, Leave of Absence is selected, and the new expected completion date is also entered;
- Confirms and saves the new information in NSLDS;
- Prints out a copy of the NSLDS change
- Gives this copy to the Records Clerk for filing in the student's paper and digital files.

Director of Operations

- If the Director of Financial Aid is unable to make the NSLDS updates, make the updates in NSLDS.

Records Clerk

- Files the NSLDS printout in the applicable student's paper and digital files.

Student Graduates**Business Center Representative**

- When a student graduates, updates the student database;
- Notifies the entire administrative staff via email;

Director of Financial Aid

- Make notations on the annual Financial Aid Tracking spreadsheet and the Enrollment Reporting spreadsheet;
- Updates NSLDS within 30 days of graduation;
- In NSLDS, the effective date is entered, and a status of Graduated is selected;
- Reviews the expected completion date previously entered in NSLDS;
- If it is accurate, no change is made;
- If it is not accurate, the accurate graduation date is entered before confirming the information;
- Confirms and saves the new information in NSLDS;
- Prints out a copy of the NSLDS change
- Gives this copy to the Records Clerk for filing in the student's paper and digital files.

Director of Operations

- If the Director of Financial Aid is unable to make the NSLDS updates, make the updates in NSLDS.

Records Clerk

- Print out the student graduation certificate for the student and for the file.
- Files the NSLDS printout in the applicable student's paper and digital files.

Student Withdraws/Is Terminated**Business Center Representative**

- When a student has withdrawn or is terminated, notifies the entire administrative staff and

pertinent faculty;

- Assists the Director of Financial Aid with the refund/R2T4 calculation, when applicable;

Director of Financial Aid

- Upon notification that a student has withdrawn or is terminated, makes notations on the annual Financial Aid Tracking spreadsheet and the Enrollment Reporting spreadsheet;
- Calculates student refund/R2T4, when applicable;
- Updates NSLDS within 30 days of graduation;
- In NSLDS, the effective date is entered, and a status of Withdrawn is selected;
- Enters the last date of attendance as the end date in NSLDS;
- Confirms and saves the new information in NSLDS;
- Prints out a copy of the NSLDS change;
- Gives a copy of all the withdrawal paperwork to the Records Clerk for filing in student paper and digital files.

Director of Operations

- If the Director of Financial Aid is unable to make the NSLDS updates, make the updates in NSLDS.

Records Clerk

- When a student has withdrawn or is terminated, updates the student database;
- Files the NSLDS printout in the applicable student paper and digital files.

Program Changes

Should DDBS change programs or schedules for any program offered, the following procedure is as follows:

Director of Financial Aid

- Upon notification that there is a program or schedule change for DDBS, make the necessary additions or changes in NSLDS;
- Inform BEN, in writing
- Files the email to BEN in the filing cabinet in the Director of Financial Aid's office.

Director of Operations

- If the Director of Financial Aid is unable to make the NSLDS updates, make the updates in NSLDS.

Third Party Servicer

- Upon receiving notification of a program or schedule change, make the necessary additions or changes in COD

Program Additions

Should DDBS add a program to the curriculum, the following procedure is followed:

Director of Financial Aid

- Upon notification that there is a program addition to the curriculum, makes the necessary additions or changes in NSLDS;
- If unable to make the NSLDS updates, enters the updated information in NSLDS.
- Informs BEN, in writing
- Files the email to BEN in the filing cabinet in the Director of Financial Aid's office.

Third Party Servicer

- Upon receiving notification of a program or schedule change, makes the necessary additions or

changes in COD

NSLDS Student Status Confirmation Policy

DDBS will report and certify enrollments for ALL students who are or were enrolled in the current month. This process is completed at least every two months (the “60-day rule”).

NSLDS Student Status Confirmation Procedures

The Director of Financial Aid is responsible for reporting and certifying ALL student enrollments in NSLDS at least every 60 days. In the absence of the Director of Financial Aid, the Director of Operations will perform the reporting requirements to NSLDS at least every 60 days.

Date of Last Revision: 7/1/2024, 2/28/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025

NSLDS Procedure

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 students’ profiles and notify BEN when any information on the profile needs updating. This includes, but is not limited to, a change in the student's program, schedule, start date, or enrollment schedule. 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 students’ financial aid is accurately reported to COD and NSLDS.

DDBS provides BEN with the most current and accurately published program length for each of DDBS’s program schedules to ensure the accuracy of the data that BEN is reporting to COD with the 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 the information reported to COD and/or NSLDS is inaccurate. BEN and DDBS will work together to resolve any discrepancies to provide accurate information to COD and NSLDS.

Each July, start dates, end dates, and scheduled breaks are set 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 is then created.

For additional information on reporting requirements, see chapter 8, “Reporting Requirements” in the *NSLDS Enrollment Reporting Guide*

2.11 Third-Party Servicer Oversight

Oversight of Service Providers

Electronic Brain Solutions and DDBS maintain oversight of third-party service providers in accordance with the requirements of the Gramm-Leach-Bliley Act and applicable federal data security regulations. DDBS takes reasonable steps to evaluate, select, and retain service providers that demonstrate the ability to maintain

appropriate administrative, technical, and physical safeguards for covered data and sensitive institutional information. As part of the institution's Information Security program, service providers with access to student, financial, or institutional data are subject to contractual requirements that obligate them to implement and maintain appropriate security measures designed to protect the confidentiality, integrity, and availability of covered information. These requirements may include, but are not limited to, data encryption, restricted access controls, secure transmission methods, incident response procedures, employee confidentiality standards, and compliance with all applicable federal, state, and regulatory privacy and data security laws. DDBS periodically evaluates service providers to ensure continued compliance with security expectations and applicable regulatory requirements.

2.12 Fraud Prevention and Detection

DDBS maintains internal controls and monitoring procedures designed to prevent, detect, and address fraud, misrepresentation, misuse of funds, and other unauthorized activities related to institutional operations and Title IV administration. Segregation of duties, supervisory reviews, reconciliation procedures, and restricted system access are used to reduce the risk of fraud and ensure accountability throughout financial and administrative processes. Employees responsible for administering Federal Student Aid (FSA) programs receive ongoing training on fraud awareness, regulatory compliance, and identifying suspicious or inconsistent information. Any discrepancies, suspected fraud, falsification of records, or irregular activity identified during routine operations, audits, or reviews are documented, investigated, and addressed promptly in accordance with institutional policies and applicable federal regulations. DDBS also maintains procedures for verifying student identity, reviewing conflicting information, protecting sensitive data, and monitoring third-party service providers to help safeguard institutional and student information. When appropriate, suspected fraud or criminal misconduct is referred to the appropriate regulatory or law enforcement agencies for further review and action.

Created: 1/1/2023

Reviewed/ Evaluated: 2/23/2023, 1/2/2024, 1/25/2025, 10/14/2025

Revised and Implemented: 3/21/2024, 1/25/2025, 10/14/2025

GLBA Required Information Security Program

Overview

In accordance to the Department of Education implementing regulations at 34 C.F.R., Standards for Safeguarding Customer Information, 16 C.F.R. Part 314, issued by the Federal Trade Commission (FTC), compliance with the Family Educational Rights and Privacy Act (FERPA), as required by the Gramm-Leach-Bliley Act (GLBA) Act, P.L. 106-102, and upon signing a Program Participation Agreement (PPA) that 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. DDBS is responsible for complying with 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.

Financial Services Modernization Act of 1999 (Public Law 106-102, 113 statue 1338), also known as the GLB Act, regulates the protection, collection, and disclosure of consumers' nonpublic personal information or personally identifiable information (PII) by 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 annual risk/technology assessments provided by Electronic Brain Solution, which includes a perform control analysis, assess risk analysis, recommended control measures, and a threat vulnerability statement. DDBS has qualified staff members, and the Director oversees, implements, and reports to our board annually any changes, deletions, additions, and suggestions for this program.

Designated Qualified Employees & Personnel Responsible

Third-Party Contractual IT Company

Doug Pettigrew -Electronic Brain Solutions
Hartford Insurance

Plan Evaluation, Revision, and Training

The Data Privacy, Cyber Incident & Information Security Response Plan is in the Title IV Manual in hard copy print throughout the school and on digital print on the school website www.ddbs.edu. This plan is reviewed annually by the Director of Operations, school committees, and employees. Training for this plan is conducted annually with the personnel responsible for this plan and the third-party contractor who is our IT on-site and off-site.

2.13 Cybersecurity & Data Protection

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 regulations.
- 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 Identity 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 about a student that 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 if 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 emailed 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)."
 - Shredding or secure disposal of paper and media is performed daily by our records department
 - All employees' and students' files are locked in a fireproof file cabinet
 - The school server is in a padlocked room with strict access to the room approved by the Records Clerk or the Director of Operations
 - All visitors and guests MUST sign in daily and must be escorted to the designated area.

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, Datto EDR/Xdr with Datto Anti-virus, 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
- Protect unauthorized access to or use of covered data and information that could result in substantial harm or inconvenience to any customer.

Information Security Plan

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- Protect 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 and 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 include 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 Assessment & Management & Compliance Assessment of Risks to Student/Customer Information

Risk assessments are conducted and updated annually to identify, quantify, prioritize, and manage risks. Controls that 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 because of system access by any unauthorized person.

Interception of Data: The business center at DDBS is responsible for the setup 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 in transit and at rest.

Privacy Settings: The privacy settings on each device can be changed to limit the amount of personal data shared.

Lockdowns: Electronic Brain Solutions has locked the DDBS internal port 3389 for the firewall and doesn't allow public access to that port

Employee Training and Management

Data Back-up

Western Digital Backup is used along with an image backup to the cloud to ensure that data/information is protected off-site 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 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 the identification of risks. There is also an annual 3rd 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), and are reasonable, 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 the position) for new employees working in areas that regularly handle covered data and information, financial, and financial aid are conducted. DDBS has contractual agreements in place that aim to keep client information secure.

Training & Awareness Policy and Procedure

Employees are trained annually to understand this plan and all changes and revisions to it. Employees are taught what is acceptable regarding client data, which helps staff become educated about the secure use of all applications and technology solutions. During employee orientation, each new employee in these departments receives training on the importance of maintaining the confidentiality of student hard-copy and digital records, user groups, student financial information, and all other covered data. Each new employee is also trained in the proper use of computer information and passwords. Training includes controls and procedures to prevent employees from disclosing confidential information to unauthorized individuals, as well as guidance on properly disposing of documents that contain covered data. These training efforts should help minimize risk and safeguard covered data. Refresher training is required annually.

Physical Security Plan/ Policy

DDBS has addressed the physical security of covered data and information to prevent unauthorized parties from accessing sensitive data by limiting access to only employees with 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 information. Furthermore, each department is responsible for maintaining covered data and information and is instructed to take steps to protect it from destruction, loss, or damage caused by environmental hazards such as fire and water damage, or technical failures. This Plan/Policy has been implemented. This plan is implemented to permit and enable physical access for alternate authorized individuals (e.g., in the event primary authorized individuals are sick or unavailable).

Information Systems Network Security Plan/Policy

Access to covered data and information via the DDBS computer information system is limited to employees and faculty with a legitimate business reason to access such information. DDBS has policies and procedures in place, including, but not limited to, an access controls list for any data stored on the server, to complement the physical and technical safeguards and provide security for 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 the 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 prevent unauthorized access to systems. Users are set up using permissions and groups based on job function by doing the following:

- All users must have unique IDs, not only for Windows but for 3rd party software as well.
- Email systems have unique user IDs/Passwords in place.
- User rights must be adjusted as needed for employees' current job functions.

Operations Management Policy and Procedure

Operating systems are established to protect documents, computer media, tapes, removable 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) who are trained in how to appropriately use equipment/software that was modified to prevent errors and/or risks.

Management of System Failures

The DDBS Information Security Program Coordinator has developed procedures to detect actual or attempted attacks on DDBS systems and detailed instructions for responding to 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 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 the policy.

Oversight of Service Providers

Electronic Brain Solutions and DDBS will oversee service providers in accordance with GLBA requirements. 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.

Procedure for Reporting Security Breaches to Students and the Department

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

Schools' SAIG Agreements include a provision that schools must notify Washington, D.C., at the Department at CPSSAIG@ed.gov on 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)
- 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 Department's 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)

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 that is locked when unattended. The School Director of Operations controls access to these areas.
 - b. All stored data is protected against destruction or potential damage, such as floods, fire, etc., by employing fireproof cabinets.
 - c. Paper records and electronic customer information are also stored on a 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. Backup is stored in a secure location as determined by the Director of Operations. All credit card information is processed through QuickBooks.
2. All electronic transmissions of student and employee PII are secured.
 - 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 to ensure the security of such information 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.
 - e. Sensitive data must be transmitted to DDBS by electronic mail; such transmissions include passwords controlled or otherwise protected from theft or unauthorized access at the discretion of the Director of Operations.
3. All paper transmissions of student and employee information by DDBS are secure.
 - a. Any PII delivered by DDBS to third parties is 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 securely.
 - a. The Information Security Program Coordinator (Director of Operations/Business Center Administrator) 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 before disposal. All hardware is recycled.
 - d. All PII is disposed of securely after any applicable retention period.
 5. The Information Security Program Coordinator (Director of Operations/Business Center Administrator) maintains an inventory of the school computers and handheld devices on or through which PII may be stored, accessed, or transmitted.
 6. The Information Security Program Coordinator (Director of Operations/Business Center Administrator) develops and maintains appropriate oversight and audit procedures to detect the improper disclosure or theft of student information.

Definitions

- As used in the Gramm-Leach-Bliley Act, “customers” (those to whom DDBS provides services of any kind).
- For this Safeguarding Program, “customer information” is defined as any record containing non-public, personally identifiable financial information regarding any of the school’s customers, whether records are maintained on paper, electronically, or by any other means. This security program does not create contractual agreements between the student and any other entity or person.

Applicability

This program applies to all DDBS departments with access to student loan data or other customer information, regardless of the purpose or frequency of use, and applies to gathering, storing, processing, transmitting, and disposing of customer information. This program also applies to outside service providers, such as loan servicing agents and collection agencies, to which student loan data may be transferred or who may gather it on behalf of the school.

Information Security Program Policies and Procedures

By using an updated firewall configuration, protection, and security software (Huntress, Datto EDR/Xdr with Datto Anti-Virus, 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 Coordinators are Marlene Brooks (Director of Operations) and Roxy Dunlap (Business Center

Liaison). 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, e.g., hacker attacks, general security failures, and denial of access to databases and computer systems.

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 Spec Ops every week, 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 utilizes anti-virus and EDR software that updates automatically. Currently using Datto EDR/Xdr with Datto Anti-Virus, monitored anti-virus, along with Canauri for ransomware protection and Huntress for IDS and EDR.
6. Ensuring that DDBS maintains up-to-date firewalls. The firewall is updated according to the firewall company's release schedule.
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 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 stored on the server is access-controlled via Active Directory logins.
10. Notifies students promptly if their PII is compromised.

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 Procedure

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 designated personnel must log in to FSA in Washington, D.C. (U.S. Department of Education) to report a security breach through the Cybersecurity Intake Page within 24 hours of the data breach or call the Education Security Center (EDSOC) at 202-245-6550.
4. The coordinator of Electronic Brain Solutions will contact The Hartford, which provides the cyber liability policy for instructions on how to proceed.
5. The Hartford will indicate the next steps and if a 3rd party investigator or response unit will be needed.

Physical Incident Procedure

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

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 on-site evaluation of all IT equipment will be conducted by 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, it 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 will be temporarily migrated to that server.

Incident Management Strategy Policy and Procedure

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.
- Communicate information security events and vulnerabilities associated with information systems effectively, allowing for appropriate and timely corrective actions.
 - **Incident Response:** This formalized plan outlines detailed procedures for incident prevention, detection, assessment, forensics, containment, and recovery activities. This plan aims to mitigate computer security risks through comprehensive, structured incident responses.
 - **Designated Incident Response Personnel:** Designated personnel are responsible for responding to incidents. The personnel responsible are responsible for executing the procedures detailed in the Incident Response Plan. These responsibilities include initial response, investigation, mitigation actions, and coordination with external experts if necessary.

Business Continuity Management Policy/System failure

Backup and recovery plans are documented, distributed throughout 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 and tested regularly to ensure that the best plan is in place per DDBS needs.
- Currently, all data is backed up off-site and tested for recoverability in the event of data loss.
- Physical security analysis of both electronic and hardcopy records regularly.

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 anti-virus with Datto EDR/Xdr with Datto Anti-Virus and Huntress.
- Constant monitoring with Huntress and anti-ransomware with Canauri.
- 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.
- Canauri is staffed 24/7 and has alerts for any attempts to remove ransomware.
- Data is housed on a specific drive or specific program named Rollcall, which doesn't have an encrypted database but relies on the security of the server where it resides.

Disposal

DDBS requires all paper containing customer information to be shredded before disposal. In the event of any recycling of personal computers containing customer information, all memory components of such computers will be completely reformatted or otherwise erased for any new use as determined by the department.

Monitoring and Detection

All institutional data and computing resources must be continuously monitored to detect any events that may compromise their security. This includes system, security, and operational events. This is to ensure that DDBS promptly and effectively identifies potential security incidents.

Commitment to Continuous Improvement

DDBS commits to continually improving its response capabilities. This includes regular reviews and updates to the Data Privacy, Cyber Incident & Information Security Response Plan, and training programs for Incident Response Personnel to ensure they are prepared to manage emerging threats.

Audits and Monitoring

DDBS reserves the right to perform periodic and random audits. This continuous monitoring of its networks and systems will ensure compliance with this cybersecurity policy.

Handling non-compliance

Non-compliance with this policy must be reported to the Director of Operations. An assessment of non-compliance, potential risks, and the corrective actions required to prevent future occurrences will be reviewed and, if necessary, escalated for review and action by the individual(s) involved.

Incident Reporting and Investigation

All breaches of information security, whether actual or suspected, must be immediately reported to the designated personnel. Designated personnel are responsible for initiating an investigation and working with relevant parties to address the breach. A standard procedure for reporting and managing breaches will be outlined in the Incident Response Plan.

Disciplinary Actions

Individuals found in violation of this policy are subject to disciplinary action, which may include, but is not limited to, loss of computer and network access and privileges, reprimands, suspension, termination of employment, or legal action, depending on the severity of the breach. Disciplinary measures will be applied consistently and in accordance with DDBS policies.

Compliance Training

To support compliance with this policy, DDBS will provide regular training and awareness programs to all members of the DDBS staff. These programs will cover the importance of information security, the specific requirements of this policy, and individuals' roles and responsibilities in maintaining security.

INSURANCE to COVER DATA and INFORMATION POLICY

The Hartford Data Breach Response Expense Policy and Procedure

The Hartford will pay for "data breach expenses" that DDBS incurs as a result of a "data breach" involving personally identifiable information. The following is the procedure in the event of a loss: you must:

- The designated personnel responsible for the campus site must report the data breach to Washington within 24 hours of the breach by logging into FSA (U.S. Department of Education) and reporting the breach through the Cybersecurity Intake page or calling the Education Security Center (EDSOC) at 202-245-6550.

- 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 that 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, 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 was 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 times as may be reasonably required, about any matter relating to the insurance or loss, including copies of DDBS books and records. For written questions, 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 did not know about 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 of 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 its 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 crisis management services through Electronic Brain Solution that will be able to perform services a way for a person whose “personally identifiable 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.

Continuing Evaluation and Adjustment

The Information Security Program will be reviewed annually by the school’s boards, staff, and a 3rd-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 the implementation and administration of technical (IT), logical, physical, and administrative safeguards, as appropriate.

Additional Definitions

Covered data and information - for 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 by the school during business hours, 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 from DDBS customers to commit identity theft. It is accomplished by contacting the school, posing as a customer or as someone authorized to have the customer's information, and using trickery and deceit to convince an employee of the school to release customer-identifying information.

Student financial information is 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 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 statute 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)

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025

Cyber Security/ Data Security Breach Policy

Upon signing the Program Participation Agreement (PPA), Dymond Designs Beauty School (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 with 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 the GLB Act established the following information security standards for financial institutions:

- DDBS shall establish an appropriate standard for the institution relating to administrative, technical, and physical safeguards
- Program Objectives:
 - (1) To ensure the security and confidentiality of students' and employees' records and

- information
- (2) To protect against any anticipated threats or hazards to the security or integrity of such records; and
 - (3) To protect against unauthorized access to or use of such records or information, which could result in substantial harm or inconvenience to any student or employee.

Purpose

For purposes of the DDBS Security Program, “**student information**” means any information about a student and/or employees, or information the institution receives about the student of another financial institution, that can be directly or indirectly attributed to the student. This Security Program, in and of itself, does not create a contract between the student and any person or entity.

Responsibilities:

Director of Operations

- Maintains the GLBA safeguards
- Designs, implements, and maintains new safeguards as she deems necessary. The Director of Operations may delegate or outsource the performance of any function under the Information Security Program as he or she deems necessary.

The Federal Trade Commission (FTC) has defined financial institutions to include institutions of higher education (IHEs) based on their financial relationships with students, donors, and others. For further information, please reference the FTC’s guidance for Financial Institutions and Customer Information - Complying with the Safeguards Rule located at <https://www.ftc.gov/tips-advice/business-center/guidance/financial-institutions-customer-information-complying>.

Consequently, IHEs are subject to the provisions of the GLB Act and must adopt an information security program, draft detailed policies for handling financial data covered by the law, and take steps to protect the data from unauthorized personnel.

The Safeguards Rule (16 CFR part 314, also referred to as the Standards for Safeguarding Customer Information) requires IHEs, as financial institutions, to develop, implement, and maintain a comprehensive information security program that includes reasonable measures to secure customer information and to regularly test or otherwise monitor the effectiveness of the safeguards’ key controls, systems, and procedures. The Safeguards Rule requires financial institutions to:

- a. Designate an employee (s) to coordinate the institution’s information security program.
- b. Identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in 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:
 - (1) Employee training and management
 - Information systems, including network and software design, as well as information processing, storage, transmission, and disposal; and
 - (2) Detecting, preventing, and responding to attacks, intrusions, or other system 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.
 - (3) Oversee service providers, by:
 - Taking reasonable steps to select and retain service providers that can maintain appropriate safeguards for the customer information at issue; and
 - Requiring the institution’s service providers by contract to implement and

maintain such safeguards.

- (4) Evaluate and adjust the institution's information security program considering 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).
- (5)

Personally Identifiable Information (PII)

PII Policy

Dymond Designs Beauty School (DDBS) will follow all ED security regulations regarding Personally Identifiable Information when transmitting student information. DDBS secures student PII when dealing with third-party servicers. DDBS requires the Director of Financial Aid to use the servicer's secure BEN portal upload function when available. If this option is unavailable, PII is protected by using a password-protected email sent to BEN. The password is then provided to BEN using a separate e-mail to maintain the integrity of PII. DDBS administrators will always use password-protected e-mail when sending any authorized third-party student information containing PII. The password must be sent in a separate e-mail.

If a third party requests student information containing PII, the administrator must first ensure that the third party is authorized to receive it. DDBS must receive authorization to release a student's information to third parties not approved by the institution. DDBS permits Financial Aid administrators to use BEN's secure portal system to upload documents containing PII, or to use WinZip to encrypt and password-protect the documents, e-mail them to BEN, and send a separate e-mail with the password.

Safeguarding Consumer Information (PII) Procedure

Director of Operations/Business Center Liaison/Records Clerk

- Oversee the management of information systems, including storage and transmittal of confidential information;
- Stores confidential files in an administrator's office where the door is locked if not occupied.

All Staff

- Will ensure that all documents containing student grades, Social Security numbers, or personal information are shredded – shredder located in the Records office;
- Sends encrypted or password-protected emails containing confidential information or breaks one email into multiple emails;
- Ensure that all passwords are secure and do not share password codes with other members of the team or outside of the team;
- Always log out of all computers and programs that allow access to confidential information, exams, and grades.

Protecting Student Information Policy

Dymond Designs Beauty School (DDBS) treats Personally Identifiable Information (PII) as a high priority. All employees are required to understand the importance of PII, and students are required to sign media permission forms. DDBS monitors the controls, protects students' information, and ensures that system users are properly trained. Student files are kept in a locked location.

Protecting Student Information Procedure

Director of Operations/Business Center Liaison/Admissions Coordinator

- Identifies and authenticates users by issuing passwords throughout the portal system to gain access to modules.
- Limits individuals' access to certain modules by only allowing access to the modules needed.
- Have all students sign a media release form accepting or denying photographs and posting photographs'

INSURANCE to COVER DATA and INFORMATION POLICY

The Hartford Data Breach Response Expense Policy and Procedure

The Hartford will pay for "data breach expenses" that DDBS incurs as a result of a "data breach" involving personally identifiable information. The following is the procedure in the event of a loss: you must:

- The designated personnel responsible for the campus site must report the data breach to Washington within 24 hours of the breach by logging into FSA (U.S. Department of Education) and reporting the breach through the Cybersecurity Intake page or calling the Education Security Center (EDSOC) at 202-245-6550.
- 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 that 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, 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 was 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 times as may be reasonably required, about any matter relating to the insurance or loss, including copies of DDBS books and records. For written questions, 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 did not know about 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 of 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 its 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 crisis management services through Electronic Brain Solution that will be able to perform services a way for a person whose “personally identifiable 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.

Continuing Evaluation and Adjustment

The Information Security Program will be reviewed annually by the school’s boards, staff, and a 3rd-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 the implementation and administration of technical (IT), logical, physical, and administrative safeguards, as appropriate.

Additional Definitions

Covered data and information for 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 by the school during business hours, 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 from DDBS customers to commit identity theft. It is accomplished by contacting the school, posing as a customer or as someone authorized to have the customer's information, and using trickery and deceit to convince 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 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.

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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)

Date of Last Revision: 7/1/2024, 3/26/2025

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2.14 Written Information Security Program (WISP)

Cyber Security/ Data Security Breach Procedure

All Staff

- All records containing customer information are stored and maintained in a secure area.

- Paper records are stored in a locked file cabinet in a file room with controlled access. Access is granted based on job duties.
 - All storage areas are protected against destruction or potential damage from physical hazards, like fire or floods.
 - Electronic customer information is stored on secure servers. Access to such information is password-controlled, and the Director of Operations controls access.
 - Student and employee information consisting of financial or other similar information (e.g., Social Security numbers, etc.) is not stored on any computer system with a direct Internet connection.
 - Consumer information is backed up daily. Data is stored in a secure file folder maintained on a private network accessible only on school servers.
- All electronic transmissions of student and employee information, whether inbound or outbound, are performed on a secure basis, and any PII is redacted or password-protected.
 - Social Security, IRS information, or other sensitive financial data transmitted to the Institution directly from students uses a secure connection so that the security of such information is protected in transit. Such secure transmissions shall be automatic. Students shall be advised against transmitting sensitive data, like Social Security numbers, via electronic mail.
 - The Institution requires by contract that inbound transmissions of student information delivered to the Institution via other sources be encrypted or otherwise secured.
 - All outbound transmissions of student information shall be secured in a manner acceptable to the President.
 - To the extent sensitive data must be transmitted to the Institution by electronic mail, such transmissions shall be password-controlled or otherwise protected from theft or unauthorized access at the discretion of the President.
 - The President and third-party service shall review all students' applications to ensure an appropriate level of security both within the Institution and with the Institution's business third-party server and IRS.
 - All paper transmissions of customer information by the Institution shall be performed on a secure basis.
 - Sensitive student information shall always be properly secured.
 - Student information delivered by the Institution to third parties shall always be kept sealed.
 - Paper-based student information shall not be left unattended at any time it is in an unsecured area.
 - All student information shall be disposed of securely.
 - The President shall supervise the disposal of all records containing student information.
 - Paper-based student information shall be shredded and stored in a secure area until a disposal or recycling service picks it up.
 - All hard drives, diskettes, magnetic tapes, or any other electronic media containing student information shall be erased and/or destroyed before disposing of computers or other hardware.
 - All hardware shall be effectively destroyed.
 - All student information shall be disposed of securely after any applicable retention period.
 - The President shall maintain an inventory of Institution computers, including any handheld devices or PDAs, on or through which student information may be stored, accessed, or transmitted.
 - The President shall develop and maintain appropriate oversight or audit procedures to detect the improper disclosure or theft of student information.

2.15 Disaster Recovery Procedures

Information Security Policies and Procedures

Director of Operations/Business Center Liaison

- Detecting, preventing, and responding to attacks, intrusions, or other system failures; In keeping with the objectives of the program, DDBS shall implement, maintain, and enforce the following attack and intrusion safeguards:
 - DDBS uses Western Digital /Secure Socket Layer/Huntress/ Webroot/Canari/RMM Monitoring/Pen Testing Scanning for anti-virus and data protection
- Ensures that DDBS has adequate procedures to address any breaches of the information safeguards that would materially impact the confidentiality and security of customer information. The procedures address the appropriate response to specific types of breaches, including hackers, general security compromises, denial of access to databases and computer systems, etc.
- Utilizes and maintains a working knowledge of the widely available technology for the protection of student information.
- Communicate with the computer vendors from time to time to ensure that DDBS has installed the most recent patches that resolve software vulnerabilities.
- Utilizes anti-virus software that updates automatically.
- Maintains up-to-date firewalls.
- Manage information security tools for employees and pass along updates about any security risks or breaches.
- Establishes procedures to preserve the security, confidentiality, and integrity of student information in the event of a computer or other technological failure.
- Ensures that access to student information is granted only to legitimate and valid users.
- Notifies students promptly if their student information is subject to loss, damage, or unauthorized access.

Reporting a Breach

Please include the following points:

- Date of breach (suspected or known)
- 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)

Created Version: 9/18/2018

Revised: 10/15/20, 11/26/2021, 10/26/2022, 2/23/2023, 3/20/2024, 6/16/2025

Reviewed/Evaluated: 9/18/2018, 10/15/20, 11/26/2021, 10/26/2022, 2/23/2023, 3/20/2024, 6/16/2025

Emergency Response & Evacuation Policy

Tornado Warning Policy

When a tornado warning is issued:

- A tornado has been sighted.
- Or has been indicated by radar.
- Make every effort to remain calm and encourage those around you to do likewise.

- Remain in the shelter location until instructed to return to your previous activities.

Fire Drills Policy

Fire evacuation plans will be practiced with each class start and require your most serious cooperation and consideration. All exits must be in working condition and unobstructed.

Fire Policy

- If you smell smoke or see fire, report it immediately to staff.
- Do not continue with salon service.
- The students and staff should evacuate the building in an orderly fashion to a safe place. (to the “the grass area directly in front of the school”)
- Students and staff may move cars if it is safe.
- If it is safe to return after the fire department inspects the building for safety, then the students will return with the Fire Marshal’s approval.
- If it is unsafe, then the students and staff members will be sent home until further notice via email and/or text.

Extreme Weather Conditions Policy

- Check local listings to see if extreme weather conditions are present.
- DDBS may call, change the greeting on the school voicemail, or text students if time is permitted.
- If at school when extreme weather conditions arise, students may choose to leave at their own discretion. The student will not receive hours for time being missed.

In Case of a serious accident or illness, policy call 9-1-1.

- Do not move sick or injured person(s).
- Be careful to avoid personal contact with any body fluids such as blood, vomit, or saliva.
- Stay with the victim and reassure her/him that help is on the way.

Power Failure Policy

- Administration investigates issues promptly.
- Do not continue with salon service.
- Student and staff await instructions from administration.
- DDBS may call or text students if failure happens before the scheduled school day.
- If at school, a power failure arises, the student may choose to leave at their own discretion. Students will not receive hours for time missed.

Water Failure Policy

- Administration is notified if present at the time of failure.
- Administration investigates issues promptly.
- Do not continue with salon service.
- Students and staff await instructions from the administration.
- DDBS may call or text students if failure happens before the scheduled school day.
- If at school when water failure arises, the student may choose to leave at their own discretion. Students will not receive hours for time missed.

Emergency Response & Evacuation Procedure

Director of Operations

- Will oversee the situation at the time of an urgent, unanticipated event, and staff members will assess the situation to determine the significance of an emergency.
- An account for all staff, students, and guests will be made as soon as reasonably possible to ensure all are accounted for at the time of the emergency.
- A decision will be made depending on each instance and communicated to students through text message, email, or verbally
- Update the student's Contract if necessary and have the student sign

Swatting Threats: Policy and Procedure

Dymond Designs Beauty School is committed to maintaining a safe environment for students, faculty, and staff. All threats, including anonymous threats and suspected swatting incidents, must be treated as credible until properly assessed. Any individual who receives or becomes aware of a threat must immediately notify college administration. The College will prioritize the safety of the campus community and coordinate with local law enforcement and emergency services to assess the situation and determine the appropriate response.

Upon receiving a threat, designated College officials will activate applicable emergency procedures, which may include emergency notifications, evacuation, or shelter-in-place instructions. The College will work with law enforcement to evaluate the credibility of the threat, maintain communication with appropriate authorities, and provide timely updates to the campus community as necessary. All incidents will be documented, and the College will review its response procedures periodically to support preparedness and campus safety.

SECTION 3 — ADMISSIONS POLICIES

Created 10/9/2018

Revised: 1/2/2019; 1/7/2020; 12/2/2021; 3/15/2022; 10/26/2022; 9/8/2023; 10/24/2024; 7/16/2025, 6/27/2026

Reviewed/Evaluated: 10/18/2018; 1/2/2019; 1/7/2020; 7/27/2020; 7/26/2021; 12/7/2021; 6/28/2022; 12/13/2022; 9/8/2023; 10/21/2024; 07/16/2025; 6/27/2026

3.1 Admissions Policy and Procedure

DDBS Student Admission Policy & Procedure

General Admission Requirements & Policy

Dymond Designs Beauty School (DDBS) is an equal opportunity employer and follows the same policies in accepting applications from potential students. DDBS is open to all students without regard to race, color, religion, age, sex, creed, disability, or marital status. The admissions policy complies with the U.S. Department of Education (Michigan), the State of Michigan Department of Licensing and Regulatory Affairs, the Council on Occupational Education Accrediting Agency guidelines, and the U.S. Department of Veterans Affairs. To be eligible for admission, an applicant must:

- Must be 17 or older with a high school diploma, GED, or college degree.
- Fill out the application in person or online
- Submit a registration fee: \$100.00 (non-refundable/if applicable)

If we determine that your documents are not valid, we will deny your 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. DDBS requires that individuals who receive TITLE IV funds complete all the admissions requirements.

Ability-to-Benefit Policy

Dymond Designs Beauty School does not admit students under an Ability-to-Benefit (ATB) alternative. All students enrolling in Title IV-eligible programs must provide valid proof of high school graduation or a recognized equivalent before enrollment.

The institution does not participate in or offer an Ability-to-Benefit admissions pathway.

Applicant Must Complete the Following Steps:

Step 1- Tour of the facility and advise applicants to visit the school's website

Step 2- Complete a personal interview with the admissions coordinator before registration.

Step 3- Write a 2-paragraph essay about the program of interest and why they chose DDBS

Step 4- Complete an assessment to be reviewed and discussed with the admissions coordinator

3.2 Verification of Identity

All applicants must provide valid government-issued photo identification and required documentation to verify identity before enrollment and to determine Title IV funding eligibility. The institution reserves the right to request additional documentation to resolve conflicting or inconsistent information.

Applicant Must Complete the Following:

- Driver's License/State Identification/Passport/Birth Certificate
- Proof of income, age
- Copy of your high school diploma/GED/Degree or high school transcripts
- Complete Enrollment Contract & Enrollment Documentation
- Optional: FAFSA, if an applicant chooses to participate in Financial Aid, please see notable admissions information below for more details:
 - Discuss Financial Aid options and estimates
 - Explain Entrance Loan Counseling and Master Promissory Note
 - Discuss out-of-pocket options

Notable Admissions Information:

Dymond Designs Beauty School will access the NSLDS, as it has all the pertinent information about student loans and financial history.

Readmissions Policy

Students who have been terminated or have withdrawn from school may re-enroll (if determined eligible) within 180 days and will not incur additional charges; however, these students will be responsible for repaying any remaining balances from the previous enrollment that cannot be reinstated with reinstated federal funds. Students who have been terminated or withdrew from school and re-enrolled (if determined eligible), after more than 180 days, will pay a \$100.00 registration fee and will be charged for contracted hours at the current tuition date. All re-enrolling students will be provided with the school's re-enrollment policy and will be evaluated by the school's administrator for placement in the curriculum and kit needs (if applicable). Re-enrolling students may be required to purchase the current school kit. Students applying for re-entry or transfer -in from other schools will be required, as a condition of enrollment, to bring delinquent prior student loans to a current status.is at the discretion of the school administration.

A determination of SAP will be made and documented at the time of withdrawal. Students re-entering after exiting the school will not be evaluated as new students, and consideration will be given to the student's progress status at the time of previous withdrawal. Re-enrollment

DDBS Student Transfer Policy and Procedure

Transfer Student Policy

Students with previous training shall be evaluated by an instructor using practical applications and reviewing the transcripts. Appropriate credit will be given for comparable previous education and training. The training period will be shortened accordingly based on the shortened training period.

Note: The school only transfers hours, not GPAs. If a transfer student is admitted to the program, a notarized transcript from the sending school must be received prior to the student starting class at Dymond Designs Beauty School. If the sending school has closed, the transfer student must obtain a clock hour report from the State of Michigan Department of Licensing and Regulatory Affairs before starting class at DDBS. Transfer students will be required to purchase a kit or kit items to meet DDBS requirements. Transfer hours are recorded in student attendance under bulk hours in the student database. Decisions concerning the acceptance of transfer hours are at the discretion of the administrator. In addition, the student will be charged based on the current tuition rate and the number of hours needed for completion.

Admissions Procedure for Transfer Students

Admissions Coordinator

1. Will greet the prospective student.
2. Review the information packet documents.
3. Tour the school with the prospect
4. Advise students to visit the school's website at www.ddbs.edu for access to Program Information, Catalog/Consumer Information, and Links
5. Give students a signed copy of the enrollment agreement; the school retains the original agreement

Business Center Liaison

1. Update the student database (BEN) to include all enrollment information, such as start date, schedule, social security number, birth date, family status, high school graduation date, tuition, books and supplies, and academic chart

Financial Aid Administrator

1. Discuss Financial Aid options and estimates
2. Discuss self-payment options
3. Discuss the process of FA or review the obtained ISIR
4. Interacts with students about questions and items needed for Verification
5. Reviews of the Award Letter

Transfer Student Procedure

Admissions Coordinator

1. Reviews and confirms notarized transcript
2. Keeping a copy of the transcript in the student's file
3. Meet with the student to discuss the outcome
4. Credits student of the number of clock hours approved by the Director

3.3 High School Diploma Validation

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, such as: Test Assessing Secondary Completion (TASC), the High School Equivalency Test (HiSET), or in California, the California High School Proficiency Exam. Certificates of attendance and/or completion are not included in this qualifying category.
 - Prospect can have an associate's degree.
 - Successful completion of at least 60 semester or trimester credit hours or 72 quarter credit hours that do 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 completed, including credit hours transferred into the bachelor's degree program.
 - Foreign diplomas.
 - For a student who enrolls without completing high school, a transcript must be provided indicating the student has excelled in high school.
1. The student must no longer be enrolled in high school
 2. Must satisfy your school's written policy for admitting such students and must start a program that leads at least to an associate degree or its equivalent.
 3. Note that merely possessing a certificate of attendance and/or high school completion is not sufficient for a student to be Title IV aid eligible.
 4. Such a certificate may be issued without a student having to complete all the academic graduation requirements, including passing any required examinations.
 5. A state must consider a certificate or high-school-completion-equivalency test as equivalent to a high school diploma in that state for it to be considered equivalent to a high school diploma for Title IV aid eligibility purposes.

Veterans Benefit Policy

Dymond Designs Beauty School (DDBS) is approved by the State of Michigan Approving Agency (The Department of Veterans Affairs) to accept funding for all programs offered at DDBS. A Veteran, spouse, or child of a Veteran is eligible to take advantage of these benefits. It is the student's responsibility to apply for the benefits online at www.gibill.va.gov or by completing the paper form VA 22-1990. Once applied, DDBS will need a copy of the student's Certificate of Eligibility (COE) and a copy of the DD-214 discharge paperwork. An Administrator will evaluate official transcripts and documentation of previous education and training, and if possible, apply appropriate credit. Evaluation periods for GI® bill benefits will be evaluated every 30 scheduled days. Students must receive 75% in both academics and attendance to be considered maintaining satisfactory progress. If at the end of the probation period, he/she is not making satisfactory progress, their benefits will be terminated, and they will continue to pay on a cash basis.

Chapter 30 Veterans Only

Students will be required to sign an acknowledgment of financial responsibility form.

Students Who Use 3rd Party Funding Sources Only

Students will be required to sign a private education loan disclosure statement.

Homeschool Verification Policy

Homeschooled students are not considered to have a high school diploma or 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, he/she must obtain this credential to be eligible for FSA funds if the state requires it.
- The student can include in his/her homeschooling self-certification that he/she 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 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:

- Dymond Designs Beauty School (DDBS) follows our State of Michigan regulations that would not require homeschooled students 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.

Homeschool Verification Procedure

1. Admissions Coordinator/Business Center Liaison
2. Accept the diploma
3. Review for accuracy
4. Verify all High School Diplomas by confirming it lines with the policy
5. Diploma mills and Ability to Benefit are not accepted.

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 if 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 the 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 the type of evaluation and translation requested. Students should contact both to determine which is best for their situation.

Foreign Diploma Procedure

Director/Admissions Coordinator Procedure:

- Don't accept a diploma if it is not translated
- If unsure, accept the diploma
- Review for accuracy
- If suspicions occur that it is from a Diploma Mill, investigate
- May require the student to provide another proof of Education

Diploma Mill

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

If the validity of the high school diploma is in question, Dymond Designs Beauty School (DDBS) will use any or all of the following methods to determine validity.

1. We will cross-check the diploma with a list of “diploma mills” that has been generated through the industry.
2. 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.

Diploma Mill Procedure

Director Admissions Coordinator

1. Don't accept a diploma if it's known to be from a Diploma Mill
2. If unsure, accept the diploma
3. Review for accuracy
4. If suspicions occur that it is from a Diploma Mill, investigate
5. May require the student to provide another proof of Education

Enrollment Procedures

Before enrollment, prospective students are provided with:

- Program descriptions
- Tuition and fee information
- Completion, Placement, Licensure disclosures
- Attendance and SAP policies
- Licensing requirements
- Financial aid information (if applicable)

Acceptance Policy:

After an applicant has completed the enrollment application process, the admissions coordinator will review the applicant's required admissions materials and conduct a 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 the catalog, online publication, and enrollment application).**

Secondary School Students

DDBS does not accept secondary school students.

Vaccination Policy

Dymond Designs Beauty School nor does the State of Michigan require vaccinations for admission into this school or chosen field.

FERPA Policy & Procedure

This policy can be found in DDBS's Title IV Manual in hard copy print and on digital print via the website and throughout the campus

Enrollment Information

Enrollment periods: DDBS is on a continuous enrollment schedule; placement will depend 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. Day, Memorial Day and Independence Day, Labor Day, Thanksgiving, and December 24th and 25th.

3.4 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 before the beginning of class attendance.

Orientation

All applicants accepted into the program **MUST** attend the school's orientation to complete signing the necessary documents, review all schools' policies, procedures, and plans, and 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.

Alcohol and Drug Policy

The alcohol and drug policy can be found in DDBS's Title IV Manual in hard copy print and on digital print via the website and throughout the campus.

Students Convicted of Possession or Sale of Drugs Policy

Students convicted of possession or sale of drugs, alcohol, and drug policy can be found in DDBS's Title IV Manual in hard copy print and on digital print via website and throughout the campus.

Payment Schedule

DDBS offers a variety of monthly financial payment schedules that include a cash payment agreement upon enrollment. Please see the DDBS Admissions Coordinator /Business Center Administrator 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, prospective, and future students promptly.

All employees of DDBS have a firm commitment to the admissions coordinator and the Director of Operations for recruiting activities at the school to ensure all activities are conducted ethically. DDBS student support services must be clear and in place, ready to serve students and meet their needs. Students are encouraged to complete the full clock hour program to achieve their Certificate of Completion. All recruitment activities and materials used describe our mission with our occupational programs, student performance reports, and completion requirements, with clock hour tuition, fees, and instructional outcomes thoroughly detailed.

Non-Discrimination in Admissions Policy

Dymond Designs Beauty School admits regardless of race, color, sexual orientation, age, religion, disability, or any other characteristic protected by applicable federal, state, or local laws. The institution does not discriminate in its admissions policies, educational programs, financial aid practices, or any other school-administered activities. All admissions decisions are based solely on an applicant's ability to meet program requirements and complete the program.

Placement Assistance

DDBS maintains placement assistance and arrangements for job placement through our Workforce Development and Career Recruiter/Department. Instructors assist students with resume building, interview preparation, communication skills, and professional development for job leads and employment opportunities. All graduates' information for placement is collected during the exit interview process and immediately provided to the Workforce Development and Recruitment Department for possible employment.

As prescribed by state law, we cannot guarantee placement as an inducement to enrollment. Therefore, the school does not guarantee placement services.

Clock Hour Conversion

Dymond Design Beauty School is a clock-hour institution. All programs are measured in clock hours in accordance with state licensing requirements and applicable U.S. Department of Education regulations. The institution does not utilize credit hours for program measurement or Title IV federal financial aid purposes. Therefore, clock-to-credit hour conversion calculations do not apply to the programs offered by the institution.

Student progress, attendance, academic evaluations, and financial aid eligibility are based on actual clock hours scheduled and completed. All instructional hours are supervised and documented through the institution's attendance tracking system and student academic records.

3.5 English Proficiency Requirement Policy

Students enrolling in programs taught in English must possess sufficient language proficiency to understand instruction, complete assignments, follow safety procedures, communicate effectively, and complete the program and licensure requirements.

English proficiency may be determined through prior education, admissions interview, documentation review, or other evaluation methods approved by the institution.

3.6 High School Completion Verification Policy

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 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 have a diploma or high school equivalency certificate, DDBS 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 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 from high school must give the name, city, and state of the high school. The online FAFSAs will not allow students to skip these items and 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		STATE
High School City		

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

High School Diploma Equivalency Documents

- 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, such as: Test Assessing Secondary Completion (TASC), the High School Equivalency Test (HiSET), or, in California, the California High School Proficiency Exam. Certificates of attendance and/or completion are not included in this qualifying category.
- Prospect can have an associate's degree.
- Successful completion of at least 60 semester or trimester credit hours or 72 quarter credit hours that do 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 completed, including credit hours transferred into the bachelor's degree program.
- Foreign diplomas.
- For a student who enrolls without completing high school, a transcript must be provided 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 start a program that leads at least to an associate degree or its equivalent.
 - Note that merely possessing a certificate of attendance and/or high school completion is not sufficient for a student to be Title IV aid eligible.
 - Such a certificate may be issued without a student having to complete all 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 for it to be considered equivalent to a high school diploma for Title IV aid eligibility purposes.

High School Diploma Verification Procedure

Financial Aid Representative/Admissions Coordinator

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

As part of the Admissions process, potential students provide proof of high school or its equivalent completion. The proof of high school completion document is to be kept in the student's permanent record.

Procedure for Verifying High School Completion:

1. Enter student information on the Diploma Verification spreadsheet
2. Look up high school phone numbers and enter on spreadsheet
3. Attempt to contact personnel at the high school to confirm
4. Upon confirmation, enter the date and time verified on the spreadsheet
5. Public high school graduation and graduation date can be verified by contacting the DDBS district when DDBS itself is not in session.
6. Parchment is a third-party company that provides transcripts and other credentials online. Students request transcripts and pay fees. Parchment transcript received is considered "verified."

Procedure for Verifying GED

1. Student is responsible for obtaining documentation from DiplomaSender.com, a third-party company, confirming GED certification. An email or printout from DiplomaSender.com is considered verified.
2. If the GED was taken at a MI Works office, the student must obtain the phone number of the center and the name of the case worker. This is then considered "verified."

Foreign Diploma Policy

A school 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 if 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 the 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 the type of evaluation and translation requested. Students should contact both to determine which is best for their situation.

Foreign Diploma Procedure

Financial Aid Administration/Admissions Coordinator

- Don't accept a diploma if it is not translated
- If unsure, accept the diploma
- Review for accuracy
- If there is a concern that a diploma is from a diploma mill, investigate
- May require the student 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 a 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, Dymond Designs Beauty School (DDBS) will use any or all of the following methods to determine validity.

Diploma Mill Procedure

Director of Financial Aid/Admissions Coordinator

- Don't accept a diploma if it's known to be from a "diploma mill." A checklist that has been circulated through the industry.
- If the name of DDBS 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.
- If unsure, accept the diploma;
- Review for accuracy;
- If there is concern that the diploma is from a diploma mill, investigate.
- Students may be required to provide other proof of education.

Secondary School Students

DDBS does not accept secondary school students.

Homeschool Verification Policy

Homeschooled students are not considered to have a high school diploma or 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, he/she must obtain this credential to be eligible for FSA funds if the state requires it.
- The student can include in his/her homeschooling self-certification that he/she 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 equivalent, are beyond the compulsory age of attendance for DDBS'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:

- Dymond Designs Beauty School (DDBS) follows our State of Michigan regulations that would

not require homeschooled students 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.

Homeschool Verification Procedure

Director of Financial Aid/Admissions Coordinator:

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

Ability to Benefit

DDBS does not accept the ability to benefit (ATB) students currently.

Verification of Identity

To ensure compliance with Title IV federal student aid regulations and to protect against identity fraud, the institution requires all prospective students to verify their identity before enrollment. Identity verification is completed through in-person review of valid, government-issued photo identification (such as a driver's license, state ID, or passport) at the time of admission. Admissions staff are responsible for confirming that the individual presenting documentation is the same person applying for enrollment by visually matching the applicant to the photo identification provided and reviewing all supporting documents for authenticity. No student will be fully admitted or processed for Title IV eligibility until identity verification has been completed and documented in the student's official record.

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 before the beginning of class attendance.

3.7 DDBS Student Transfer Policy and Procedure

Transfer Student Policy

Students with previous training shall be evaluated by an instructor using practical applications and reviewing the transcripts. Appropriate credit will be given for comparable previous education and training. The training period will be shortened accordingly based on the shortened training period.

Note: The school only transfers hours, not GPAs.

If a transfer student is admitted to the program, a notarized transcript from the sending school must be received prior to the student starting class at Dymond Designs Beauty School. If the sending school has closed, the transfer student must obtain a clock hour report from the State of Michigan Department of Licensing and Regulatory Affairs before starting class at DDBS. Transfer students will be required to purchase a kit or items to meet DDBS requirements.

Transfer hours are recorded in student attendance under bulk hours in the student database. Decisions concerning the acceptance of transfer hours are at the discretion of the administrator. In addition, the student will be charged based on the current tuition rate and how many hours needed for completion.

Admissions Procedure for Transfer Students

Admissions Coordinator

- Will greet the prospective student.
- Review the information packet documents.
- Tour the school with the prospect
- Advise students to visit the school's website at www.ddbs.edu for access to Program Information, Catalog/Consumer Information, and Links
- Give students a signed copy of the enrollment agreement; the school retains the original agreement

Business Center Liaison

- Update the student database (BEN) to include all enrollment information such as start date, schedule, social security number, birth date, family status, high school graduation date, tuition, books and supplies, and academic chart

Director of Financial Aid

- Discuss Financial Aid options and estimates
- Discuss self-payment options
- Discuss the process of FA or review the obtained ISIR
- Interacts with students about questions and items needed for Verification
- Reviews of the Award Letter

Transfer Student Procedure

Admissions Coordinator

- Reviews and confirms notarized transcript
- Keeping a copy of the transcript in the student's file
- Meet with the student to discuss the outcome

- Credits the student for the number of clock hours approved by the Director

Financial Aid Transfer Monitoring Process

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:

- 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 because 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 before 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.

3.8 Clock Hour Conversion

Dymond Design Beauty School is a clock-hour institution. All programs are measured in clock hours in accordance with state licensing requirements and in compliance with U.S. Department of Education regulations. The institution does not utilize credit hours for program measurement or Title IV federal financial aid purposes. Therefore, clock-to-credit hour conversion calculations do not apply to the programs offered by the institution.

Student progress, attendance, academic evaluations, and financial aid eligibility are based on actual clock hours scheduled and completed. All instructional hours are supervised and documented through the institution's attendance tracking system and student academic records.

3.9 Readmissions Policy

Students who have been terminated or withdrew from school may re-enroll (if determined eligible) within 180 days and will not incur additional charges; however, these students will be responsible for repaying remaining balances from the previous enrollment that cannot be reinstated with reinstated federal funds. Students who have been terminated or withdrew from school and re-enrolled (if determined eligible), after more than 180 days, will pay a \$100.00 registration fee and will be charged for contracted hours at the current tuition date. All re-enrolling students will be provided with the school's re-enrollment policy and will be evaluated by the school's administrator for placement in the curriculum and kit needs (if applicable). Re-enrolling students may be required to purchase the current school kit. Students applying for re-entry or transfer -in from other schools will be required, as a condition of enrollment, to bring delinquent prior student loans to a current status. is at the discretion of the school administration.

A determination of SAP will be made and documented at the time of withdrawal. Students re-entering after exiting the school will not be evaluated as new students, and consideration will be given to the student's progress status at the time of previous withdrawal.

3.10 English Proficiency Requirement Policy

Students enrolling in programs taught in English must possess sufficient language proficiency to understand instruction, complete assignments, follow safety procedures, communicate effectively, and complete the program and licensure requirements.

English proficiency may be determined through prior education, admissions interview, documentation review, or other evaluation methods approved by the institution.

3.11 Non-Discrimination Policy

DDBS admission, financing options, instruction, graduation, and general policies do not discriminate based on race, sex, religion, creed, ethnic origin, color, financial status, disability, sexual orientation, age or otherwise, given all requirements are met through the State of Michigan Department of Licensing and Regulatory Affairs Bureau of Professional Licensing regulations, State of Michigan Board of Cosmetology regulations, statutes and other regulatory requirements.

SECTION 4 — STUDENT ELIGIBILITY

FINANCIAL AID OVERVIEW

Financial Aid Objective

Our Financial Aid objective is to provide every student with the opportunity to apply for all financial assistance available to 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 available programs,
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.

4.1 General Title IV Eligibility Requirements

For a student to be eligible to receive aid from Federal financial aid programs, they:

1. Must be enrolled or accepted for enrollment as a ***regular student*** in an eligible program of study and pursuing a degree/certificate/other credential;
2. Must have a valid Social Security number unless you are from the Republic of the Marshall Islands, Federated States of Micronesia, or the Republic of Palau.
3. Must have the recognized equivalent of a high school diploma, either by having a High School Diploma or General Educational Development (GED) certificate, or by completing a high school education in a homeschool setting approved under state law. For additional information, please review the High School Completion Verification Policy/Procedure.
4. Be registered with the Selective Service if they are a male (men must register between the ages of 18 and 25). Men exempted from the requirement to register include:
 - Males currently in the armed services and on active duty (this exception does not apply to members of the Reserve and National Guard who are not on active duty);
 - Males who are not yet 18 at the time that they complete their application (an update is not required during the year, even if a student turns 18 after completing the application);
 - Males born before 1960;
 - Citizens of the Republic of Palau, the Republic of the Marshall Islands, or the Federated States of Micronesia;
 - Noncitizens who first entered the U.S. as lawful non-immigrants on a valid visa and remained in the U.S. on the terms of that visa until after they turned 26.
 - Students who have questions about Selective Service registration may contact the Selective Service at 1-847-688-6888.
5. Must have completed a FAFSA, and DDBS must have a current ISIR to start the initial eligibility process.
6. Must sign certifying statements on the FAFSA stating that they:

- Are not in **default** on a federal student loan,
 - Do not owe a refund on a federal grant, and
 - Will use federal student aid only for educational purposes.
7. Must maintain Satisfactory Academic Progress (SAP) while they are attending college or a career school.
 8. Must be enrolled at least half-time to receive assistance from the Direct Loan Program.
 9. The Pell Grant program does not require half-time enrollment, but the student's enrollment status does affect the amount of Pell a student may receive. A student may receive Pell for a total of 12 payment periods or 600%. Once the student has reached this limit, no further Pell may be received.
 10. 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 are 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.

4.2 Citizenship

In addition to the above requirements, for a student to be eligible to receive aid from Federal financial aid programs, they must either be a U.S. citizen or national, or an eligible non-citizen.

The ISIR serves as documentation to prove the student's eligible non-citizenship status. If the ISIR shows there was no 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 a notification to the student to provide eligibility documentation within 30 days. DDBS 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 DDBS 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, then DDBS 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."

Acceptable Citizen and Non-citizen Statuses

1. Be a U.S. citizen or U.S. national - You are a U.S. citizen if you were born in the United States or certain U.S. territories, if you were born abroad to parents who are

U.S. citizens, or if you have obtained citizenship status through naturalization. If you were born in American Samoa or Swains Island, then you are a U.S. national.

2. Have a green card - You are eligible if you have a Form I-551, I-151, or I-551C, also known as a green card, showing you are a U.S. permanent resident.
3. Have an Arrival-Departure Record - Your Arrival-Departure Record (I-94) from U.S. Citizenship and Immigration Services must show one of the following:
 - Refugee
 - Asylum Granted
 - Cuban Haitian Entrant (Status Pending)
 - Conditional Entrant (valid only if issued before April 1, 1980)
 - Parolee
4. Have battered immigrant status - You are designated as a “battered immigrant- qualified alien” if you are a victim of abuse by your citizen or permanent resident spouse, or you are the child of a person designated as such under the Violence Against Women Act.
5. Have a “T-Visa” - You are eligible if you have a T-Visa or a parent with a T-1 visa.
6. “U-Visa” holders are not designated as qualified aliens under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), and are therefore not eligible for Title IV, HEA program funds. However, U-Visa holders may convert to lawful permanent resident (LPR) status after being physically present in the United States for a continuous period of at least 3 years from the date of admission on their U-Visa.
 - Once LPR status has been granted, the holder of LPR status becomes a qualified alien under the PRWORA (see above), and thus potentially eligible for Title IV, HEA funds (assuming they meet all other eligibility requirements, for example, being enrolled as a regular student in an eligible program, having a high-school diploma or its recognized equivalent, and having a Social Security number.)

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. Have borrowed more than the annual or aggregate loan limits for the financial aid loan programs, or
4. Are enrolled in a remedial program.

Citizenship and Immigration Status Verification Procedure

Director of Financial Aid

(1) Obtain from the student one (1) of the following:

- A copy of the student’s birth certificate showing that the student was born in the United States, which includes Puerto Rico (on or after January 13, 1941), Guam, the U.S. Virgin Islands (on or after January 17, 1917), American Samoa, Swains Island, or the Northern Mariana Islands, unless the person was born to foreign diplomats residing in the U.S. If a student has a birth certificate from a U.S. jurisdiction showing that the student was born abroad (i.e., not in the U.S. or its territories), that birth certificate is

not acceptable documentation.

- A U.S. passport, current or expired (except “limited” passports, which are typically issued for short periods such as a year, and which don’t receive as much scrutiny as a regular passport when applying). For nationals who are not citizens, the passport will be stamped “Noncitizen National.” Five-year-duration U.S. passports (commonly issued to younger students) are considered acceptable documentation and are not considered “limited”. Passport cards are also acceptable; however, one-year-duration U.S. passports are NOT acceptable documentation.
- The State Department issues a wallet-sized passport card that can only be used for land and sea travel between the United States and Canada, Mexico, the Caribbean, and Bermuda. It is adjudicated to the same standards as the passport book and is therefore a fully valid attestation of the U.S. citizenship and identity of the bearer.
- A copy of Form FS-240 (Consular Report of Birth Abroad), FS-545 (Certificate of birth issued by a Foreign Service post), or DS-1350 (Certification of Report of Birth). These are State Department documents.
- A Certificate of Citizenship (N-560 or N-561) issued by USCIS to individuals who derive U.S. citizenship through a parent.
- A Certificate of Naturalization (N-550 or N-570) issued by USCIS (or, before 1991, a federal or state court), or through administrative naturalization after December 1990 to those who are individually naturalized.

(2) ISIR serves as documentation to prove the student’s eligible non-citizenship status. Review the ISIR for the determination of non-citizenship status.

(3) Request appropriate documentation from the student.

(4) Review documentation submitted by the student;

(5) Provide copies of these procedures to the student.

Within 10 business days after the student submits immigration status documentation, complete the request section of the Immigration and Naturalization Service (INS) Document Verification Request Form G-845 to initiate Secondary Confirmation.

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:

- If the Financial Aid Office followed all required procedures and had no reason to believe that the documents submitted to DDBS did not support the student’s claim to be an eligible noncitizen, the student is liable.
- The Financial Aid Office must make a reasonable effort to contact the student and to collect the amount that was disbursed in error.
- If the Financial Aid Office makes an error in determining that a student is an eligible non-citizen, DDBS is liable.
- 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.”

4.4 Selective Requirements

All male students aged 18 through 25 must be registered with the U.S. Selective Service System to be eligible for federal financial aid, unless an approved exemption applies. The Financial Aid Office verifies Selective Service registration as part of the student eligibility determination process. Verification may be completed through acceptable documentation or system confirmation.

If a student is required to register but is not registered, the school will inform the student of the requirement and may advise on corrective steps. Title IV funds will not be disbursed until eligibility requirements are met or an approved exemption is documented. All Selective Service verification and related documentation is maintained in the student financial aid file in accordance with federal recordkeeping requirements.

4.4 Social Security Number (SSN) Verification

As part of Title IV eligibility and institutional compliance requirements, the Social Security Number (SSN) provided by the student is verified at the time of admission. Students are required to present their original Social Security card or an official document containing a valid SSN during the in-person admissions process.

Admissions staff review the document to confirm that the name and SSN match the student's application records and support identification. This step is used to ensure accurate reporting for federal aid processing, prevent identity discrepancies, and maintain the integrity of student financial aid records. No Title IV processing is completed until SSN verification has been successfully confirmed and documented in the student file.

4.5 Loan Default Resolution

DDBS ensures that students receiving Title IV federal student aid are not in a resolved or unresolved federal student loan default status. Before disbursing any federal aid, the school will confirm the student's loan status through applicable federal databases. If a student is identified as being in default on a federal student loan, they must resolve the default before receiving additional Title IV funds. Resolution may include rehabilitation of the defaulted loan, repayment in full, consolidation of the loan into a new eligible federal loan, or other approved actions as defined by the U.S. Department of Education. Students are responsible for providing documentation of default resolution when applicable. Title IV aid will not be processed or disbursed until official confirmation is received that the default status has been resolved and the student is reinstated to eligible status.

4.6 Loan Aggregate Limits

Federal Direct Loan aggregate limits are established by the U.S. Department of Education and represent the maximum amount a student may borrow in federal student loans over their academic career. These limits vary based on dependency status. For undergraduate students, dependent students have a total aggregate limit of \$31,000, of which no more than \$23,000 may be Subsidized Loans, with the remainder in Unsubsidized Loans. Independent undergraduate students have a higher aggregate limit of \$57,500, of which no more than \$23,000 may be Subsidized Loans, with the remaining eligibility available in Unsubsidized Loans. These amounts include all prior federal student loan borrowing and are cumulative across all institutions attended. During the financial aid eligibility review process, students are informed of their current borrowing history, remaining eligibility, and applicable aggregate loan limits to support responsible borrowing and ensure compliance with federal regulations.

4.7 Repeat Coursework

Federal regulations allow students to receive aid for repeated coursework under specific conditions. A student may receive Title IV funding for repeated attempts of a course in which a passing grade has not yet been earned, including multiple failed attempts, provided all other financial aid eligibility requirements and Satisfactory Academic Progress standards are met. Once a student successfully passes a course, they may receive Title IV aid for only one additional repeat attempt of that same course. After this additional attempt, the course is no longer eligible for Title IV funding if repeated, regardless of the grade earned. Repeated coursework beyond these limits will be excluded from Title IV enrollment calculations and may impact the student's financial aid eligibility status.

4.8 Incarcerated Students

Students who are incarcerated are generally ineligible for Title IV federal student aid while serving a criminal sentence in a federal or state penal institution. An incarcerated student is defined as an individual serving a sentence in a jail, prison, or other correctional facility. However, students who have been released from incarceration or are not currently serving a sentence may regain eligibility if they otherwise meet all federal student aid requirements. Eligibility determinations are based on the student's status at the time of disbursement, and students are responsible for notifying the institution of any change in incarceration status. The institution will verify eligibility before awarding or disbursing Title IV funds in accordance with federal regulations.

4.9 Enrollment Status Monitoring

The institution actively monitors student enrollment status to ensure compliance with Title IV federal financial aid regulations. Enrollment status is reviewed at the time of disbursement and throughout the payment period to confirm that students are maintaining the required minimum credit or clock hour enrollment level for eligibility. Any changes in enrollment status, including withdrawals, course drops, or reductions below full-time, three-quarter-time, or half-time status, are promptly evaluated to determine the impact on a student's financial aid eligibility. When a student's enrollment status changes, Title IV aid may be recalculated, which could result in adjustments to awarded funds or the return of unearned aid in accordance with federal regulations. The institution ensures that all enrollment changes are properly documented and reflected in the student's financial aid record.

4.10 Professional Licensure Disclosure Requirements

DDBS provides clear disclosure regarding whether its academic programs leading to professional licensure or certification meet the educational requirements for licensure. Before enrollment, and as part of the admissions and financial aid process, students are informed of whether a program's curriculum satisfies applicable state educational requirements for professional licensure. All DDBS programs meet applicable state educational licensure standards designed to prepare students for professional certification or licensure requirements. However, successful completion of an academic program does not guarantee licensure or certification. Students are required to sit for and complete the applicable external licensure or certification examinations as required by the governing licensing or credentialing body to obtain professional licensure. Before enrollment and as part of the admissions and financial aid process, students are informed of program licensure alignment and examination

requirements. The institution maintains documentation of licensure determinations and ensures ongoing compliance with all applicable federal and state disclosure requirements.

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 an 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

For a student to be eligible to receive aid from Federal financial aid programs, they must:

1. Must be enrolled or accepted for enrollment as a **regular student** in an eligible program of study and pursuing a degree/certificate/other credential.
2. Must have a valid Social Security number unless you are from the Republic of the Marshall Islands, Federated States of Micronesia, or the Republic of Palau.
3. Must have the recognized equivalent of a high school diploma, either by having a High School Diploma or General Educational Development (GED) certificate, or by completing a high school education in a homeschool setting approved under state law. For additional information, please review the High School Completion Verification Policy/Procedure.
4. Be registered with the Selective Service if they are a male (men must register between the ages of 18 and 25). Men exempted from the requirement to register include:
 - Males currently in the armed services and on active duty (this exception does not apply to members of the Reserve and National Guard who are not on active duty)
 - Males who are not yet 18 at the time that they complete their application (an update is not required during the year, even if a student turns 18 after completing the application)
 - Males born before 1960
 - Citizens of the Republic of Palau, the Republic of the Marshall Islands, or the Federated States of Micronesia
 - Noncitizens who first entered the U.S. as lawful non-immigrants on a valid visa and remained in the U.S. on the terms of that visa until after they turned 26.
 - Students who have questions about Selective Service registration may contact the Selective Service at 1-847-688-6888
5. Must have completed the FAFSA and DDBS and must have a current ISIR to start the initial eligibility process.
6. Must sign certifying statements on the FAFSA stating that they:
 - Are not in default on a federal student loan,
 - Do not owe a refund on a federal grant, and
 - Will use federal student aid only for educational purposes.
7. Must maintain Satisfactory Academic Progress (SAP) while they are attending college or a career school.
8. Must be enrolled at least half-time to receive assistance from the Direct Loan Program.
9. The Pell Grant program does not require half-time enrollment, but the student's enrollment status does affect the amount of Pell a student may receive. A student may receive Pell for a total of 12 payment periods or 600%. Once the student has reached this limit, no further Pell may be received.
10. Completed FAFSA and DDBS must have a current ISIR to start the initial eligibility process.

11. Sign certifying statements on the FAFSA stating that:
 - The student is not in default on a federal student loan
 - They do not owe a refund on a federal grant
 - They will use federal student aid only for educational purposes.
12. 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.

Citizenship

In addition to the above requirements, a student must be either a U.S. citizen or national or an eligible non-citizen to be eligible for aid from Federal financial aid programs.

The ISIR serves as documentation to prove the student’s eligible non-citizen status. If the ISIR shows there was no 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 a notification to the student to provide eligibility documentation within 30 days. DDBS 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 DDBS 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 students 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, DDBS is liable.
4. Citizenship or eligible non-citizen documents may be used in later award years if the documents have not expired.

Acceptable Citizen and Non-citizen Statutes

1. Be a U.S. citizen or U.S. national - You are a U.S. citizen if you were born in the United

States or certain U.S. territories, if you were born abroad to parents who are U.S. citizens, or if you have obtained citizenship status through naturalization. If you were born in American Samoa or Swains Island, then you are a U.S. national.

2. Have a green card - You are eligible if you have a Form I-551, I-151, or I-551C, also known as a green card, showing you are a U.S. permanent resident.
3. Have an Arrival-Departure Record - Your Arrival-Departure Record (I-94) from U.S. Citizenship and Immigration Services must show one of the following:
 - a. Refugee
 - b. Asylum Granted
 - c. Cuban Haitian Entrant (Status Pending)
 - d. Conditional Entrant (valid only if issued before April 1, 1980)
 - e. Parolee
4. Have battered immigrant status - You are designated as a “battered immigrant- qualified alien” if you are a victim of abuse by your citizen or permanent resident spouse, or you are the child of a person designated as such under the Violence Against Women Act.
5. Have a “T-Visa” - You are eligible if you have a T-Visa or a parent with a T-1 visa.
6. “U-Visa” holders are not designated as qualified aliens under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), and are therefore not eligible for Title IV, HEA program funds. However, U-Visa holders may convert to lawful permanent resident (LPR) status after being physically present in the United States for a continuous period of at least 3 years from the date of admission on their U-Visa.
 - a. Once LPR status has been granted, the holder of LPR status becomes a qualified alien under the PRWORA (see above), and thus potentially eligible for Title IV, HEA funds (assuming they meet all other eligibility requirements, for example, being enrolled as a regular student in an eligible program, having a high-school diploma or its recognized equivalent, and having a Social Security number.

Immigration Status Documentation

When the ISIR indicates that the student must submit proof of U.S. citizenship or eligible non-citizenship documentation, the student must submit acceptable documentation of U.S. citizenship or eligible non-citizenship status (such as a Lawful Permanent Resident card) to the financial aid office at DDBS.

For descriptions of documentation and their statuses, see the Federal Student Aid Handbook, Volume 1–Student Eligibility, Chapter 2–Citizenship. Driver’s licenses or voter registration cards are not adequate proof of U.S. citizenship, since many localities do not require proof of U.S. citizenship for these documents.

Acceptable Documentation for U.S. Citizens

- A copy of your U.S. Passport, signed on the line which reads “Signature of Bearer.”
- 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 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 the following documents: a written explanation of your status, a copy of your legal parents' 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);
- All letters 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 passports
- All visa stamps for the U.S. in your current and previous passports
- All I-94s and I-94As (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
- 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.

Citizen and Immigration Status Procedure **Director of Financial Aid**

- Proof of U.S. citizenship - obtain from the student one (1) of the following:
 - A copy of the student's birth certificate showing that the student was born in the United States, which includes Puerto Rico (on or after January 13, 1941), Guam, the U.S. Virgin Islands (on or after January 17, 1917), American Samoa, Swains Island, or the Northern Mariana Islands, unless the person was born to foreign diplomats residing in the U.S. If a student has a birth certificate from a U.S. jurisdiction showing that the student was born abroad (i.e., not in the U.S. or its territories), that birth certificate is not acceptable documentation.

- A U.S. passport, current or expired (except “limited” passports, which are typically issued for short periods such as a year, and which don’t receive as much scrutiny as a regular passport when applying). For nationals who are not citizens, the passport will be stamped “Noncitizen National.” Five-year-duration U.S. passports (commonly issued to younger students) are considered acceptable documentation and are not considered “limited”. Passport cards are also acceptable; however, one-year-duration U.S. passports are NOT acceptable documentation.
- The State Department issues a wallet-sized passport card that can only be used for land and sea travel between the United States and Canada, Mexico, the Caribbean, and Bermuda. It is adjudicated to the same standards as the passport book and is therefore a fully valid attestation of the U.S. citizenship and identity of the bearer.
- A copy of Form FS-240 (Consular Report of Birth Abroad), FS-545 (Certificate of birth issued by a Foreign Service post), or DS-1350 (Certification of Report of Birth). These are State Department documents.
- A Certificate of Citizenship (N-560 or N-561) issued by USCIS to individuals who derive U.S. citizenship through a parent.
- A Certificate of Naturalization (N-550 or N-570) issued by USCIS (or, before 1991, a federal or state court), or through administrative naturalization after December 1990, to those who are individually naturalized.
- ISIR serves as documentation to prove the student’s eligible non-citizenship status. Review the ISIR for the determination of non-citizenship status.
- Request appropriate documentation from the student.
- Review documentation submitted by the student;
- Provide copies of these procedures to the student.
- Within 10 business days after the student submits immigration status documentation, complete the request portion of the Immigration and Naturalization Service (INS) Document Verification Request Form G-845, initiating Secondary Confirmation.

Secondary Confirmation

Policy Reason

To establish school procedures for completing secondary citizenship confirmation.

The secondary match process with the DHS is not currently available. Students who fail the primary DHS match are indicated as pending in the “DHS Secondary Match Status” field of the DDBS Student Information Record (ISIR).

Schools that attempt to resolve DHS match flags related to an applicant’s eligible noncitizen status on the ISIR by searching for the applicant’s case in the SAVE system currently receive a “No Cases Found” message, which prevents them from submitting a third-step verification request to DHS. This effectively prevents schools from making *Title IV* eligibility determinations for a portion of noncitizen students who may meet the eligible noncitizen criteria.

Interim Solution

The Department has collaborated with the DHS to implement a temporary change that will allow schools to access pending DHS secondary match cases. DHS has updated SAVE permission levels for third-step users and third-step supervisors, making these cases viewable when you search for them in the SAVE system.

As a result, if the DHS Primary Match Status (Field 557) is “N” (Not confirmed eligible noncitizen) and the DHS Secondary Match Status (Field 558) is “P” (Pending), schools should search for the case in the SAVE system and proceed with the third-step verification process as outlined below. Please be aware that you will not receive an updated ISIR for the student, and the DHS Secondary Match Status will remain pending. However, if (in addition to the outcomes of the third-step verification process outlined in the FSA Handbook) DDBS determines that the student meets all other eligibility requirements for federal student aid, DDBS may proceed with awarding and disbursing aid to the student.

The Department reminds schools that if a response is not received from the U.S. Citizenship and Immigration Services (USCIS) after *at least 15 business days* from the date the third-step verification request was sent, DDBS may award and disburse eligible Title IV aid if DDBS has sufficient documentation to make a decision, and DDBS has no information that conflicts with the student’s documents or claimed status/category. DDBS must also document in the student’s file that the 15-day timeframe has elapsed and that DDBS is making its decision based on the immigration documentation presented (which should also be kept in the student's file). Schools should note, as previously stated, that the student must continue to meet all other eligibility criteria.

If the formal third-step verification response from USCIS later indicates a discrepancy, DDBS must ask the student to correct the discrepancy with USCIS. If DDBS has followed the Department’s third-step verification procedures as outlined in the FSA Handbook, including notifying the student of the discrepancy and withholding further payments and loan certifications as soon as a discrepancy is found, a school will not be liable for aid disbursed before third-step verification. If the discrepancy is not reconciled, the student must repay all aid.

There is also an issue that resulted in some cases being closed, even though the student received an “N” for the DHS Primary Match Status. If you find an applicant in this situation, please navigate to the FAFSA Partner Portal (FPP) to use the “Resend to Matches” functionality and submit a

correction. The field is located at the top of the form in the “FAA Information” section of the correction form in FPP. Select “Yes” from the dropdown next to the “Resend to Matches” field; you do not need to change any other fields. As a reminder, this workaround is based on a *temporary* change to DHS’s SAVE system. Once the appropriate FAFSA Processing System (FPS) updates are in place, the Department will notify schools when to resume following normal system procedures.

Secondary Confirmation Procedure Director of Financial Aid

- Provide copies of these procedures to the student.
- Review copies of the documentation submitted by the student
- Within 10 business days after DDBS receives the documentary evidence of immigration status submitted by a student that is required to undergo secondary confirmation, DDBS completes the request portion of the Immigration and Naturalization Service (INS) Document Verification Request Form G-845.
- Copy the front and back sides of all immigration-status documents received from the student
- Attach copies to the Form G-845; and submit Form G-845 and attachments to the U.S. Citizenship and Immigration Services (USCIS) Status Verification Office;
- Keep copies of all documents in the student’s financial aid file.
- When available, complete the secondary match process with DHS (not currently available);
- If the DHS Primary Match Status (Field 557) is “N” (Not confirmed eligible noncitizen) and the DHS Secondary Match Status (Field 558) is “P” (Pending), search for the case in the SAVE system and proceed with the third-step verification process.
- If a response is not received from the U.S. Citizenship and Immigration Services (USCIS) after at least 15 business days from the date the third-step verification request was sent, and there is sufficient documentation to show that the student meets all other eligibility requirements for federal student aid, the student may be awarded aid;
- Document that the 15-day timeframe has elapsed;
- Document that DDBS is deciding based upon the immigration documentation presented.

Business Center Liaison

- If a response is not received from the U.S. Citizenship and Immigration Services (USCIS) after at least 15 business days from the date the third-step verification request was sent, and there is sufficient documentation to show that the student meets all other eligibility requirements for federal student aid, the student’s financial aid may be disbursed.

All students who indicate eligibility but whose eligibility 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 decide “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). To initiate the required process, students must submit INS documents that are legible and that 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 allowed 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 students 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 of 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 their 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 students' immigration documentation and determine if it supports eligibility for federal student aid.
- If it does not support 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 the student appears eligible, school users will submit the documentation and student information to the United States Citizenship and Immigration Services (USCIS) for review through the Systematic Alien Verification for Entitlements (SAVE) system.

Third Step Verification Procedure: Director of Financial Aid

- When a student doesn't pass the primary or secondary citizenship matches, or there is conflicting information, review the student's immigration documentation
- Determine if documentation supports eligibility for federal student aid.
- If not, tell the student that they are not eligible now but may be eligible if/when they provide eligible noncitizen documentation.
- If the student appears eligible, 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.
- Keep copies of all documents in the student's financial aid file.



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 Transfer Student Monitoring/Financial Aid History (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, under 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 six Scheduled Awards, as measured by the percentage of "Lifetime Eligibility Used" (LEU) field in COD (one Scheduled Award equals 100% LEU). A student is ineligible to receive further Pell Grant funds if they have reached or exceeded the 600% limit for the applicable program.

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.

Veterans Addendum to the Catalog

Veterans Benefits

Dymond Designs Beauty School (DDBS) is approved by the State Approving Agency of Michigan to accept funding for all programs offered. A Veteran, spouse, or child of a Veteran is eligible to take advantage of these benefits. It is the student's responsibility to apply for the benefits online at www.gibill.va.gov or by completing the paper form, VA 22-1990. Once applied, DDBS will need a copy of the student's Certificate of Eligibility (COE) and a copy of the DD-214 discharge paperwork.

An Administrator will evaluate official transcripts and documentation of prior education and training and, if possible, apply appropriate credit. Evaluation periods for GI® bill benefits will be evaluated every 30 scheduled days. Students must receive 75% in both academics and attendance to be considered maintaining satisfactory progress. If, at the end of the probation period, he/she is not making satisfactory progress, their benefits will be terminated, and they will continue to pay on a cash basis.

DDBS will permit any covered individual to attend or participate in education during the period beginning on the date on which the individual provides the educational institution with 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 courses of education to said institution.
- The date is 90 days after the date on which the educational institution certifies tuition and fees following receipt from the student, such as a 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 DDBS due to the delayed disbursement of funding from the Department of Veterans Affairs

SECTION 5 — FAFSA PROCESSING & VERIFICATION

Created: 1/1/2023

Reviewed/ Evaluated: 2/23/2023, 1/2/2024, 1/25/2025, 10/14/2025

Revised and Implemented: 3/21/2024, 1/25/2025, 10/14/2025

5.1 FAFSA Application Procedure

All students seeking Title IV federal student aid are required to complete the Free Application for Federal Student Aid (FAFSA) each academic year. Students must complete the FAFSA using their FSA ID and provide accurate personal, financial, and dependency information. Once submitted, the FAFSA is processed by the U.S. Department of Education, which sends an Institutional Student Information Record (ISIR) to the institution for review.

Students who need assistance with the FAFSA application process are encouraged to meet with a Financial Aid Administrator, who will provide one-on-one guidance and support throughout the completion and submission process. This includes assistance with creating an FSA ID, completing the FAFSA form, reviewing required documentation, and understanding next steps in the financial aid process. The Financial Aid Office reviews ISIR for accuracy and completeness and may request additional documentation to resolve verification or conflicting information. Students are responsible for responding to all document requests in a timely manner to avoid processing delays. Final aid eligibility is determined only after all required FAFSA data and supporting documentation have been reviewed and verified in accordance with federal regulations.

5.2 ISIR Review

Upon receipt of the Institutional Student Information Record (ISIR), a Financial Aid Administrator conducts an initial review to determine preliminary Title IV aid eligibility. This review includes an assessment of ISIR data, dependency status, verification flags, C-codes, comment codes, and any other indicators that may require documentation or further clarification. The Financial Aid Administrator ensures that all required verification items and initial compliance edits are addressed before progressing the file to the awarding stage.

Once a student file is deemed ready to be awarded (termed “In Process” by the BEN system), which includes clearing all compliance edits, a qualified BEN processor performs an additional review of the ISIR to determine whether there are any remaining factors that may impact the student’s eligibility for Title IV aid. This secondary review is conducted even if the student has already cleared verification and/or C-code resolution requirements. The BEN processor reviews ISIR comment codes to identify any items flagged by the U.S. Department of Education that may require additional documentation. If a comment code indicates further review is necessary, a delay will be created. The BEN processor also evaluates the ISIR for any conflicting or questionable information within the data set.

For example, if the ISIR indicates that a student is recently married and would not have filed a joint tax return for the applicable tax year, but the adjusted gross income (AGI) reflects only one source of income, this may create a discrepancy that requires additional review. In such cases, a compliance delay may be issued, requiring DDBS to investigate and resolve the inconsistency.

When Title IV aid has been awarded for a prior award year and a new aid request is initiated for a subsequent award year, the BEN processor will review both ISIRs side by side to determine whether any material discrepancies exist that may indicate conflicting information between award years.

When conflicting information is identified, the BEN processor will issue a Compliance Delay to DDBS. It is the responsibility of DDBS to work with the student to resolve the discrepancy. Resolution may include ISIR corrections and/or a documented explanation provided by DDBS within the compliance delay response. Until the discrepancy is fully resolved, the student file will remain in an “On Hold” status within the BEN system, and no Title IV aid will be awarded or disbursed for the affected award year(s).

Any required ISIR corrections must be completed by the student, parent (if applicable), or by DDBS with documented authorization from the student or parent. When DDBS determines that the ISIR information is correct without changes, a written explanation will be entered into the compliance delay (typically within the response box), and this documentation will be retained in the student's file.

The BEN system will notify the BEN processor when a corrected ISIR has been received. The processor will then review the updated ISIR or institutional response and reassess the file to determine whether the student is eligible to move forward in the awarding process.

5.3 Comment Codes and Procedures

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 in accordance with the rules and regulations set forth by ED.

DDBS 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 required documentation and will have 14 days to provide the information to DDBS; otherwise, they will be responsible for making out-of-pocket payment arrangements with DDBS.

DDBS will inform the student prior to enrollment of the C-Code information needed to be eligible for Title IV Funds. If DDBS finds that the student will be unable to clear C-Codes that deem the student ineligible for Title IV Funds, DDBS will inform the student that, if they meet other admissions requirements, they may enroll on a cash-payment basis.

DDBS 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 C-Codes requiring resolution.

Comment Codes Procedure

Director of Financial Aid

- Review the student's applicable ISIR for information on the comment code.
- Request required documentation for student and/or parent from student using email, phone, and text;
- Require that any relevant documents be submitted within 14 days;
- Create the student's profile information in the BEN system;
- Upload via the secure BEN portal the required documents for review;
- Use a password-protected email if the portal upload is unavailable.

Third-Party Servicer, BEN

- Reviews documents;
- Places 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 and packaging Title IV Funds.
- If the student is placed in a "rejected" status, BEN will notify DDBS of what else is needed, and DDBS will inform the student.
- This process will continue until both BEN and DDBS have reviewed and determined that the

documentation 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 the 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. DDBS 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 (UEH) – Comment Code Procedure

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

Director of Financial Aid

- Request from the student any documents relevant to the Comment Code and give them 14 days to provide the information
- Obtain a printout from NSLDS of all schools attended by the student
- Request from the student a transcript from all schools the student attended
- Review all transcripts for evidence of credit earned at each school attended
- Allow the student the option to write a letter of explanation for any schools for which there was no credit earned
- If the transcripts show compliance, notify BEN
- Create the student's profile in the BEN system
- Follow the "Compliance Delay" instructions
- If the student is unable to clear the Comment Code, notify students that they may be enrolled on a cash payment basis.

Third Party Servicer – BEN

- Reviews the documents submitted by DDBS to see if the information is sufficient to resolve the Comment Code
- 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 the awarding/packaging of Title IV Funds.
- If the student is placed in a "rejected" status, BEN will notify DDBS of what else is needed, and DDBS will inform the student.

This process will continue until both BEN and DDBS have reviewed and determined that the documentation 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 the 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 re-award, BEN will process. DDBS and BEN will review C-Code Policy and Procedure practices during their Student File and institutional Policy

Review to ensure accuracy of C-Code resolutions. BEN will inform DDBS of any C-Code resolution deficiency that exists upon the completion of the review.

DDBS will inform the student prior to enrollment of the C-Code information needed to be eligible for Title IV Funds. If DDBS determines that the student will be unable to clear C-Codes that deem the student ineligible for Title IV Funds, DDBS will inform the student that, if they meet other admissions requirements, they may enroll on a cash-payment basis. DDBS will review ISIR items that require C-Code resolution, as identified in the annual USDE publication of the SAR Comment Codes and Text, and work with BEN to ensure the ability to identify all C-Codes that require resolution.

5.4 Verification Policy and Procedure

Date of Last Revision: 6/27/2026

References

Federal Register September 4, 2024 (Free Application for Federal Student Aid (FAFSA) Information to Be Verified for the 2025-2026 Award Year

Federal Register September 19, 2023 (Free Application for Federal Student Aid (FAFSA) Information to Be Verified for the 2024-2025 Award Year

34 CFR 668 Subpart E (668.51 – 668.61)

<https://www.federalregister.gov/documents/2023/09/19/2023-20211/free-application-for-federal-student-aid-fafsa-information-to-be-verified-for-the-2024-2025-award>

<https://www.federalregister.gov/documents/2024/09/04/2024-19786/free-application-for-federal-student-aid-fafsa-information-to-be-verified-for-the-2025-2026-award>

DCL-GEN-24-100 DCL-GEN-24-108 EA-APP-25-07

Purpose

DDBS is committed to protecting the integrity of Title IV Federal Student Aid programs by maintaining procedures designed to detect, prevent, and address instances of fraud, identity theft, and misrepresentation. As part of the admissions and financial aid process, DDBS verifies the identity of applicants through institutional and federal verification procedures, including the review of government issued identification, educational records, and other documentation as deemed necessary. The institution also evaluates the information of all applicants selected by the FPS who will receive or have received subsidized Title IV aid must be verified. Selected students must complete the verification process to receive any Title IV aid. Verification requirements are administered in accordance with annually published Federal Register notices and the current FSA Handbook Application and Verification Guide.

DDBS verifies all applicants selected by the CPS and any application DDBS has reason to believe contains incorrect or conflicting documentation. The institution reserves the right to take any additional action permitted under federal law or institutional policy to protect the integrity of its educational programs and federal financial aid administration.

Procedure

- The Financial Aid Office at DDBS reviews each FAFSA to determine if the student has been selected for the process of notification;
- The Financial Aid Office notifies the student that their FAFSA has been selected for verification by the federal government, OR
- The Financial Aid Office notifies the student that DDBS has selected their FAFSA for the verification process;
- The Financial Aid Office will provide the student with written information on what documentation the student is required to submit;
- It is recommended that the student submit all verification documents as quickly as possible for review;
- The student will be required to complete the Verification Worksheet for Dependent or Independent Student if selected for verification tracking groups 1 and 5;
- Documentation may include tax returns, tax transcripts, identification cards, signed statements or worksheets;
- All documentation submitted by student must include the student's name, Social Security number, and original "wet" signature;
- Digital signatures are not accepted;
- The Financial Aid Office promptly reviews all documentation submitted by the student for completeness and signatures;
- The Financial Aid Office completes the verification process and notifies the student of the results;
- It is DDBS policy that students are not permitted to start school prior to the completion of the verification process.

Phase 1 – The BEN compliance engine

When a student Financial Aid Profile is submitted by DDBS using the secure Boston Educational Network (BEN) software system and a student ISIR exists, the ISIR is evaluated by the automated BEN compliance engine. The BEN compliance engine reviews the most current ISIR for the award year and will generate a "compliance delay" if it determines that the ISIR has been selected for verification by the USDE. The compliance delay will inform both DDBS and BEN of the specific documents required from the student and/or parent to complete the verification process.

It is DDBS's responsibility to obtain the required documents from the student and/or parent and provide the information to BEN. DDBS submits the required documents directly to the student record via the secure BEN school portal. BEN strongly encourages institutions to use the direct upload option in the BEN school portal software to upload verification documents, as it provides the best means to submit them securely. Schools are reminded to password-protect any documents not uploaded directly via BEN's secure website to protect PII. The student file will remain in Phase 1 until DDBS submits documents to BEN for review.

Phase 2 – The BEN compliance reviewer

Phase 2 begins after DDBS submits verification documents to BEN via the secure portal for review. The initial BEN reviewer will analyze each uploaded document and determine whether it is approved or requires additional clarification. 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 in rejected status, the BEN reviewer will provide an explanation and/or comments detailing why the document was rejected to

assist DDBS in resolving the issue. This process may be repeated multiple times if the submitted verification documents contain incorrect, insufficient, or conflicting information. Typically, when BEN staff conduct repeated reviews, they are not completed by the same person who conducted the initial (or previous) review.

Each time a student's compliance file is reviewed by BEN, the reviewer will review all documents, including those previously approved by a BEN reviewer, to confirm that each is acceptable. Documents not submitted by DDBS will remain in “not set” status (Phase 1) until DDBS submits the required document. Once BEN has approved all the documents submitted by DDBS, the BEN reviewer places the student file in “final review” status. Phase 2 of the verification process will not be considered complete until all required documents have been submitted by DDBS and set to the approved status by BEN staff. Final approval of the verification documents is required prior to the student being awarded or disbursed Title IV funds (see the Phase 3 Final Verification Approval section below).

Phase 3- Final Verification Approval

The Boston Educational Network requires two different qualified staff members (at a minimum) to review and approve the documents submitted for verification by DDBS. This two-person review system minimizes the risk of human error in the verification process, thereby achieving the highest level of accuracy in awarding Title IV aid.

After a BEN reviewer moves the student file to “Final Review” status, another BEN reviewer reviews all previously accepted documents for final review and approval. It is only after the approval of all documents at this final Phase 3 review level of verification, and if there are no other outstanding eligibility issues, that the student is ready for awarding/packaging of Title IV Funds. If the BEN reviewer determines that any documents are not accepted, additional documents are required, or that conflicting information exists, the compliance delay is updated accordingly, and the student file is placed back in (Phase 2) compliance delay. Once back in (Phase 2) compliance delay, the process will begin over again, with DDBS required to provide additional documentation/information to resolve the remaining discrepancies.

Conflicting Information Policy (ISIR)

The Boston Educational Network will review the documents submitted by DDBS, verify the information for accuracy, and determine whether any conflicting information needs to be resolved. BEN will provide the reason(s) to DDBS if verification cannot be completed in accordance with USDE regulations. BEN will consider the verification process to be complete when all requested documents have been reviewed and accepted by BEN and no conflicting information exists. The Boston Educational Network will not award or disburse any Title IV Funds until the verification process is complete and all conflicting information has been resolved.

If the student cannot provide all required documentation, DDBS cannot complete the verification process. DDBS may then advise applicants that they may not be eligible for Financial Aid funds. DDBS then gives the applicants the following options:

- The student may continue training on a cash payment basis.
- Promptly submit needed items within 48 hours

Conflicting Information Procedure (ISIR)

DDBS has the responsibility to ensure that information in a student's file (that BEN may or may not have access to) does not contain conflicting information. If it is determined by either DDBS or BEN that conflicting information exists, the conflicting information must be resolved before any Title IV Funds can be awarded or disbursed. BEN will work with DDBS to resolve conflicting information before any Title IV Funds are awarded or disbursed.

Prior to the awarding of Title IV aid, BEN will review the student's most current ISIR and resolve any questionable data (regardless of whether the file was selected for USDE verification). Per 34 CFR 668.54(a)(2), "If an institution has reason to believe that an applicant's FAFSA information is inaccurate, it must verify the accuracy of that information." This includes, but is not limited to:

- discrepant tax data, including knowing:
 - if a person was required to file a tax return,
 - the appropriate tax filing status was used, and
 - that an individual cannot be claimed as an exemption by more than one person
 - The ISIR indicates that the student was recently married, but the tax data on the ISIR does not appear to reflect the combined tax data for both the student and spouse on the ISIR.
 - if the tax return shows significant interest and dividends income and/or capital gains but assets on the ISIR are \$0
 - if the tax return shows a business income
 - if the tax return shows farm income
 - if the student's only claim to independent status is:
 - active duty
 - foster care or ward of the court
 - emancipated minor.
 - legal guardianship
 - unaccompanied youth who was homeless or at risk of being homeless
- BEN may require additional IRS tax forms, W-2's, signed statements from the student, spouse and/or parent, school documented explanation(s) and/or any other pertinent documents that BEN deems necessary to complete the verification process and to resolve conflicting information. Conflicting information, whether discovered by BEN or DDBS and regardless of when it is discovered, must be resolved.
BEN reserves the right to request additional documentation if BEN has determined that conflicting information exists, regardless of USDE verification selection.

Exclusions from Verification Requirements

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 was verified by another school, or post-enrollment (the student was selected for verification after ceasing to be enrolled). Except for the student's death, however, none of these exemptions excuse DDBS from the requirement to resolve conflicting information.

Unless there is reason to believe it is inaccurate, DDBS doesn't have to verify the reported FAFSA information of the **parents of a dependent student** if any of the following apply (including in cases where there is only one parent):

- Both parents are mentally incapacitated,

- Both parents, and the custodial parent, have died,
- The parents are residing in a country other than the United States and can't be contacted by normal means, or
- The parents can't be located because the student does not have and cannot get their contact information.

Unless there is reason to believe it is inaccurate, DDBS don't have to verify the reported FAFSA information of the **spouse of an independent student** if any of the following apply:

- The spouse has died,
- The spouse is mentally incapacitated,
- The spouse is residing in a country other than the United States and can't be contacted by normal means, or
- The spouse can't be located because the student does not have and cannot get their contact information.

Verification Selection

DDBS identifies students selected for verification during the financial aid application process by reviewing the FAFSA output document, the 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 complete. The ISIR will provide information about the student and family, including a calculated SAI, document codes identifying specific federal verification policy, information about 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)."

How to Identify When a Student Is Selected for Verification

To identify if a student is selected for the verification process, the Financial Aid Office at DDBS reviews the student's ISIR for one of the following:

- An asterisk (*) after the SAI;
- Verification tracking flag marked "Y" for yes on the ISIR;
- Verification tracking group V1, V4, or V5 on the ISIR;
- Comment Code 170 or 171 (Dependent/Independent) will appear in the "Application Status" section of the FAFSA/ISIR.

Students originally selected into V1 or V4 tracking groups may be reselected into the V5 group in a later transaction. DDBS must complete the additional applicable verification before any future disbursements are made. DDBS will not be liable for prior disbursements based on data available at that time. Changes to verification tracking groups will be designated with a "C" code in the Verification Selection Flag data field on the ISIR.

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5.5 Resolving Conflicting Data

Resolving Conflicting Data Policy

Schools must have an adequate system to identify and resolve discrepancies in the information DDBS receives from different sources regarding a student's Title IV HEA financial aid application.

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

Conflicting Information Policy (Verification)

Applications are selected for verification either by the CPS or by DDBS. The student's ISIR shows an asterisk next to the EFC in the upper-right-hand section. Comments are found in the student section of page 1. The asterisk indicates to applicants that they will be required to provide certain financial documents and family information. Beginning with the 2019-20 Award Year, the student/parent may ask the IRS to update the FAFSA with IRS tax information, eliminating the need to collect tax returns. If the student has not asked the IRS to update the information on the ISIR, the student/parent will be asked to provide tax transcripts. On page 3 of the ISIR, below the dotted line on the right side, there will be a Verification Tracking Flag (V-1 through V-6) indicating the verification information that must be collected.

The Dymond Designs Beauty School Financial Aid Administrator must verify any application information that it has reason to believe is incorrect or has a discrepancy. These applications are selected for verification by DDBS, even though they may not verify the same data as the CPS-select applicants.

Conflicting Information Procedure (Verification)

Director of Financial Aid

- Verify information provided on the students' ISIR and on the Taxes.
- Notify students of conflicting information and allow them 5-7 business days to provide documentation, correction, or proof of the information provided (except for extenuating circumstances with the approval of the President and/or financial aid administrator)
- Ask students to make any conflicting corrections, such as the number of dependents on taxes and the number of dependents on ISIR or marital status.
- Correct errors or inconsistencies, and once ISIR is received with all changes, aid may be disbursed.
- Notify students of changes due to the corrected ISIR.
- Submit verification worksheets and/or supporting documentation to Boston Ed Network

Boston Educational Network

- Review verification worksheets for accuracy
- Submit verified information to the Department of Education via the FSA Partner Portal

Applicants Selected for Verification

We require the applicant to provide adequate documentation to determine whether the applicant's FAFSA contains discrepancies in items identified by the Department of Education as subject to verification. 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 the applicant was selected for verification. As requested, the Financial Aid Office will review all tax returns/transcripts provided to DDBS, 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 DDBS

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

Conflicting Information Procedure (Verification)

Admissions Coordinator

- High School Diploma

Business Center

- Report Outside Awards

Admissions & Business Offices

- Report on all changes in enrollment

Director of Financial Aid

- Verify information provided on the students' ISIR and on taxes
- Notify students of conflicting information and allow them 5-7 days to provide documentation, correction, or proof of the information provided (except for extenuating circumstances with the approval of the CEO/ Director of Operations and/or Financial Aid Administrator
- Ask students to make any conflicting corrections, such as the number of dependents on taxes and the number of dependents on ISIR or marital status.
- Correct errors or inconsistencies, and once ISIR is received with all changes, aid may be disbursed.
- Notify students of changes due to the corrected ISIR.
- Submit/ Communicate with BEN about Conflicting Info.

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Conflicting Information Policy (ISIR)

The Boston Educational Network will review the documents submitted by DDBS, verify the information for accuracy, and determine whether any conflicting information needs to be resolved. BEN will provide the reason(s) to DDBS if verification cannot be completed in accordance with USDE regulations. BEN will

consider the verification process complete when all requested documents have been reviewed and accepted by BEN, and no conflicting information exists. The Boston Educational Network will not award or disburse any Title IV Funds until the verification process is complete and all conflicting information has been resolved.

If the student cannot provide all required documentation, DDBS cannot complete the verification process. DDBS may then advise applicants that they may not be eligible for Financial Aid funds. DDBS then gives the applicants the following options:

- The student may continue training on a cash payment basis.
- Promptly submit needed items within 48 hours

Conflicting Information Procedure (ISIR)

DDBS has the responsibility to ensure that information in a student's file (that BEN may or may not have access to) does not contain conflicting information. If it is determined by either DDBS or BEN that conflicting information exists, the conflicting information must be resolved before any Title IV Funds can be awarded or disbursed. BEN will work with DDBS to resolve conflicting information before any Title IV Funds are awarded or disbursed.

Before the awarding of Title IV aid, BEN will review the students' most current ISIR and resolve any questionable data (regardless of whether the file was selected for USDE verification). Per 34 CFR 668.54(a)(2), "If an institution has reason to believe that an applicant's FAFSA information is inaccurate, it must verify the accuracy of that information." This includes, but is not limited to:

- discrepant tax data, including knowing:
 - if a person was required to file a tax return,
 - the appropriate tax filing status was used, and
 - that an individual cannot be claimed as an exemption by more than one person
 - ISIR indicates that the student was recently married, but the tax data on the ISIR does not appear to reflect the combined tax data for both the student and spouse on the ISIR.
 - If the tax return shows significant interest and dividends income and/or capital gains but assets on ISIR are \$0
 - If the tax return shows business income
 - If the tax return shows farm income
 - If the student's only claim to independent status is:
 - active duty
 - foster care or a ward of the court
 - emancipated minor
 - legal guardianship
 - unaccompanied youth who were homeless or at risk of being homeless
- BEN may require additional IRS tax forms, W-2's, signed statements from the student, spouse and/or parent, school documented explanation(s) and/or any other pertinent documents that BEN deems necessary to complete the verification process and to resolve conflicting information. Conflicting information, whether discovered by BEN or DDBS and regardless of when it is discovered, must be resolved.

BEN reserves the right to request additional documentation if BEN has determined that conflicting information exists, regardless of USDE verification selection.

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

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 a single head of household, and on the FAFSA/ISIR, shows the same person as married.
- A parent or student reports on their FAFSA and signs a verification worksheet that 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 suggest that the copy of the IRS Income Tax Return received is not the IRS Income Tax Return 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 DDBS receives the CSS Profile, it must ensure that information contained there does not conflict with other documents received by DDBS. 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, DDBS 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, the student received a 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.

5.6 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

Identity Verification Flags

The U.S. Department of Education (Department) flags applicants that meet defined criteria for potentially fraudulent activity, including applicants suspected of assuming another individual's identity when submitting a 2024–25 and 2025–26 Free Application for Federal Student Aid (FAFSA) form. In these cases, schools will receive newly generated ISIRs with applicable Verification Tracking flags. These flags will require schools to complete the V4 or V5 verification process to verify the student's identity and determine their eligibility for Title IV funds.

Schools must complete verification for these students before disbursing Title IV funds and may not make subsequent disbursements to students selected for verification after a disbursement has occurred. If the student does not complete verification, DDBS is not liable for any Title IV aid it disbursed before receiving the subsequent ISIR transaction (group V4 or V5). The student is liable for the full amount because, without completing verification, there is no evidence that they were eligible for that aid. As schools work with students to complete verification, they should report suspected cases of identity theft to the Department's Office of the Inspector General (OIG).

Created: 1/1/2023

Reviewed/ Evaluated: 2/23/2023, 1/2/2024, 1/25/2025, 10/14/2025, 2/24/2026

Revised and Implemented: 3/21/2024, 1/25/2025, 10/14/2025, 2/24/2026

5.7 V4/V5 Identity Verification

2024-2025 INFORMATION TO BE VERIFIED

Updated 2/24/2026

Standard Verification Group V1 - 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:

Family size

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

Foreign Income Exempt from Federal Taxation

Groups V2, V3, and V6

Reserved for future use by ED

Custom Verification Group V4

Students must complete the Identity/Statement of Educational Purpose

Aggregate Verification Group V5

Students selected for this verification tracking group must satisfy both V1 and V4 requirements.

Reporting Results for Verification Tracking Flags V4 and V5

Important: DDBS is required to report the outcome of completion of the Identity/Statement of Educational Purpose for applications with tracking flags V4 and V5. Boston Educational Network (BEN) is the third-party servicer for DDBS. BEN reports this information through FAA access to CPS Online under the “Identity Verification Results” section.

How to Complete the Verification Process

The financial aid administrator will provide the student selected for verification with a DDBS Verification Worksheet. The verification documents are then collected by the financial aid administrator. The documents are reviewed for completeness and accuracy and then submitted to our third-party processor. Verifications are then submitted to the Partner Portal for the appropriate award year. It is the student’s responsibility to promptly submit the verification worksheet, along with the

required documentation and applicable signature(s), to the Financial Aid Office in person.

Financial Aid Direct Data Exchange (FA-DDX)

All students and contributors must provide consent and approval for their federal tax information to be transferred directly into the FAFSA via direct data exchange (FA-DDX) with the IRS. This federal tax information will be used to determine the student's eligibility for federal student aid. If a student or required contributor doesn't provide consent and approval, the student will not be eligible for federal student aid.

The IRS is the required source of tax information for the FAFSA form. When Federal Tax Information (FTI) is received from the IRS via the FA-DDX, the FTI is considered verified, and no additional documentation is required. Other tax documentation, such as applicant-provided tax returns or transcripts, is secondary to the FTI received from the IRS via the FA-DDX, except when an applicant or contributor filed an amended return.

Tax Data Received from the FA-DDX and Manually Entered Information

Note: There will be instances when manual entry of tax information is still required, even if a federal tax return was filed with the IRS. Foreign earned income exclusion amounts, for example, will not be transferred via the FA-DDX and will need to be entered manually. In addition, individuals who were married and filed jointly with the IRS and are no longer married to that spouse on the applicable tax return, or who have married a different spouse, must manually enter their income and tax information. Individuals who file only foreign tax returns will also be unable to use the FA-DDX, as it does not link to foreign tax authorities. They will instead need to manually input their income and tax data by converting foreign currency to U.S. dollars and entering the resulting amounts in the comparable fields from U.S. tax returns, such as adjusted gross income, income tax paid, and any untaxed income.

Acceptable Documentation

The FAFSA Simplification Act requires that, wherever possible, the Department use data received directly from the IRS to calculate a student's SAI and Pell Grant award. The Fostering Undergraduate Talent by Unlocking Resources for Education Act (FUTURE Act) requires the Department of Education to access tax information held by the IRS about FAFSA applicants and, where applicable, their parents and spouses through a secure method: the FUTURE Act Direct Data Exchange (FA-DDX). The FUTURE Act was amended by the Internal Revenue Code (IRC) to mandate the disclosure of FTI directly from the IRS to the Department with an individual's consent and approval. The FUTURE Act also made providing consent and approval for the exchange of FTI a requirement for receiving federal student aid.

Applicants and contributors will be required to provide consent and approval for the retrieval of FTI directly from the IRS. When FTI is received from the IRS via the FA-DDX, it is considered verified, and no additional documentation is necessary. As a result, the FA-DDX is the fastest, easiest, and most secure method of meeting income and tax verification requirements. The September 19, 2023, Federal Register Notice provides the documentation required to verify 2024-25 application data, which depends on the item being verified, as explained in this section.

In addition, the Department has developed suggested text that schools may use to create a verification document and to verify non-tax items, such as family size. To review the suggested text for 2024-25, please see Appendix A.

Income Information for Tax Filers

If an applicant is a **tax filer** selected to verify any of the following information, DDBS must obtain the specified documentation:

Adjusted Gross Income (AGI), income earned from work, or U.S. income tax paid, untaxed portions of IRA distributions, untaxed portions of pensions, IRA deductions and payments, tax-exempt income, education credits, and foreign income exempt from federal taxation

If transferred directly from the IRS and unchanged, these items do not need to be verified.

If information is not transferred from the IRS, the following documentation is sufficient for verification:

- (1) A transcript 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
- (2) A copy of the income tax return and the applicable schedules that were filed with the IRS or other relevant tax authority of a U.S. territory, or foreign government that lists 2022 tax account information of the tax filer.
- (3) If the tax transcript or tax return contains a rollover, collect a signed statement confirming the amount of the rollover in the untaxed pension or IRA distribution.

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— A transcript obtained from the IRS or other relevant tax authority that lists 2022 tax account information of the tax filer(s); or 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 a copy of IRS Form W-2 for each source of 2022 employment income received or an equivalent document.

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— (a) A signed statement listing the sources of any 2022 income and the amount of income from each source; (b) A copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2022; (c) A copy of IRS Form W-2 for each source of 2022 employment income received or an equivalent document; and (d) If self-employed, the signed statement must indicate the amount of estimated AGI and U.S. income tax paid for tax year 2022.

Note: A school 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 list 2022 tax account information. When a school receives such information, it must be used to re-verify the income and tax information reported on the FAFSA.

Qualified rollovers from one retirement account to another are not taxable, and they should not be counted as untaxed income (Untaxed portions of IRA distributions or Pensions). Since neither a tax transcript nor FTI transferred via the FA-DDX identifies rollovers, you must get documentation from the tax filer. This could be a signed statement with the rollover amount, or a notation by the filer on

the tax transcript or return that includes the word “rollover” next to any applicable item, as in the IRS instructions for Form 1040. The annotation must be signed and dated by the filer.

Income Information for Non-Tax Filers

If an applicant is a **non-tax filer** selected to verify income earned from work, DDBS must obtain the specified documentation.

Income earned from work

The following documentation is sufficient for verification:

- (1) A signed and dated statement certifying— (a) That the individual is not required to file a 2022 income tax return; and (b) The sources and amounts of earnings, other income, and resources that supported the individual(s) for the 2022 tax year;
- (2) For individuals without a Social Security number (SSN), Individual Taxpayer Identification Number (ITIN), or Employer Identification Number (EIN), who do not have an SSN, ITIN, or EIN;
- (3) A copy of IRS Form W-2 for each source of 2022 employment income received or an equivalent document; and
- (4) Except for dependent students, verification of non-filing for individuals who would file a return with a relevant tax authority other than the IRS, dated on or after October 1, 2023.

Note: 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.

For non-tax filers, you must request a W-2 form for each source of 2022 employment income and a signed statement certifying that the person has not filed and is not required to file a 2022 tax return. You must also obtain a signed statement listing the sources and amounts of the person’s income earned from work not reported on W-2s. Students may sign on a non-filing spouse’s behalf.

For residents of the Freely Associated States (the Republic of the Marshall Islands, the Republic of Palau, or the Federated States of Micronesia), a copy of the wage and tax statement from each employer (substitute for W-2s) and a signed statement identifying any other employment income for the year not identified on the wage and tax statement is acceptable. Persons from a U.S. territory, commonwealth, or a foreign country who are not required to file a tax return can provide a signed statement, as well as any supporting documentation they might have (e.g., a form comparable to a U.S. W-2), certifying their income.

The collection of documentation to verify income earned from work is used to determine if the applicant (and the applicable spouse or parent) was required to file a U.S. income tax return (or a return with a relevant tax authority) for the 2022 tax year. If the individual should have filed but failed to do so, that is conflicting information that you must resolve.

If a W-2 is not Available

If an individual who is required to submit an IRS Form W-2 did not save a copy, they should request a replacement W-2 from the employer who issued the original. A W-2 transcript from the IRS is also acceptable, though it generally is not available until the year after the W-2 information is filed with the IRS (e.g., 2024 for 2022 information filed in 2023). If they are unable to obtain one promptly, you may permit them to provide a signed statement that includes the amount of income earned from work, the source of that income, and the reason why the W-2 is not available promptly.

Family size

Since family size is based on the number of individuals listed and claimed on the IRS tax return, if it is transferred directly from the IRS and remains 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:

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.

Note: Verification of family size is not required if—

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

For an independent student, the family size indicated on the ISIR is 1; the applicant is single, separated, divorced, or widowed; or the household size indicated on the ISIR is 2 if the applicant is married or remarried.

Other Information

If an applicant is selected to verify other information specified in the annual Federal Register notice, the applicant must provide the documentation specified for that information in the Federal Register notice.

Identity/Statement of Educational Purpose

Students should appear in person and present a valid, unexpired, government-issued photo identification (ID) such as a U.S. passport, a driver's license, or other state-issued ID. "Unexpired" means the ID has not expired at the time it is checked, even if it will expire before the end of the award year. A 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.

DDBS must maintain an annotated copy of that ID that includes the date it was received and the name of the person authorized to receive it. At this time, the Director of Financial Aid is the only authorized school personnel approved to review an applicant's identity.

The following **are not sufficient** for identity verification:

- An ID issued by a state university or college, or
- A military ID (18 U.S. Code § 701 prohibits it from being photocopied).

Students must also sign a statement of educational purpose (it must be a “wet” signature) certifying who they are and that any federal student aid they may receive will be used only for educational purposes and for the cost of attending DDBS for the 2024-25 year. The text for the “Statement of Educational Purpose” is not suggested — **the exact language must be used and is provided on the next page**. The student’s identification number is optional if it is collected elsewhere on the same page as the statement. After examination, the statement may be converted into an electronic record. Either the electronic record or the original must be retained for at least the required Title IV record retention period.

A student who is unable to appear at DDBS must have the statement of educational purpose signed by a notary public. They must then submit to DDBS that statement (again, with the “wet” signature), a certification from the notary that they appeared before the notary and presented a government-issued photo ID confirming their identity, and a copy of the same ID. Currently, the Department does not authorize the use of online notary services as an alternative to traditional, in-person notary services.

The **REAL ID Act** affects people entering certain restricted areas where identification is required: federal facilities, nuclear power plants, and federally regulated commercial airplanes. Because there are currently no restrictions under the act on agencies accepting an ID that is not compliant with the act (typically one marked “not for federal identification”) for other purposes, such an ID is acceptable for verification of identity/statement of educational purpose. It must be a government-issued ID that has not expired and includes the student’s photo and name.

Identity/Statement of Educational Purpose Statement

In addition to appearing in person and presenting identity documentation, the student must sign the Statement of Educational Purpose, use 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 2024– 2025. (Name of Postsecondary Educational School)

(Student's Signature) (Date) _____ (Student's ID Number)

2025-2026 INFORMATION TO BE VERIFIED

Standard Verification Group V1 - 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:

Family size

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

Foreign Income Exempt from Federal Taxation

Groups V2, V3, and V6

Reserved for future use by ED

Custom Verification Group V4

Students must complete the Identity/Statement of Educational Purpose

Aggregate Verification Group V5

Students selected for this verification tracking group must satisfy both V1 and V4 requirements.

Reporting Results for Verification Tracking Flags V4 and V5

Important: DDBS is required to report the outcome of completion of the Identity/Statement of Educational Purpose for applications with tracking flags V4 and V5. Boston Educational Network (BEN) is the third-party servicer for DDBS. BEN reports this information through FAA access to CPS Online (faaaccess.ed.gov) under the “Identity Verification Results” section.

How to Complete the Verification Process

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

Financial Aid Direct Data Exchange (FA-DDX)

All students and contributors must provide consent and approval for their federal tax information to be transferred directly into the FAFSA via direct data exchange with the IRS. This federal tax information will be used to determine the student's eligibility for federal student aid. If a student or required contributor doesn't provide consent and approval, the student will not be eligible for federal student aid.

Tax Data Received from the FA-DDX and Manually Entered Information

Note: There will be instances where manual entry of tax information will still be required, even if a federal tax return was filed with the IRS. Foreign earned income exclusion amounts, for example, will not be transferred via the FA-DDX and will need to be entered manually. In addition, individuals who were married and filed jointly with the IRS and are no longer married to that spouse on the applicable tax return, or who have married a different spouse, will also be required to manually enter their income and tax information. Individuals who only file foreign tax returns will also be unable to use the FA-DDX since it does not link to foreign tax authorities. They will instead need to manually input their income and tax data by converting foreign currency to U.S. dollars and entering the resulting amounts in the comparable fields from U.S. tax returns, such as adjusted gross income, income tax paid, and any untaxed income.

Acceptable Documentation

If an applicant is a **tax filer** selected to verify any of the following information, DDBS must obtain the specified documentation:

Adjusted Gross Income (AGI), income earned from work, or U.S. income tax paid, untaxed portions of IRA distributions, untaxed portions of pensions, IRA deductions and payments, tax exempt income, education credits, and foreign income exempt from federal taxation

If transferred directly from the IRS and unchanged, these items do not need to be verified. If information is not transferred from the IRS, the following documentation is sufficient for verification:

- (1) A transcript 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
- (2) A copy of the income tax return and the applicable schedules 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.

- (3) If the tax transcript or tax return contains a rollover, collect a signed statement confirming the amount of the rollover in the untaxed pension or IRA distribution.

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— A transcript obtained from the IRS or other relevant tax authority that lists 2022 tax account information of the tax filer(s); or 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 a copy of IRS Form W–2 for each source of 2022 employment income received or an equivalent document.

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— (a) A signed statement listing the sources of any 2022 income and the amount of income from each source; (b) A copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2022; (c) A copy of IRS Form W–2 for each source of 2022 employment income received or an equivalent document; and (d) If self-employed, the signed statement must indicate the amount of estimated AGI and U.S. income tax paid for tax year 2022.

Note: A school 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 list 2022 tax account information. When a school receives such information, it must be used to re-verify the income and tax information reported on the FAFSA.

If an applicant is a **non-tax filer** selected to verify income earned from work, DDBS must obtain the specified documentation.

Income earned from work

The following documentation is sufficient for verification:

- (1) A signed and dated statement certifying— (a) That the individual is not required to file a 2022 income tax return; and (b) The sources and amounts of earnings, other income, and resources that supported the individual(s) for the 2022 tax year;
- (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;
- (3) A copy of IRS Form W–2 for each source of 2022 employment income received or an equivalent document; and
- (4) Except for dependent students, verification of non-filing for individuals who would file a return with a relevant tax authority other than the IRS dated on or after October 1, 2023.

Note: 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.

Family size

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:

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.

Note: Verification of family size is not required if—

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

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.

Other Information

If an applicant is selected to verify other information specified in the annual Federal Register notice, the applicant must provide the documentation specified for that information in the Federal Register notice.

Identity/Statement of Educational Purpose

An applicant must appear in person and present the following documentation to an institution authorized individual to verify the applicant's identity:

- (a) An unexpired valid government-issued photo identification such as, but not limited to, a driver's license, non-driver's identification card, other State-issued identification, or U.S. passport. DDBS must maintain an annotated copy of the unexpired valid government-issued photo identification that includes the date the identification was presented; and the name of DDBS authorized individual who reviewed the identification; and
- (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:

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 2024–2025. (Name of

(Student's Signature) (Date) _____ (Student's ID Number)

If an school 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 DDBS with— (a) A copy of an unexpired valid government-issued photo identification, 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 in the Statement of Educational Purpose, except that the student's identification number is optional if collected elsewhere on the same page as the statement.

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 a “snapshot” of the family’s financial situation as of that date. For example, if a student’s family sold some stock after signing 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 who are married after completing 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:** DDBS 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 DDBS 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 to update the marital status for an independent student during the award year, the student must be selected for verification (by ED or DDBS).

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.

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

After Documentation is Complete

When all necessary verification documents have been obtained from the student, they should be compared to the Student Information Record (ISIR) that is being reviewed for payment.

If all the student's information is correct and there are no outstanding issues or conflicting information, DDBS may award and disburse aid for which the student is eligible. If verification reveals errors or inconsistencies, the student may have to make corrections or update information.

The Director of Financial Aid must inform the prospect or student to make corrections on the fafsa.ed.gov website, and eligibility must be recalculated for Title IV funds. If the re- calculation does not change eligibility, no further action is required. If the corrections result in a change to the ISIR that will change the amount of Title IV funds, a corrected ISIR must be obtained. This can be done electronically through DDBS. All corrections due to verification requirements must be accomplished before an actual Financial Aid Offer is made. If the change to the award is made due to verification, the student will be notified by a revised Financial Aid Offer. No funds will be disbursed until corrections have been made. When the corrected ISIR is received, the student will be notified in person if their SAI and Title IV amounts change.

Threshold for Submitting Changes

After completing verification, DDBS 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, DDBS can make an interim disbursement of funds if it has no reason to believe that the application information is inaccurate. If DDBS makes an interim disbursement, the verification process must be completed prior to the disbursement of any additional funds. In all instances, DDBS 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.

Completing the Process

A student selected for verification must complete it. DDBS has the authority, and in some instances is required to withhold disbursement of any FSA funds until she does. Adopting this policy

substantially reduces the incidence of overpayments.

Notification to Students

DDBS will notify students in person and before enrollment of the required verification documents they must submit within 30 days before enrollment. They will be given a verification worksheet that details which documents to submit. In the case of a current student, they must also be informed that disbursements of any FSA funds will be withheld until all documentation is submitted.

64422

Federal Register / Vol. 88, No. 180 / Tuesday, September 19, 2023 / Notices

FAFSA Information	Acceptable documentation
<i>Income information for tax filers</i> (a) Adjusted Gross Income (AGI) (b) Income Earned From Work (c) U.S. Income Tax Paid (d) Untaxed Portions of IRA Distributions (e) Untaxed Portions of Pensions (f) IRA Deductions and Payments (g) Tax Exempt Interest Income (h) Education Credits (i) Foreign Income Exempt from Federal Taxation	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: (1) A transcript¹ 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 (2) A copy of the income tax return¹ and the applicable schedules¹ 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. (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.
<i>Income information for tax filers with special circumstances</i> (a) Adjusted Gross Income (AGI) (b) Income Earned from Work (c) U.S. Income Tax Paid (d) Untaxed Portions of IRA Distributions (e) Untaxed Portions of Pensions (f) IRA Deductions and Payments (g) Tax Exempt Interest Income (h) Education Credits (i) Foreign Income Exempt from Federal Taxation	(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— (a) A transcript obtained from the IRS or other relevant tax authority that lists 2022 tax account information of the tax filer(s); or (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 (c) A copy of IRS Form W-2² for each source of 2022 employment income received or an equivalent document.² (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— (a) A signed statement listing the sources of any 2022 income and the amount of income from each source; (b) A copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2022;³ (c) A copy of IRS Form W-2² for each source of 2022 employment income received or an equivalent document;² and (d) If self-employed, the signed statement must indicate the amount of estimated AGI and U.S. income tax paid for tax year 2022. (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. <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. (4) For an individual who was the victim of IRS tax-related identity theft— • A Tax Return DataBase View (TRDBV) transcript¹ obtained from the IRS; and • 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.

An applicant whose FAFSA information is selected for verification is required to complete verification before DDBS exercises any authority under section 479A(a) of the HEA to make changes to the applicant's cost of attendance or to the values of the data items required to calculate the SAI.

5.7 Professional Judgment and Dependency Override

USDE 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 DDBS 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 DDBS has supplied sufficient documentation to support the special circumstance, ideally from a third-party source. While BEN strongly encourages DDBS to strive to obtain a 3rd party source, this is not always possible. BEN will review and analyze the PJ documentation submitted by DDBS to validate that the PJ documentation sufficiently satisfies USDE requirements.

The USDE expects financial aid administrators to make "reasonable" decisions that support the intent of the PJ provision, and BEN will refer to this USDE 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, USDE verification, C-Code resolution, and resolution of conflicting information.

Examples:

- Reduction in household income due to layoff, furlough, or job placement
- Private school tuition payment
- Deduction of one-time payments, such as a 401 (k) withdrawal
- Dependency adjustment due to parental abandonment, human trafficking, and abusive household

Professional Judgment Procedure

Date of Last Revision: 6/27/2026

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 that have not been reflected on the FAFSA. Professional judgment may either increase or decrease data elements used to calculate a student's SAI. Professional judgement requests are reviewed and resolved within 14 business days of receipt of all required documentation.

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 SAI 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. DDBS is held accountable for all professional judgment decisions made and for fully documenting each decision.

Student

- Must express in writing reasons to be considered for Professional Judgment
- Utilize forms from BEN

Director of Financial Aid

- Obtains and maintains documentation of the changed circumstances supporting the Professional Judgment (PJ) decision
- Exercises PJ were appropriate, only in cases of special circumstances
- Seeks assistance of DDBS/BEN when necessary
- Meets with the Director of Operations to review
- Makes the final decision based on adequate documentation
- Obtains the PJ documentation from the student and/or parent and provides the documents to BEN. BEN strongly encourages DDBS 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. DDBS is required, according to ED regulations, to obtain supporting documentation to validate the special circumstance (preferably from a third-party source). Supporting documents are a key element in determining if a PJ meets ED requirements, as they provide evidence of a special circumstance. Examples of supporting documentation are:
 - unemployment benefit statement
 - Statement from an employer
 - W-2's
 - Recent pay stubs
 - Tax returns
 - Medical payments
 - Signed and dated statements from the student/parent.
- Emails and communicates with Compliance at BEN and waits to hear the next step.

Note: All decisions are final; there is no appeal process to the U.S. Department of Education.

DDBS Financial Aid Office Will:

- Post public notification of professional judgment policies, procedures, and information on the DDBS website at ddbs.edu
- Consider all professional judgment requests
- Retain all documentation, including documented interviews that are related to the adjustment, for at least 5-7 years after the student's last term of enrollment; and
- Presume that any student who has obtained an adjustment for unusual circumstances and a final determination of independence to be independent for each subsequent award year at the same institution unless the student informs DDBS that their circumstances have changed, or DDBS has conflicting information about the student's independence.
- Make and document professional judgment determinations on a case-by-case basis, without regard to how broadly an event may affect its student population in making case-by-case

determinations, one must substantiate the student's circumstances with supporting documentation.

DDBS Financial Aid Office May:

- Consider documented interviews for the professional judgement process.
- Use a dependency override determination made by a financial aid administrator at another institution in the same or prior award year.

DDBS Financial Aid Office Recognizes:

- Previous reasons for exercising professional judgment (e.g., unemployment, dislocated workers, and school tuition expenses) are still allowable.
- A dependency override for unusual circumstances is considered unique from a determination of independence for homeless youth or at-risk homeless youth.
- Appeals specific to the determination of independence will be reviewed as quickly as possible, but no later than 2 weeks after a student enrolls

5.8 Dependency Override Policy

Date of Last Revision: 6/27/2026

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, DDBS must provide BEN the following signed and dated statements from the parent:

They (parents) refuse to complete their FAFSA and

They (parents) do not and will not provide any financial support to the student, and

The date parental support ended for the student.

When DDBS 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 BEN to create a special compliance delay so DDBS can upload parent-signed and dated statements. The dependency override policy is reviewed annually to ensure that procedures remain aligned with current Department of Education guidance and FAFSA processing requirements.

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 requires 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 DDBS. 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 even though 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 their parent is unable to get a PLUS loan). *See DCL GEN-08-12 for additional information.*

Changing Dependency Status Procedure

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 parents' household. The letter must include information on the students' means of support since leaving the parents' 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 it is *not* a professional judgment or dependency override. However, it is processed as a dependency override in FAA Access.

Director of Financial Aid

- Contacts BEN to enter a compliance delay;
- Provides compliance paperwork forms to the student.
- Uploads completed compliance delay paperwork to secure the BEN portal;
- Waits to hear from BEN

Student

- Completes compliance delay paperwork forms and gathers supporting documentation;
- Submits to the Financial Aid office

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.

The FAFSA Simplification Act distinguishes between different categories of professional judgment by amending section 479A of the HEA.

5.9 Unusual/Special Circumstances Procedures

- **Special Circumstances-** refer to the financial situation (loss of a job, etc.) that justifies an administrator adjusting data elements in the COA or in the SAI calculation.
- **Unusual Circumstances-** refer to the conditions that justify an aid administrator adjusting a student's dependency status based on a unique situation (e.g., human trafficking, refugee or asylee status, parental abandonment, incarceration), more commonly referred to as a dependency override.

A student may have both a special circumstance and an unusual circumstance. Financial Aid Administrators (FAAs) may make adjustments that are appropriate to each student's situation with appropriate documentation.

DDBS financial aid administrators:

- Notify students about DDBS's process, requirements, and reasonable timeline to review adjustment requests after their FAFSA form is submitted.
- Provide students with a final determination of their dependency status and financial aid offer as soon as possible after reviewing all requested documentation.
- Retain all documentation, including documented interviews, related to the adjustment for at least 5 years after the students' last date of enrollment; and
- Presume that any student who has obtained an adjustment for unusual circumstances and a final determination of independence to be independent for each subsequent award year at the same institution unless the student informs DDBS that their circumstances have changed, or DDBS has conflicting information about the student's independence.
- Review all requests for a determination of independence as quickly as possible, but no later than 2 weeks after the student enrolls.

****As previously provided by law, if a student pursues an adjustment for unusual circumstances and the financial aid administrator does not determine that the student should be considered independent, the student will only be eligible for dependent-level Direct Unsubsidized Loans unless they subsequently complete the FAFSA form as a dependent student by providing parent information.**

5.10 Special Circumstances

Acceptable documentation may include:

- A documented interview between the student and the financial aid administrator or
- Supplementary information, as necessary, about the financial status or personal circumstances of eligible applicants as it relates to the special circumstances.

Unusual Circumstances

Acceptable documentation may include:

- A documented interview between the student and the financial aid administrator.
- A documented phone call or written statement from an attorney, guardian ad litem, a court-appointed special advocate (or similar), or a representative of a TRIO or GEAR UP that confirms the circumstance and the person's relationship with the student.
- A documented determination of independence made by a financial aid administrator at another institution in the same or a prior award year; or
- Utility bills, health insurance, or other documents that demonstrate a separation from parents or legal guardians.

Acceptable documentation may also include a documented phone call or written statement, which confirms the unusual circumstances with:

- A state, county, or tribal welfare agency.
- An independent living worker who supports current and former foster youth with the transition to adulthood; or
- A public or private agency, facility, or program servicing the victim's abuse, neglect, assault, or

violence.

5.11 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 decisions on a case-by-case basis.

Unaccompanied Homeless Youth Procedure

Student

- Completes a written statement and gathers supporting documentation;
- Supporting documentation can include a letter from the following:
 - A local educational agency is a homeless liaison, or a designee of the liaison
 - The director of an emergency or transitional shelter, street outreach program, homeless youth drop-in center, or other programs serving individuals who are experiencing homelessness, or a designee;
 - The director of a federal Trio program or a Gaining Early Awareness and readiness for Undergraduate Program (Gear Up) grant, or a designee

Director of Financial Aid

- Asks 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>).
- Uses discretion when gathering information and respects the student's privacy. Some information, such as that protected by doctor-patient privilege, is confidential.
- Determines eligibility based on the legal definitions provided.
- Uses third party servicer in the determination.
- Unaccompanied homeless youth may use the address of your school as their own on the FAFSA.

In the absence of documentation from any of the individuals described above, FAAs must make a case-by-case determination:

- Based upon student completion of the Unaccompanied Youth Questionnaire. Student answers to the questionnaire must confirm that they are unaccompanied or homeless youth, or unaccompanied at risk of homelessness, and self-supporting to be determined eligible for dependency override.
- Made without regard to the reasons that the student is unaccompanied and/or homeless.

Foster Care Youth Policy

DDBS requires that a student provide documentation that they were in foster care at the age of 17 or older. DDBS must consider any of the following documentation to be adequate in the absence of conflicting information:

- Submission of a court order or official state documentation that the student received federal or state support in foster care;
- A documented phone call or a written statement from an attorney, guardian ad litem, or court-appointed special advocate;
- Verification of the student's eligibility for an education and training voucher under the John H.

- Chafee Foster Care Program under section 477 of the Social Security Act (42 U.S.C. 677); or
- A documented phone call or written statement from a financial aid administrator who documented the student's circumstance in the same or prior award year.

DDBS must also consider a phone call, written statement, or verifiable electronic data match from one of the following sources to be adequate documentation:

- A state, county, or tribal agency administering a program under part B or E of title IV of the Social Security Act (42 U.S.C. 621 et seq. and 670 et seq).
- A state Medicaid agency; or
- A public or private foster care placing agency, foster care facility, or placement.

Foster Youth Procedure

Student

- Answers “Yes” on the FAFSA to the foster youth question;
- Completes a written statement and gathers supporting documentation;

Director of Financial Aid

- Uses discretion when gathering information and respects the student’s privacy. Some information, such as that protected by doctor-patient privilege, is confidential.
- Determines eligibility in the absence of conflicting information;
- Uses third party servicer in the determination.

Professional Judgment during a Disaster, Emergency, or Economic Downturn Date of Last

The act codifies previous guidance from the department (as issued in earlier Dear Colleague Letters) to use statutory authority to exercise professional judgment during a disaster, emergency, or economic downturn.

Financial Aid administrators may, during a qualifying emergency:

- Determine that the income earned for work from an applicant is zero if the applicant can provide paper or electronic documentation of receipt of unemployment benefits or confirmation that an application for unemployment benefits was submitted; and
- Make additional appropriate adjustments to the income earned from work from a student, parent, or spouse, as applicable, based on the totality of the family’s situation, including consideration of unemployment benefits.

Acceptable documentation about unemployment should be submitted not more than 90 days from the date it was issued. However, institutions may use discretion to accept documentation older than 90 days under an institution’s general professional judgment authority if they do not have reason to believe there is conflicting information.

Further, the department will adjust the program review selection model to account for an increase in the use of professional judgment by schools during the award years applicable to the qualifying emergency.

Complete GEN-22-15 Department of Education (DOE) Publication Directive can be reviewed here: <http://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2022-11-04/fafsa-simplification-act-changes-implementation-2023-24>

5.12 Verification Deadlines

Students selected for verification under Title IV federal student aid requirements must complete all verification documentation in accordance with federal deadlines established by the U.S. Department of Education. To ensure compliance, the institution requires all verification documents to be submitted no later than the earlier of: (1) 120 days after the student's last date of enrollment in the award year, or (2) the federally published deadline for the applicable award year, as defined in federal regulations. In addition, all verification requirements must be completed prior to the disbursement of any federal student aid.

Students are notified of their selection for verification and provided a list of required documents, which may include tax transcripts, household information, identity confirmation, and other supporting records. Failure to submit all required documentation within the established timeframe may result in cancellation of Title IV eligibility for the award period. The institution will not disburse federal aid until verification is fully completed, and all conflicting information, if any, has been resolved in accordance with federal guidelines.

Fraudulent Documentation

DDBS maintains a zero-tolerance policy regarding fraudulent, falsified, or altered documentation submitted for the purposes of determining Title IV eligibility or enrollment. Fraudulent documentation includes, but is not limited to, altered identification documents, falsified tax information, counterfeit academic records, or any misrepresentation of identity, financial status, or academic history. If fraudulent documentation is suspected or identified at any point during the admissions or financial aid process, the student's file will be immediately placed on hold pending investigation, and no Title IV funds will be disbursed.

The institution reserves the right to require additional documentation, verify records with third-party sources, and report confirmed cases of fraud to the U.S. Department of Education and other appropriate authorities, as required by federal regulations. If fraud is confirmed, the student will be deemed ineligible for Title IV funding, may be administratively withdrawn, and may be subject to further institutional or legal action. All findings and supporting documentation will be retained in the student's official record in accordance with federal compliance and record retention requirements.

Deadlines and Failure to Submit Documentation

The federally mandated deadline for completing the entire verification process is the earlier of 120 days from the applicant's last date of enrollment or before the U.S. Department of Education's deadline of **September 20, 2025 (2024-2025 academic year) or September 10, 2026 (2025-2026 academic year)**, whichever comes first. Verification must always be completed before any funds are disbursed. If the student provides documentation after the deadline, DDBS 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.

For Pell grants, the student must have corrected any errors or shown that the information is correct, and the DDBS must have his or her valid, corrected Student Aid Report (SAR) or ISIR.

The verification process is complete when DDBS 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 of documentation or if DDBS does not receive the valid processed FAFSA report by the deadline, the student forfeits his/her Pell grant for the award year.

If a student is selected for ED verification after Title IV aid has been awarded, the student must complete the verification process within the same time frame as outlined above to remain eligible for federal funds. Until verification (or re-verification) is finalized by BEN, the student's Title IV aid

will be placed on hold, and no Title IV disbursements will be processed until the process has been finalized.

Federal verification must typically be completed before 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 responsible for providing information and completing the verification process

5.13 Fraudulent Documentation Procedures

Fraud and Abuse

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

All credible information indicating that an applicant for Title IV may have been 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 to any third-party servicer who may have engaged in fraud, breach of fiduciary responsibility, or other illegal conduct involving the FSA Programs.

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SECTION 6 — AWARDING & PACKAGING TITLE IV AID

Date of Last Revision: 7/1/2024, 3/26/2025, 6/27/2026

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 6/27/2026

6.1 COST OF ATTENDANCE (BUDGET)

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.

DDBS calculates the COA (cost of attendance) based on the individual student's Federal Student Aid non-need-based award eligibility, the student's program, and dependency status. The remaining FSA need-based award eligibility is calculated based on the student's COA minus SAI. COA is documented individually in the enrolled student's files upon receipt of a valid Institution Student Report (ISIR) from the United States Department of Education. Cost of Attendance is provided to prospective or enrolled students upon request.

Direct Costs

1. Tuition normally assessed for a student carrying the same academic workload – This information is provided by DDBS for each program offered by DDBS that is eligible for Title IV aid
2. An allowance for books, supplies - Based on the program at a school.

Indirect Costs

1. Transportation and miscellaneous expenses – Average of the various means of transportation and other miscellaneous expenses used by students attending DDBS.
2. An allowance for room and board – This will change if the student is living at home or living on his/her own. A student living with parents has a lower allowance than a student who is living off campus. An independent student can live with his/her parents, in which case you should use the “living with parents” cost of attendance. An average is used for all room and board allowances.

Note: Registration Fee is required to be paid before enrollment. The charges will be included as part of the Cost of Attendance (COA).

When the calculations are complete, there are two costs of attendance for each program offered at DDBS (one for students living with their parents and one for students living off campus).

The Cost of Attendance is the starting point for calculating a student's financial aid. The SAI, as determined by the ISIR, will be deducted from the Cost of Attendance to establish a student's eligibility for financial aid.

If the student claims he/she is living off campus and the promissory note that DDBS may have in the file indicates the student is living at the same address as the parent, DDBS must use the “living with parent” cost of attendance

Responsible Parties

Third Party Servicer

- Third Party Servicer populates the student's Cost of Attendance based on the information on the ISIR and program of interest and academic year.
- Third Party Servicer develops an award letter based on the information provided.

Financial Aid Administrator

- Reviews
- Contact the student once one receives the ISIR.
- Discuss info with the student.
- Have the students sign the award letter to accept, deny, or decrease.
- Give a copy to the student.

Procedure to Determine Annual COA

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 parents” 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>.

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 1st year dependent student annual loan amounts.

Procedure to Determine Annual COA – 2024-2025 AY

The tuition and books & supplies components are taken from exact figures. The social security cost-of-living adjustment (COLA) is 3.2% in 2024, 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.

2025-2026 Cost of Attendance for Entire Program (effective 7/26/2025)

2025-2026 Cost of Attendance for Entire Program - Effective 7/1/2025						
	Cosmetology - 11 mo		750 Esthetics - 6 mo		750 Advanced Esthetics - 6 mo	
	w/parent	not w/parent	w/parent	not w/parent	w/parent	not w/parent
Tuition	\$25,337	\$25,337	\$11,437	\$11,437	\$16,500	\$16,500
Books & Supplies	\$2,000	\$2,000	\$1,600	\$1,600	\$2,500	\$2,500
Housing*	\$0	\$11,252	\$0	\$6,290	\$0	\$6,290
Food*	\$3,550	\$3,663	\$3,663	\$1,998	\$1,998	\$1,998
Transportation	\$10,879	\$11,228	\$11,228	\$6,124	\$6,124	\$6,124
Personal/Misc	\$3,785	\$3,906	\$3,906	\$2,064	\$2,064	\$2,064
Loan Fees ESTIMATE	\$58	\$58	\$58	\$58	\$58	\$58
Registration Fee	\$100	\$100	\$100	\$100	\$100	\$100
State of MI registration f	\$63	\$63	\$63	\$63	\$63	\$63
Administrative Fee	\$500	\$500	\$800	\$800	\$650	\$650
Testing Fee	\$167	\$167	\$167	\$167	\$167	\$167
	\$46,439	\$58,274	\$33,022	\$30,702	\$30,224	\$36,515
2025 COLA = 2.5% (from www.ssa.gov/cola/)						
base year information from https://247wallst.com/state/cost-of-living-in-michigan/						
room, board, transportation & personal/misc calculated using 2025-2026 monthly figures multiplied by COLA						
Housing = \$1022.90/mo x 1.025 = \$1,048.47/mo						
Food = \$324.91/mo x 1.025 = \$333.04/mo						
Transportation = \$995.82/mo x 1.025 = \$1020.72/mo						
Personal/misc = \$346.48/mo x 1.025 = \$355.14						

Procedure to Determine Annual COA – 2025-2026 AY

The tuition and books & supplies components are taken from exact figures.

The social security cost-of-living adjustment (COLA) is 2.8% in 2026, 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.

2026-2027 Cost of Attendance for Entire Program (effective 7/1/2026)

2026-2027 Cost of Attendance for Entire Program - Effective 7/1/2026						
	Cosmetology - 11 mo		750 Esthetics - 6 mo		750 Advanced Esthetics - 6 mo	
	w/parent	not w/parent	w/parent	not w/parent	w/parent	not w/parent
Tuition	\$25,337	\$25,337	\$11,437	\$11,437	\$16,500	\$16,500
Books & Supplies	\$2,000	\$2,000	\$1,600	\$1,600	\$2,500	\$2,500
Housing*	\$0	\$11,856	\$0	\$6,467	\$0	\$6,467
Food*	\$3,766	\$3,766	\$2,054	\$2,054	\$2,054	\$2,054
Transportation	\$11,542	\$11,542	\$6,296	\$6,296	\$6,296	\$6,296
Personal/Misc	\$4,016	\$4,016	\$2,190	\$2,190	\$2,190	\$2,190
Loan Fees ESTIMATE	\$58	\$58	\$58	\$58	\$58	\$58
Registration Fee	\$100	\$100	\$100	\$100	\$100	\$100
State of MI registration f	\$63	\$63	\$63	\$63	\$63	\$63
Administrative Fee	\$500	\$500	\$800	\$800	\$650	\$650
Testing Fee	\$167	\$167	\$167	\$167	\$167	\$167
	<u>\$47,549</u>	<u>\$59,405</u>	<u>\$24,766</u>	<u>\$31,232</u>	<u>\$30,579</u>	<u>\$37,045</u>

2026 COLA = 2.8% (from www.ssa.gov/cola/)

base year information from <https://247wallst.com/state/cost-of-living-in-michigan/>

room, board, transportation & personal/misc calculated using 2025-2026 monthly figures multiplied by COLA

Housing = \$1048.47/mo x 1.028 = \$1,077.83

Food = \$333.04/mo x 1.028 = \$342.37

Transportation = \$1,020.72/mo x 1.028 = \$1,049.30

Personal/misc = \$355.14/mo x 1.028 = \$365.08

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 based on a COA comprised of allowable costs assessed to 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 and is the 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.

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 the 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 are 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 by most of DDBS'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 the 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.

(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 once 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 DDBS, 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 are associated with such study.** This does not apply to studying 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 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.

Cost of Attendance for Students attending less than Half Time

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 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 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 for 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 timeframe. 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 DDBS 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.

(3)

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. If the student is 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 programming 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: 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.

6.2 PACKAGING AND AWARDING AID Philosophy

Packaging and Awarding Aid Policy

DDBS interviews a prospective student and develops a financial plan for the incoming student. DDBS 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. DDBS 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, DDBS forwards the request for aid to the Boston Educational Network for awarding and packaging. This is accomplished by DDBS submitting a Student Aid Profile into the BEN software system. Based on the information submitted by DDBS, the student's ISIR, and following USDE awarding regulations, BEN develops financial aid notifications 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:

- 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 students:

- selected program of study,
- dependency status,
- EFC, and
- prior Title IV aid (NSLDS).

DDBS is responsible for informing the student of their rights, requirements, and responsibilities in accepting the aid package. It is DDBS's responsibility to review the student ISIR and resolve any conflicting information (preferably before the submission of the student profile).

Institutions are responsible for providing student enrollment data to the National Student Loan Data System (NSLDS) and for reporting 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 DDBS'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

DDBS 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 DDBS before an award notification can be evaluated and created by BEN.

It is DDBS's responsibility to review the student ISIR and resolve any conflicting information

(preferably before 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 award of Title IV aid.

Federal Pell Grant Recalculation Policy

DDBS awards Pell Grants to those who qualify. Students qualify by completing the FAFSA and meeting the eligibility criteria outlined by the Department of Education. Students are not required to pay back the Federal Pell Grant. Recalculation occurs if a student's eligibility or enrollment status changes. In the event of Pell Grant recalculation resulting from student withdrawals, changes in enrollment status, or corrections to FAFSA information documentation is retained in the students' file as required.

Federal Pell Grant Recalculation Procedure

Director of Financial Aid

- Reviews Students' ISIR
- Reviews revised ISIR to determine student eligibility.
- Creates and submits aid requests based on recalculated eligibility to Boston Educational Network.

Third Party Servicer – Boston Educational Network

- Reviews revised ISIR and confirms eligibility for requested aid.
- Packages aid as eligible.
- Disburses funds upon request.

Business Office Liaison

- Transfers funds from Federal Funds Account
- Apply disbursement to the student ledger.
- Provides access to student records of payment upon request.

Financial Assistance Available Policy

Federal Pell Grants provide a foundation of financial assistance that may be supplemented by other resources and do not have to be repaid after graduation. Federal Pell Grants are determined after the financial status of a student is fully reviewed. Based on a student's financial circumstances, a specific amount of money is disbursed annually toward the student's education through the Federal Pell Grant. How much you can expect to receive from a Federal Pell Grant is solely based on your financial situation and other criteria.

William D. Ford Federal Direct Loan Program (Need & Non-Need Based Aid)

Loans made through this program are referred to as Federal Direct Loans because eligible students and parents borrow directly from the US Department of Education. You must be enrolled as a half-time student to be eligible for a loan. Direct Loans include the following:

- Federal Direct Subsidized Loans – you must have financial need to receive a subsidized loan. The US Department of Education will pay (subsidize) the interest that accrues on your Direct

Subsidized Loan during certain periods.

- Federal Direct Unsubsidized Loans – financial need is not a requirement to obtain an unsubsidized loan. You are responsible for paying the interest that accrues on your Direct Unsubsidized Loan.
- Federal Direct PLUS Loans (Plus Loans) are loans parents can obtain to help pay the cost of education for their dependent undergraduate children.

For updates and more information on federal financing, go to www.studentaid.ed.gov to learn more.

Federal student loan records of students and parents will be submitted to the National Student Loan Data System (NSLDS) and will be accessible by guaranty agencies, lenders, and institutions to determine authorized users of the data system. Students and parents may view their loan record history by visiting the website: www.nsls.ed.gov

Financial Assistance Available Procedure

Student

To be eligible to receive Title IV funds, we require applicants to provide requested information during the period(s) of July 1st through June 30th the following Award Year. Applicants must certify that the following data items are correct as listed on the original application; or if not correct, must update the data items, as of the date of verification:

- Number of family members in the household.
- Several family members in the household are now enrolled as at least half-time students in postsecondary educational instruction.
- Change in dependency instructions.

Federal Pell Grant applicants whose dependency status changes during the award year must file a correction application.

Consequences of Failure to Provide Documentation within the Specified Time Period(s)

If the student cannot provide all required documentation, DDBS cannot complete the verification process within one week from the date of enrollment. DDBS must then advise applicants that they may not be eligible for Financial Aid funds. DDBS then gives the applicants the following options:

- The student may continue training on a cash payment basis.
- Promptly submit needed items within 48 hours

If a Federal Pell Grant or Federal Direct Subsidized/Unsubsidized Loan applicant has not processed Part 2 of the SAR within one week of enrollment, DDBS must advise them that they are not eligible for Financial Aid. DDBS will then provide applicants with the following options:

- The student may continue training on a cash payment basis.
- Promptly submit needed items within 48 hours

6.3 Pell Grant Awarding Procedures

Date of Last Revision: 6/27/2026

Policy Reason

Pell Grant Scheduled Awards are based on information provided on the FAFSA application, the presence of a valid Student Aid Index (SAI) on the student's FAFSA Submission Summary or ISIR, the academic year structure, and the Pell Grant cost of attendance (COA) for a full-time student for a full academic year. Annual review of the Pell Grant Awarding Procedures, including but not limited to eligibility requirements, Pell Grant maximum and minimum award amounts, and administrative

guidelines are performed and policy revisions are performed as necessary.

General Eligibility Requirements for Federal Pell Grants

In general, a student must be enrolled in an undergraduate course of study at a non-foreign institution to receive a Pell Grant. For the Pell Grant program, a student is an undergraduate only if the student has not earned or completed the requirements for a bachelor's or professional degree. A student who has earned a baccalaureate degree or a first professional degree cannot receive a Pell Grant. Students selected for verification by the FPS or DDBS must resolve all conflicting information and verification requirements prior to the award or disbursement of Pell Grant funds.

Federal Pell Grant Eligibility Restrictions

1. 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. Similarly, a student with a baccalaureate or professional degree from a foreign school usually isn't eligible for a Pell Grant.

2. Concurrent awards at more than one school

A student may not receive Pell Grant payments concurrently from more than one school.

3. 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.

4. Incarceration

Beginning July 1, 2023, all confined or incarcerated students who are enrolled in eligible prison education programs and meet other criteria will be eligible for Pell Grants.

Definition of an Undergraduate Student

A student who completes a master's program has earned a degree beyond the baccalaureate level, making the student ineligible for a Pell Grant even if they do not have a bachelor's degree and enroll in an undergraduate program.

A student who has received an associate degree—or any certificate or diploma below the baccalaureate level—and who enrolls in another undergraduate program continues to be considered an undergraduate student. A student with a baccalaureate or professional degree is ineligible, even if the degree is from an unaccredited school. Similarly, a student with a baccalaureate or professional degree from a foreign school usually isn't eligible for a Pell Grant.

Wrong Grade Level on the FAFSA

When an undergraduate student incorrectly reports on the Free Application for Federal Student Aid (FAFSA®) form that the student will be a graduate student or has a bachelor's degree, the student must correct that information. Because the application shows that the student isn't an undergraduate, the Department's records will show that the student is ineligible for Pell. If the application isn't corrected, DDBS won't be able to pay the student a Pell Grant.

Prohibition on Receiving Two Pell Grant Payments for Concurrent Enrollment

A student may not receive Pell Grant payments concurrently from more than one school.

For Pell purposes, the phrase “concurrently from more than one institution” means that the student must be attending both schools at the same time for the concurrent Pell Grant prohibition to apply. A student who withdraws from one school and enrolls at least one day later in another school is normally not considered to have been enrolled concurrently.

Maximum Pell Grant Eligibility for Dependents of Certain Deceased Service members and Public Safety Officers

The *FAFSA Simplification Act* changed eligibility for what were formerly called “Iraq and Afghanistan Service Grants (IASG)” and “Children of Fallen Heroes (CFH) Scholarships.” Beginning with the 2024-25 award year, students who meet the eligibility requirements for Pell Grants under the Special Rule in HEA Section 401(c) will receive a maximum Pell Grant award, regardless of their calculated SAI. To receive a Pell Grant based on eligibility under the Special Rule, a student must be:

- The child of a parent or guardian who died in the line of duty while either (a) serving on active duty as a member of the U.S. Armed Forces on or after September 11, 2001; or (b) actively serving as and performing the duties of a public safety officer; and
- Less than 33 years old as of January 1 before the award year for which the applicant is applying (e.g., for the 2024–25 award year, a student must be less than 33 years old as of January 1, 2024, to be eligible).

In this situation, eligible students will have a Scheduled Award equal to a maximum Pell Grant award, regardless of SAI. Other aid for these students will be based on their calculated SAI.

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 and Advanced Esthetics programs, payment periods are as follows:

- i. 0-375 clock hours
- ii. 376-750 clock hours

Scheduled Award

A **Scheduled Award** is the maximum Federal Pell Grant a student can receive during the award year if the student attends full-time for a full **academic year**. The award year begins on July 1 of one year and ends on June 30 of the next year. The student’s **Scheduled Award** is established by DDBS using the student’s Pell Grant COA and the information received on the student’s ISIR, which will include the student’s Pell Grant eligibility and SAI.

Annual Award

The **annual award** is the maximum amount a student would receive during a full academic year based on enrollment intensity and COA. Note that for a full-time student, the annual award will be

the same as the Scheduled Award. A part-time student who is enrolled in a term-based program will have an annual award that is less than the Scheduled Award.

- The award is taken from the corresponding Payment Schedule
- If the student is full-time, the Annual Award is the Scheduled Award.

Published Maximum and Minimum Pell Grant Award Amounts

The maximum Pell Grant award amount is determined by the appropriation Act applicable to that award year. The Department will announce the maximum Pell Grant award amount for the award year, as required, when the amount is available. The minimum Pell Grant award amount will be 10% of the maximum Pell Grant award amount for the award year. Both the maximum and minimum award amounts will be rounded to the nearest \$5.

Pell Grant Eligibility Criteria

A student may qualify for a Pell Grant under one of three sets of eligibility criteria:

- Maximum Pell Grant eligibility (Max Pell)
- Minimum Pell Grant eligibility (Min Pell)
- Calculated Pell Grant eligibility, based on SAI

If FPS has determined that an ISIR transaction is eligible for a Pell Grant, the “Pell Grant Eligibility Flag” will be set to “Y”. Schools will use additional information on the ISIR to determine whether students qualify for Max Pell, Min Pell, or a Calculated Pell Grant. Actual Pell Grant award amounts are unique to individual students and are based upon and limited by the student's enrollment intensity, SAI, COA, and Lifetime Eligibility Used (LEU).

Maximum Pell Grant Eligibility Criteria

This section describes eligibility criteria to qualify for a Max Pell Grant and the “Max Pell Indicator” value that you will see on the student’s ISIR.

Dependent Student

Max Pell Indicator	Eligibility Criteria
1	The student's parent(s) is not required to file a federal income tax return.
2	The student's parent is a single parent and has an AGI greater than zero and less than or equal to 225% of the poverty guideline for the applicant's family size and state of residence.
3	The student's parent is not a single parent and has an AGI greater than zero and less than or equal to 175% of the poverty guideline for the applicant's family size and state of residence.
Blank	Ineligible for Max Pell

Independent Student

Max Pell Indicator	Eligibility Criteria
1	The student (and spouse, if applicable) is not required to file a federal income tax return.
2	The student is a single parent and has an AGI greater than zero and less than or equal to 225% of the poverty guideline for the applicant's family size and state of residence.
3	The student is not a single parent and has an AGI greater than zero and less than or equal to 175% of the poverty guideline for the applicant's family size and state of residence.
Blank	Ineligible for Max Pell

Minimum Pell Grant Eligibility Criteria

This section describes eligibility criteria to qualify for a Min Pell Grant and the “Minimum Pell Indicator” value that you will see on the student’s ISIR.

Dependent Student

Min Pell Indicator	Eligibility Criteria
1	The student’s parent is a single parent and has an AGI less than or equal to 325% of the poverty guideline for the applicant’s family size and state of residence.
2	The student’s parent is not a single parent and has an AGI less than or equal to 275% of the poverty guideline for the applicant’s family size and state of residence.
Blank	Ineligible for Min Pell

Independent Student

Min Pell Indicator	Eligibility Criteria
3	The student is a single parent, and the AGI is less than or equal to 400% of the poverty line.
4	The student is a parent and is not a single parent, and the AGI is less than or equal to 350% of the of the poverty guideline for the applicant’s family size and state of residence.
5	The student is not a parent, and the student’s (and spouse’s if applicable) AGI is less than or equal to 275% of the of the poverty guideline for the applicant’s family size and state of residence.
Blank	Ineligible for Min Pell

Calculated Pell Grant (Eligibility Based on SAI and COA)

If the “Pell Grant Eligibility Flag” on the ISIR is set to “Y”, but the “Max Pell Indicator” and “Minimum Pell Indicator” are blank, the student is eligible for a calculated Pell Grant. To determine the amount of a calculated Pell Grant, subtract the student’s calculated SAI from the award year’s published Max Pell amount. Round the result to the nearest \$5. If the result is greater than the award year’s published Min Pell amount and less than the student’s COA, the student is eligible for a calculated Pell Grant of that resulting amount.

Examples

Volume 7, Chapter 2, Example 1: Eligible for calculated Pell Grant

A student’s calculated SAI is 1,004 and the Pell COA is \$10,000. For demonstration purposes, assume the published Max Pell for the award year is \$7,395. DDBS subtracts the student’s calculated SAI from the published Max Pell and rounds the result to the nearest \$5.

Max Pell (\$7,395) - SAI (1,004) = \$6,391 (rounded to \$6,390)

Since the calculated Scheduled Award is less than the Pell COA, DDBS determines the student is eligible for a Scheduled Award of \$6,390.

Volume 7, Chapter 2, Example 2: Eligible for calculated Pell Grant, capped at COA

A student's calculated SAI is 1,004 and the Pell COA is \$6,385. For demonstration purposes, assume the published Max Pell for the award year is \$7,395. DDBS subtracts the student's calculated SAI from the published Max Pell and rounds the result to the nearest \$5.

Max Pell (\$7,395) - SAI (1,004) = \$6,391 (rounded to \$6,390)

Since the calculated Scheduled Award is greater than the Pell COA, DDBS determines the student's Scheduled Award must be capped at the COA. The student is eligible for a Scheduled Award of \$6,385.

Volume 7, Chapter 2, Example 3: Ineligible for calculated Pell Grant

A student's calculated SAI is 7,001 and the Pell COA is \$9,000. For demonstration purposes, assume the published Max Pell for the award year is \$7,395. DDBS subtracts the student's calculated SAI from the published Max Pell and rounds the result to the nearest \$5.

Max Pell (\$7,395) - SAI (7,001) = \$394 (rounded to \$395)

The published Min Pell for the award year is 10% of the Max Pell, or \$739. Since this student's calculated Pell Grant is less than the published Min Pell, the student is not eligible for a calculated Pell Grant.

Pell Grant Enrollment Intensity for Clock-Hour or Nonterm-Based Programs

Students enrolled in clock-hour, or non-term-based programs are enrolled full-time for Pell Grant purposes.

Pell Formula 4: Clock-Hour Programs

In accordance with Department of Education regulations, DDBS uses Formula 4 for Pell Grant Eligibility determination and awarding.

Awarding Pell Grants Using Formula 4

Enrollment Intensity in Clock-Hour and Non-Term Credit-Hour Programs

The annual award for a student in a clock-hour or non-term credit-hour program is always based on the full-time Scheduled Award, even if the student is attending less than full-time.

Calculating Payment Amounts in Clock-Hour and Non-Term Credit-Hour Programs

Pell Grants must be paid in installments over the course of the academic year or program of study to help meet the students' costs in each payment period. The payment period determines when Pell funds are disbursed and the exact amount to be disbursed.

If a program is less than an academic year in length (in either clock/credit hours or weeks of instructional time), students enrolled in the program won't receive a full Scheduled Award.

DDBS performs comparable proration of the award for each payment period in the student's program. The calculation for the payment period pro-rates a student's Scheduled Award based on either (1) the number of clock hours in the payment period compared to the clock hours in the defined academic year or (2) the number of weeks of instructional time in the payment period compared to the weeks of instructional time in the academic year. To determine the payment for a payment period, the institution multiplies 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

Notes:

- These fractions use weeks of instructional time, which are not necessarily the same number as the calendar weeks in an academic year.
- The program's academic year must be at least 26 weeks for clock-hour programs.

Enrollment Intensity Standards for Clock-Hour and Other Non-Term Programs

For non-term programs, the enrollment minimums are:

- Full-time enrollment (clock hours): at least 24 hours per calendar week.
- Less than half-time enrollment (clock hours) is defined as less than half of the workload of the minimum full-time requirement.

Pell Formula 4 Examples

Volume 7, Chapter 4, Example 9: Payments for clock-hour program

A school offers a program that is 900 clock-hours and 22 weeks of instructional time in length. The school defines the academic year for the program based on the regulatory minimums: 900 clock-hours and 26 weeks of instructional time. The school has established two payment periods of 450 clock hours and 11 weeks each for this program.

To determine the disbursement for the payment period, the school must multiply the Scheduled Award by the lesser of:

- the fraction comparing the hours in the payment period to the hours in the academic year (450/900), or
- the fraction comparing the weeks in the payment period to the weeks in the academic year (11/26).

If the student's Scheduled Award is \$7,500, the two possible calculations would be as follows:

- (450 clock hours in the payment period * \$7,500) ÷ 900 clock hours in the academic year = \$3,750; or
- (11 weeks in the payment period * \$7,500) ÷ 26 weeks in the program's academic year = \$3,173.08

In this example, the lesser fraction is the one based on weeks. Therefore, the student's payment for the first payment period will be \$3,173.08 (or \$3,173 if your school does not award cents). The student can get this payment when they begin the program. They can receive a second payment of \$3,173.08 (or \$3,173 if your school does not award cents) after the student successfully completes the 450 clock hours and 11 weeks in the first payment period.

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, DDBS ensures financial aid administrators multiply first, 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.

$$\$2,150 \times (10/30) \text{ is multiplied as } (2,150 \times 10)/30 = \$716.67$$

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 (\$731.00).

Pell Grant Rounding Procedure

The Common Origination and Disbursement System (COD) accept 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 1st payment and the lesser dollar Pell award in the 2nd 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 exceeds the student's Scheduled Award or places the student's LEU over 600%.

Crossover Payment Periods

Payment periods don't always fall neatly into one award year or another. A payment period that begins before July 1 and ends on or after July 1 is called a "crossover payment period." The formula for calculating the payment for a crossover payment period is the same as that for any other payment period in the award year.

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 June 30 **and** July 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 a valid SAR/ISIR for the assigned year and have remaining eligibility
- Any aid drawn down for the crossover period may pay all costs associated with the period (even if paying from the next award year)
- May use a 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 half-time. 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 students' costs 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:

$$\frac{\text{Number of clock-hours in the payment period}}{\text{Number of clock-hours in the program's academic year}}$$

OR

Weeks in the payment period

Weeks in the program's academic year (at least 30 for credit hours, at least 26 for clock hours)

Enrollment Status Standards for Clock-hour and Other Non-term Programs

For non-term programs, the enrollment minimum is:

- Full-time clock-hours: at least 24 clock-hours per calendar week

Coursework Completion Requirement & Withdrawal/Re-entry

Students in non-term programs must 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;
- DDBS 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 placed 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 that will result in the student receiving more than his or her Scheduled Federal Pell Grant for an award year.

Year-Round Pell (YRP)

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.” Students eligible for Year-Round Pell awards are subject to the normal duration of eligibility rules and LEU limits.

Year-Round Pell allows students who have already exhausted their Scheduled Award for an award year to continue receiving Pell funds (for example, for a summer trailer term), or to receive Pell funds without prematurely reducing their Pell eligibility for the remainder of the award year (for example, for a summer header term). A student’s Year-Round Pell eligibility is certified by the Additional Eligibility Indicator (AEI) in COD.

Year-round Pell Procedure

To be eligible to receive Pell funds more than 100% of their Scheduled Award during a single award year, students must be enrolled at least half-time. With Year-Round Pell, students do not receive more Pell Grant funds in each payment period. They receive the same amount as is normally calculated for a payment period, but students who are otherwise eligible for Pell Grants may receive Pell Grant funds for an award year up to 150% of their Scheduled Award.

You may assign the Pell Grant award to a different award year than the rest of the student’s *Title IV* aid. You can make a payment for a crossover payment period out of either award year if the student has a valid FAFSA Submission Summary/ISIR for the award year selected. You may assign two consecutive crossover payment periods to the same award year.

Although you may assign a crossover payment period to either of the relevant award years, you must make the assignment based on what you determine will be most beneficial to students.

You may not make a payment that will result in the student receiving more than their Scheduled Award for an award year, unless the student is eligible for a Year-Round Pell award, in which case the student may be eligible to receive up to 150% of their Scheduled Award for the award year.

Receiving Less than the Scheduled Award Due to Crossover

A student may also receive less than a Scheduled Award in an award year if the program crosses award years and the student’s Pell Grant award in one of the award years is for a portion of the program that is less than a full academic year.

Example

Volume 7, Chapter 5, Example 5: Year-Round Pell in a clock-hour program

A student enrolls in an 1,125 clock-hour program over 32.5 weeks. Payment periods 1 and 2 consist of 450 clock hours and 13 weeks; payment period 3 consists of 225 clock hours and 6.5 weeks. The program is scheduled to occur entirely within the 2024–25 award year and has an academic year of 900 clock hours and 26 weeks of instructional time. The student has a Scheduled Award of \$7,000.

The school awards the student \$3,500 in Pell for each of the first two payment periods 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, the school calculates that the student would be eligible to receive \$1,750 in Pell if the student's Scheduled Award would allow it. Without Year-Round Pell, the student would have no remaining Pell Grant eligibility, as they have already received a 100% Scheduled Award of \$7,000 for 2024–25, but with Year-Round Pell, if the student remains in all other ways Pell-eligible, the student is eligible to receive up to an additional 50% of their \$7,000 Scheduled Award, for a maximum total of \$10,500.

Adding \$1,750 to the \$7,000 the student has already received, the school sees that the student will be awarded a total of \$8,750 for 2024–25, which is within their \$10,500 Year-Round Pell maximum. Note that the school does not increase the student's final award for the award year to match their Year-Round Pell maximum; the student's awards for each payment period are calculated according to the Pell rules described previously in this volume.

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. However, a transfer student's remaining Pell eligibility at your school is reduced if the student receives 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 will start 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.)

Initial Calculations, Recalculations

Initial Calculation

An initial calculation is the first calculation that is made on, or after the date DDBS has received a department-produced SAI, such as the student's initial FAFSA Submission Summary or ISIR with an official SAI and a Pell Eligibility Flag of "Y." This may be from a FAFSA Submission Summary/ISIR, the FAFSA Partner Portal, or FAFSA.gov. The initial calculation uses the student's enrollment intensity at the time of the calculation. If you've estimated the student's eligibility before receiving a FAFSA Submission Summary or ISIR for the student, you must confirm prior estimated eligibility or determine the student's eligibility at the time you receive the FAFSA Submission Summary or ISIR.

You should document the date when you initially calculate a student's Pell Grant, which can be no earlier than the date your school received a department-produced SAI. If you fail to document the date of the initial calculation, you must use the later of

- a. The date that the FAFSA Submission Summary 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 FAFSA Submission Summary, your school is considered to have received it on the date processed unless you document a later date. The processing date on a FAFSA Submission Summary is the date above the SAI.

Federal Pell Grant Recalculation Policy

DDBS awards Pell Grants to those who qualify. Students qualify by completing the FAFSA, and they earn a Federal Pell Grant based on need. Students are not required to pay back the Federal Pell Grant. Recalculation occurs if a student has a status change or if their EFC changes.

Federal Pell Grant Recalculation Procedure

Director of Financial Aid

- Reviews Students' ISIR
- When there is a question, communicate with the third-party servicer to determine student eligibility with the revised ISIR.
- Prints off the award letter for the student to sign (keep a copy, give a copy) or emails to the student using DocuSign;
- Enters disbursements into Roll Call using the correct disbursement dates

Business Center Liaison

- Requests disbursement on BEN's internal system

Third Party Servicer

- Calculating the amount of Pell Grant a student is eligible for;
- Awards Pell Grant to eligible students
- Disburses funds upon request

Director of Operations

- Transfers funds from the federal funds account

Pell Recalculation Due to Change in SAI or Other Pell Eligibility Indicators

If the student's SAI or one of the other Pell eligibility indicators change due to corrections, updates, or an adjustment, and the change would alter the amount of the Pell award, you must recalculate the Pell award for the entire award year. In addition to the SAI, these indicators include the Max Pell, Minimum Pell, CFH, or IASG indicators. If the student has received more than their Scheduled Award amount due to the recalculation, 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 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 SAI than the previous ISIR (increasing the student's eligibility), you calculate the student's Pell Grant based on the valid ISIR.

If you receive a FAFSA Submission Summary or ISIR with a SAI 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 FAFSA Submission Summary 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 SAI.

Effective July 1, 2026, for students who already hold a bachelor's degree but have remaining Pell Grant Eligibility (i.e., lifetime usage below 600%), the financial aid administrator will process a correction to the student's FAFSA Submission via the FAFSA Partner Portal to indicate enrollment in an eligible workforce program to reinstate Pell Eligibility. Students must continue to meet all other Pell Grant Eligibility requirements, including SAI limitations and SAP requirements.

Pell Recalculation Due to Change in Enrollment Intensity

You must report changes to a student's enrollment status to NSLDS promptly. Any change requiring a recalculation of the award may also require an update to the student's enrollment intensity. 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 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 enrollment intensity has changed, you must also consider 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.

Change in Enrollment Intensity within a Payment Period after a Student Has Begun Attendance in All Classes

The regulations don't require any recalculation for changes in enrollment status after the student has begun attendance in all 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 consider 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 intensity decreases.

The initial calculation of a student's Pell Grant may occur after 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 intensity, 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 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

Jonathan registers for a full-time course load at DDBS, and DDBS initially calculates a full-time award for him. He begins attending all of his classes but subsequently drops to half-time. Depending on DDBS's recalculation policy, Jonathan may still be paid based on full-time enrollment as long as he's otherwise eligible for payment. On the other hand, if DDBS did not receive Jonathan'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

Jessica registers for a full-time program, and DDBS makes a first-term disbursement on that basis 10 days before the term starts. When the term starts, Jessica only begins attendance in a different program. DDBS must recalculate Jessica's Pell award based on the lower enrollment status. Any difference between the amount Jessica received and his new recalculated award is an overpayment.

Tuition and Fee Charges and Recalculation

If DDBS recalculates a student's Pell Grant due to a change in enrollment status, continuing to charge tuition and fees for clock 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. Jessica enrolls in a 900-clock-hour cosmetology program scheduled for over 30 weeks. She is considered a full-time student. However, Jessica never begins attendance in a scheduled 225-hour module. Because she did not attend those hours, her financial aid eligibility must be recalculated based only on the 675 hours she is attending.

Although Jessica remains responsible for the tuition charges for the full 900 hours, her financial aid award must reflect only the hours for which she began attendance.

Iraq and Afghanistan Service Grant Program

Policy Reason

The Iraq and Afghanistan Service Grant (IASG) are awarded to a student whose parent or guardian

died because 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 parents' 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 because 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 DDBS 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 meets the above criteria and has a Pell-eligible EFC. (Note that the zero EFC is only used for packaging purposes; DDBS does not actually change the student's calculated EFC.) When submitting an origination to COD for a student of this type, DDBS 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, DDBS 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.

6.4 Direct Loan Awarding Procedures

Policy Reason

To ensure Federal Direct Loan/PLUS loans are awarded in accordance with federal guidelines. This policy is reviewed annually to ensure continued compliance.

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. Three types of Direct Loans can help students and parents pay for education after high school.

Federal Direct Loan awards are based on information provided on the FAFSA application, the presence of a valid Student Aid Index (SAI) and an eligible Institutional Student Information Record (ISIR), student grade level, dependency status, annual and aggregate loan limits, cost of attendance (COA), estimated financial assistance (EFA), enrollment status, and academic year structure.

DDBS awards Federal Direct Loans in accordance with Title IV regulations and Department of Education guidance for clock-hour and non-term educational programs.

Loan Eligibility Requirements

To receive a Federal Direct Loan, a student:

- Has a valid FAFSA on file
- Is enrolled in an eligible program
- Is enrolled at least half-time
- Maintains satisfactory academic progress (SAP)
- Is a U.S. citizen or eligible noncitizen
- Is not in default on a federal student loan
- Does not owe a federal grant overpayment
- Completes Entrance Counseling, if required
- Completes a valid Master Promissory Note (MPN)
- Has remaining annual and aggregate loan eligibility

Academic Year Definitions for Loan Purposes

For Federal Direct Loan purposes, DDBS defines the academic year as:

Cosmetology Program

- 900 clock hours
- 26 weeks of instructional time

Esthetics and Advanced Esthetics Programs

- 750 clock hours
- 26 weeks of instructional time

Students enrolled in programs longer than one academic year may become eligible for additional annual loan funds after completing both the required clock hours and weeks of instructional time in the academic year.

Loan Award Determination

Federal Direct Loan eligibility is determined using:

- Cost of Attendance (COA)
- Student Aid Index (SAI)
- Estimated Financial Assistance (EFA)

- Dependency status
- Grade level
- Annual and aggregate loan limits

DDBS ensures that total financial assistance does not exceed the student's cost of attendance or applicable federal loan limits.

Loan Recalculations

DDBS recalculates Direct Loan eligibility whenever:

- Enrollment status changes
- Cost of attendance changes
- Estimated financial assistance changes
- FAFSA corrections are received
- NSLDS information changes
- The student withdraws or ceases attendance

Loan amounts may be reduced or canceled to remain within federal eligibility limits.

6.5 Subsidized/Unsubsidized Loan Procedures

Subsidized and Unsubsidized Loan Awarding Procedures

Subsidized Loan Awarding

Direct Subsidized Loans are awarded based on financial need.

Subsidized loan eligibility is determined using the following calculation:

Cost of Attendance (COA)

Minus Student Aid Index (SAI)

Minus Estimated Financial Assistance (EFA)

Equals Remaining Financial Need

The Direct Subsidized Loan amount cannot exceed:

- The student's remaining financial need
- Annual loan limits
- Aggregate loan limits

Unsubsidized Loan Awarding

Direct Unsubsidized Loans are awarded to eligible students regardless of financial need.

Eligibility for unsubsidized loan funds is limited by:

- Annual loan limits
- Aggregate loan limits
- Cost of attendance minus all other financial assistance

Dependent students whose parents are denied a PLUS Loan may qualify for additional unsubsidized Direct Loan eligibility under federal regulations.

Loan Proration

If a student is enrolled in a program or a remaining period of study shorter than a full academic year, annual loan limits are prorated based on:

- Remaining clock hours
- Remaining weeks of instructional time

DDBS uses the lesser prorated amount when determining eligibility. **Plus, Loan Awarding Procedures** and Parents of dependent undergraduate students may apply for a Federal Direct PLUS Loan to assist with educational expenses.

The parent borrower:

- Is the biological or adoptive parent of the dependent student
- Completes a valid PLUS Loan application
- Passes the required federal credit check or obtains an approved endorser
- Completes the PLUS Master Promissory Note (MPN)

6.6 PLUS Loan Procedures

Plus Loan Award Determination

The maximum PLUS Loan eligibility is determined by:

Cost of Attendance (COA)

Minus all other Estimated Financial Assistance (EFA)

Equals Maximum PLUS Eligibility

A parent may borrow up to the student's remaining cost of attendance after all other aid has been awarded.

Plus Loan Denials

If a parent is denied a PLUS Loan and does not obtain an approved endorser, the dependent student may become eligible for additional unsubsidized Direct Loan funds under federal annual loan limit provisions.

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 6/27/2026

Parent Loan for Undergraduate Students (PLUS)

Policy Reason

To provide information on the Parent PLUS Loan and detailed 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 having 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-**](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**. 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

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 Subsidized Loans and Direct Unsubsidized Loans

First Disbursement Date	Loan Fee
On or after 10/1/20 and before 10/1/26	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 10/1/26	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

Loan Fees for Direct Subsidized Loans and Direct Unsubsidized Loans

First Disbursement Date	Loan Fee
On or after 10/1/20 and before 10/1/26	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 10/1/26	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.

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 (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.

6.7 Loan Over-award Procedures

DDBS monitors all federal aid awards to ensure students do not receive financial assistance more than federal eligibility limits or the cost of attendance.

Over-award Determination

A loan over-award exists when:

- A student's total financial assistance exceeds the cost of attendance
- A student exceeds annual or aggregate loan limits
- A student receives subsidized loan funds in excess of demonstrated financial need

Over-awards may result from:

- Changes in enrollment status
- Receipt of additional financial assistance
- Corrections to FAFSA data
- Cost of attendance adjustments
- NSLDS updates
- Administrative or processing errors

Over-award Resolution Procedures

If DDBS identifies a loan over-award, the institution:

- Recalculates the student's eligibility
- Reduces or cancels undisbursed loan funds as necessary
- Returns excess funds to the Department of Education when required
- Notifies the student of any resulting balance or repayment obligation

Over-awards occur when the Title IV aid that has been awarded and the Estimated Financial Assistance (EFA) added together exceed need or COA, or both. DDBS resolves over-awards in accordance with federal regulations and guidance.

Two Types of Over-awards:

1. Awarded aid exceeds the student's **need**
 - The aid package includes subsidized federal student aid and other EFA. When totaled, the amount exceeds the 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.

Procedures for Handling Over-awards

Director of Financial Aid

- Stop – Do not disburse aid until over-award is resolved;
- Alerts the Business Center Liaison of the over-award upon discovery;
- Alerts the third-party servicer of the over-award as soon as possible;
- If it is the case of a student submitting an outside check causing the over-award, BEN will reduce the student's unsubsidized student loan 1st by the amount of the over-award;
- Using the order of funds returned, if there is still an over-award, the student's subsidized student loan would be reduced.
- At no point is the Pell Grant reduced!
- A new financial aid offer letter will be generated.
- Student must sign the updated financial aid offer letter before disbursing aid funds;
- Enters the outside check to the student ledger;
- Give a copy of the student ledger to the Records Clerk for filing in the student's file.

Business Center Representative

- Notifies student of the over-award within 14 days of the disbursement;
- Processes the outside check and enters the school account;
- Issues the amount of the refund to the student, if applicable,

Records Clerk

- Places a copy of the student ledger in the financial aid file.

Over award exception: When Pell Grant is the only federal student aid in the package.

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 6/27/2026

Avoiding Pell Grant Over-awards

A Pell Grant award can be caused by a school making an error in reading the Pell payment schedule (for example, using the wrong SAI or COA). A Pell Grant over-award 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 over-award 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 details about the FAFSA and EFC data, see the Application and Verification Guide). A Pell over-award 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 over award exists whenever a student is scheduled to receive or is receiving a Pell Grant for attendance at two or more schools concurrently. All these Pell Grant over-awards must be corrected. For more details on the requirements and methods of resolving over-awards, see *Volume 4, Chapter 3*.

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025

6.8 Scholarship Coordination

Dymond Designs Beauty School coordinates all institutional, private, state, and external scholarship funds in compliance with Title IV federal financial aid, the Council on Occupational Education accrediting agency, and the State of Michigan regulations and requirements. Scholarship awards are administered consistently and equitably to ensure accurate packaging of student financial assistance and prevention of over-awards.

Policy

The financial aid office and business center office are responsible for coordinating scholarship assistance with all other forms of student financial aid, including federal Pell grants, Direct Loans, payment plans, and any additional educational assistance received by the student. All scholarships awarded to students shall be documented in the student's financial aid file and applied toward institutional charges in accordance with established school procedures and federal regulations. Scholarship funds received from outside agencies

Scholarship funds received from outside agencies or organizations must be reported by the student to the financial aid office. The school will evaluate the impact of outside scholarship assistance on the student's Title

IV eligibility and adjust when necessary to prevent over-awards.

Institutional scholarships awarded by the school shall be:

- Administered according to published criteria.’
- Applied consistently and without discrimination,
- Documented in the student file,
- Reflected in the student ledger and financial aid award information

The scholarship may be prorated, adjusted, or canceled if:

- A student withdraws
- Enrollment status changes
- Satisfactory Academic Progress is not maintained,
- Or eligibility requirements are no longer met.

The school maintains records of all scholarship awards, adjustments, and disbursements in accordance with federal record retention requirements.

Procedures

1. Students are informed of available scholarship opportunities through administrative communication.
2. Supporting documentation reviewed for scholarship by designated personnel.
3. Approved scholarship awards are documented in the student’s file
4. The financial aid office coordinates scholarship awards with other aid sources before disbursement.
5. Any required adjustments to Title IV aid are completed before funds are applied to the student account
6. The school monitors scholarship disbursements to ensure compliance with federal aid packaging requirements and institutional policies.

6.9 Disbursement of Federal Funds Procedures

DDBS informs all students of the amount of funds that they or their parents can expect to receive back from each FSA program. This notification is sent before the disbursement is made. If the funds include a Stafford Loan (whether a Direct Loan), the notice indicates which funds are from subsidized loans and which are from unsubsidized loans. DDBS aims to 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, DDBS may include the gross loan disbursement amount or a close approximation of the net disbursement amount. DDBS also notifies students and/or parents when Stafford or PLUS loan funds are being credited to a student’s account. This notification must be sent within 30 days of crediting the student’s account, no earlier than 30 days before and no later than 30 days after. 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 DDBS that he or she wishes to cancel the loan or disbursement.

These policies apply to the following programs: Direct Loans and Loans.

Disbursement of Federal Funds Procedure
Business Center Liaison

- (1) Notifications & Authorizations
 - a. Notification of disbursement
 - b. Required student/parent authorizations
 - c. Notification/authorization by electronic means
- (2) Disbursement rules/ timing of multiple disbursements
 - a. Funds may be disbursed up to 10 days before classes begin (in most cases)
 - b. Disbursements to 1st-time, 1st-year, Stafford borrowers must be delayed 30 days
 - c. Requirement to complete coursework in clock-hour
 - d. DDBS may make unequal FSEOG disbursements to meet uneven costs
 - e. Under certain conditions, late disbursements must be made to students
- (3) Prompt disbursement rules
 - a. Usually, there is a 3-day timeframe for DDBS to disburse to the student/parent after receiving funds
 - i. Exception: School may delay returning Stafford/PLUS funds to the lender in some cases.
 - b. DDBS 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 or telephone notices in addition to those provided in writing.

Director of Financial Aid

- (4) 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

If the student or parent borrower wishes to cancel all or a portion of a loan, he or she must inform DDBS. DDBS honors all requests received before the start of the payment period or within 14 days of disbursement. If DDBS receives a student's or parent's request for cancellation after these dates, DDBS may, but is not required to, honor the request. Regardless of when the request is received, DDBS informs the student or parent of the outcome of the request.

When acting upon a loan cancellation request, DDBS will 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 cancellation request was received. However, DDBS takes an active role in advising the borrower to return the funds already received.

Before DDBS can perform any of the following activities, the institution obtains 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 DDBS.
- Hold an FSA credit balance.
- Apply FSA funds to minor prior-year charges.

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 DDBS 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.

Upon return of 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.

Disbursement of Federal Funds Procedure

Business Center Liaison

(1) Notifications & Authorizations

- a. Notification of disbursement
- b. Required student/parent authorizations
- c. Notification/authorization by electronic means

(2) Disbursement rules/ timing of multiple disbursements

- a. Funds may be disbursed up to 10 days before classes begin (in most cases)
- b. Disbursements to 1st-time, 1st-year, Stafford borrowers must be delayed 30 days
- c. Requirement to complete coursework in clock-hour
- d. DDBS may make unequal FSEOG disbursements to meet uneven costs
- e. Under certain conditions, late disbursements must be made to students

(3) Prompt disbursement rules

- a. Usually, there is a 3-day timeframe for DDBS to disburse to the 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 telephone notices in addition to those provided in writing.

Director of Financial Aid

(4) 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

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 cancellation request 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.

6.10 Timing of Disbursements

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:

Clock-hour programs, the earliest a school may disburse FSA funds is the latter 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.

Interim Disbursements

DDBS does not make interim disbursements.

Late Disbursements

- Late disbursements can be made no later than 180 days after the student becomes ineligible.
- Intended for educational expenses were incurred while the student was enrolled and eligible.
- For Pell and Direct Loans, you must have processed SAR/ISIR with an official EFC, and the Direct Loan must have 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 has 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 has 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 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 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 complete payment period and certain conditions are met:

- Payments must be made to enrolled students for a completed payment period in the 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 include earned F's
- Does not include hours for classes dropped during the payment period

The credit balance is 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.

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 parents may authorize your school (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 a bank account in the student's name).

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

Notwithstanding any authorization obtained by the school, the school 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.

Reporting Accurate Disbursement Dates to COD and Student Ledger

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.

Director of Financial Aid

- Verifies that the student has met a list of required criteria before any disbursements of Title IV federal funds. The student must:
 - Physically matriculate in the program of their choice;
 - Meet all admissions requirements;
 - Have completed a Master Promissory Note for participation in the Direct Loan program;

- Maintain SAP;
- Have completed Loan Entrance Counseling for participation in the Direct Loan program;
- Have accepted award notifications.
- Obtains the start date from the secure student database:
 - Period 1 – always the student’s start date;
 - Periods 2-4 are determined by when the student begins the period.
- Notifies the Business Office when the student hits the number of clock hours earned for the next payment period. For instance, if it is the second payment period for Cosmetology, when the student reaches 450 clock hours, the date is recorded, and an email is sent to the Business Office representative.
- 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 start dates for these students.
- Print out the SAP progress report for each payment period;
- Logs the payments to the student ledger account;
- Retains the disbursement report

Business Office Representative

- Locates the start date for each student and includes it in the disbursement request;
- Enters the total number of clock hours the student has completed on the disbursement request page
- Submits a disbursement request in the secure BEN portal by clicking on the “Disbursement Requests” link
- Selects the type of aid, Pell Grant or Direct Loans;
- Selects the payment period
 - Cosmetology:
 - P1 = 0 – 450
 - P2 = 451 – 900
 - P3 = 901 – 1200
 - P4 = 1201 – 1500
 - Esthetics and Advanced Esthetics
 - P1 = 0 – 375
 - P2 = 376 – 750
- Reviews the disbursement report
- Contacts BEN if there are any discrepancies, including the date posted;
- Circles the date on the disbursement report showing the date reported to COD – This avoids any confusion about what date is to be used.
- Provides each student with a notice of disbursement and the right to cancel loan disbursements
- Files a copy of this notice in the student file
- Reviews the disbursement dates again during the monthly Title IV reconciliation.

Director of Operations

- Determines how many total clock hours the student has completed;
- Notifies the Business Office representative;

Third Party Servicer (BEN)

- Reviews each student disbursement request to ensure accuracy;
- If question(s) arise, notify DDBS via a posted Compliance Delay on the BEN website;
- Once the Compliance Delay has been resolved, create and transmit a disbursement file to COD
- Creates a disbursement roster once all the transmitted loan disbursement records have been accepted by COD;
- Resolves any discrepancies found by the Business Office representative;
- Requests funds from the G5 system

Policy and Procedure for Timely Updates to NSLDS

DDBS is responsible for accurate and timely accounting and reporting of the students' enrollment data to the National Student Loan Data System (NSLDS). The accuracy and timeliness of the data reported to NSLDS are imperative for ED 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

Student

- Requests schedule change;
- Pays the requisite fee.

Business Center Representative

- Completes a Schedule Change form;
- Notifies the entire staff and pertinent faculty

Director of Financial Aid

- Make notations on the annual Financial Aid Tracking spreadsheet and the Enrollment Reporting spreadsheet;
- Updates NSLDS within 30 days of the schedule change request;
- In NSLDS, the effective date is entered, the new schedule is selected, and the new expected completion date is also entered.
- Confirms and saves the new information in NSLDS;
- Prints out a copy of the NSLDS change
- Give this copy to the Records Clerk for filing in the student's paper and digital files.

Director of Operations

- If the Director of Financial Aid is unable to make the NSLDS updates, make the updates in NSLDS.

Records Clerk

- Files the NSLDS printout in the applicable student's paper and digital files.

Student Leave of Absence

Student

- Requests Leave of Absence in writing, according to the LOA policy;

Business Center Representative

- Completes a Leave of Absence form;
- Notifies the entire staff and pertinent faculty

Director of Financial Aid

- Make notations on the annual Financial Aid Tracking spreadsheet and the Enrollment Reporting spreadsheet;
- Updates NSLDS within 30 days of the LOA
- In NSLDS, the effective date is entered, Leave of Absence is selected, and the new expected completion date is also entered;
- Confirms and saves the new information in NSLDS;
- Prints out a copy of the NSLDS change
- Give this copy to the Records Clerk for filing in the student's paper and digital files.

Director of Operations

- If the Director of Financial Aid is unable to make the NSLDS updates, makes the updates in NSLDS;

Records Clerk

- Files the NSLDS printout in the applicable student's paper and digital files.

Student Graduates**Business Center Representative**

- When a student graduates, updates the student database;
- Notifies the entire administrative staff via email;

Director of Financial Aid

- Make notations on the annual Financial Aid Tracking spreadsheet and the Enrollment Reporting spreadsheet;
- Updates NSLDS within 30 days of graduation;
- In NSLDS, the effective date is entered, and a status of Graduated is selected;
- Reviews the expected completion date previously entered in NSLDS;
- If it is accurate, no change is made;
- If it is not accurate, the accurate graduation date is entered before confirming the information;
- Confirms and saves the new information in NSLDS;
- Prints out a copy of the NSLDS change
- Give this copy to the Records Clerk for filing in the student's paper and digital files.

Director of Operations

- If the Director of Financial Aid is unable to make the NSLDS updates, make the updates in NSLDS.

Records Clerk

- Print out the student's graduation certificate for the student and for the file.
- Files the NSLDS printout in the applicable student's paper and digital files.

Student Withdraws/Is Terminated**Business Center Representative**

- When a student has withdrawn or is terminated, notifies the entire administrative staff and pertinent faculty;
- Assists the Director of Financial Aid with the refund/R2T4 calculation, when applicable;

Director of Financial Aid

- Upon notification that a student has withdrawn or is terminated, make notations on the annual Financial Aid Tracking spreadsheet and the Enrollment Reporting spreadsheet;
- Calculates student refund/R2T4, when applicable;
- Updates NSLDS within 30 days of graduation;
- In NSLDS, the effective date is entered, and a status of Withdrawn is selected;
- Enters the last date of attendance as the end date in NSLDS;
- Confirms and saves the new information in NSLDS;
- Prints out a copy of the NSLDS change;
- Give a copy of all the withdrawal paperwork to the Records Clerk for filing in the student's paper and digital files.

Director of Operations

- If the Director of Financial Aid is unable to make the NSLDS updates, make the updates in NSLDS.

Records Clerk

- When a student has withdrawn or is terminated, updates the student database;
- Files the NSLDS printout in the applicable student's paper and digital files.

Program Changes

Should DDBS change programs or schedules for any program offered the following procedure is as follows:

Director of Financial Aid

- Upon notification that there is a program or schedule change for DDBS, make the necessary additions or changes in NSLDS;
- Inform BEN, in writing
- Files the email to BEN in the filing cabinet in the Director of Financial Aid's office.

Director of Operations

- If the Director of Financial Aid is unable to make the NSLDS updates, make the updates in NSLDS.

Third Party Servicer

- Upon receiving notification of a program or schedule change, make the necessary additions or changes in COD

Program Additions

Should DDBS add a program to the curriculum, the following procedure is followed:

Director of Financial Aid

- Upon notification that there is a program addition to the curriculum, make the necessary additions or changes in NSLDS;
- If unable to make the NSLDS updates, enter the updated information in NSLDS.
- Inform BEN, in writing
- Files the email to BEN in the filing cabinet in the Director of Financial Aid's office.

Third Party Servicer

- Upon receiving notification of a program or schedule change, make the necessary additions or changes in COD.

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. Our 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 DDBS will review and comment periodically on the effectiveness of this system.

The Director of Financial Aid is responsible for updating the process to ensure our school complies with the Direct Loan quality assurance component.

Reporting to the Common Origination and Disbursement (COD) System

B. Reporting to the Common Origination and Disbursement (COD) System

1. Reporting Loan Originations

Financial Aid Director

- Once an enrolled student has received a valid Institutional Student Information Record (ISIR) and has met all our enrollment requirements, sends a financial aid profile to our servicer, BEN.
- The profile consists of the student's enrollment/registration information and the aid the student is requesting.
- After the student has been awarded by BEN, retrieves the financial aid offer letter.
- Sends financial aid offer letter to student.

Third Party Servicer

- Reviews the information submitted by the Director of Financial Aid;
- Cross-references the student's ISIR for any conflicting data;
- Awards the student – generates the financial aid offer letter;
- Submits a loan origination record to COD;
- Retrieves the student's loan origination record acknowledgement on the next business day;
- If necessary, reviews and/or corrects any errors or rejections and resubmits to COD

2. Reporting Loan Disbursements and Adjustments

Third Party Servicer

- Create a loan disbursement file for transmission to COD at the end of the workday that consists of all loan disbursements processed that day;
- Retrieves the file acknowledgement;
- Imports the file into BEN's internal accounting system;

- Reviews all files;
- Identifies all accepted and rejected student files;
- Corrects the affected file(s) for any new errors or rejects;
- Resubmit the new file to COD with these
- Retrieves the corrected file for corrections
- Reviews the corrected file and once again identifies any errors or rejections;
- Once all disbursement files have been accepted by COD, create a disbursement roster containing all the accepted student disbursement records.

C. Disbursing and Returning Loan Funds

1. Disbursing Loan Funds

Director of Financial Aid

- Ensures that the student has completed Loan Entrance Counseling;
- Ensures that the student has signed the Master Promissory Note;
- Confirms that the student has met all eligibility requirements (e.g., admissions requirements, successful completion of a payment period, maintaining SAP, and accepted loans on the award letter);
- Credit the student's account with the amount of their disbursement(s) based on the disbursement records;
- Post the student's account/ledger with the date of the roster, which coincides with the date ED accepted the student's disbursement.

Business Office Liaison

- Coordinates the disbursing of loan funds with BEN;
- verify that all awarding issues have been satisfied (i.e., verification, C-codes, loan origination, etc.);
- Double checks that the student has met all eligibility requirements (e.g., admissions requirements, successful completion of a payment period, maintaining SAP, and accepted loans on the award letter);
- Download "disbursement roster" from the BEN website;
- Review roster for appropriateness and accuracy;
- Notify BEN if there are any variations between the expected disbursement and the actual disbursement roster.
- The next business day, verifies that the funds have been transmitted from ED into DDBS's institutional Title IV (federal funds) account;
- If funds have not arrived or if they are different from the total amount on the disbursement roster, instruct BEN of the discrepancy.
- Transfer funds from the federal funds (Title IV) account to DDBS's operating account;
- Notify the student the day of the disbursement;
- Also inform students that they have the right to rescind all or part of the loan disbursement.

Third Party Servicer

- Coordinates the disbursing of loan funds with DDBS;
- verify that all awarding issues have been satisfied (i.e., verification, C-codes, loan origination, etc.);
- Will not disburse an "interim" disbursement to students before awarding issues have been

resolved;

- Reviews each disbursement request to ensure that the request is accurate and appropriate;
- If any questions arise, notify DDBS via a “Compliance Delay” notice;
- Processes the student’s disbursement after the discrepancy has been resolved and no remaining eligibility issues exist;
- Processes the loan disbursement request in BEN’s internal accounting system;
- Creates and transmits a disbursement file to COD
- After ALL the transmitted loan disbursement records have been accepted by COD, BEN creates a “disbursement roster.”
- Requests funds using the G5 system

This system is developed to ensure that all reporting of disbursements follows the ED’s 15-day reporting, posting, and notification requirements.

2. Returning Loan Funds

Financial Aid Director

- Upon determining that a student has ceased enrollment, perform refund (Title IV and Institutional) calculations;
- If it has been determined that there is a Title IV refund due ED, ED notifies the Director of Operations of the refund amount that needs to be deposited into DDBS’s federal funds (Title IV) account for this student refund;
- Upon notification of the refund transaction by the Director of Operations, immediately notifies BEN with a Title IV Refund Request form via secure email;
- Post the refund to the student’s account/ledger

Director of Operations

- 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.
- On the date that the refund was deposited/transferred into the federal funds account, notify the Director of Financial Aid of this transaction.

Third Party Servicer (BEN)

- Receives the Title IV Refund Report;
- Reviews the Title IV Refund Report for accuracy and appropriateness (i.e., T4 program, award year, amount, etc.);
- Posts the refund in G5;
- Once G5 retrieves the funds from DDBS’s account and acknowledges the deposit, BEN then notifies COD of the student’s refund; \
- Receives notification 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. Accuracy and timeliness are of utmost importance. A large amount of DDBS’ Financial Aid training budget is dedicated to this process. The ownership of DDBS understands the complexity of this subject and strives to be in complete compliance.

D. Disbursing the correct loan amount to the correct student

1. Disbursing the correct loan amount

Financial Aid Director

- Reviews each student's financial aid offer letter for accuracy before delivering it to the student;
- Generates and calculates an estimated date of disbursement for each student loan.

Business Office Liaison

- Confirms loan amount when requesting student disbursement(s);
- Enters date information when requesting student disbursement(s)

Third Party Servicer

- While a student's award letter is generated, all loan origination records are submitted to COD.
- All loan origination records contain the amount and expected date of all anticipated disbursements for a student;
- Ensures that each student loan disbursement record corresponds identically with the student loan origination record; if not, COD rejects the record.
- Ensures that an "accepted" loan originated record must be on file for each student loan before disbursing any loan funds;
- No student disbursement is initiated until all disbursement records are accepted and processed by COD.

2. Disbursing to the correct student

Financial Aid Director

- Reviews each student's enrollment and financial aid information;
- Communicates with the Business Office representative re: date and amount of disbursement request.
- Post the roster detail to each student's account.

Business Office Representative

- Reviews the expected/anticipated disbursement before submission of the request;
- Submits request for disbursement to BEN;
- Retrieve the disbursement roster from BEN;
- Review the disbursement roster for appropriateness and accuracy;
- Communicate any issues to the Financial Aid Director and/or BEN;
- Notify the student that the disbursement has taken place and
- Informs student of their right to rescind all or part of the loan disbursement;
- Verifies that the funds posted to the student's accounts equal the amount indicated on BEN's disbursement roster.

Third Party Servicer

- Reviews the disbursement 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;
- Submits the disbursement to COD (the amount, award year, T4 program, etc.);
- Retrieves the accepted disbursement record from COD;

- Places the student on the disbursement roster;
- Make the disbursement roster available to DDBS.
- If there are no issues with the disbursement roster, request the roster funds via the G5 system.

Director of Operations

- Notifies the Director of Financial Aid that the funds have been transmitted from ED to DDBS's federal funds account.

To ensure accuracy, the Director of Operations verifies that the funds transmitted from ED to DDBS's federal funds account equal the total of BEN's roster. The Director of Financial Aid posts the roster amount to each student's account. The Business Office Representative verifies that the funds posted to the students' accounts equal the amount indicated on BEN's disbursement roster.

E. Completing monthly reconciliation and Program Closeout

Third Party Servicer

- At the beginning of every month, a BEN reconciliation specialist will print out a G5 summary for each school and
- Compares the summary to the BEN journals using inception to date for each Title IV program per award year;
- Identifies, reviews, documents, and resolves when necessary;
- Reviews the BEN Disbursement Differential YTD Report to identify any discrepancies;
- Runs a report from EdExpress to identify and correct any disbursements or adjustments that have not been accepted by COD.
- Utilizes the DLSAS report provided by COD every month - reviews the ending cash balance for each institution.
- When the ending cash balance does not equal \$0, a reconciliation specialist at BEN will review, identify, and resolve any outstanding issues.
- Documents any issues on the monthly spreadsheet;
- Completes yearly reconciliation;
- Officially closes out the Direct Loan award year on behalf of each institution in COD by the deadline imposed by ED.
- Provides critical data and reports for schools during their annual audit, ED Program Reviews, and upon demand from any client institution

Business Office Representative

- Reconciles student disbursement rosters with all student records monthly in coordination with BEN;
- Examines, reviews, and rectifies any discrepancies from federal funds deposits with student disbursement rosters;
- Contacts BEN if the discrepancy cannot be resolved at the DDBS level.

Note: DDBS (nor BEN) does not "offset" disbursement requests with actual deposited refunds, therefore all federal deposits are reconciled with student accounts and actual disbursement rosters

Prior Year Charges Policy

Prior-year charges in general, FSA Program funds can be used to pay only for educational expenses a student incurs in the period for which those funds are provided. However, a school is permitted to use a student's FSA Program funds to pay minor prior-year institutional charges if the student has, or will have, an FSA credit balance, and the school obtains the student's or parent's authorization to pay the prior-year charges.

Note: A school may obtain authorization from a student in advance to use FSA Program funds to cover prior-year charges that are less than \$200. To pay prior-year charges for amounts equal to or greater than \$200, in addition to obtaining authorization, a school must determine that payment would not prevent the student from paying for his or her current educational expenses.

If a student's title IV aid package includes only a Direct Loan, the current year is the current loan period. If a student's title IV aid package includes only non-Direct Loan aid, the current year is the award year. If a student's title IV aid package includes both a Direct Loan and other aid, the institution may choose to use either the loan period or the award year as the current year.

Prior Year Charges Procedure

Director of Financial Aid

- Obtain authorization from a student or parent in advance to use FSA Program Funds to cover prior-year charges that are less than \$200.
- Pay minor prior-year institutional charges if an FSA credit balance occurs, only to pay the student's costs for the period for which the funds are provided.
- Current-year funds for prior award year charges for tuition and fees (and with permission, educationally related charges) for a total of no more than \$200. May not pay prior year charges more than \$200.
-

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 service, 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.
 - 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. Before 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 to ensure 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 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 than 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 on the day of the disbursement, as well as inform them that they have the right to rescind all or part of the loan disbursement. We post the student's account/ledger

on the date of the roster, which coincides with the date ED accepted the student's 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 needs 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 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 is a high priority for our institution. Accuracy and timeliness are the most important. 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 service, BEN, we have a two-tier system of disbursing, entering, and adjusting funds.
 - b. Before any disbursement is initiated with a student, an award letter has been generated by our third-party service and accepted by the student. We review this award letter for accuracy and appropriateness before 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. Before 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 students are then notified via receipts that the disbursement has taken place and informed 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 total of BEN's roster. The Business Office posts the roster amount to each 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.

6.10 Interim Disbursement Procedures

DDBS does not make interim disbursements.

6.11 Credit Balance Procedures

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. 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). All student and parent authorizations to retain Title IV credit balances are voluntary, may be rescinded at any time, and remain in effect until canceled by the student or parent.

Title IV Credit Balance

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 via paper check 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 to create an FSA credit balance. DDBS may not require a student to take any action 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 Procedure

Business Office Liaison

- 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. If a student or parent chooses not to complete the form, the overpayment must be issued to the owed party based on the parent's or student information submitted to the Business Office.

Date of Last Revision: 7/1/2024, 3/26/2025, 6/27/2026

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 6/27/2026

6.12 Books and Supplies Authorization Policy & Disbursement of Books & Supplies for Pell Eligible Students 34 CFR 668.164(m)

Dymond Designs Beauty School authorizes the inclusion of required books, kits, supplies, and educational materials as part of the students' cost of attendance and institutional charges, as applicable to the enrolled program.

Students receiving Title IV financial aid may authorize the school to apply for eligible financial aid funds toward the purchase of required books and supplies necessary for attendance and successful completion of the program.

All required books and supplies are disclosed in the student handbook. Charges for books and supplies are documented on the student enrollment agreement and on the student's ledger. Documents are maintained in the student financial aid file in accordance with federal recordkeeping requirements.

Students may rescind or modify their authorization in writing, subject to institutional policies and applicable federal regulations. The school maintains documentation of all student authorizations related to the use of Title IV funds for books and supplies

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 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 the purchase of books and supplies is the lesser of the presumed credit balance or the amount needed by the student, as determined by DDBS.

The Federal Pell Grant eligible student may opt out of the way DDBS provides for the student to obtain or purchase books and supplies.

If a Federal Pell Grant eligible student uses the way provided by DDBS to obtain or purchase books and supplies, the student is considered to have authorized the use of Title IV, HEA funds, and DDBS does not need to obtain 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 DDBS will enter a charge on the student's account at DDBS for books and supplies or pay funds to the student directly. Also, during the financial aid counseling process, DDBS must explain, to students who qualify for advanced funds how:

- Purchasing 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 the student eligibility requirements before the start of their payment period. 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 DDBS; and
2. DDBS 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 promptly.

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 pro-rating 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 more than 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) DDBS 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 DDBS retained as of the student's withdrawal date, which may exceed the prorated amount because of the student's or parent's authorization for DDBS 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.

6.13 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 before disbursement.

Entrance Counseling Procedure

To ensure that students understand their responsibilities regarding the 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 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
Initial Counseling: 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: During an entrance counseling session, conducted in person; On a separate written form provided to the borrower that the borrower signs and returns to the school; or Online or by the interactive electronic means, with the borrower acknowledging receipt of the information. <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	Financial Aid Office	Financial Aid

conditions of the borrower' loans. <u>685.304 (a) (3)iii).</u>		
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 receive 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**, 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 like 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**.

The Financial Aid Office will contact students via email to notify them of the requirement of Exit Counseling. **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

PLUS information must be included in the exit counseling.		
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 electronic 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 685.304(b)(4).	Financial Aid Office	Financial Aid
Ensure that the information required in 685.304(b)(4)(ix) 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

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
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Exit Counseling: 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.

Note: Grad PLUS exit requirement:
If a school is conducting exit counseling for a borrower who has also received a Stafford loan, Grad

Financial Aid Office

Financial Aid

Financial Aid Counseling

DDBS Financial Aid Administrators offers financial aid counseling to all prospective and enrolled students. 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 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. Reference

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)

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025

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 agrees 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>.

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025

Student Loan Code of Conduct for Educational Student Loans

Method of transmittal: Website

Recipient: Public and those with responsibilities with loans must be notified annually

The Higher Education Opportunity Act of 2008 (HEOA) requires that institutions participating in the federal student loan programs develop, publish, and enforce a code of conduct with respect to students' loans.

DDBS is committed to the highest standards of professional conduct, and staff are expected to always maintain exemplary standards of professional conduct in all aspects of carrying out their responsibilities, specifically including all dealings with any entities involved in any manner of student financial aid, regardless of whether such entities are involved in a government-sponsored, subsidized, or regulated activity. Our staff will refrain from taking any action they believe is contrary to law, regulation, or the best interests of the students and parents that they serve. The financial aid staff's number one priority is to serve and act in the best interest of all students. In pursuing this goal, employees must remain cognizant of all federal and state regulations and institutional policies and remain in compliance with said regulations and policies, without limitation.

The code of conduct prohibits conflict of interest with respect to Title IV, HEA loans, or private education loans. The Code of Conduct prohibits any revenue-sharing agreements, any gifts from a lender, guarantor, or loan servicer. The Code of Conduct also bans the steering of borrowers to a particular lender, call center, or financial aid office, staffing assistance, advisory board compensation, or delaying loan certifications, and offering of funds for private loans to students in exchange for providing concessions or promises to the lender for a specific number of FSA loans, a specified loan volume, or a preferred lender arrangement.

The code of conduct applies to the officers, employees, and agents of the school and must also prohibit employees of the financial aid office from receiving gifts from a lender, guaranty agency, or loan servicer.

The code also prohibits financial aid office staff from accepting compensation for any type of consulting arrangement or contract to provide services to or on behalf of a lender relating to education loans; and service on an advisory board, commission, or group established by lenders or guarantors, except for reimbursement for reasonable expenses.

Distribution

Annual distribution of the Code of Conduct to the public and all school officers, employees, and agents with responsibilities related to student loan activities is published through the school's website.

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 are 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 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 12 months, 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, 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 be 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 prejudices 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:

Agrees to publish the Student Loan Code of Conduct prominently on its website within ten business days of its adoption by the school; and

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.

SECTION 7 — CLOCK-HOUR & ACADEMIC POLICIES

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 6/27/2026

7.1 Clock Hour Definitions

For Title IV purposes, Dymond Designs defines a clock hour as a minimum of 50–60 minutes of supervised instruction, training, or examination within 60 minutes, consistent with federal regulations. Clock hours may include lecture, laboratory, clinical, or other instructor-supervised instructional activities.

Students earn clock hours only through actual attendance and participation in scheduled instructional activities. Breaks, meals, holidays, and unsupervised study time are not included in clock-hour calculations.

The institution maintains attendance records for all clock-hour programs and administers Title IV financial aid in accordance with applicable federal regulations and the Federal Student Aid Handbook.

7.2 ACADEMIC CALENDAR

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.

Academic Year Procedure

Business Center Liaison/Admissions Coordinator

- Communicate to students what an academic year is in clock hours and weeks.

Director of Financial Aid

- Communicates to students what an academic year is in clock hours and weeks;
- Updates student profile when appropriate;
- Notifies BEN when any information listed on the student profile needs to be updated. This includes but is not limited to:
 - Change in the student's program;
 - Change in schedule;
 - Change in the student's start date;
 - Change in enrollment schedule.
- Provides BEN with the most current and accurate published program length for each program's schedules to ensure the accuracy of the data that BEN is reporting to COD upon origination of each loan record;
- Notifies BEN of any changes to the program length and/or program schedule
- Completes BEN's Notice of Change in Direct Student Costs form (located under the Compliance section of the Downloadable Resources of DDBS 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.
- Works with BEN to resolve any discrepancies in reporting in an effort to provide accurate information to COD and NSLDS.
- Annually creates the Class Schedule list with start and end dates, scheduled breaks, etc. for the upcoming calendar year

Third-Party Servicer (BEN)

- Reviews all updates to student profiles and
- Re-awards the student and
- Updates the student's information in BEN's internal system
- Reports on any necessary changes to the ED systems (COD). This will ensure that the students' financial aid is accurately reported to COD and NSLDS.

DDBS has published program lengths based on the required program length, student schedules, and the DDBS 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' profiles 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, a change in schedule, a change in the student's start date, a change in enrollment schedule, etc. BEN will review this updated information and re-award the student, update the student's information in BEN's internal system, and report any necessary changes to the USDE systems (COD). This will ensure that the students' financial aid is accurately reported to COD and NSLDS.

It is DDBS's responsibility to provide 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 upon origination of each loan record. It is also DDBS's responsibility to notify 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 DDBS 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 USDE reporting requirement.

DDBS will notify BEN when DDBS believes that the information being reported to COD and/or NSLDS is not accurate. BEN and DDBS will work together to resolve any discrepancies 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 is then created. See chapter 1 for the most up-to-date Class Schedule.

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 750 clock hours and 23 weeks long for the Esthetics and Advanced Esthetics programs.

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 and Advanced Esthetics programs are 750 clock hours and 23 calendar weeks long for full-time students and 35 weeks long for part-time students.

7.3 Payment Period Definitions

Payment periods are defined based on successful completion of both clock hours and instructional weeks in each program. DDBS establishes the following payment periods:

Cosmetology Program (1500 Clock Hours)

- Payment Period 1: 0–450 clock hours
- Payment Period 2: 451–900 clock hours
- Payment Period 3: 901–1200 clock hours
- Payment Period 4: 1201–1500 clock hours

Esthetics Program (750 Clock Hours)

- Payment Period 1: 0–375 clock hours
- Payment Period 2: 376–750 clock hours

Students must complete the required clock hours and instructional weeks in each payment period before becoming eligible for subsequent Title IV disbursements, in accordance with federal regulations.

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 completes both the credit or clock-hours and the weeks of instruction in the previous payment period. A student “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 does not affect 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 before 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).

7.4 Scheduled vs Earned Hours

Scheduled hours are the clock hours a student is expected to attend according to the institution's published academic schedule. Earned hours are the clock hours a student has actually attended and completed through documented participation in instructional activities.

Title IV financial aid disbursements, satisfactory academic progress evaluations, and program progression are based on earned hours, not scheduled hours. Students do not receive credit for absences, holidays, breaks, or other non-attended instructional time.

DDBS maintains accurate attendance records to document both scheduled and earned hours in accordance with federal regulations and Title IV requirements.

7.5 Attendance Policy

Students must attend a minimum of 67% of the cumulative scheduled hours to maintain SAP and complete the course within the maximum allowed period. The attendance percentage is determined by dividing the total hours by the total number of hours scheduled. Students are expected to attend classes as per their enrollment agreement. Our school is approved for hybrid training with in-person and online attendance, as required. Each student is scheduled before orientation and given paperwork acknowledging their assigned schedule.

Students are required to utilize the punch card system to clock in and out every in-person class session and in and out for lunch breaks. Instructors also take physical attendance at the beginning of class and end of class each day. The time in and time out are noted on the attendance tracking sheet.

Students who persist in repeating patterns of absenteeism will be advised and will be subject to appropriate disciplinary action. Students with excessive absences may be terminated. Re-enrollment is at the discretion of DDBS. Students who miss 14 consecutive school days without communicating with the Administration may be terminated on the 15th consecutive school day as an unofficial withdrawal.

7.6 Time Clock Procedures

Students

- Arrive on time for in-person scheduled classes;
- Punch in and out on the time clock located in the front of the building, including punching in and out for lunch breaks.
- Sign in on the daily attendance log in the classroom

Instructors

- Record student arrival and departure times
- Have student initial attendance upon their departure each day;
- Collect student punch cards at the end of the week and file them in the student's file
- Turn in daily attendance logs (MPAs) to the administration every week

Business Center Liaison

- Monitors daily attendance;
- Attempts to contact student during absences;
- Attempts to contact students who have continuous absences.
- Meet with students who are continuously tardy;
- Processes Leave of Absence paperwork upon LOA approval by the Director of Operations;
- Notifies the Director of Operations of excessive absences by the student

Director of Operations

- Monitors SAP performance;
- Reviews Leave of Absence requests and either approves or denies the request;
- Unofficially withdraws the student who has not attended for 14 days.

Director of Financial Aid

- Perform withdrawal process, including R2T4 where appropriate.

Created: 06/22/2022

Created: 06/22/2022

Revised: 06/28/2022, 10/10/2024, 4/25/2026

Reviewed/Evaluated: 06/28/2022, 9/18/2023, 10/21/2024, 7/16/2025, 4/25/2026

7.7 Make-Up Time Policy

Make-Up Time and Clock Hours Policy

Students are permitted to make up missed exams, quizzes, and coursework during regular school operating hours. Makeup work must be completed during the students' non-scheduling class time and must be approved in advance by the Director of Operations or Instructor.

Make-Up of Clock Hours:

Students who have missed scheduled clock hours are permitted limited opportunities to make up those hours. The institution provides one **(1) designated make-up of clock hours per month** for the purpose of recovering missed clock hours.

- Participation in the monthly make-up day must be scheduled and approved in advance.
- Students must comply with all attendance and participation requirements during make-up sessions for hours to be credited
- Excessive absences may impact Satisfactory Academic Progress (SAP) and program completion timelines
- The institution reserves the right to limit or deny make-up opportunities based on academic standing, attendance patterns, or policy violations

Interruptions, Course Incompletes, Repetitions, and Withdrawals

If enrollment is temporarily interrupted due to a Leave of Absence, the student will return to school in the same progress status as before 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 before completion of the course and wish to re-enroll will return to 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 (F) may be changed to a passing grade within the program length from the date of receiving the grade if the student satisfactorily completes all the requirements set forth by the course instructor.

A student is given 14 days from the end of the term to decide with their instructor if they have an "F" grade because of excused absences. To change the "F" 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 must retake the coursework for SAP re-calculation.

Because of the generous make-up time policy at DDBS, students are expected to make up for 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.

7.8 Excused Absences in Clock-Hour Programs Policy

34 CFR 668.4(e)

In a clock-hour program, DDBS is 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 scheduled, missed, and do not have to be made up for the student to receive the certificate for the program.

Excused Absence Policy

Absences are excused for up to 10% of scheduled course hours per payment period or enrollment 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 an absent student 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 the total number of hours cannot exceed the total scheduled course hours.
3. A grade percentage of "0" will be posted if the student does not complete the required course hours.
4. Students attending make-up hours must meet the dress code and other DDBS policies.
5. Make-up time for excused absences must be made up on the designated make-up day

7.9 Tardiness Policies

As a part of the DDBS attendance policy, students who persist in repeating patterns of absenteeism will be advised and will be subject to appropriate disciplinary action. Students with excessive absences may be terminated. Re-enrollment is at the discretion of DDBS. Students who miss 14 consecutive school days without communicating with administration may be terminated on the 15th consecutive school day as an unofficial withdrawal.

7.10 Overtime Policies

It is the policy of the Department of Education (DOE) not to 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 cost of attendance as the tuition and fees normally assessed for a student carrying the same academic workload required of all students in the same course of study. If a student does not complete their course in the timeframe allotted, they will be charged an additional fee to complete. Title IV funds may not be used to pay the additional fees.

Over Contract Charges Procedure

Director of Operations

- Oversees the attendance hours of all students.
- Conferencing with students on their time and a half and absences
- Alerts the Business Center Liaison of students who need additional time and possible fees.

Business Center Liaison

- Update charges to the ledger card of fees due to additional time needed.
- Conferences with students on their time, absences, balances, and payment options
- Issue invoices to students
- Collect payments for additional time.

- Payments must be made in Cash, Cashier's check, money order, or credit card.

Created; 1/5/2019.

Revised: 1/7/19, 7/26/2021, 10/21/2024, 7/16/2025, 6/27/2026

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7.11 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 the request.

An authorized leave of absence (LOA) is a temporary interruption in a student's program of study. LOA refers to the specific time 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 LOA. An 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 for medical or personal reasons, the following conditions must be met:

Leave of Absence Procedures

- The school's policy for 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 months.
- The school's policy requires a student to apply in advance for an 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 Director of Operations may grant an LOA to a student who did not provide the request before the LOA due to unforeseen circumstances if the school documents the reason for its decision and collects the request from the student later, 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 an 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 students' contract will be extended by the same number of days taken in the LOA. Changes to the contract period of 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, it is always the student's last day of attendance.
- When the student returns from LOA, the student's education will continue from the actual hours earned. The start and end dates will be adjusted accordingly.
- Please note that any student who fails to return to 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 all absences recorded, regardless of circumstances.

DDBS may grant an approved Leave of Absence for documented medical conditions, pregnancy or childbirth, military obligations, jury duty, death or serious illness of an immediate family member, mental health treatment, financial hardship, employment conflicts, or other unforeseen personal circumstances that, in the judgment of the institution, warrant a temporary interruption in the student's program.

To qualify for an approved LOA, the student must submit a written request and provide supporting documentation appropriate to the reason for the leave. Acceptable documentation may include, but is not limited to, a physician's statement or medical documentation, military orders, jury duty summons, obituary or funeral program, employer documentation, court documentation, or other official records verifying the circumstances requiring the leave. DDBS reserves the right to request additional documentation when necessary to determine eligibility for an approved Leave of Absence. Approval of an LOA is granted at the discretion of the institution and is subject to all applicable federal and institutional requirements.

Responsible Parties:

Director of Operations/Business Center Liaison

- Receive a request in advance in writing from the 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 within twelve months (only 1 leave will occur within 12 months).
- The Business Center Liaison 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 the instructor, assures 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 leave within 12 months.
- Make sure an addendum is made to the student contract
- Return with request days of actual leave of absence

Once the student has requested a leave of absence, the entire staff and pertinent faculty are notified. Once notified, the student database is updated by the Financial Aid Director. If the Financial Aid Director is not available promptly, the Business Center Liaison or Director of Operations 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 promptly, the Director of Operations/Owner will make the update in NSLDS. In NSLDS, an effective date is entered, A is selected showing the LOA status, and a new expected completion date is also entered before confirming the new information. Once it has been confirmed and saved, a printout showing the change is filed with the student's file. This is all completed within 30 days of the schedule change request.

- The written request must contain dates for the leave and the reason for the request, and include the student's signature

***NEW* WITHDRAWAL EXEMPTION CATEGORIES**

If met, these withdrawal exemptions allow a student who has otherwise withdrawn or left DDBS to **not** be considered a withdrawal for Title IV purposes.

- Students who do not follow the procedure for obtaining an approved Leave of Absence will be subject to DDBS's stated policies on attendance for all absences recorded, regardless of circumstances.

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7.12 Return from Leave of Absence Policy

Students approved for an LOA are expected to return on their scheduled date. Students who are unable to return must contact the administration office before the approved return date. An extension may be granted if administration determines additional leave time is warranted. Failure to return may result in an unofficial withdrawal.

7.13 Graduation Requirements

To qualify for graduation from the program, students must:

- Complete all required clock hours for the program; and
- Complete the applicable state board licensure requirements.

Students must meet all institutional and state licensing requirements before a diploma and/or proof of graduation will be issued.

Once the student has graduated, the student database is updated by the Business Center Liaison. If the Business Center Liaison is not available promptly, the Financial Aid Director will do the student database update and the update to the NSLDS. Should the Financial Aid Director not be available promptly, the Director of Operations or Business Center Liaison will make the update in NSLDS. In NSLDS, the effective date is entered, G is selected, showing graduate status. The expected completion previously entered in 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's file. This is all completed within 30 days of the schedule change request.

7.14 Satisfactory Academic Progress Standards and Policy

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.

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 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/Exams:

100-90%.....	Excellent
89-80%.....	Good

79-75%.....	Satisfactory
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 students’ 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 the midpoint in the course.

Non-credit, Remedial Courses, and Repetitions

Non-credit, remedial courses, and repetitions do not apply to this institution. Therefore, these items do not affect the school’s satisfactory academic progress standards.

Pace of Progression

At least 67% of all coursework attempted must have been successfully passed with grades. The pace of progression is calculated by dividing the **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.

7.15 Evaluation Periods

Evaluations will determine if the student has met the minimum requirements for Satisfactory Academic Progress. Evaluations are performed at the end of each payment period for all clock-hour programs. The frequency of assessments ensures that students have had at least one (1) evaluation by the midpoint of 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 at least annually to correspond with the end of a

payment period.

Clock-hour Evaluation Points

Students are evaluated for Satisfactory Academic Progress based on actual clock hours completed at the end of each period as follows:

Cosmetology:	450, 900, and 1200 clock hours
Advanced Esthetics:	375 clock hours
Esthetics:	375 clock hours

Transfers

Transfer hours accepted from another institution are counted toward:

- Maximum time frame requirements, and
- Programming completion requirements

Transfer students are evaluated under the same SAP standards as all students.

If the hours needed at the school are less than 900 hours (for cosmetology), then the first evaluation period will occur at the midpoint of the hours required, rather than at 450 or 375, 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 the disbursement 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 who meet the minimum requirements for academics and attendance at the evaluation point for the following: (Cosmetology 450-900-1200 or Esthetics/Advanced Esthetics 375 actual clock hours) to ensure that students continue to make 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 Status**" and are making Satisfactory Academic Progress during the warning period until the subsequent scheduled evaluation.

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 Status**" and considered to be making satisfactory academic progress 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 students 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) because 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.

7.16 Warning Policy

Students who fail to meet minimum requirements for academics and attendance are placed on warning status and must meet SAP requirements by the next evaluation period. 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.

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 requirement or
- (2) Failure to progress at a pace to ensure completion within the maximum timeframe

The student will be advised by the Director of Operations. 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.

7.17 Probation Procedure

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.

7.18 Appeal Procedure

Students may appeal an SAP determination due to mitigating circumstances, including:

- Illness or injury
- Death in the family
- Personal Hardship
- Other documented circumstances beyond the student’s control

Appeals must:

- Be submitted in writing
- Include supporting documentation

- Explain how the situation has changed to allow future success

The school administration will review all appeals and provide a written determination.

Re-Establishing SAP

Students may re-establish SAP by:

- Meeting minimum attendance requirements
- Achieving the required academic average
- Following any approved academic improvement plan

7.19 Academic Plan 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 circumstances.

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's 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.

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 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, the determination goes into 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.

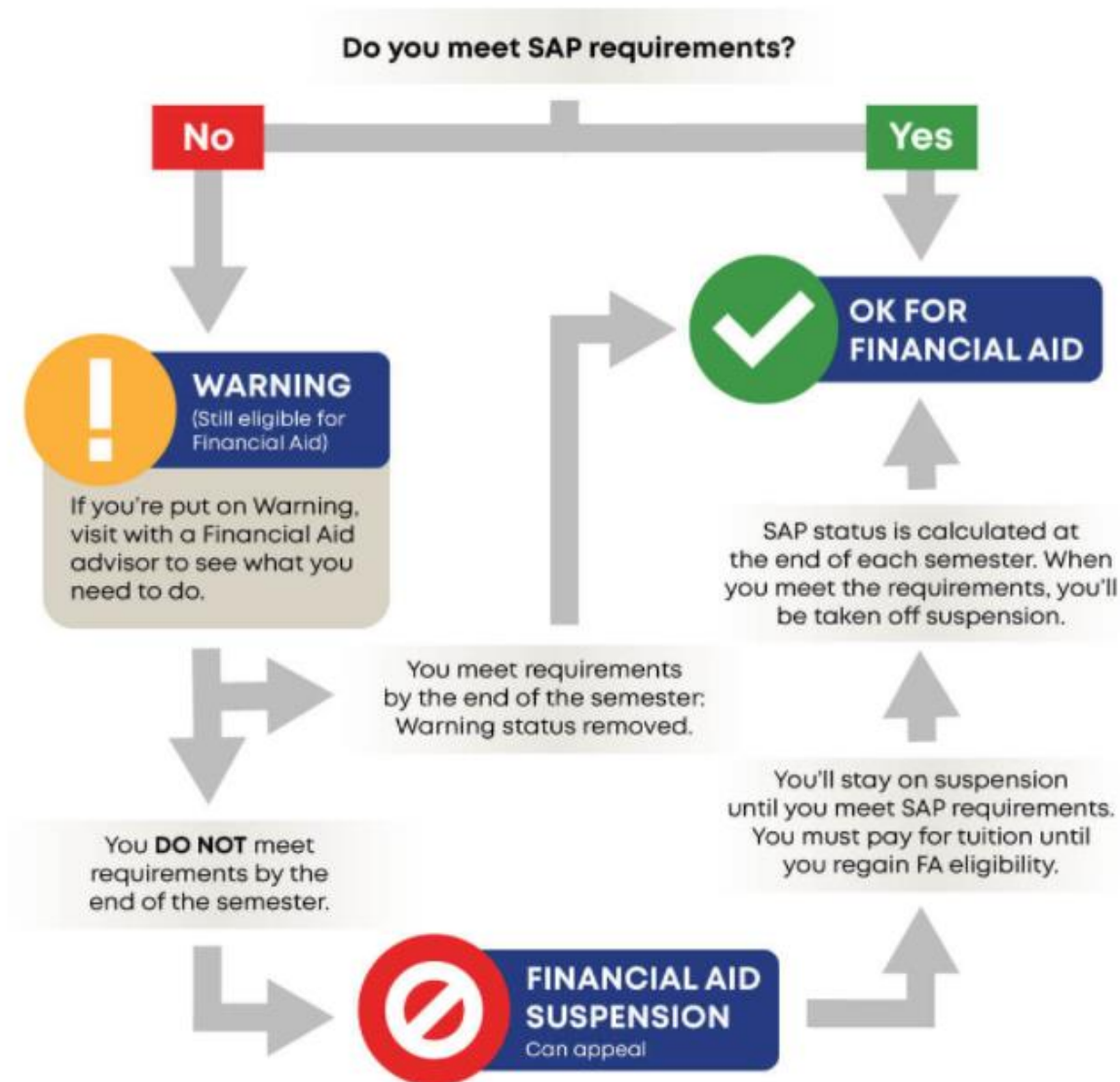
Leave of Absence Impact on SAP

Approved leaves of absence may temporarily interrupt training, but do not eliminate SAP requirements. Students returning from leave remain subject to the same SAP standards.

Notification

Students will be notified in-person/ via email/ if there are any changes to their Title IV eligibility (positive or negative) because of an SAP issue. Notifications include warning status, probation status, appeal decisions, loss of eligibility, or regaining of eligibility.

The SAP Process



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 to NOT make Satisfactory Academic Progress, and, if applicable, the student will 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.

7.20 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.

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 68 weeks (full-time)
Advanced Esthetics	(750 clock hours) – 1,125 clock hours and 35 weeks (full-time)
Esthetics	(750 clock hours) – 1,125 clock hours and 35 weeks (full-time)
Cosmetology	2,250 clock hours and 99 weeks (part-time)
Advanced Esthetics	(750 clock hours) – 1,125 clock hours and 53 weeks (part-time)
Esthetics	(750 clock hours) – 1,125 clock hours and 53 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 in their enrollment agreement for each hour needed to complete the course.

Program Changes Policy

Should Dymond Designs Beauty School find the need to change programs or schedules for any program offered, the Director of Financial Aid will make the necessary additions or changes in NSLDS. The Director of Financial Aid will also inform BEN, in writing, so BEN can make the necessary additions or changes in COD. Should the Director of Financial not be available promptly, the Director of Operations or Business Center Liaison will make the updates in NSLDS.

SECTION 8 — RETURN TO TITLE IV (R2T4)

Created: 08/01/2018

Revised: 2/20/2020; 3/8/2025, 5/8/2026, 6/27/2026

Reviewed: 8/1/2018; 1/4/2019; 1/7/2020; 7/26/2021, 6/28/2022, 9/18/2023; 10/21/2024; 7/16/2025, 5/8/2026, 6/27/2026

8.1 Official Withdrawal Policy and Procedure

A student will be considered officially withdrawn when the student notifies a teacher, administrative staff member, or school official of their intent to withdraw from the program. The school may also determine whether a student has withdrawn due to dismissal, termination, or failure to meet institutional attendance requirements. Upon notification of withdrawal or dismissal, the administrative team shall notify the Director of Operations and appropriate school personnel to begin the withdrawal process.

A student will be considered withdrawn if the following occurs:

1. The student notifies the Director or administration of his/her intent to withdraw
2. The school will notify the students of the dismissal from the program.

The following procedures shall be completed:

The instructors or administrative staff

- Will collect the students' academic records from instructors
- Will ensure any monies returned are in the proper account for retrieval

Records Clerk

- Will update the students' academic grades and attendance in the student's file
- Will file withdrawal documents into the digital and hardcopy student file
- Will complete an exit form and notify the Director of Financial Aid of the withdrawal

Director of Financial Aid

- Will process the withdrawal according to the guidelines of the institution and Title IV
- Will notify the third-party server (BEN) of the termination or withdrawal.

Director of Financial Aid and Business Center Liaison

- The school will calculate the R2T4 and compare it with BEN (third-party) calculations
- Will submit to BEN the servicer a request to return monies based on the R2T4 written calculations.

Business Center Liaison

- Will update the student ledger of the R2T4 for the Department of Education
- Supply the student with a final student ledger sheet. All documents will be filed by the school's clerk.

Note: Any returns that will be made to Title IV on the students from the results of the student exiting the program. If a student's attendance schedule is more than 60% of the payment period, he/she is considered to have earned 100% of the federal funds received for the pay period. In this case, no funds need to be returned to the federal funds account. Submissions are returned within 45 days of the withdrawal. Financial Aid will submit notification to the student about the amount of return monies based on R2T4 calculations in writing, perform the financial aid exit interview, and place updated copies in the financial aid records. The Business Center Liaison will update the student ledger of the R2T4 for the Department of Education and supply the student with a final student ledger sheet.

8.2 Unofficial Withdrawal Policy and Procedure (Including Student Death)

A student may be considered an unofficial withdrawal when the student ceases attendance without formally notifying the school of the intent to withdraw.

The school shall monitor student attendance in accordance with institutional attendance policies. If a student fails to attend for a period consistent with the school's attendance policy and no official notification has been received, the student may be administratively withdrawn from the program.

Upon determination of an official/unofficial withdrawal:

- The student's last date of attendance shall be documented
- The records clerk shall update attendance and academic records in the student's digital/hard-copy file
- The financial aid office shall be notified and shall process withdrawal in accordance with Title IV regulations
- The school shall notify its third-party servicer, BEN, of the withdrawal when applicable
- A return to Title IV (R2T4) calculation shall be completed based on the student's last date of attendance
- All withdrawal documentation shall be maintained in the student's digital and hard-copy file in accordance with federal record retention requirements.

Withdrawal exemption for graduates or completers

A student meets the withdrawal exemption for graduates or completers if the student completes all of the academic requirements for graduation and can graduate before completing all of the days or clock hours in the period they were scheduled to complete. This withdrawal exemption can apply to any type of program or academic calendar.

NOTE: Schools with clock-hour programs in which a student graduates without completing all of the established hours in the program must re-prorate the amount of Title IV aid and only pay the student for the hours completed. This includes proration of Pell Grants, Iraq-Afghanistan Service Grants, TEACH Grants, and Direct Loans.

When prorating a student's awards in this situation, DDBS does not consider the number of weeks of instructional time completed by the student.

Re-proration is applicable for clock hour programs in this situation because Title IV aid is based, in part, upon the overall number of clock hours in a program of study. There is an expectation that a student will complete all clock hours as they progress through their program of study. When a student graduates from a clock hour program without completing all of the established/reported hours in a program, the student has effectively shortened their program length. By doing so, the Department sees the student as now being enrolled in a program with fewer clock hours. As such, we then require DDBS to re-prorate (or adjust) Title IV aid provided to an amount equivalent to the actual hours the student completed.

NEW* withdrawal exemption categories established by the Department in final regulations on 9/2/2020

STUDENT DEATH POLICY

Purpose

The purpose of this policy is to establish procedures to be followed in the event of a student's death while enrolled at the institution. This policy ensures proper handling of academic records. The IV financial aid and institutional responsibilities in a compliant and respectful manner.

Notification of Death

The institution must receive official notification of a student's death. After the school is notified of a student's death, the Business Center Liaison will have to validate the information. After the death has been validated, the school will use the date of death as the student's official withdrawal date for all institutional and Title IV purposes.

Validity of Information

Until the death of a student is validated, DDBS may not make any additional disbursements of Title IV aid to the student (including releasing any Title IV credit balance that has not already been paid). The following are acceptable proofs of death validation:

- Original or Certified Copy of Death Certificate
- Newspaper Article
- Notification from a government agency (www.cdc.gov/nchs/w2w/index.htm ask about obtaining a death certificate and the steps to obtain it; paying a fee is typically required.
- Funeral Home website under notifications
- Media Notification (such as local news reporting, social media reports, etc.)

Procedure

- Once you have been notified or DDBS has reason to believe that the student is deceased the Business Center Liaison must validate the death. If the school can't validate the death, the school should write the student at the student's address of record and at any electronic address available (email and social media) to inform the student that they have reason to believe that the student is deceased, and that the school will not be making further disbursements of financial aid to the student until the student calls or visits the financial aid office.
- The attempt to resolve the report of a student's death should be within 30 days, if unable to confirm the student's death, but the student is no longer in attendance, 30 days after the end of one of the three periods described below (whichever comes first), the school official must officially decide that the student has withdrawn:
- The payment or enrollment period (as defined for withdrawal purposes in 34 CFR 668.22(e)(5);
- The academic year in which the student was enrolled; or
- The educational program that the student was attending

The withdrawal date can be no later than the date of the student's death. The withdrawal date for a student who has died is the last date of attendance as determined by the attendance record. The school must maintain the documentation that you received that the student has died and determine an appropriate withdrawal date. The school may not make a post-withdrawal disbursement of Title IV funds to the account or estate of a student who has died.

8.3 Date of Determination

For students who officially withdraw, the date of determination is the date the institution becomes aware that the student has begun the official withdrawal process or otherwise provided official notification of intent to withdraw.

For students who unofficially withdraw, the date of determination is no later than 14 days after the student's last date of attendance, the date the institution determines the student ceased attendance, or the end of the student's scheduled attendance period, whichever applies.

The institution uses attendance records to determine withdrawal dates and complies with all applicable Title IV Return to Title IV (R2T4) regulations.

8.4 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.

8.5 Leave of Absence Impact on R2T4

An approved Leave of Absence (LOA) is not considered a withdrawal for Title IV purposes and will not require a Return to Title IV (R2T4) calculation, provided the student returns within the approved LOA period, and all federal requirements for an approved LOA are met.

If a student does not return from an approved Leave of Absence as scheduled, the student will be considered withdrawn. The withdrawal date for Return to Title IV (R2T4) purposes will be the student's last date of attendance before the Leave of Absence.

The institution will complete any required R2T4 calculations in accordance with federal regulations.

8.6 Clock-Hour Withdrawal Calculations

Official Withdrawals Calculation

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, 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 Withdrawals Calculation

For a student who withdraws without providing notification to DDBS, DDBS 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 who drop out and students who 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 who does not provide official notification of his or her intent to withdraw and is absent for more than consecutive calendar days will be subject to termination and be considered to have unofficially withdrawn.

If a student misses 30 consecutive days of class, the 14th day of absence would be documented as the student's withdrawal date. This date will also be used as the date of determination for all R2T4 calculations and documentation. All required funds would be returned within 45 days of the student's determined withdrawal date.

Date of Determination that the Student Withdrew

The date of determination is the date as of which DDBS determines that a student has ceased attendance, or the day that the student notifies DDBS that they will not be returning.

Except in unusual instances, the date of DDBS's determination that the student withdrew should be no later than 14 days after the student's last date of attendance as determined by DDBS 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
- 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 DDBS 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.

DDBS charges used in the calculation are usually the charges that were initially assessed by the student for the period of enrollment. If, after a student withdraws, DDBS changes the amounts of institutional charges it is assessing a student or decides to eliminate all institutional charges, those changes affect either 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)

8.7 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 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 DDBS 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) before the student's withdrawal.

*It is also important to understand that accepting a post-withdrawal disbursement of student loan funds will increase a student's overall student loan debt that must be repaid under the terms of the Master Promissory Note (MPN). Additionally, accepting the disbursement of grant funds will reduce the remaining amount of grant funds available to the student should the student continue his/her education later.

Created: 08/15/2018

Revised: 1/4/2019; 7/27/2020; 7/26/2021, 9/18/2023

Reviewed/Evaluated: 10/18/2018; 1/4/2019; 5/7/2019; 1/7/2020; 7/27/2020; 7/26/2021; 12/7/2021; 6/28/2022; 12/13/2022, 9/18/2023; 10/21/2024, 7/16/2025, 6/27/2026

8.8 Institutional Refund Policy

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 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 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 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 the 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. Students agree to comply with the assigned schedule for applicable All Beauty Programs, which may change from time to time at the discretion of the school. Students agree 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 withdrew 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 to the applicant or students shall be refunded within 45 days of official cancellation or withdrawal. Official cancellation or withdrawal shall occur earlier than the dates that:

1. Applicants are 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 three business days after 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 \$100.00
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 earlier than 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.
8. Any student who either officially or unofficially withdraws before six (6) calendar days after the beginning of school will be a “pre-registered” or never attended student.

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 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 to 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 later. If the course is canceled after a student’s enrollment, the school will either provide a full refund of all funds paid or completion of the course later.

Institutional Refund Procedure

Director of Financial Aid/Business Center Liaison

- Completes DDBS Withdrawal Record Form;
- Processes the withdrawal according to guidelines;
- Completes Return to Title IV Funds (R2T4) process, when applicable;
- Retains student Exit Counseling documentation;
- Have student sign withdrawal form if available or emails if student is not available to sign;
- Sends R2T4 letter to student, if applicable.

Records Clerk

- Updates the student’s final grades in the internal system.
- Print an updated transcript for file.

- Completes final withdrawal file – scans and files paper file

Director of Operations

- Submits return of funds within 45 days of the date of determination of the withdrawal.

Created: 9/14/2021

Updated: 3/15/2022, 7/23/2022, 3/19/2024, 3/8/2025 Revised: 3/15/2022, 7/23/2022, 3/19/2024, 3/8/2025, 3/2/2026, 6/27/2026

Reviewed/Evaluated 9/14/2021, 7/26/2021; 12/7/2021; 6/28/2022; 12/13/2022, 9/18/2023; 10/21/2024, 7/16/2025, 3/2/2026, 6/27/2026

8.9 RETURN OF UNEARNED TITLE IV FEDERAL STUDENT AID PROCEDURES

Reference

Federal Student Aid Handbook, Volume 5, Chapter 1: Withdrawals and the Return of Title IV Funds
34 CFR 668.22

Policy Reason

The U. S. Department of Education requires that schools determine the amount of Title IV aid earned by a student who withdraws 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-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 aid funds he or she was scheduled to receive. If a student did not start or begin attendance at DDBS, the R2T4 formula does not apply. For a student who withdraws after the 60% point, there are no unearned funds. Federal regulations can be found at:

BEN Procedure

Dymond Designs Beauty School developed and maintains a compliant USDE Title IV R2T4 policy, provides BEN's Refund Calculation Form to BEN, provides the student with the completed R2T4 (in person with a signed statement or by certified mail), and maintains copies of all relevant documentation in the student's file for proof of R2T4 completion.

When a Title IV eligible student terminates from a program, DDBS will submit a Refund Calculation Form to BEN immediately upon the student's termination. The information on the form must include the student's last date attended, disbursement, and attendance records for the payment period in which the student was when he/she withdrew. BEN will complete the R2T4 in accordance with USDE regulations and report the information to DDBS. DDBS will return the Title IV funds within 45 days of DDBS's determination that the student had withdrawn. DDBS will transfer the funds to the appropriate federal funds account and complete and submit a "Refund Report" to BEN. The "Refund Report" is available from BEN's institution portal and must be filled out and submitted after the Title IV funds have been deposited in the appropriate federal fund accounts. The "Refund Report" can be submitted through BEN's secured portal or via password-protected e-mail. BEN will post the adjustments to COD and initiate the cash to be removed from DDBS's federal funds account via the USDE G5 system. DDBS will post the Title IV refund to the student's ledger and obtain student/parent authorization when a Post Withdrawal Disbursement of Direct loan funds is available. DDBS will obtain authorization from the loan borrower prior to submitting disbursement requests. DDBS will notify NSLDS of grant funds owed by the student and provide BEN with a BEN COD Monitoring Report when a student terminates, is a no-show, or cancels a Direct loan, if, for some reason, the "Refund Report" was not used. BEN will update the student record in EdExpress to reflect any adjustments, which will then be submitted to COD via EdConnect each business day. After BEN receives the "Refund Report," they will evaluate and determine if the entire loan needs to be cancelled, if the loan period needs to be updated, if the loan amount needs to be updated. DDBS and BEN will annually review DDBS's Refund Policy to ensure that the policy is compliant with the

USDE regulation.

Withdrawal Exemption for Early Withdrawals

Dymond Designs Beauty School has elected to apply the Return of Title IV Funds (R2T4) withdrawal exemption for students who withdraw within 40 calendar days of beginning attendance, provided the requirement for the exemption are met. Under this exemption, DDBS will return 100% of all Title IV funds disbursed for the applicable payment period and will remove the students' institutional liability for that period and all periods thereafter. Students meeting the requirements of this exemption will be treated as non-started for R2T4 purposes and a calculation will not be performed. The institution will maintain documentation supporting the application of the exemption in the students' file in accordance with regulatory guidelines.

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 she/he has withdrawn. If so, the withdrawal date is always the last date of attendance.

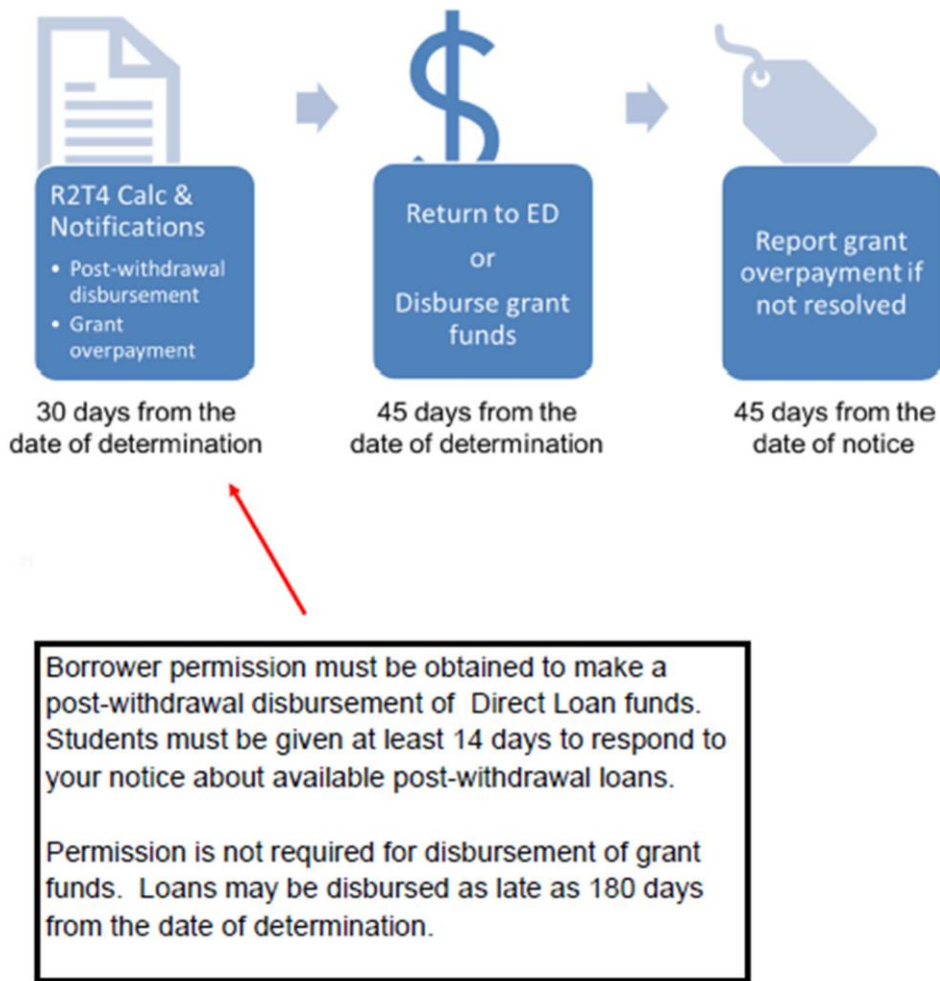
The date of determination is the date as of which DDBS determines a student who has ceased attendance.

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.

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.

Overpayment

Any amount of unearned grant funds that you must return is called overpayment. Occasionally, an R2T4 results in overpayment, which means that a student is required to return to a grant or loan program.

Grant overpayments of \$50 or less do not have to be returned.

A student who owes an overpayment remains eligible for Title IV federal loan program funds during and beyond 45 days from the date DDBS sends a notification to the student of overpayment, or 45 days from the date DDBS was required to notify the student of the overpayment if, during those 45 days, the student:

- Repays the overpayment in full to DDBS;

- Enters into a repayment agreement with DDBS in accordance with repayment arrangements satisfactory to DDBS; or
- Signs a repayment agreement with the Department, which will include terms that permit a student to repay the overpayment while maintaining his/her eligibility for Title IV federal program funds.

Within 30 days of DDBS's determination that the student withdrew, an institution must send a notice to any student who owes a Title IV federal grant overpayment because of the student's withdrawal from DDBS to recover the overpayment.

If the student does not repay the overpayment in full to DDBS, or enter a repayment agreement with DDBS or the Department within the earlier of 45 days from the date DDBS sends notification to the student of overpayment, or 45 days from the date DDBS was required to notify the student of the overpayment,

Example: Harry

Student Harry's cosmetology program started on January 8, and on January 26, DDBS 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 DDBS'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 that 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, the **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
- 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 DDBS** is the lesser of the amount of Title IV aid to be returned (\$3,330.00) or the unearned institutional charges (\$8,075.00). The amount of unearned Title IV aid due from DDBS 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 DDBS to return, DDBS must return the entire \$1,700.00 to the Direct Loan Program.

After DDBS returns \$1700.00 to the Direct Loan program, the balance to be returned by DDBS is \$1,630.00 (\$3,330.00 – \$1700.00). Harry received \$2,000.00 in Pell Grant funds, so DDBS returns the \$1,630.00 to the Pell Grant Program.

DDBS 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 DDBS 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 a “pre-registered,” or never attended student.

Credit/Debit Balance on Student's Account

All refunds will be calculated based on the student's last date of attendance. If the Return to Title IV Funds (R2T4) calculation results in a credit balance on the student's account, this credit balance must be disbursed as soon as possible and no later than 14 days after the calculation of the R2T4.

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 the R2T4 calculation results in an amount to be returned that exceeds DDBS's portion, the student must repay some funds.

OVERPAYMENT

Date of Last Revision: 3/25/2025

Overpayment Definition

Overpayment exists when a student's financial aid package exceeds their eligibility.

Student Overpayment Policy

DDBS always takes care not to overpay a student when packaging their Title IV financial aid. However, circumstances may change after a student has been packaged. The student may have aid that results in overpayment. ED needs to be notified if it is over \$50.00.

Causes

2. School error
3. Student error

If due to a school error, the school repays the entire amount. Possible causes:

- Unresolved over awards
- Interim disbursements
- Failure to complete verification
- Miscalculated COA
- Payment more than the loan limits
- Required recalculations not performed

If due to student error, the student repays amounts of \$25 or more. Possible causes:

- The school must notify the 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
- The school must consider claims by the student that the school made an error

Overpayments Due to Student Error

If due to student error, the student repays amounts of **\$25** or more

- Student repays school in full
- If school permits, the student may make satisfactory arrangements to repay the school
- If a student does not repay or make satisfactory arrangements to repay, the school must refer the overpayment to ED.

Informing ED of Overpayments

School must report overpayments via the NSLDS website within 30 days of the date DDBS learns of

the overpayment. Pell Grant overpayments greater than or equal to \$25 due to student error to ED's Debt Resolution Group or DDBS may repay the overpayment for the student.

Steps to Correct Pell Grant Overpayments

- School repays the amount for which it is responsible, and/or may repay for the student;
- Student repays the amount for which he/she is responsible or makes satisfactory arrangements to repay.

Steps to Correct Direct Loan Overpayments

- If the loan is fully disbursed when overpayment is discovered, no action is required
- Students will repay according to the terms of their promissory note.
-

Procedures for Handling Overpayments

Director of Financial Aid

- Enters the overpayment disbursement information on the student's ledger;
- Alerts the Business Center representative of the overpayment upon discovery;
- Enters the overpayment disbursement information on the student's ledger;
- Enters any student payment information on the student's ledger; or
- Applies the student's repayment information to the student's ledger
- Gives a copy of the student ledger to the Records Clerk for filing in the student's file.

Business Center Representative

- Notifies student of the disbursement and overpayment within 14 days of the disbursement;
- Issues the overpayment to the student, if applicable, or
- Informs student that failure to repay or make satisfactory arrangements to repay will result in loss of eligibility for Title IV aid
- Considers claims by the student that DDBS made the error
- If student does not make satisfactory arrangements to repay, refers overpayment to ED.

Records Clerk

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

8.10 Order of Return of Title IV Funds

When a Return to Title IV (R2T4) calculation is required, unearned Title IV funds will be returned in the following order, as applicable:

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Direct PLUS Loans
4. Federal Pell Grants
5. Federal Supplemental Educational Opportunity Grants (FSEOG)
6. Other Title IV assistance programs authorized by federal regulation

The institution will return unearned Title IV funds within the timeframes required by federal regulations.

8.11 Student Notification Procedures

DDBS provides students with timely and clear notification regarding R2T4 calculations. Notifications are delivered via email. Students are responsible for maintaining current contact information and reviewing all communications.

8.12 Credit Balance Refund Procedures

Dymond Designs Beauty School follows all applicable U.S. Department of Education (DOE) and Title IV federal regulations regarding the management and disbursement of credit balance refunds.

A Title IV credit balance occurs when the total amount of federal financial aid credited to a student's account exceeds the amount of allowable institutional charges, including tuition, fees, and other authorized charges.

The school will:

- Review student accounts regularly to identify any Title IV credit balances.
- Issue all eligible credit balance refunds to students or parents (in the case of Parent PLUS loans) no later than fourteen (14) calendar days after:
 - The balance occurs on the student account, or
 - The first day of class for credit balances existed before the beginning of the payment period.
- Notify students and/or parents of any credit balance generated on the account.
- Maintain documentation showing:
 - Date the credit balance was created;
 - Amount of the refund;
 - Date the refund was issued;
 - Method of payment; and
 - Confirmation of receipt when applicable.
- Ensure that Parent PLUS credit balances are refunded directly to the parent borrower unless written authorization is provided permitting funds to be released to the student.
- Maintain all records related to credit balance determinations and disbursements in accordance with federal record retention requirements.

The school prohibits the withholding of Title IV credit balance refunds for any reason not permitted by federal regulation.

8.13 R2T4 Deadlines

Dymond Designs Beauty School complies with all federal Return to Title IV (R2T4) deadlines established by the U.S. Department of Education for students who withdraw, unofficially withdraw, or otherwise cease

attendance before completing the payment period or period of enrollment.

The school will complete the following actions within the required federal timelines:

Determination of Withdrawal Date

- The school will determine the student's withdrawal date no later than thirty (30) days after:
- The student officially withdraws;
- The institution becomes aware that the student ceased attendance; or
- The student fails to return from an approved Leave of Absence (LOA).

R2T4 Calculation

The institution will perform the Return to Title IV calculation within thirty (30) days of the date of determination that the student withdrew.

Return of Unearned Funds

Any unearned Title IV funds identified through the R2T4 calculation will be returned to the appropriate federal programs within forty-five (45) days of the school's date of determination that the student withdrew.

Post-Withdrawal Disbursements

- If a student is eligible for a post-withdrawal disbursement:
- The school will notify the student or parent borrower within thirty (30) days of the date of determination.
- Grant funds will be applied in accordance with federal regulations.
- Loan funds will not be disbursed without required borrower confirmation and authorization.
- Any approved post-withdrawal disbursement will be made within one hundred eighty (180) days of the date of determination.

The school maintains procedures to ensure timely and accurate completion of all R2T4 requirements and federal reporting obligations.

8.14 R2T4 Documentation Requirements

Dymond Designs Beauty School maintains complete and accurate documentation for all Return to Title IV (R2T4) calculations and determinations in compliance with U.S. Department of Education regulations and federal record retention requirements.

8.15 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 before 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-ration 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 DDBS Refund Policy.

Contact

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

SECTION 9 — CONSUMER INFORMATION

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 6/27/2026

9.1 Consumer Information Distribution

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 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 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 the DDBS Program Catalog, 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

Admissions Coordinator

- Informs prospective students of their rights and provides appropriate handouts during the enrollment process.
- Shares consumer information and students' right to know information with new students during orientation;
- Alerts students to the school website with the proper information.
- Ensure a hard copy is available in the financial aid office if the student should request a copy of any of the following:
 - Drug and Alcohol Abuse Prevention Policy
 - Security Fire Safety Report,
 - FERPA, and
 - Consumer Information.

Director of Financial Aid

- Emails FERPA form and information yearly in January to all current students;
- Reviews and updates the website's Consumer information every December;
- Review and update Clery information every year by October 1 and update the report with the three most current award years;
- Emails the annual Security Fire Safety survey to students and staff each year by October 1;
- Ensures the annual Security Fire Safety survey is completed and submitted by October 1;
- Reviews and updates the DDBS Drug and Alcohol Policy and the Drug and Alcohol Abuse Prevention Program yearly, in December

Business Center Liaison

- Reviews and updates policies in the Student Handbook every year in December and as needed;
- Updates the ddbb.edu website, as needed.

9.2 Net Price Calculator Information

Dymond Designs Beauty School provides access to a Net Price Calculator in accordance with federal requirements. The calculator is intended to assist prospective students and families in estimating the cost of attendance after estimated grant and scholarship assistance and is located on the school's website. The estimate provided is informational only and does not represent a final financial aid award.

9.3 Completion Rates Disclosure

Dymond Designs Beauty School annually discloses student completion rates in compliance with accrediting agency and federal reporting requirements. Completion rate information reflects the percentage of students who complete their educational program within the established timeframe.

9.4 Placement Rates Disclosure

Dymond Designs Beauty School maintains and discloses graduate placement rate information as required by applicable accrediting agencies and regulatory bodies. Placement rates reflect graduates who obtain employment in a field related to their program of study.

9.5 Licensure Rates Disclosure

Dymond Designs Beauty School discloses graduate licensure examination pass rates in accordance with state licensing agency and accrediting requirements. Licensure rates reflect the percentage of graduates who successfully pass the applicable state board licensing examination.

9.6 Gainful Employment Disclosures

Dymond Designs Beauty School provides all required Gainful Employment disclosures for eligible programs in accordance with U.S. Department of Education regulations. Disclosures may include program costs, completion rates, median loan debt, job placement information, and other federally required consumer information.

9.7 Financial Value Transparency Disclosures

Dymond Designs Beauty School complies with all applicable Financial Value Transparency reporting and disclosure requirements established by the U.S. Department of Education. Required disclosures regarding program costs, debt, earnings outcomes, and related financial metrics are made available to prospective and current students as required by federal regulations.

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 6/27/2026

9.8 Security Safety Report – Cleary Reporting

Cleary Updating Policy

DDBS will provide students, faculty, and staff with a copy of this crime report from the previous calendar year by October 1st of the following year. Statistics will be gathered from the local police and compiled in the annual report.

The report will show the number of incidents on campus, including the parking lots and adjacent streets. At any time, statistics can be obtained from the Director of Financial Aid. DDBS employs one part-time security person for evening safety. DDBS has a working relationship with the local police, who can support and provide services promptly in the event of an incident. We encourage accurate and prompt reporting of all crimes to the local police.

Campus safety and security are important issues at DDBS. Our goal is to provide students with a safe environment in which to learn and to keep students, parents, and employees well-informed about campus security. The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, or Clery Act, requires institutions of higher education to record and report certain information about campus safety, including the number of incidents of certain crimes on or near campus, some of which constitute sexual misconduct under this Policy. Each year, DDBS prepares this report to comply with the Clery Act. This report was prepared in cooperation with the local law enforcement agencies around our campus.

Information about Clery will be reviewed annually, and new statistics will be obtained from the police department. Campus Crime Stats are included in Clery, which is distributed annually through email or a hard copy is available in the Director of Financial Aid's office.

Cleary Updating Procedure

Director of Operations

- Appoints an Emergency Decision Team (EDT);
- Oversees the EDT Team;
- Evaluates all incidents on a need-to-know basis;
- May turn over criminal incidents to the local authorities for further investigation;
- May implement sanctions on the accused or the accuser
- Annually hold a one (1) hour presentation in the spring to address dating violence, domestic abuse, sexual assault, and stalking.

Director of Financial Aid

- Contacts the Detroit Police Department with a formal request via email or postal mail service requesting a crime report for the geographical location of DDBS for the previous year. This is completed in June of each year. (Example: if we are in the current year, we should request information for the previous completed calendar year).
- Based on the information retrieved, compile a report with the most recent 3 complete years updated.
- Send out reports to all employees and students of the updated report via email.
- Make reports available in the Admissions Office.
- Distributes the report by October 1st of each calendar year.

Date of Last Revision: 7/1/2024, 3/26/2025

Violence Against Women Act (VAWA) Policy

On March 7, 2013, President Obama signed the Violence against Women Reauthorization Act of 2013 (VAWA) (Pub. Law 113-4). The HEA defines the new crime categories of domestic violence, dating violence, and stalking in accordance with section 40002(a) of the Violence Against Women Act of 1994 as follows:

“Domestic violence” means a “felony or misdemeanor crime of violence committed by—

- A current or former spouse or intimate partner of the victim,
- A person with whom the victim shares a child in common,
- A person who is cohabiting with or has cohabitated with the victim as a spouse or intimate partner,
- A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies [under the VAWA],
- Any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.”

In the event of a crime of this nature, all information will be held in the strictest confidence. Only information about the incident will be disclosed to personnel or law enforcement on an as-needed basis. The victim must sign a FERPA waiver to release information to other parties (family members etc.).

DDBS is committed to providing options, support, and assistance to victims/survivors of sexual assault, domestic violence, dating violence, and stalking.

Violence Against Women Act (VAWA) Procedure

All Staff

- DDBS encourages all students and staff to be responsible for their own security and the security of others. Please report any known criminal offenses occurring on campus to the school administration.
- In the event a sex offense should occur on campus, the victim should take the following steps:
 - Report the offense to the school administration.
 - Preserve any evidence as may be necessary to prove the criminal offense.
 - Request assistance, if desired, from school administration in reporting the crime to local law enforcement agencies.
 - Request a change in the academic situation, if necessary.

VAWA Disciplinary Hearings Policy

School disciplinary action in cases of alleged sexual assault will be based on the findings of the law enforcement agency investigating the facts about the crime and other mitigating circumstances. These records are available upon request through the administrative offices.

VAWA Disciplinary Hearings Procedure

Student

- Files a formal complaint via writing, video, or verbally
- Accusers will be notified in writing or verbally of the alleged crime.

Director of Operations

- Reports allegation to law enforcement if the student has chosen this option.
- DDBS and/or law enforcement conduct a full investigation of allegations along with the collection of evidence.

- Possible sanctions during the investigation may include suspensions until the investigation is complete.
- The victim may have the option of utilizing Victim Rights.
- Based on the findings made by law enforcement and DDBS, a written notice will be issued to the accuser and the victim of the outcome.

VAWA Collecting Data Policy

School Emergency Decision Team (EDT) members are defined as individuals or individuals who have responsibility for campus security, but who do not constitute a campus police department or campus security department. The EDT Coordinator and/or team members are responsible for documenting all crimes on official logs. These individuals collect data throughout the year on activities that fall under the VAWA and Campus Crime Reports. They are assigned by the Director of Operations.

VAWA Collecting Data Procedure

Emergency Decision Team

- Collect data via crime logs.
- Submits crime logs to the Director of Operations monthly.

Director of Operations

- Reviews the crime logs.
- Ensures that all incidents have been reported to local officials if that option was chosen.

Director of Financial Aid

- Contact local law enforcement by June each year via email to request information for the annual report.
- Compiles the information for the annual report.
- Updates the information.
- Submit by October 1 to the Clery department, current students, and employees.

VAWA Prevention and Awareness Policy

DDBS will conduct annual school-wide lessons in the spring, where guest speakers will be invited to talk about Sexual Violence and Violence against Women. The intent is to offer resources and information on how to protect and protect others who may be victims of criminal activity.

VAWA Prevention and Awareness Procedure

Director of Operations

- Prepares annual lesson plans to incorporate Sexual Violence and Violence against Women
- Contacts the local battered women's shelter or qualified counselor to schedule a presentation to address the students and staff
- Oversee the guest speaker and planned event.
- Keeps copies of sign-in sheets and documents of presentation in the files in the Director of Operations' office.

Information for Crime Victims about Disciplinary Proceedings

DDBS will, upon written request, disclose to the alleged victim and the accuser of any crime of violence, or a non-forcible sex offense (alleged dating violence, domestic violence, sexual assault, or stalking as defined in 34 CFR 668.46(a)), the results of any disciplinary proceedings conducted by the institution against a student who is the alleged perpetrator of such crime or offense. If the alleged victim is deceased because of the crime or offense, the information shall be provided, upon request, to the next of kin of the alleged victim. This provision applies to any disciplinary proceedings conducted by the institution.

DDBS will provide prompt, fair, and impartial disciplinary proceeding in which:

- (1) Officials are appropriately trained conflict of interest or bias for or against the accuser or the accused
- (2) The accuser and the accused have equal opportunities to have others present, including an advisor of their choice
- (3) The accuser and the accused receive simultaneous notification, in writing, of the result of the proceeding and any available appeal procedures
- (4) The proceeding is completed in a reasonably prompt timeframe
- (5) The accuser and accused are given timely notice of meetings at which one or the other or both may be present; and
- (6) The accuser, the accused, and appropriate officials are given timely access to information that will be used after the fact-finding investigation, but during informal and formal disciplinary meetings and hearings.

An institution must provide simultaneous notification, in writing, to both the accuser and the accused, of:

- The result of any institutional disciplinary proceeding that arises from an allegation of dating violence, domestic violence, sexual assault, or stalking.
- The school's procedures for the accused and the victim to appeal the result of the institutional disciplinary proceeding, if such procedures are available.
- Any change to the result
- When will such results become final

Timely Warning Emergency Policy

Immediate notification of an unforeseen combination of circumstances that calls for immediate action.

Emergency Notification will be in written form, posted on the front door of the school as well as distributed by SMS to staff members and students. The verbal/written communication will include:

- Type of emergency
- Steps to be taken for the emergency.

Timely Warning Emergency Procedure

Director of Operations

- At the time of an urgent, unanticipated event, staff members present will assess the situation to determine the significance of the emergency.
- Take a count for all students, staff, and guests as soon as reasonably possible to ensure that all are accounted for at the time of the emergency.
- Tests emergency procedures **twice a year**.
- Evaluates the testing results;
- Implement improvements needed to secure the safety of all concerned.

Emergency Decision Team

The Emergency Decision Team consists of:

- (1) Director of Operations
- (2) Business Center Representative

9.9 Drug and Alcohol Abuse Prevention (DAAP) Policy

Reference

- 34 CFR Part 86.1-86.7, 34 CFR Subpart B 86.100
- [Complying with the Drug-Free School and Campuses Regulations](#)

Purpose

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, to comply with the Drug- Free Schools and Campuses Regulations (EDGAR Part 86.100, Subpart B).

DDBS’s Drug and Alcohol Abuse Prevention (DAAP) Policy is outlined in the Annual Security & Fire Safety Report, and this can be found on DDBS’s website, in accordance with the Clery Act and ED requirements.

Drug and Alcohol Abuse Policy (DAAP) Policy

DDBS makes available upon request to ED and to the public the information distributed to students and employees, and the results of the annual review of the Drug and Alcohol Abuse Prevention Policy.

Drug and Alcohol Prevention Program

DDBS distributes the DAAP to all staff members at the start of employment and to all students during orientation. The policy is available via the school website at ddbb.edu.

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 school activities. The school 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. DDDBS provides education annually in the spring and refers students and staff to local services. Area drug abuse information, counseling, referral, and treatment centers information is made available to students or staff members upon request.

DDDBS will expel students and terminate staff involved in unlawful possession, use, or distribution of illicit drugs and alcohol. DDDBS 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 DDDBS 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. All students and staff must understand DDDBS policies as stated above and recognize the impact if the law is broken in relation to drug and/or alcohol use.

DDDBS Drug and Alcohol Policy

DDDBS 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 DDDBS campus premises and at any DDDBS 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.

Drug and Alcohol Abuse Prevention (DAAP) Policy Procedure

Director of Financial Aid

- Distributes the DAAP to all staff members at the start of employment;
- Introduces the DAAP) Policy to all students during orientation;
- Annually distributes to all staff and students:
 - Standards of conduct that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on campus property or as part of any school-sponsored activities;
 - A description of the applicable legal sanctions under local, State, and Federal laws for the unlawful possession or distribution of illicit drugs and alcohol;
 - A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;
 - A description of any drug or alcohol counseling, treatment, or rehabilitation or re- entry programs that are available to employees or students; and
 - A clear statement that DDBS will impose disciplinary sanctions on students and employees (consistent with local, State, and Federal laws), and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violations of the standards of conduct. For this section, a disciplinary sanction may include the completion of an appropriate rehabilitation program.
- Publish a written certification that DDBS has adopted and implemented the drug prevention program.

State of Michigan Alcohol Laws

Under Michigan law, it is illegal for anyone under the age of 21 to purchase, consume, possess, or have any bodily content of alcohol. The following summarizes some of the potential legal consequences for violating state law:

- A first-time conviction may result in a fine, substance abuse education and treatment, community service, and court-ordered drug screenings.
- There is also a provision for possible imprisonment or probation for a second or subsequent offense.
- The use of false identification by minors in obtaining alcohol is punishable with a fine, loss of driver's license, probation, and community service.

Individuals can be arrested and/or convicted of operating a vehicle while intoxicated with a blood alcohol concentration (BAC) level at .08 or higher. If a student is under 21, there is a “zero tolerance” law in the state of Michigan, and any blood alcohol level of .01 or higher can lead to a minor in possession (MIP) citation as well as being cited for operating a vehicle while intoxicated, if applicable. This is in addition to the suspension of driving privileges in the state of Michigan.

State of Michigan Medical Marijuana Laws

The Michigan Medical Marijuana Act of 2008 and the Michigan Regulation and Taxation of Marijuana Act of 2018 permit qualified persons 21 years of age or older, patients and their primary caregivers to use, possess and grow limited amounts of marijuana for personal use and treatment of certain debilitating medical conditions. However, these laws 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. DDBS receives federal funding that would be in jeopardy if those federal law as did not take precedence over state law. Thus, the use, possession or cultivation of marijuana in any form and for any purpose constitutes a violation of school policy and the student code of conduct.

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Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 6/27/2026

DDBS's Policy on Consumption of Alcoholic Beverages on Campus

The use or possession of alcohol is expressly prohibited in classrooms, conference rooms, the student media center, within the building, or any area where events, lectures, or meetings are held. The use of alcohol is expressly prohibited in all public areas of the campus building.

For employees only, social activities held off-premises and paid for on a personal basis are not affected by this policy. If management considers it appropriate and approves of such use in writing, alcoholic beverages may be served at company-sponsored events held off-premises.

Federal Drug Laws

Possession, use, or distribution of illicit drugs is prohibited by federal law. Strict penalties are provided for drug convictions, including mandatory prison terms for many offenses. Penalties increase significantly where the use of illicit drugs results in death or serious bodily injury.

The following information, although not complete, is an overview of federal penalties for first convictions.

Federal Drug Possession Penalties (21 USC §844)

www.deadiversion.usdoj.gov/21cfr/21usc/844.htm

Persons convicted of illegally possessing any controlled substance face penalties of up to 1 year in prison and a minimum fine of \$1,000, or both. Second convictions are punishable by not less than 15 days but not more than 2 years in prison and a minimum fine of \$2,500. Subsequent convictions are punishable by not less than 90 days but not more than 3 years in prison and a minimum fine of \$5,000.

Special sentencing provisions for possession of Flunitrazepam (Rohypnol, "roofies" or "roaches") impose a prison term of up to 3 years, a fine, or both.

Civil penalties of up to \$10,000 may also be imposed for possession of controlled substances, regardless if criminal prosecution is pursued. Persons convicted of possession may also be fined for the reasonable costs of the investigation and prosecution of the offense. Penalties for possession with intent to distribute are potentially even more severe.

Disclaimer

- A. This information is provided as a general summary of the major applicable laws. Laws are frequently amended and reinterpreted, and the application of law to specific situations generally requires an analysis of all the facts and circumstances. This information should not be substituted for specific legal advice.
- B. If you are charged with a crime, it is a good idea to seek the advice of an attorney. Updates to these laws are generally reflected on the websites mentioned here, but individuals are ultimately responsible for knowing the laws. This information should not be substituted for specific legal advice.
- C. Michigan's Code of Student Conduct and DDBS policies and rules are campus behavior and safety standards that may result in sanctions, educational outcomes, or penalties that are independent of any criminal considerations. It should also be noted that the DDBS's expectations for appropriate behavior are higher than those under the law.

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 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, it 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.

Alcohol and Drug Testing Policy

If DDBS believes that a student or employee has been observed possessing or using 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 the student or employee's 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.

Testing Methods and Conditions

Testing will ordinarily be conducted during, immediately before, or immediately after regularly scheduled school/work hours. For current employees, time spent on testing and traveling to and from the regular work site to the place of testing is considered work time.

Testing shall be conducted under the following conditions:

- Sample collection shall be performed under reasonable and sanitary conditions.
- Sample collection shall be labeled in such a way as to reasonably preclude the possibility of misidentification of test results.
- Prior to testing, the individual shall be provided with an opportunity to notify DDBS of any information relevant to the test.
- Sample collection, storage, and transportation shall be performed in a manner prudently designed to preclude the possibility of sample contamination or misidentification.
- Sample testing will be done in compliance with scientifically accepted analytical methods and procedures by a laboratory approved or certified by at least one of the following:
 - United States Department of Health and Human Services,
 - College of American Pathologists, or
 - Michigan Department of Health and Human Services.

Upon written request, a positive drug test result shall be confirmed by a subsequent test using a different but comparably reliable chemical process than used in the initial drug screen. For instance, chromatographic spectroscopy could be conducted to confirm results.

Employee and Student Testing Rights

- Employees and students have the right, upon written request, to obtain a copy of the written test results.
- DDBS will not release information relating to testing, including test results, to any third parties, except upon written authorization of the employee or student, or when legally compelled to do so.

Refusal of Testing

Refusal to participate in drug or alcohol testing or refusal to accept the terms and conditions of testing as specified in this policy may result in disciplinary action up to and including termination from DDBS. Any prospective employee or student who refuses to undergo drug or alcohol testing is not eligible for hire or admission (respectively).

Please direct any questions, concerns, or reports regarding this policy to the Director of Operations.

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 an 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 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 of a violation occurring in the workplace is required to satisfactorily participate in a drug abuse assistance or rehabilitation program.

Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program.

Disciplinary Action upon Conviction

Any violation of or unsatisfactory conduct related to DDBS's drug-free campus policy may result in discipline, including (but not limited to):

- Requiring the student/employee to satisfactorily participate in a drug or alcohol abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health agency, law enforcement, or other appropriate agency, including mandatory counseling, evaluation, treatment, and rehabilitation for a drug-use or alcohol-use disorder;
- Appropriate personnel action, including but not limited to, termination of enrollment/employment; and
- Referral for prosecution consistent with local, state, and federal law.

Title IV Federal Financial Aid Drug Policies

Disciplinary action by DDBS does not preclude the possibility of criminal charges being filed. Similarly, the filing of criminal charges does not preclude action by DDBS.

Any student or employee who is convicted of a criminal drug offense at the workplace shall be subject to discipline consistent with applicable DDBS policies and contracts. Offenders may be required to participate in an appropriate drug or alcohol treatment program as a condition of further enrollment or employment.

Advisory Committee Board Members encourage the administration to explore additional ways to ensure that members of the DDBS community are aware of the dangers inherent in the abuse of drugs and alcohol, and to assist those who suffer from alcohol or drug abuse disorders in obtaining access to necessary rehabilitation and treatment. All faculty, staff, and students must abide by the terms of this policy as a condition of enrollment/employment at DDBS.

All students and employees must comply with federal, state, and local laws regarding the possession and consumption of alcohol and controlled substances. Legal sanctions for failure to comply with local, state, and federal laws may include:

- Suspension, revocation, or denial of a driver's license;
 - Loss of eligibility for federal financial aid or other federal benefits;
 - Disqualification from employment;
 - Property seizure;
 - Community service;
 - Imprisonment; and
 - Monetary fines.
-
- Target population is the student body and high-risk groups
 - Increase awareness of drug and alcohol use and addiction
 - Increase awareness of prevention and treatment programs
 - Annually distribute in writing to each employee, and to each student:
 - Standards of conduct that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on its property or as part of any of its activities;
 - A description of the applicable legal sanctions under local, State, or Federal law for the unlawful possession or distribution of illicit drugs and alcohol;
 - A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;
 - A description of any drug or alcohol counseling, treatment, or rehabilitation or re- entry programs that are available to employees or students; and
 - A clear statement that DDBS will impose disciplinary sanctions on students and employees (consistent with local, State, and Federal law), and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violations of the standards of conduct required by [paragraph \(a\)\(1\)](#) of this section. For this section, a discipline may include the completion of an appropriate rehabilitation program.
 - Publish a written certification that DDBS has adopted and implemented the drug prevention program.
 - Review every two years the effectiveness of DDBS's Drug and Alcohol Abuse and Prevention Program.
 - Evaluate the consistency of sanctions imposed for violations of disciplinary standards and codes of conduct

related to drugs and alcohol

- Identify areas requiring improvement or modification
- Describe the research methods and data analysis tools that were used to determine the effectiveness of the program.

Drug and Alcohol Abuse Prevention Policy Biennial Review Policy

DDBS reviews its Drug and Alcohol Abuse Prevention Policy, and the effectiveness of sanctions imposed every two years, which include:

- Dismissal may occur following a final determination of proceedings regarding the school's drug policy, which prohibits the possession, use, and sale of alcoholic beverages to anyone on our property or as part of any of our activities.
- DDBS policy also prohibits the possession, use, and sale of illegal drugs.
- DDBS policy supports and enforces state underage drinking laws. Students caught in any of the above situations will be dismissed from the program and will be reported to the authorities.
- In some cases, conviction of drug-related offenses could result in the student's ineligibility for Title IV funding or other forms of financial assistance.

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.

Drug and Alcohol Abuse Prevention Policy Biennial Review Procedure

Director of Financial Aid

- Conducts a review of the DAAP Policy in even-numbered years starting in 2026;
- Posts the review of the DAAP Policy on the school's website and in the Financial Aid office;
- Posts the updated DAAP Policy on the school's website;
- Determines the effectiveness of the program;
- The first review is scheduled in 2026.
- Publishes a written certification that DDBS has adopted and implemented the drug prevention program.
- Posts the results on the DDBS website and in the Financial Aid office;
- An updated copy will be made available to all current employees and students
- Provides, 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;

Director of Operations

- Determines the effectiveness of the program and what changes need to be implemented;
- Identifies areas requiring improvement or modification;
- Tallies the number of drug and alcohol-related violations that occurred on campus or as part of the school's activities and that are reported to school officials;
- Determines the number and type of sanctions that were imposed by the school because of drug and alcohol-related violations and fatalities on the school's campus or as part of any DDBS activities;
- Evaluates the consistency of sanctions imposed for violations of disciplinary standards and codes of conduct related to drugs and alcohol
- Describes the research methods and data analysis tools that were used to determine the effectiveness of the program; and

- Presents findings to DDBS administrative staff.

DDBS Drug and Alcohol Abuse Prevention Program Review Committee

The DDBS Drug and Alcohol Abuse Program (DAAPP) will be reviewed biennially. DDBS is committed to monitoring and assessing the effectiveness of the policies, programs, and what changes need to be made. DDBS ensures the uniform application of sanctions to employees and students. DDBS has created and maintained a Drug and Alcohol Prevention Committee. The Committee determines the effectiveness of this program and ensures the standards of conduct are fair and consistently enforced. Future reviews are scheduled to take place in even-numbered years.

Reviewers

Marlene Brooks – Director of Operations

Roxy Dunlap – Business Center Representative

Racquel Williams – Director of Financial Aid

Biennial Review Objectives

1. To determine the effectiveness of, and to implement any needed changes to the DDBS prevention program.
2. To ensure that the school is enforcing disciplinary sanctions for violating standards of conduct and policies consistently.

Procedures for Distributing Annual Notification to Students and Employees

The biennial review must be completed and on file by December 31st of each even-numbered year. The results of the biennial review are made public and available upon request to the Secretary of the Department of Education for three years after the fiscal year in which it was created.

Abuse Prevention Program

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, DDBS will provide the resources necessary 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 www.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 it 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 Appendices A and B.

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.

DDBS does not offer Drug and Alcohol treatment programs.

Employees or students seeking confidential substance abuse treatment and counseling can contact United Way of Southeastern Michigan by dialing 2-1-1, or the National Helpline – 1- 800-662-HELP (4357). SAMHSA’s National Helpline is a free, confidential, 24/7, 365-day-a- year treatment referral and information service (in English and Spanish) for individuals and families facing mental and/or substance use disorders. A list of resources is also available online at www.mi211, which offers information about local health services, including substance abuse support.

How the Use of Drugs and/or Alcohol Affects Health

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.
- 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, DDBS will provide the resources necessary 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.

FEDERAL TRAFFICKING PENALTIES—

DRUG/SCHEDULE	QUANTITY	PENALTIES	QUANTITY	PENALTIES
Cocaine (Schedule II)	500–4999 grams mixture	First Offense: Not less than 5 yrs,	5 kgs or more mixture	First Offense: Not less than 10 yrs, and not more than life
Cocaine Base (Schedule II)	28–279 grams mixture		280 grams or more	
PENALTIES				
Other Schedule I & II drugs (and any drug product containing Gamma Hydroxybutyric Acid)	Any amount	First Offense: 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.		
Flunitrazepam (Schedule IV)	1 gram	Second Offense: 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.		
Other Schedule III drugs	Any amount	First Offense: 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.		
		Second Offense: 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	First Offense: Not more than 5 yrs. Fine not more than \$250,000 if an individual, \$1 million if not an individual.		
Flunitrazepam (Schedule IV)	Other than 1 gram or more	Second Offense: 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	First Offense: Not more than 1 yr. Fine not more than \$100,000 if an individual, \$250,000 if not an individual.		
		Second Offense: Not more than 4 yrs. Fine not more than \$200,000 if an individual, \$500,000 if not an individual.		

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.

9.10 Family Education Rights and Privacy Act (FERPA)

FERPA Policy

The Family Educational Rights and Privacy Act (FERPA) (20 USC § 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 affords parents certain rights with respect to their children's education records. These rights are transferred 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." (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/Parent 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 an access request. A student or parent should submit to the Director of Operations a written request that identifies the record(s) the student wishes to inspect. DDBS will plan 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, parents or eligible students can't 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 correct 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 to the Director of Operations and 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. a person serving on the DDBS Institutional Advisory Board who has a need to know
 - b. Certain government officials, to carry out lawful functions
 - c. To comply with a judicial order or lawfully issued subpoena
 - d. Appropriate parties in connection with financial aid for which a student has applied or which the student has received aid
 - e. Contractors outside of DDBS who perform an institutional service of function for which DDBS

would otherwise use its own employees and who are 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. Specified officials for audit or evaluation purposes
- i. Individuals who have obtained court orders or subpoenas
- j. People who need to know in cases of health and safety emergencies, and
- k. 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 and place 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 of their rights annually 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 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. For additional information, you may call 1-800-USA-LEARN (1-800-872- 5327). The name and address of the office that administers FERPA are:

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

Privacy of Student Records- Family Educational Rights and Privacy Act (FERPA)

Annually a school must provide enrolled students with a list of the information (which includes this item) that is required to provide under HEA 485 to students, and with a statement of the procedure for obtaining information to students currently in attendance or parents of students currently in attendance about their right to inspect and review the student’s education records, to seek amendment of the student’s education records that might be inaccurate, misleading, or otherwise in violation of the students privacy rights, consent to disclosure of personally identifiable information, and files complaints with the U.S. Department of education.

FERPA Procedure

Business Center Liaison

- Ensure that all students understand the FERPA form and policy during orientation through publication.
- Provides the opportunity for students to complete a FERPA form during the orientation process;
- Posts the FERPA form to all current students, notifying them of the option to change or update their FERPA information. During this time, students are also updated on their FERPA rights.
- Provides all employees with FERPA information regarding student rights, confidentiality, and the FERPA policy.
- Students are given during orientation a Release of Record form to review, discuss, and sign. This form informs students of their rights to request academic records that consist of attendance, grades, financial ledger, enrollment agreement, and any forms filled out during orientation.

Consumer Information Policy and Procedure

Consumer information is provided to all students during the orientation process. Provided information includes notification of the following:

1. A signed authorization will be required in every instance before information is released from a student's file. Requests must be made in writing by the student/parent to review educational records and/or to amend records. Records will be made available on an appointment basis.
2. All parents and students will be notified of their rights through the annual publication of the Student Handbook.
3. FERPA provides that students and parents of dependent students have the right to review a student's educational records, to request amendment to a student's educational records, to provide consent before disclosure of personal identifiable information, and to file a complaint with the U. S. Department of Education regarding the failure of an institution to comply with FERPA. Students or parents are also advised that a hearing can be requested to challenge the contents of a student's record, and the student will be allowed to place a statement regarding contested information in the record describing the nature of the disagreement.
4. The record will be made available within 45 days of the day the school receives the request.
5. No personal identifiable information will be released to a third party without the written consent of the parent or student, unless it is:
6. 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. School officials with a legitimate educational interest;
 - b. Other schools to which a student is transferring;
 - c. Specified officials for audit or evaluation purposes;
 - d. Appropriate parties in connection with financial aid to a student;
 - e. Organizations conducting certain studies for or on behalf of the school;
 - f. Accrediting organizations;
 - g. To comply with a judicial order or lawfully issued subpoena;
 - h. Appropriate officials in cases of health and safety emergencies; and
 - i. State and local authorities, within a juvenile justice system, pursuant to specific State law.
7. All disclosure of information will be recorded in the file and will include parties receiving information and the legitimate interests of the parties for inspection of the records.
8. Personally identifiable information, which is designated as directory information, includes a student's name, addresses, telephone listing, date and place of birth, major field of study, participation in officially

recognized activities, degrees and awards received, and the most recent previous educational agency or institution attended.

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 the 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 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 students' 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 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 recipient

Date of Last Revision: 7/1/2024, 3/26/2025

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 6/27/2026

9.11 Copyright Infringement Policy

Copyright Infringement Policy

Copyright infringement is the act of exercising without permission or legal authority, one or more of the exclusive rights granted to the copyright owner under section 106 of the Copyright Act (Title 17 of the United States Code). The rights include the right to reproduce or distribute a copyrighted work. In the file-sharing context, downloading or uploading substantial parts of the copyrighted work without authority constitutes an infringement.

Penalties for copyright infringement include civil and criminal penalties. In general, anyone found liable for civil copyright infringement may be ordered to pay either actual damages or "statutory" damages affixed at not less than **\$750** and not more than **\$30,000** per work infringed. A court can, in its discretion, also assess costs and attorneys' fees. For details, see Title 17, United States Code, Sections 504, 505.

Willful copyright infringement can also result in criminal penalties, including imprisonment of up to five years and fines of up to **\$250,000** per offense. For more information, please see the website of the U.S. Copyright Office at ([copyright.gov](https://www.copyright.gov)).

The DDBS Code of Conduct prohibits illegal copyright infringement. Downloading and/or distributing copyrighted material, including through peer-to-peer file sharing, without the permission of the copyright owner, is against the law. The use of the DDBS network or other technology for unauthorized distribution of copyrighted material is forbidden. This can result in prosecution in criminal court and/or liability for damages in

civil court. DDBS will accept and respond to any notice regarding the Digital Millennium Copyright ACT (DMCA).

THE HIGHER EDUCATION OPPORTUNITY ACT

The Act requires institutions of higher education to offer legal alternatives to unauthorized downloading. The link below is from Educause and includes all of the legitimate online services that they are currently aware of. No endorsement or evaluation is intended. <http://educasue.edu/legalcontent>

Copyright Infringement Procedure

All Staff

1. Instructors must use the textbooks and workbooks provided to each student.
2. There shall be no copying from workbooks, exercises, standardized test booklets, answer sheets, or similar material intended to be consumed in the course of study or teaching.
3. In the event of obtaining permission to copy, the following steps must be taken:
 - Obtain Name and Address of Owner/Controller
 - Determine who holds the copyright to the material. The page containing a notice of copyright can help you determine who holds the copyright, the year of publication, and the publisher's address. The acknowledgement page may also contain information regarding copyright ownership or control.
 - Request Permission to Duplicate. A request containing the information listed below should be sent to the permission department of the publisher in question. Provide complete and accurate information regarding the work to be duplicated, such as:
 - Title, author, and/or editor; copyright or publication date and edition of the book in which the materials to be duplicated appear.
 - Exact material to be used, giving amount, page numbers, chapters, and, if possible, a photocopy of the material and title and copyright page
 - Number of copies to be made
 - Used to be made of duplicated materials and form of distribution (e.g., as course material and whether collected with other excerpts or materials, whether bound or unbound).
 - Whether the material is to be sold,
 - Type of reprint (ditto, photocopy, offset, typeset)
4. Before making the copies, the information above must be submitted to the President's office. After verification, only then can copies be made.
5. To monitor this policy and procedures, all printing and copying are limited to under 500 copies for each instructor per month

9.12 Constitution Day

Each year on September 17 (or the nearest business day when applicable), the institution provides educational programming or activities for students that focus on the history and significance of the United States Constitution. Instructional materials, presentations, or other approved learning activities are made available to all students, and activities are posted annually on the school's website.

Documentation of Constitution Day activities is maintained by the institution in accordance with federal compliance requirements.

9.13 Voter Registration

Voter registration information and applications are made available to students on an annual basis. Students are informed of their right to register to vote and are provided access to applicable state voter registration resources and deadlines.

The institution does not influence or require a student's political preference and ensures that voter registration information is provided in a neutral and non-coercive manner. Documentation of voter registration activities is maintained in accordance with institutional and federal requirements.

9.14 Cost of Attendance Disclosure

The institution provides a Cost of Attendance (COA) disclosure to students in compliance with Title IV requirements established by the U.S. Department of Education.

The COA includes estimated costs associated with attending the institution for an academic year, including tuition and fees, books and supplies, equipment, and standard allowances for living expenses, transportation, and other personal costs where applicable.

Cost of Attendance figures are reviewed and updated periodically to reflect current institutional charges and reasonable cost estimates. COA information is provided to students before or at the time of enrollment and is used to determine eligibility for federal financial aid.

9.15 Refund Policy Disclosure

The institution provides a clear and accessible refund policy in compliance with applicable state regulations and Title IV federal student aid requirements established by the U.S. Department of Education.

9.16 Financial Aid Information Disclosure

Dymond Designs Beauty School provides students and prospective students with accurate and timely financial aid information in accordance with federal Title IV regulations. Financial aid disclosures include available federal aid programs, eligibility requirements, application procedures, student rights and responsibilities, satisfactory academic progress standards, loan repayment obligations, and consumer information required by the U.S. Department of Education.

9.17 Professional Licensure Disclosure

DDBS provides professional licensure disclosures in compliance with applicable federal and state regulations. The institution informs prospective and enrolled students whether the educational program is designed to meet state licensure requirements for the state in which the institution is located and provides additional information regarding licensure requirements in other states when required. Students are encouraged to review applicable state licensing requirements before enrollment or relocation.

SECTION 10 — GAINFUL EMPLOYMENT (GE) & FINANCIAL VALUE TRANSPARENCY (FVT)

Created: 7/3/2024

Revised:

Reviewed: 7/3/2024, 3/26/2025, 6/27/2026

Gainful Employment Policies

10.1 Gainful Employment Program Eligibility

The institution's Gainful Employment (GE) programs are eligible for Title IV federal student aid as they meet all applicable federal requirements established by the U.S. Department of Education.

Our GE programs lead to recognized occupational credentials (certificates and diplomas), prepare students for employment in recognized occupations, and are aligned with applicable state licensing and accrediting standards. These programs are approved for Title IV participation and meet all required regulatory conditions for GE program eligibility.

The institution maintains ongoing compliance with all Gainful Employment reporting, disclosure, and eligibility requirements in accordance with federal regulations.

10.2 GE Reporting Procedures

DDBS maintains required reporting processes to ensure compliance with Title IV federal student aid regulations and institutional accountability standards.

All required data related to enrollment, attendance, academic progress, withdrawals, and financial aid status is accurately recorded in the student information system and updated promptly. The Financial Aid Office is responsible for ensuring that all federal reporting requirements are completed accurately and within required deadlines.

Key federal reporting systems, including NSLDS updates, R2T4 calculations, and any required gainful employment or Title IV reporting, are reviewed and submitted by the Financial Aid Director. In the absence of the Financial Aid Director, the Director of Operations or designated administrative authority completes required reporting to ensure continuity of compliance.

All submitted reports and confirmations are documented and retained in the student file or institutional records in accordance with federal record retention requirements.

10.3 Debt-to-Earnings Monitoring

The institution monitors student outcomes related to debt-to-earnings (D/E) measures for all applicable programs to support compliance with federal Gainful Employment regulations established by the U.S. Department of Education.

The institution tracks and reviews available federal data on program completers, including student loan debt levels and reported earnings outcomes. This information is used to evaluate program performance and ensure continued eligibility for Title IV participation.

Where applicable, the institution reviews published federal D/E rates, identifies programs that may be at risk, and implements corrective actions as needed. All monitoring activities are documented and retained in accordance with federal reporting and institutional compliance requirements.

10.4 Earnings Premium Monitoring

The institution monitors earnings outcomes for program completers to support compliance with federal Gainful Employment requirements established by the U.S. Department of Education.

Earnings premium monitoring compares the typical earnings of program graduates to benchmark earnings data available through federal reporting sources. This information is used to evaluate whether programs are supporting students in achieving improved employment outcomes consistent with training in a recognized occupation.

The institution reviews available earnings data on an ongoing basis, identifies programs that may require additional review or improvement, and maintains documentation of all monitoring activities in accordance with federal requirements.

10.5 Student Warning Requirements

Warnings are issued when monitoring required GE/FVT metrics—such as debt-to-earnings outcomes, earnings premium performance, or other federal reporting indicators—show a program may be approaching or not meeting established federal thresholds.

When a warning is issued, the institution reviews the program for compliance concerns, documents the findings, and implements appropriate corrective action plans as needed. All warnings and related monitoring activity are recorded and retained in accordance with federal reporting and institutional compliance requirements.

10.6 Disclosure Templates

Dymond Designs Beauty School maintains standardized disclosure templates to ensure consistency and compliance with federal and state consumer information requirements. Disclosure templates are reviewed and updated as regulations change and are provided to students through institutional publications, enrollment documents, and official school communications.

10.7 Program Certification Requirements

Dymond Designs Beauty School ensures that all eligible educational programs meet applicable U.S. Department of Education certification requirements. Programs are reviewed for compliance with institutional accreditation standards, state licensure approval, clock-hour requirements, and Title IV eligibility criteria before certification or recertification.

10.8 Program Length Review Procedures

DDBS periodically reviews program length to ensure alignment with state licensing requirements, accrediting agency standards, and federal financial aid regulations. Program length reviews are conducted whenever regulatory changes occur or when curriculum modifications are proposed to maintain compliance and educational effectiveness.

10.9 Placement & Earnings Documentation

The institution maintains accurate placement and earnings documentation in accordance with accrediting agency and federal reporting requirements. Documentation may include graduate employment verification, employer confirmations, wage documentation when available, graduate surveys, and supporting records used to substantiate placement and earnings outcomes for regulatory reporting and disclosure purposes.

SECTION 11 — CAREER SERVICES & PLACEMENT

Date of Last Revision: 7/1/2024, 3/26/2025, 3/16/2026

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 3/16/2026

11.1 Career Services Procedures

The Workforce Development Career Recruiter is responsible for supporting student and graduate employment outcomes by developing employer partnerships, coordinating job placement opportunities, and providing career readiness support. The role includes tracking completion, placement, licensure, and retention data, assisting students with employment preparation, and serving as a liaison between the institution and employers. The recruiter is responsible for gathering all required data for completion, retention, licensure, and job placement. The career recruiter advises students/graduates for job preparation and placement requests in a timely and efficient manner.

The instructors are responsible for making sure the clinical floor is active and the needs of the students to perform the clinical services in the community are met. Instructors are responsible for making sure that students have high engagement in their program, from hands-on /work-based training to lecture knowledge (theory); which will ultimately sustain higher retention rates. Instructors are also available to support, advise, assist, and assess students with academics, counseling, liaison for employers, and any other student advisement services. Student assessments, tests, quizzes, and finals are ways of evaluating student achievement. Student retention and the data associated with retention will be the responsibility of the Director of Operations and Instructors. Instructors are responsible for guidance and preparation for the licensure exams for the State of Michigan. This information is given to the career recruiter to put on the retention tracker for monitoring

Students will have the opportunity to meet with potential employers and will have meaningful interaction for job opportunities upon graduation.

Within the curriculum and length of the program, students are required to meet with the Workforce Development and Career Recruiter for counseling during the process for job placement services, assistance with their resume, interview skills, personal presentation, employment, and portfolio for placement opportunities. Instructors are responsible for counseling students with their overall performance from enrollment to job placement. The Workforce and Career Recruiter is responsible for maintaining and sharing student portfolios and resumes with employers seeking graduates and is available to employers for review and/or sent via email, letter, or in-person by the career recruiter. With the student's verbal permission, the career recruiter will act on behalf of the student for employer verification

11.2 Graduate Follow-Up Procedures

The graduate follow-up procedures can be found in the Student Handbook and Catalog inside the DDBS Program Outcomes and Outcomes Plan. DDBS is a smaller organization, so data collection is a combination of effort from all staff. Whether it's an instructional, administrative, or supervisory staff member, all are a part of the gathering of follow-up data and the processes. All Student files are kept on the main campus, which includes: the period of enrollment, financials, academic, and current educational progress records. The files are kept on campus for a period of no less than 5-7 years from the date of enrollment. The instructors are responsible for making sure all students fill out an exit survey form upon final interview with the Director of Operations and completion of the students' respective programs. All data from the survey is then entered into a software program for data organization, which will make information retrievable upon job placement and licensure notifications. The Workforce and Career Recruiter who verifies with the Director of Operations that they have collected exit surveys for all students. Once collected, the Director of Operations will review and exit students from the program. During this process, the Workforce and Career Recruiter is setting up job placements and interviews for the students, and the business center is preparing students to receive licensure exam dates through the State of Michigan (LARA). After all data has been collected, the workforce and career recruiter and business center liaison will perform a final verification of data on licensures and job placements, then the workforce and career recruiter will put completion, placement, and licensure (CPL) data on trackers. All other data collected will be collected for input into the student's digital and hard-copy file by the records clerk. Further follow-up data of student placements, licensure, retention, and exams are collected by the workforce development and career recruiter, instructors, and the business center liaison. Once the student has completed the program, the student will complete the licensure and placement survey, which allows DDBS to track student licensure exam pass rates accurately after the student has graduated. The means of collecting placement data is in the form of the employer affiliate with students sending an employment offer through email, exit surveys from the students, social media, via telephone, or web retrieval. Verifiable collection of state exams and licensure data is by means of the State of Michigan.

11.3 Placement Verification Procedures

In accordance with our school's Program Outcomes and Follow-up Plan, students will be notified of their needed efforts to report licensure and job placement data with the use of the student licensure and placement survey feedback forms upon completion, and the assistance of the State of Michigan website that allows DDBS to verify exams and licensure data by using the following follow-up methods:

Follow-up methods

1. Employee/student emails, or verbal communication.
2. Student and Employer feedback forms for placement, exams, and licensure
3. Student Exit surveys for placement
4. Student Licensure and Placement Data Survey forms
5. Emails, texts, remind messages from students verifying employment.
6. Calling the State for licensure and exam data
7. Call testing centers for passing or failing records.
8. Director of Operations and Admissions Coordinator verbal verification from the student and our employers
9. Social media and online platform retrievals
10. Open house and employer affiliate partner hiring events on campus for verification of employment.

All data for placement and licensure are collected from Instructors, Admissions Coordinator, Workforce and Career Recruiter, and all other administrative staff members in the form of exit surveys, licensure and placement surveys, social media, online platform retrieval, state of Michigan licensure follow-ups, testing centers, and employer partners that have hired our graduates. Contact can be made via telephone, email, text messages, social media, and our school's communication app called Remind.

The Workforce Development Recruiter, Admissions Coordinator, Director of Operations, and Records Clerk are responsible for housing collected data in the Student Information File System digital/hard copy format, which is in the locked fire-proof safe cabinet located on the company's computers, and backs up all data collected by a third-party IT Company. All hard-copy and digital copies of files are only accessible through the file clerk or designated administrative staff.

11.4 Employer Contact Documentation

DDBS has a Workforce and Career Placement department that focuses on job placement services to assist graduates and non-graduates. Within the curriculum and length of the program, students are required to meet with the Workforce Development and Career Recruiter for counseling during the process for job placement services, assistance with their resume, interview skills, personal presentation, employment, and portfolio for placement opportunities. Instructors are responsible for counseling students with their overall performance from enrollment to job placement. The Workforce and Career Recruiter is responsible for maintaining and sharing student portfolios and resumes with employers seeking graduates and is available to employers for review and/or sent via email, letter, or in-person by the career recruiter. With the student's verbal permission, the career recruiter will act on behalf of the student for employer verification.

The Workforce and Career Services Department is responsible for developing and maintaining employer relationships with salons, spas, and other industry businesses for graduate employment opportunities.

The school evaluates prospective employers to verify legitimacy, appropriate licensing, and compliance with applicable business and safety requirements, including local or state inspections, when applicable, to help support safe workplace environments for students and graduates.

Participating employers may be required to complete employer agreements, memoranda of understanding, or other placement-related documentation acknowledging their interest in considering qualified graduates for employment opportunities.

Job Openings

Job openings are provided by the Workforce and Career Development Center, and openings are on display in the Media Resource Room for students seeking employment.

Below is a live sample of employer contact information

Dymond Designs Beauty School Employer Contact Sheet

1. Glamour Hair Salon/Victoria Johnson/28801 Southfield Rd. Lathrup Village, MI, [48076/248-423-7776](tel:48076248423)/mrsvickylynn@yahoo.com
2. JCPenney Salon/Sherrie Harris/700 W.14 Mile Rd. Troy, MI, 48083/248-583-3400 ext. 286/ sharr273@jcp.com
3. Living Room Hair Lounge/Stephanie Anderson/22741 Woodward Ave, Ferndale, MI, 48220/248-268-1632/livingroomhair@gmail.com
4. Polish'd Palace Nail Salon/Shelita Anderson/21326 Gratiot Ave. Eastpointe, MI, 48021/313-559-0836/polishdpalace@gmail.com
5. The Lip Bar/Breiana Hunt/ 1444 Woodward Ave. Det, MI, 48226/313-482-7638/storemanager@thelipbar.com
6. The Nail Box/ Tonya Martin/ 15200 E. Jefferson. Grosse Pointe, MI, [48230/313-623-6897](tel:482303136236897)/thenailboxdayspa@gmail.com
7. The Ten Nail Bar/Olivia Rensel/ 6541 Woodward Ave. Det, MI, 48202/ [313-462-4517](tel:3134624517)/olivia@thetennailbar.com
8. Beaute Anthologies The Natural Hair Salon/Niani Barrack/ 30215 Southfield Rd. Southfield, MI, 48076/ 248-331-2422
9. Natural-ish natural hair salon /Aquila Peebles/6375 W. 7 Mile Rd. #102 Detroit, Michigan 48221/888-474-6288/ info@natural-ish.com
10. Beauti Kafe Salon/ Colleen Jackson/ 7446 Woodward Ave #107 Detroit, Michigan/313-510-6919/ beautikafe@gmail.com
11. Twin City Suites/ Tracey Martin/ 21420 Harper Ave. St. Clair Shores, MI 48080/ 313-352-2482/ Martintrac@yahoo.com
12. Hi-ya, Beautiful nail and spa salon/ Annetta Smith/ 18301 E. 8 Mile Rd. Eastpointe, MI 48021/ 248-787-5564/ hiyabeau@gmail.com
13. Skyn & Body Spa Therapy/Ikea Treadwell/ 21409 John R. Suite A, Hazel Park, MI 48030/ 313-687-5000/ skyntherapybyikea@gmail.com
14. Treasure'd by Carmen Hill/Carmen Hill/ 32233 Southbound Gratiot Ave. Roseville, MI 48066/313-646-3802/ carmenhill234@gmail.com
15. J.C. Penny(Westland)/Sherie Harris/ 35000 Warren Rd. Westland, MI, 48185/773-619-9881/ Sherrieharris4449@gmail.com
16. Jaz Customs Beauty LLC/ Jazmine Johnson/16934 Meyers Rd. Detroit, MI, 48235/ 248-826-3782/ Jazcustomsbeauty@gmail.com
17. Beauty Studios Inc./ Charese Sailor/ 21800 Melrose Ave. Southfield, MI, 48075/248-910-4273/ thebeautystudiosinc@gmail.com

11.5 Licensure Tracking Procedures

The institution tracks graduate licensure outcomes through graduate follow-up, state board verification, examination results, and other documented communication methods. Licensure information obtained by the institution is recorded on the school's licensure tracker and is included as part of the institution's completion, placement, and licensure tracking process for reporting, compliance, and institutional effectiveness purposes.

11.6 Advisory Committee Oversight

On an annual basis, the Institutional and Occupational Advisory Committees review documentation related to licensure tracking, employer contact documentation, placement, verification, graduate follow-up, and career services activities. The committees provide feedback, recommendations, and industry input to support institutional effectiveness and continuous improvement. Survey forms, meeting minutes, and related documentation are maintained to document committee review and recommendations.

11.7 Placement Reporting Procedures

DDBS maintains placement reporting procedures to document, track, and report graduate employment outcomes. Once graduate employment has been verified through acceptable supporting documentation, the placement information is recorded in the institution's placement tracker.

Placement records and supporting documentation are maintained by the institution for compliance, reporting, and institutional effectiveness purposes. Placement data may be compiled and reported to accrediting agencies and other applicable regulatory entities in accordance with reporting requirements and established timelines.

All placement documentation is maintained in accordance with institutional record retention policies and applicable regulatory requirements.

11.8 Misrepresentation Prevention

DDBS and its employees are prohibited under federal regulations from making any false, erroneous, or misleading statement directly or indirectly to a student, prospective student, member of the public, accrediting agency, state agency, or the Department of Education.

Misleading statement includes any statement that has the likelihood or tendency to deceive or confuse. A statement is any communication made in writing, visually, orally, or through other means. This includes student testimonials given under duress or because such a testimonial was required to participate in a program.

Federal regulations further provide that substantial misrepresentation is any misrepresentation on which the person to whom it was made could reasonably be expected to rely, or has reasonably relied, to that person's detriment. The regulations regarding misrepresentation describe misrepresentation with respect to:

- Nature of the education program
- Nature of financial charges
- Employability of graduates

DDBS provides information to faculty, staff, and students about the educational program, financial charges, and employability of graduates through the Institution's website, the rules and regulations, and in-person trainings to guard against the release of false, erroneous, or misleading information about the school. DDBS takes violations of this policy seriously. Employees who fail to adhere to this policy will receive disciplinary action appropriate to the nature and extent of the violation, up to and including termination, to ensure that violations are not repeated.

Violations of this policy could jeopardize DDBS's eligibility to participate in Title IV Programs.

Misrepresentation Policy Procedure

Designated reporting channels for employees to report suspected misrepresentations. Timeframe for reporting potential issues. Protection against retaliation for reporting concerns.

- Steps to investigate reported misrepresentation, including gathering evidence, interviewing relevant parties, and reviewing documentation.
- Designation of individuals responsible for conducting investigations.
- Potential disciplinary actions for violating the misrepresentation policy, which may include verbal warnings, written reprimands, suspension, or termination, depending on the severity of the violation.
- Mandatory training for all employees to educate them on misrepresentation policy, ethical communication practices, and relevant legal requirements.
- Fact-Checking Procedures:
- Guidelines for verifying information before communicating it to external parties, including reliance on credible sources and data.
- Procedures for documenting all misrepresentation reports, investigations, and corrective actions taken

SECTION 12 — CASH MANAGEMENT & BUSINESS OFFICE

Date of Last Revision: 7/1/2024, 3/26/2025, 3/16/2026

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 3/16/2026, 6/27/2026

12.1 Student Ledger Postings Policy

The DDBS Business Center Liaison and the Director of Financial Aid are responsible for most financial accounting and recordkeeping. The Director of Financial Aid for posting all student ledger cards and maintaining accurate records with a detailed description (Sub, Unsub, Pell) of the type of payment posted to the student's account. The accounting records and systems for FSA funds must provide a clear audit trail that makes it possible to trace all federal cash from drawdown to its destination. Any student who receives Title IV funds, the school must maintain a student ledger that clearly identifies the date and amount of each transaction, and the balance after each.

Student Ledger Postings Procedure

Director of Financial Aid

- As payments are submitted (FSA), payments are posted to the student ledger within 24 hours of making the payment
- Issue out recipes via email or printed copies as requested.
- As disbursements are made, it is posted to student ledger cards.
- Notification is issued to Business Center Liaison and students via email/ text or printout.
- Copies of student ledger cards are found online.

Business Center Liaison

- As payments are submitted (cash), payments are posted to the student ledger within 24 hours of making the payment
- Issue out recipes via email or printed copies as requested.
- As disbursements are made, it is posted to student ledger cards.
- Copies of student ledger cards are found online.

12.2 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 DDBS; and
2. DDBS 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 promptly.

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.

12.3 Credit Balance Monitoring

A credit balance occurs when Title IV funds and other payments credited to a student's account exceed allowable institutional charges for the applicable payment period. The institution reviews student accounts regularly to identify and track credit balances.

Credit balances are disbursed to the student or parent borrower (if applicable for PLUS loans) within the required federal timeframes after the funds are posted to the student account. All credit balance activity is documented and maintained in the student financial aid file for audit and compliance purposes.

12.4 Excess Cash Procedure

Business Office Liaison

- 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.

12.5 Bank Reconciliation Procedures

Monthly and Annual Reconciliation Policy

DDBS is responsible for reconciling all cash and funds disbursed on a monthly and annual basis. This reconciliation process involves comparing the disbursements with the Business Center Administrator, Records, ledger, and bank statements to ensure that all transactions align accurately.

Monthly Reconciliation Procedure

Business Center Liaison & Director of Financial Aid

- Compare the amounts disbursed (as reported by the third-party servicer, BEN) against Business Center records, ledger, and bank statements.
- Confirm the amount of funds disbursed each month according to the third-party service's report and BEN records.
- Identify, review, and correct any discrepancies promptly.

Business Center Liaison:

- Determines the total amounts disbursed and cash collected each month.
- This determination is based on Business Center Administrator Records, the ledger, and bank statements.

Annual Reconciliation Procedure

Business Center Liaison & Director of Financial Aid

- At the end of each fiscal year, the monthly reconciliations are aggregated, and a comprehensive review is conducted to ensure that the totals from all months align with the annual Business Center records, ledger, and bank statements.
- The annual reconciliation also includes reviewing the total disbursed funds and collected cash, ensuring that any adjustments made throughout the year are accounted for accurately.

This procedure ensures that the financial records are aligned and consistent between the Financial Aid and Business Center departments, maintaining accurate financial tracking and reporting on both a monthly and annual basis.

Reconciliation

Monthly and Annual Reconciliation Policy

The DDBS is responsible for reconciling all cash and funds disbursed on a monthly and annual basis. This reconciliation process involves comparing the disbursements with the Business Center Administrator, Records, ledger, and bank statements to ensure that all transactions align accurately.

Monthly Reconciliation Procedure

Business Center Liaison & Director of Financial Aid

- Compare the amounts disbursed (as reported by the third-party servicer, BEN) against Business Center records, ledger, and bank statements.
- Confirm the amount of funds disbursed each month according to the third-party service's report and BEN records.
- Identify, review, and correct any discrepancies promptly.

Business Center Liaison:

- Determines the total amounts disbursed and cash collected each month.
- This determination is based on Business Center Administrator Records, the ledger, and bank statements.

Annual Reconciliation Procedure

Business Center Liaison & Director of Financial Aid

- At the end of each fiscal year, the monthly reconciliations are aggregated, and a comprehensive review is conducted to ensure that the totals from all months align with the annual Business Center records, ledger, and bank statements.
- The annual reconciliation also includes reviewing the total disbursed funds and collected cash, ensuring that any adjustments made throughout the year are accounted for accurately.

This procedure ensures that the financial records are aligned and consistent between the Financial Aid and Business Center departments, maintaining accurate financial tracking and reporting on both a monthly and annual basis.

12.6 G5 Drawdown Procedures

The school utilizes the U.S. Department of Education's G5 system to request and manage Title IV funds. All drawdowns are performed in accordance with federal regulations governing cash management and institutional participation in Title IV programs.

The third-party servicer (BEN) is responsible for initiating the G5 drawdown request based on eligible disbursements and institutional cash needs.

Once funds are drawn down through G5, the business office records and deposits the funds into the appropriate account. All transactions are accurately recorded in the school's financial system and reconciled with the G5 system to ensure proper accounting of federal funds.

The school maintains internal controls to ensure:

- Funds are requested only for the eligible Title IV disbursements

- Drawdowns do not exceed immediate cash needs
- Records are reconciled regularly
- All federal funds are properly accounted for and safeguarded.

All G5 drawdown documentation, reconciliation reports, and related financial records are maintained in accordance with federal record retention requirements and institutional policies.

12.7 Fiscal Recordkeeping

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 Reporting Process Procedure

Third-Party Servicer:

- Maintain records throughout the year.
- At the end of each year, submit the records and relevant documentation to DDBS (for review and verification).

Business Center Liaison & Director of Financial Aid

- **Review and Verification:** Both administrators review the records and verify the accuracy of the information submitted by the third-party servicer.
- **Submission to Auditor:** After verification, the administrators submit the records to the Auditor for further review and approval.

Fiscal Recordkeeping Process Policy

Fiscal Recordkeeping Process Policy and Third –Party Oversight

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 that DDBS can meet the administrative and fiscal requirements for participating in the FSA programs.

DDBS has a CPA and a third-party auditor that maintains documentation of all fiscal records:

Wilkes CPA's & Advisors, LLP

1721 Cochran Road, Suite 200

Pittsburgh, PA 15220-1002

Phone: 412-278-2200

Fax: 412-278-1998

Toll-free: 877-208-2200

www.wilkecpa.com

DDBS has a CPA and a third-party servicer for all IT and maintenance of all fiscal records:

Electronic Brain Solutions LLC

3509 Biddle Ave

Wyandotte, MI 48192

Phone: 734-288-8327

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 are 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 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

Third-Party Servicer

- **Record Maintenance:** The third-party servicer is responsible for maintaining accurate and up-to-date financial records for DDBS, including student accounts, transactions, and other

relevant financial data.

- **End-of-Year Submission:** At the end of each fiscal year, the third-party servicer submits the financial records to the designated institution administrators (such as the Business Center Liaison or Director of Financial Aid) for review.

Business Center Liaison & Director of Financial Aid

- **Initial Review and Verification:** Both the Business Center Liaison and Director of Financial Aid receive the records from the third-party servicer and review them for completeness, accuracy, and compliance with relevant financial and regulatory standards.
 - This review includes verifying student balances, payments, disbursements, and financial aid.
- **Corrections (if necessary):** If discrepancies or errors are identified during the review, the administrators work with the third-party service provider to correct the records before further submission.
- **Approval and Final Verification:** After ensuring all records are accurate and complete, the administrators approve the records for submission to the Auditor.

Records Clerk

- All fiscal records, including the third-party servicer's documentation, administrator reviews, and auditor reports, must be retained according to institutional policy and regulatory requirements. This may include digital storage and/or physical storage in the Records Room.
- The retention period typically aligns with legal or accreditation requirements (e.g., 7 years).

Auditor

- **Auditing:** The Auditor is responsible for reviewing the submitted financial records and conducting an audit to ensure that the records comply with applicable accounting standards, regulatory requirements, and internal policies.
 - The Auditor may request additional documentation or clarification during the audit process.
- **Report Preparation:** Upon completion of the audit, the Auditor provides a formal report on the findings, including any recommendations for improvements or corrections.
- **Final Approval:** The finalized audit report has been submitted to the Director of Operations and Business Center Liaison for approval.

1098-T, 1098-E, IRS 1042, 1042s Policy

IRS Form 1098-E

DDBS must provide IRS Form 1098-E, Student Interest Statement, to all individuals who paid student loan interest of \$600 or more on loans held by your school during a calendar year.

IRS Form 1098-T

DDBS must provide Form 1098-T, Tuition Statement, for each student enrolled for credit and for each student with whom a reportable transaction is made. These forms will be sent via mail to the last known address provided to DDBS.

IRS Forms 1042 & 1042-S

DDBS is required to meet withholding and reporting requirements for nonresidents. Nonresidents eligible for Title IV aid include asylees, refugees, and parolees. DDBS must generate a 1042-S for each nonresident student receiving a taxable income other than wages. This includes Title IV need-based aid and other grants or scholarships. DDBS must also prepare a 1042 summarizing the data reported on the individual 1042-S forms. See IRS instructions for Forms 1042 and 1042-S for filing requirements. DDBS does not enroll non-resident students, so this policy will not apply.

1098-T, 1098-E, IRS 1042, 1042s Procedure

Business Center Liaison

2. Complete 1098-T Tuition statement for each student enrolled for credit and for each student for whom a reportable transaction was made.
3. Complete all 1098-E forms for all students who paid student interest in excess of \$600.00 or more.
4. Submit a request through <https://www.efile4biz.com>
5. All files will be emailed and mailed all files to students no later than January 30th each year.
6. In the event of unforeseen circumstances, request an extension

12.8 Compliance Audits and Audited Financial Statements

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 applies 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 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 decide on 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. DDBS school includes, as part of these financial statements, a detailed description of related entities based on the definition of a related entity as outlined 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 outlined 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 the Secretary to readily identify the related party. Such information may include, but is not limited to, the name, location, and 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 it occurred.

Compliance Audits & Audited Financial Statements Procedure

Director of Operations, Director of Financial Aid, Business Center Liaison, and Records Clerk

January 2 – Contact the CPA to request necessary audit documents. February 2 – Submit final audited financials to ED (no later than June 30). Ongoing – make corrections suggested by ED

January 30 – Final submission of corrected audited financials to ED

12.9 Financial Responsibility Monitoring

Financial responsibility monitoring includes regular review of institutional financial records, student account activity, Title IV fund management, and compliance with applicable cash management regulations. The institution ensures that all federal funds are properly drawn, disbursed, and reconciled in accordance with regulatory requirements.

The Financial Aid Office and Business Office work together to review financial activity, identify discrepancies, and ensure timely resolution. All financial responsibility monitoring activities are documented and retained for audit and compliance purposes.

12.10 Composite Score Monitoring

DDBS monitors its financial responsibility composite score as calculated by the U.S. Department of Education to ensure continued compliance with Title IV eligibility requirements. The Director of Operations, Financial Aid Administrator, and Business Center Liaison reviews available financial responsibility information on an annual basis or upon receipt of updated federal determination.

Any change to the school's composite score or financial responsibility status will be reviewed promptly, and corrective action will be implemented as necessary to maintain compliance with federal regulations governing participation in Title IV programs. All related documentation and communications are maintained in accordance with institutional record retention policies.

12.11 Letter of Credit Procedure

The school will comply with all U.S. Department of Education requirements if a Letter of Credit is required as a condition of Title IV participation. The Director of Operations and Financial Aid Administrator will coordinate all related documentation and submission processes. Records will be maintained in accordance with federal retention requirements.

Section 13 – Record Retention

Date of Last Revision: 7/1/2024, 3/26/2025, 3/16/2026

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 3/16/2026, 6/27/2026

13.1 Student Academic Records

Student records, including transcripts, attendance records, financial aid documentation, enrollment agreements, and academic progress reports, are securely stored and maintained for a minimum period of seven (7) years. Records are kept in either physical or electronic format with appropriate safeguards to ensure confidentiality and integrity.

Access to student records is restricted to authorized personnel only. Records are retained to support academic verification, financial aid compliance, audit requirements, and student requests for transcripts or enrollment verification.

13.2 Financial Aid Records

Financial aid records include, but are not limited to, student aid applications, eligibility documentation, award notifications, disbursement records, attendance and academic progress documentation, Return to Title IV (R2T4) calculations, and all related correspondence.

These records are securely maintained for a minimum of seven (7) years in accordance with federal retention requirements. Records are stored in a secure physical and/or electronic system with restricted access limited to authorized personnel only.

Financial aid records are retained to support audits, program reviews, compliance monitoring, and student inquiries.

13.3 Attendance Records

Attendance is recorded daily for each student and reflects actual hours attended in supervised instructional activities. Records include clock hours earned, absences, tardiness, and any make-up hours completed under institutional approval.

Attendance records are used to determine academic progress, financial aid eligibility, payment period completion, and Return to Title IV (R2T4) calculations when applicable. All attendance records are securely maintained and are accessible only to authorized personnel.

13.4 SAP Documentation

SAP records include evaluations of clock hours completed, attendance percentage, academic performance (where applicable), warning or probation status, and determination of continued financial aid eligibility. SAP is reviewed at established evaluation points and documented for each student in the academic record. Access to SAP records is limited to authorized personnel and is used for financial aid administration, audits, and compliance reviews.

13.5 Verification Documentation

Verification documents include any records used to confirm the accuracy of student aid application data, such as tax information, household size, identity confirmation, citizenship status, and other federally required eligibility components.

All verification documents are securely collected, reviewed, and stored in the student financial aid file. These records are accessible only to authorized personnel. Verification documentation is used for financial aid determination, audit support, and compliance monitoring.

13.6 R2T4 Documentation

R2T4 documentation includes attendance records, withdrawal determinations, last date of attendance verification, calculation worksheets, fund return records, and student notification of eligibility changes. All calculations are completed based on accurate attendance and enrollment data.

R2T4 records are securely maintained in the student financial aid file in accordance with federal retention requirements. These documents are used for audit purposes, program reviews, and compliance monitoring, and are accessible only to authorized personnel.

13.7 Fiscal Records

Fiscal records include, but are not limited to, general ledgers, cash receipts, disbursement records, student account ledgers, Title IV drawdown and return records, reconciliation reports, and supporting financial documentation.

All fiscal records are securely maintained in accordance with federal retention requirements. Records are stored in a secure system with restricted access limited to authorized personnel and are used for audits, compliance reviews, and financial reporting purposes.

13.8 Electronic Record Retention

Electronic records include student academic files, financial aid records, attendance data, SAP documentation, fiscal records, and all supporting documentation required for Title IV compliance. These records are stored in secure electronic systems with access limited to authorized personnel only.

The institution ensures electronic records are protected against loss, unauthorized access, or alteration through appropriate security measures, including password protection, user access controls, and regular system backups.

13.9 Record Destruction Procedures

Record destruction is completed in a manner that protects confidential and sensitive information. Physical records are shredded or otherwise permanently destroyed, and electronic records are securely deleted to prevent recovery. All record destruction actions are documented and maintained for compliance and audit purposes.

13.10 Data Security & Access Controls

All student, financial aid, academic, and institutional records are stored in secure systems with restricted access based on job responsibilities. Access is granted only to authorized personnel through unique user credentials and role-based permissions. DDBS uses appropriate safeguards to protect data against unauthorized access, alteration, loss, or disclosure. These safeguards include password protection, user authentication, secure storage systems, and regular system backups.

Access to sensitive information, including financial aid and student records, is monitored and reviewed periodically to ensure compliance and data integrity. Unauthorized access or misuse of data is subject to disciplinary action.

SECTION 14 — COMPLIANCE & TRAINING

Date of Last Revision: 7/1/2024, 3/26/2025, 3/16/2026

Date of Review and Evaluation: 1/4/2022, 3/15/2023, 7/1/2024, 3/26/2025, 3/16/2026, 6/27/2026

14.1 Staff Training Requirements

DDBS provides ongoing staff training to ensure compliance with Title IV regulations established by the U.S. Department of Education and applicable state and accrediting agency standards. All financial aid, admissions, academic, and administrative staff receive initial training upon hire and ongoing training as needed to remain current with regulatory updates, institutional policies, and system procedures. Training topics include Title IV eligibility, attendance and clock-hour reporting, SAP, R2T4 calculations, recordkeeping, and data security. Staff training is documented and maintained in personnel files. The institution ensures staff are appropriately trained to perform their responsibilities accurately and in compliance with federal requirements.

Federal Student Aid Training Requirement and Procedure

DDBS has met this requirement and continuously trains for any updates. 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 from the following:

Marlene Brooks, Owner/Director of Operations

Racquel Williams, 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. All responsible parties must complete 20 online trainings within 30-45 days of the date of hire, register with the Boston Educational Network online training within 3 months of hire date, and obtain access to all systems, such as Power Vista Roll Call and other training modules, from the Director of Financial Aid or Owner.

14.2 Annual Compliance Reviews

The institution conducts annual compliance reviews to ensure ongoing adherence to Title IV regulations established by the U.S. Department of Education, as well as applicable state and accrediting agency requirements. The purpose of the review is to identify areas of risk, ensure accuracy of reporting, and confirm continued institutional compliance. Findings from the annual compliance review are documented and reported to institutional leadership. Corrective action plans are developed and implemented as needed, and all review documentation is retained for audit and regulatory purposes.

14.3 Annual Policy Review

The institution's Financial Aid Director, Director of Operations, Admission Director, and all staff conduct an annual review of all policies related to Title IV administration and institutional operations to ensure continued compliance with requirements established by the U.S. Department of Education.

Policies reviewed include, but are not limited to, financial aid procedures, attendance and clock-hour policies, Satisfactory Academic Progress (SAP), Return to Title IV (R2T4), record retention, data security, and student consumer information disclosures.

Updates are made as necessary to reflect regulatory changes, operational improvements, and compliance findings. All policy revisions are documented, approved by institutional leadership, and communicated to relevant staff.

14.4 Compliance Calendar

Dymond Designs Beauty School maintains an institutional Compliance Calendar to ensure ongoing adherence to all applicable federal, state, accrediting agency, and U.S. Department of Education regulations. The Compliance Calendar serves as a guide for monitoring required reporting deadlines, operational reviews, financial aid compliance activities, consumer information disclosures, and institutional policy updates. The calendar is reviewed regularly by the administration and updated as necessary to reflect regulatory changes and institutional needs.

Compliance Calendar

Daily

- Monitor student attendance and enrollment status
- Review withdrawals, leaves of absence, and schedule changes
- Monitor Title IV disbursements and credit balances
- Review NSLDS, COD, and FAFSA alerts or rejects
- Document all compliance-related communications and actions

Weekly

- Review students approaching SAP warning or probation status
- Monitor students at risk of unofficial withdrawal
- Review R2T4 activity and pending deadlines
- Verify attendance posting accuracy
- Review cash management and credit balance activity
- Ensure required consumer information remains accessible on the website

Monthly

- Reconcile Title IV funds with G5, COD, and institutional records
- Review student files for missing documentation
- Conduct internal compliance file audits
- Review and update policies and procedures as needed
- Verify campus security and Clery documentation updates
- Review gainful employment and disclosure requirements
- Monitor staff training needs and compliance updates

Quarterly

- Conduct internal compliance meetings
- Review SAP calculations and appeal documentation
- Audit R2T4 calculations and refund processing
- Review professional licensure disclosures
- Review placement, completion, and licensure data
- Evaluate institutional compliance risks and corrective actions
- Update compliance tracking logs and revision logs

Annually

- Complete FISAP reporting
- Submit Campus Security/Clery Act Annual Security Report
- Update Net Price Calculator information
- Review and update Consumer Information disclosures
- Review institutional catalog and student handbook
- Conduct annual staff compliance training
- Review and update Written Information Security Program (WISP)
- Complete annual policy and procedure review
- Review program eligibility and certification requirements
- Update placement, completion, earnings, and licensure disclosures
- Conduct annual internal compliance audit
- Prepare for accreditation, DOE, or state agency reviews as applicable

As Needed

- Complete R2T4 calculations upon student withdrawal
- Submit required corrections to COD or NSLDS
- Respond to audit findings or program review requests
- Update policies for new federal or state regulations
- Conduct corrective action plans when compliance issues are identified
- Provide additional staff training related to regulatory changes
- Maintain documentation for all compliance actions and communications

14.5 Program Review Preparation

The Director of Operations and Board Members meet annually to review all programs in relation to current industry standards, regulatory requirements, and student outcome data. Program reviews evaluate curriculum relevance, licensure alignment, student achievement, employer feedback, and overall program effectiveness. Based on these reviews, updates and improvements are made as necessary to ensure programs remain current and aligned with industry and educational standards.

All program review activities and resulting changes are documented and maintained for institutional and compliance purposes.

14.6 Audit Preparation Procedures

Before an audit, the Financial Aid Office, Business Office, and administrative leadership review all required records, including student files, attendance documentation, SAP records, R2T4 calculations, fiscal records, and compliance reports to ensure accuracy and completeness.

Requested documentation is organized, verified, and made available in a timely manner to auditors. Any discrepancies identified during the preparation process are corrected and properly documented. The institution maintains full cooperation with auditors and ensures all supporting materials are retained and accessible for review.

14.7 Corrective Action Plan Procedures

When a deficiency is identified, the responsible department reviews the finding and develops a written corrective action plan outlining the issue, required corrections, responsible parties, and timeline for resolution. The plan is reviewed and approved by institutional leadership before implementation.

Progress is monitored to ensure timely and effective resolution. Once corrective actions are completed, documentation is updated and retained for audit and compliance purposes. DDBS uses corrective action findings to improve procedures and prevent future issues.

14.8 Annual Risk Assessments

Dymond Designs conducts annual risk assessments to evaluate potential compliance, operational, financial, and administrative risks related to Title IV participation under requirements established by the U.S. Department of Education. The purpose is to identify areas of potential risk and determine appropriate mitigation strategies.

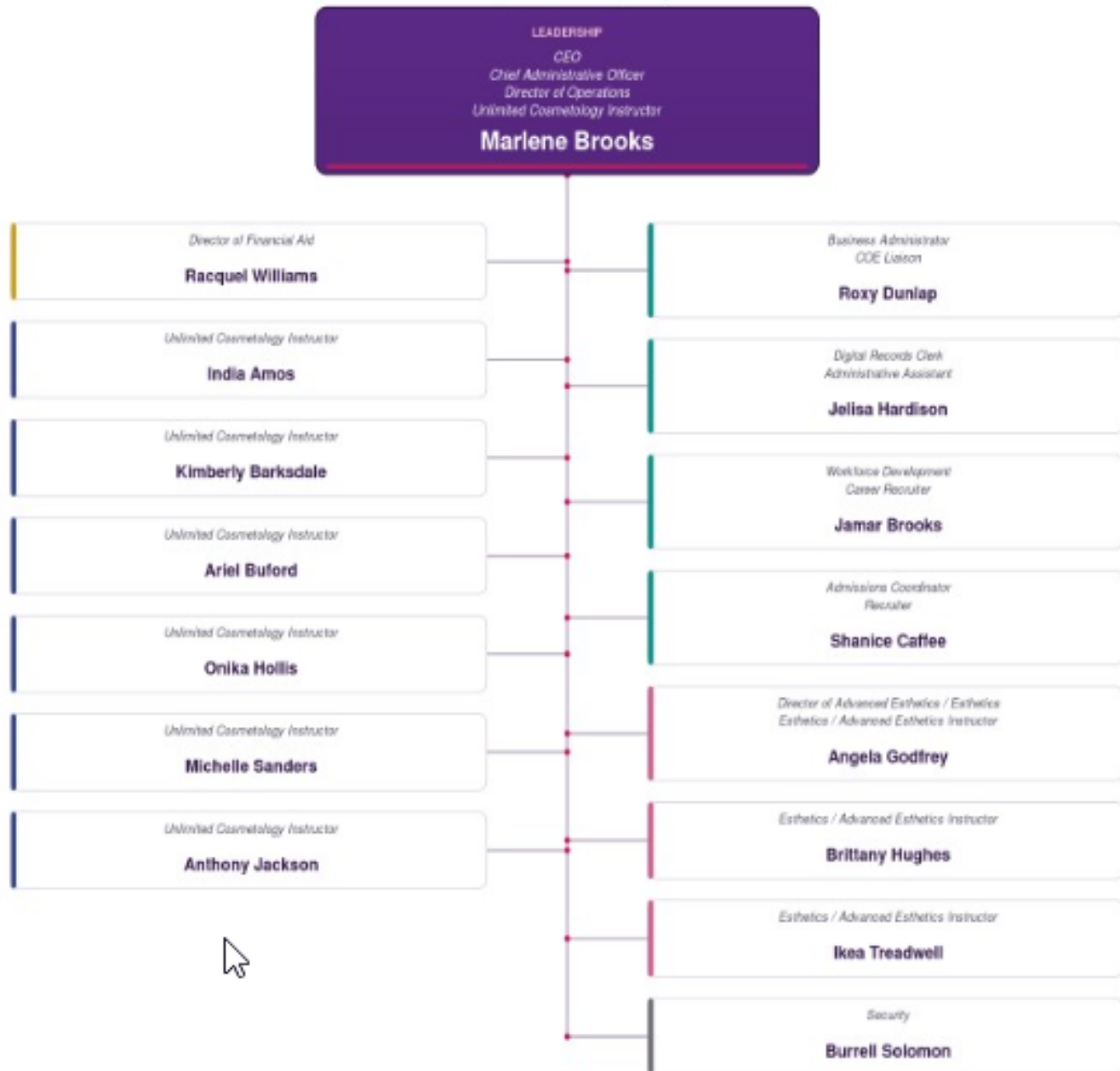
Findings are documented and reviewed by leadership. When risks are identified, corrective actions or process improvements are implemented as needed, and all assessment records are retained for audit and compliance purposes.

SECTION 15 — APPENDICES & EXHIBITS

APPENDIX A – ORGANIZATION CHART

DYMOND DESIGNS BEAUTY SCHOOL Organizational Chart

Instructional, Administrative & Supervisory Staff



Revised May 2020 • Dymond Designs Beauty School

APPENDIX B – ECAR



UNITED STATES DEPARTMENT OF EDUCATION SCHOOL PARTICIPATION MANAGEMENT DIVISION ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

Date Printed: 05/07/2026 EDUCATIONAL PROGRAMS SECTION PAGE G - 1

Institution Name: Dymond Designs Beauty School
OPE ID: 04305100
Type of Institution: Proprietary

EDUCATIONAL PROGRAMS

CIP	INSTITUTION'S PROGRAM NAME	APPROVED FOR CERTIFICATION	FULL CREDIT DEGREE	INITIAL APPROVAL	CREDIT HOURS	CLOCK HOURS	DURATION IN WEEKS
12.0401	Cosmetology	Y	N	01/25/2023	0	Clock Hours 1500	45
12.0409	Esthetics	N	N			Clock Hours 400	12
12.0409	Advanced Esthetics	N	N		0	Clock Hours 600	18
12.0409	Advanced Esthetics	Y	N	08/30/2024	0	Clock Hours 750	23
12.0409	Esthetics	Y	N	08/30/2024	0	Clock Hours 750	23

****End of Educational Programs Section****

APPENDIX C – PPA

- Additional Locations reported on the E-App that do not meet the requirements of 34 C.F.R. Parts 600 and 668 have not been approved and are marked on the ECAR as not approved.
- The listing of Educational Programs on the ECAR contains those programs that SEOSB has determined are eligible for participation in the Title IV, HEA programs.
- The ECAR contains a list of HEA titles under which the Institution is eligible to apply for funds. This list does not mean that the Institution will automatically be eligible to participate in or receive funds under any HEA competitive grant program. Information concerning applications for, and the individual requirements of, the competitive grant programs can be obtained from www.ed.gov.

PROGRAM PARTICIPATION AGREEMENT

The PPA contains the agreement between the Institution and the Secretary concerning the Institution's participation in the Federal student financial assistance programs (Title IV, HEA programs).

CERTIFICATION FOR TITLE IV, HEA PROGRAMS

As explained in the PPA, Title IV, HEA programs administered by participating educational institutions are subject to applicable laws, regulations, and guidelines. For further information on the HEA programs identified below, contact the FSA Partner and School Relations Center at (800) 848-0978:

- Federal Pell Grant Program
- Federal Direct Student Loan Program

If the Institution is not participating in the Direct Loan Program and wishes to begin participating, or is participating and wishes to request a change in its funding method, contact FSA Partner and School Relations at the number above or send an email to CODsupport@ed.gov. Include in your email message the name and address of the institution, the name of the Financial Aid Director or an official of the institution listed on the application, the institution's OPEID number and COD ID (if it has been assigned).
- Federal Campus-Based Programs

The Federal Campus-Based Programs are (a) the Federal Supplemental Educational Opportunity Grant (FSEOG) Program, (b) the Federal Work Study (FWS) Program, and (c) the Federal Perkins Loan Program (no longer making new loans). To obtain funding under the FSEOG or FWS programs, the Institution must file the Fiscal Operations Report and Application to Participate (FISAP) annually. FISAP packages are typically available at the end of July each year and the due date for electronic submission of this data is generally a postmark or transmission date of October 1. Please keep in mind that the October 1 submission is to obtain funding for the Award Year that begins the following July 1.

APPENDIX D – SAMPLE AWARD LETTER

SEOG:	\$00.00	☐
Scholarships		
State Scholarship:	\$00.00	
Institution Scholarship:	\$00.00	
Other Scholarship(s):	\$00.00	
-Grant and Scholarship Total	\$6162.00	
Federal Direct Loans		
Subsidized Loans:	\$2917.00	☐
Unsubsidized Loans:	\$1666.00	☐
-Federal Direct Loan Total	\$4583.00	
Federal Aid Programs		
Federal Work Study:	\$00.00	☐

Financial Aid Offers	Offers Amount	Declined
Other Sources		
Federal PLUS Loan:	\$00.00	☐
Other Federal Aid:	\$00.00	☐
Other State Aid:	\$00.00	☐
Other Aid:	\$00.00	☐
-Other Sources Total	\$00.00	
Other		
Other Loans:	\$00.00	☐
Total Aid Awarded:	\$10745.00	

Signature

Date

APPENDIX E – 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. Email complete appeal to raynakarpuk@ddbbs.edu.

Reasons for Appeal	Required Documentation
☐ Personal illness or injury ☐ Personal crisis ☐ Illness of a family member ☐ Death in the family ☐ Second degree ☐ Other NOTICE: Lack of awareness of withdrawal policies and/or requirements for SAP and lack of preparation for college coursework are not acceptable reasons for an appeal.	ATTACH a one-page explanation of what happened and what has changed AND supporting documentation of your situation NOTE: Include your <i>name</i> and <i>student ID</i> number at the top of each document. The explanation must include: ▪ What happened and why the event(s) caused you to be unable to maintain satisfactory progress ▪ What has changed and what steps you have taken or will take to achieve and maintain satisfactory academic progress Note: If this not your first SAP appeal, you MUST submit the Student Improvement Plan-SAP Part 2 Form .

SAP review components are:

- (1) **Cumulative Grade Point Average (GPA):** 75% is required for academics and 67% 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 _____

APPENDIX F - LEAVE OF ABSENCE FORM



Student Name:

First _____

Last _____

Course:

Instructor

Name:

LOA Begins:

_____/_____/____

LOA Ends:

_____/_____/____

Original Contract End Date:
Weeks:

__/__/__ **Revised Contract End Date:** __/__/__ **Changed**

Student Signature:

Date: / /

Parent /Guardian Signature:
(If Applicable)

Date: / /

Accepted by School Official _____

Date: ____/____/____

APPENDIX G – VERIFICATION WORKSHEETS

2025-2026 Identity and Statement of Educational Purpose

Student Name: _____

Name of Postsecondary Educational Institution: _____

The authorized school official verifies that the student has appeared in person to verify his or her identity by presenting a valid unexpired government-issued photo identification (ID), such as, but not limited to, a driver's license, other state-issued ID, or passport. The authorized school official also verifies that the institution has and will maintain a copy of the student's photo ID that is annotated with the date it was received and the name of the official at the institution authorized to collect the student's ID.

PLEASE DO NOT FORWARD A COPY OF THE ANNOTATED STUDENT ID TO THE BOSTON EDUCATIONAL NETWORK SINCE BEN CAN NOT VALIDATE.

Certification and Signature

The authorized institutional official signing below certifies that all of the information reported is complete and correct.

WARNING: If you purposely give false or misleading information you may be fined, be sentenced to jail, or both.

Signature of authorized institutional official: _____

Printed name of authorized institutional official: _____

In addition, the student must sign, in the presence of the institutional official, the following:

Statement of Educational Purpose

I certify that I _____ am the individual signing this
(Print Student's Name)

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 2025-2026.
(Name of Postsecondary Educational Institution)

Student's Signature

Date

Student's Printed Name

Student's SS#

2025-2026 Verification Worksheet Independent Student

Your 2025-2026 Free Application for Federal Student Aid (FAFSA) was selected for review in a process called verification. The law says that before awarding Federal Student Aid, we may ask you to confirm the information you reported on your FAFSA. To verify that you provided correct information the financial aid administrator at your school will compare your FAFSA with the information on this worksheet and with any other required documents. If there are differences, your FAFSA information may need to be corrected. You must complete and sign this worksheet, attach any required documents, and submit the form and other required documents to the financial aid administrator at your school. Your school may ask for additional information. If you have questions about verification, contact your financial aid administrator as soon as possible so that your financial aid will not be delayed.

A. Independent Student's Information

Student's Last Name	Student's First Name	Student's M.I.	Student's Social Security Number
Student's Street Address (include apt. no.)			Student's Date of Birth
City	State	Zip Code	Student's Email Address
Student's Home Phone Number (include area code)			Student's Alternate or Cell Phone Number

B. Family Size. Please list the persons included in the student's family per the FAFSA instructions. Include:

- The student.
- The student's spouse, if the student is married. Do not include the student spouse if the student spouse has died or is not living in the household due to separation or divorce.
- The student's or spouse's dependent children if they live with the student and spouse (or live apart from the student due to qualifying temporary absence under IRS code such as (living apart due to college enrollment) AND will receive more than half of their support from the student (and spouse) from July 1, 2025 through June 30, 2026 . Unborn children should not be included in the family size, though the family size can be updated if the child is born during the award year and will receive more than half of their support from the student (and spouse) during the award year.
- Other persons who live with the student (and spouse) AND will receive more than half of their support for the entire award year, July 1, 2025 through June 30, 2026.

Full Name	Age	Relationship of the Student
		<i>Self</i>

2025-2026 INDEPENDENT VERIFICATION WORKSHEET

2025-2026 INDEPENDENT VERIFICATION WORKSHEET

Student's Name: _____ SSN: _____

C. Independent Student's Income Information to Be Verified

1. **Instructions:** DO NOT COMPLETE THIS SECTION if the student and spouse filed or will file a 2023 IRS income tax return (s).
2. **Important Note:** The instructions below apply to the student and spouse, if the student is married. Notify the financial aid office if the student or spouse filed separate IRS income tax returns for 2023 or had a change in marital status after December 31, 2023.
3. **TAX RETURN NONFILERS**—Only complete this section if you, the student (and, if married, your spouse), will not file and are not required to file a 2023 income tax return with the IRS.

NOTE: VERIFICATION OF NONFILING IS NOT AN INDICATION THAT THE PERSON IS NOT REQUIRED TO FILE A RETURN, JUST CONFIRMATION THAT ONE WAS NOT FILED.

Check the box that applies:

- ☐ The student (and, if married, the student's spouse) was not employed and had no income earned from work in 2023.
- ☐ The student (and/or the student's spouse if married) was employed in 2023 and has listed below the names of all employers, the amount earned from each employer in 2023, and whether an IRS W-2 form is attached. Attach copies of all 2023 W-2 forms issued to you (and, if married, to your spouse) by employers. *List every employer even if the employer did not issue an IRS W-2 form. If more space is needed, attach a separate page with your name and SSN at the top.*

Employer's Name	Annual Amount Earned in 2023	IRS W-2 attached or an Equivalent Document Provided?
ABC's Auto Body Shop (Example)	\$2000 (Example)	Yes (Example)
Total Amount of Income Earned From Work	\$	

Provide documentation from the IRS or other relevant tax authority dated on or after October 1, 2024 that indicates a 2023 IRS income tax return was not filed with the IRS or other relevant tax authority, or a signed statement certifying that the individual attempted to obtain confirmation of nonfiling from the IRS or other relevant tax authority and was unable to obtain the required documentation.

_____ Check here if confirmation of nonfiling is provided.

2025-2026 INDEPENDENT VERIFICATION WORKSHEET

2025-2026 INDEPENDENT VERIFICATION WORKSHEET

Student's Name: _____ SSN: _____

D. Certification and Signature

Each person signing below certifies that all of the information reported is complete and correct.

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, be sentenced to jail, or both.

Student's Signature (Required)

Date

Spouse's Signature (Note: Signature is required if a non-filer)

Date

Do not mail this worksheet to the U.S. Department of Education.

Submit this worksheet to the financial aid administrator at your school.

You should make a copy of this worksheet for your records.

2025-2026 INDEPENDENT VERIFICATION WORKSHEET

- (4) For an individual who was the victim of IRS tax-related identity theft—
- A copy of the signed 2023 income tax return¹ and applicable schedules¹ the individual filed with the IRS; and
 - An IRS 4674C letter (a letter from the IRS acknowledging the identity theft) or a statement signed and dated by the tax filer indicating that he or she was a victim of IRS tax-related identity theft and the IRS is aware of it.
- (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 2023 or documentation from the IRS that include the change(s) made to the tax filer's 2023 tax information, in addition to one of the following—
- (a) Income and tax information from the IRS on an ISIR record with all tax information from the original tax return;
 - (b) A transcript obtained from the IRS that lists 2023 tax account information of the tax filer(s); or
 - (c) A signed copy of the 2023 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 2023 income tax return—

Income information for non-tax filers

Income Earned from Work

- (1) A signed and dated statement certifying—
 - (a) That the individual is not required to file a 2023 income tax return; and
 - (b) The sources and amounts of earnings, other income, and resources that supported the individual(s) for the 2023 tax year;
- (2) For individuals without a Social Security number (SSN), Individual Taxpayer Identification Number (ITIN), or Employer Identification Number (EIN), a signed and dated statement certifying that they do not have an SSN, ITIN, or EIN;
- (3) A copy of IRS Form W-2² for each source of 2023 employment income received or an equivalent document;² and
- (4) Except for dependent students, verification of non-filing⁴ for individuals who would file a return with a relevant tax authority other than the IRS dated on or after October 1, 2024.

Note: 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 2023 tax year.

Family Size

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:

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 2025–2026 award year and the relationship of that family member to the applicant.

Note: Verification of family size is not required if—

- 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 and the parents are married, remarried or unmarried and living together; or
- 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 and the applicant is married or remarried; or
- The applicant manually updated their family size and the number is the same as the family size derived from data transferred directly from the IRS.

2025-2026 Verification Worksheet Dependent Student

Your 2025-2026 Free Application for Federal Student Aid (FAFSA) was selected for review in a process called verification. The law says that before awarding Federal Student Aid, we may ask you to confirm the information you reported on your FAFSA. To verify that you provided correct information the financial aid administrator at your school will compare your FAFSA with the information on this worksheet and with any other required documents. If there are differences, your FAFSA information may need to be corrected. You must complete and sign this worksheet, attach any required documents, and submit the form and other required documents to the financial aid administrator at your school. Your school may ask for additional information. If you have questions about verification, contact your financial aid administrator as soon as possible so that your financial aid will not be delayed.

A. Dependent Student's Information

Student's Last Name	Student's First Name	Student's M.I.	Student's Social Security Number
Student's Street Address (include apt. no.)			Student's Date of Birth
City	State	Zip Code	Student's Email Address
Student's Home Phone Number (include area code)			Student's Alternate or Cell Phone Number

B. Family Size. Please list the persons included in the parent's family per the FAFSA instructions. Include:

- The student.
- The parents (and their spouse or partner) even if the student doesn't live with the parents.
- The parents dependent children (even if they live apart from the parents due to a qualifying temporary absence under IRS code, such as living apart due to college enrollment) who will receive more than half of their support from July 1, 2025 through June 30, 2026.
Unborn children should NOT be included in the family size, though the family size can be updated if the child is born during the award year and will receive more than half of their support from the parent (and spouse or partner)
- Other persons who live with and receive more than half of their support from the parent (and spouse or partner) AND will receive more than half support for the entire award year.

Full Name	Age	Relationship to the student
		<i>self</i>

2025-2026 DEPENDENT VERIFICATION WORKSHEET

2025-2026 DEPENDENT VERIFICATION WORKSHEET

Student's Name: _____ SSN: _____

C. Dependent Student's Income Information to Be Verified

1. Instructions: DO NOT COMPLETE THIS SECTION if the student filed or will file a 2023 IRS income tax return.
2. TAX RETURN NONFILERS— complete this section if the student will not file and is not required to file a 2023 income tax return with the IRS.

NOTE: VERIFICATION OF NONFILING IS NOT AN INDICATION THAT THE PERSON IS NOT REQUIRED TO FILE A RETURN, JUST CONFIRMATION THAT ONE WAS NOT FILED.

Check the box that applies:

- ☐ The student was not employed and had no income earned from work in 2023.
- ☐ The student was employed in 2023 and has listed below the names of all employers, the amount earned from each employer in 2023, and whether an IRS W-2 form is attached. Attach copies of all 2023 W-2 forms issued to you by employers. List every employer even if the employer did not issue an IRS W-2 form. If more space is needed, attach a separate page with your name and SSN at the top.

Employer's Name	Annual Amount Earned in 2023	IRS W-2 Attached? or an Equivalent Document Provided? (Yes or No)
<i>ABC's Auto Body Shop (Example)</i>	<i>\$2,000.00 (example)</i>	<i>Yes (example)</i>
Total Amount of Income Earned From Work	\$	

2025-2026 DEPENDENT VERIFICATION WORKSHEET

2025-2026 DEPENDENT VERIFICATION WORKSHEET

Student's Name: _____ SSN: _____

E. Certification and Signature

Each person signing below certifies that all of the Information reported is complete and correct.

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, be sentenced to jail, or both.

Student's Signature (Required)

Date

Parent's Signature (Required) (Note: Parent whose information was reported on the FAFSA must sign and date.)

Date

Parent (and/or spouse or partner) Signature
(Note: Required if parents spouse or partner didn't file a tax return or if parent(s) marital status on FAFSA is unmarried but living together).

Date

Do not mail this worksheet to the U.S. Department of Education.

Submit this worksheet to the financial aid administrator at your school.

You should make a copy of this worksheet for your records.

2025-2026 DEPENDENT VERIFICATION WORKSHEET

APPENDIX H – R2T4 WORKSHEETS

Treatment Of Title IV Funds When A Student Withdraws From A Clock-Hour Program																																																									
Student's Name		Social Security Number																																																							
Date form completed	/ /	Date of school's determination that student withdrew	/ /																																																						
Period used for calculation (check one)		☐ Payment period	☐ Period of enrollment																																																						
Monetary amounts should be in dollars and cents (rounded to the nearest penny). When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)																																																									
STEP 1: Student's Title IV Aid Information																																																									
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Subtotal		Subtotal																																																							

STEP 2: Percentage of Title IV Aid Earned Withdrawal date / / H. Determine the percentage of the period completed: Divide the clock hours scheduled to have been completed as of the withdrawal date in the period by the total clock hours in the period. ÷ = . % Hours scheduled to complete Total hours in period ► If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3. ► If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3. H. . %	STEP 4: Title IV Aid to be Disbursed or Returned ► If the amount in Box I is greater than the amount in Box E, go to Item J (Post-withdrawal disbursement). ► If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K). ► If the amounts in Box I and Box E are equal, STOP. No further action is necessary. J. Post-withdrawal disbursement From the amount of Title IV aid earned by the student (Box I) subtract the total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement. - = J. \$ Box I Box E If there's an entry for "J," STOP here, and enter the amount in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet). K. Title IV aid to be returned From the total Title IV aid disbursed for the period (Box E) subtract the amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned. - = K. \$ Box E Box I
--	---

STEP 3: Amount of Title IV Aid Earned by the Student Multiply the percentage of Title IV aid earned (Box H) by the total Title IV aid disbursed and that could have been disbursed for the period (Box G). % x = I. \$ Box H Box G

You should use this format when the withdrawal date is on or after 7/1/2023.

p. 1 of 3

Student's Name 	Social Security Number
--	--

STEP 5: Amount of Unearned Title IV Aid Due from the School

L. Institutional charges for the period

Tuition	
Housing	
Food	
Other	
Other	
Other	

Total Institutional Charges (Add all the charges together) = **L.\$**

M. Percentage of unearned Title IV aid

100% - % = **M.** %

Box H

N. Amount of unearned charges

Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).

x % = **N.\$**

Box L Box M

O. Amount for school to return

Compare the amount of Title IV aid to be returned (Box K) to amount of unearned charges (Box N), and enter the lesser amount.

O.\$

STEP 8: Repayment of the Student's Loans

From the Net loans disbursed to the student (Box B) subtract the total loans the school must return (Box P) to find the amount of Title IV loans the student is still responsible for repaying (Box R).

These loans consist of loans the student has earned, or unearned loan funds the school is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower's promissory note.

- = **R.\$**

Box B Box P

► If Box Q is less than or equal to Box R, **STOP**. The only action a school must take is to notify the holders of the loans of the student's withdrawal date.

► If Box Q is greater than Box R, proceed to Step 9.

STEP 6: Return of Funds by the School

The school must return the unearned aid for which the school is responsible (Box O) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

Title IV Programs	Amount for School to Return
1. Unsubsidized Direct Loan	
2. Subsidized Direct Loan	
3. Direct Graduate PLUS Loan	
4. Direct Parent PLUS Loan	
Total loans the school must return = P. \$ 	
5. Pell Grant	
6. Iraq and Afghanistan Service Grant	
7. FSEOG	
8. TEACH Grant	

STEP 9: Grant Funds to be Returned

S. Initial amount of Title IV grants for student to return

From the initial amount of unearned Title IV aid due from the student (Box Q) subtract the amount of loans to be repaid by the student (Box R).

- = **S.**

Box Q Box R

T. Amount of Title IV grant protection

Multiply the total of Title IV grant aid that was disbursed and that could have been disbursed for the period (Box F) by 50%.

x **50%** = **T.**

Box F

U. Title IV grant funds for student to return

From the initial amount of Title IV grants for student to return (Box S) subtract the amount of Title IV grant protection (Box T).

- = **U.**

Box S Box T

► If Box U is less than or equal to zero, **STOP**. If not, go to Step 10.

STEP 7: Initial Amount of Unearned Title IV Aid Due from the Student

From the amount of Title IV aid to be returned (Box K) subtract the amount for the school to return (Box O).

- = **Q.\$**

Box K Box O

► If Box Q is ≤ zero, **STOP**. If greater than zero, go to Step 8.

STEP 10: Return of Grant Funds by the Student

Except as noted below, the student must return the unearned grant funds for which he or she is responsible (Box U). The grant funds returned by the student are applied in order as indicated, up to the amount disbursed from that grant program minus any grant funds the school is responsible for returning to that program in Step 6.

Note that the student is not responsible for returning funds to any program to which the student owes \$50.00 or less.

Title IV Grant Programs	Amount To Return
1. Pell Grant	
2. Iraq and Afghanistan Service Grant	
3. FSEOG	
4. TEACH Grant	

You should use this format when the withdrawal date is on or after 7/1/2023. p. 2 of 3

POST-WITHDRAWAL DISBURSEMENT TRACKING SHEET

Student's Name		Social Security Number	
Date of school's determination that student withdrew	/ /		

I. Amount of Post-withdrawal Disbursement (PWD)

Amount from "Box J" of the Treatment of Title IV Funds When a Student Withdraws worksheet **Box 1** \$.

II. Outstanding Charges For Educationally Related Expenses Remaining On Student's Account

Total Outstanding Charges Scheduled to be Paid from PWD **Box 2** \$.
 (Note: Prior-year charges cannot exceed \$200.)

III. Post-withdrawal Disbursement Offered Directly to Student and/or Parent

From the total Post-withdrawal Disbursement due (Box 1) subtract the Post-withdrawal Disbursement to be credited to the student's account (Box 2). This is the amount you must make to the student (grant) or offer to the student or parent (loan) as a direct disbursement.

\$. - \$. = **Box 3** \$.

Box 1 **Box 2**

IV. Allocation of Post-withdrawal Disbursement

Because COD will only accept whole dollar entries for Direct Loans, a Direct Loan disbursement will have to be rounded up or down to the nearest whole dollar, not to exceed annual or aggregate limits.

If an institution only awards Pell and Iraq and Afghanistan Service Grants in whole dollars, the total award to the student for the period must be rounded up or down to the nearest whole dollar, not to exceed the annual or lifetime eligibility limitations.

Type of Aid	Loan Amount School Seeks to Credit to Account	Loan Amount Authorized to Credit to Account	Title IV Aid Credited to Account	Loan Amount Offered as Direct Disbursement	Loan Amount Accepted as Direct Disbursement	Title IV Aid Disbursed Directly to Student
Pell Grant	N/A	N/A		N/A	N/A	
FSEOG	N/A	N/A		N/A	N/A	
TEACH Grant	N/A	N/A		N/A	N/A	
Iraq Afghanistan Svc. Grant	N/A	N/A		N/A	N/A	
Subsidized Direct Loan						
Unsubsidized Direct Loan						
Direct Grad Plus Loan						
Direct Parent Plus Loan						
Totals						

V. Authorizations and Notifications

Post-withdrawal disbursement loan notification sent to student and/or parent on / /

Deadline for student and/or parent to respond / /

☐ Response received from student and/or parent on / / ☐ Response not received

☐ School does not accept late response

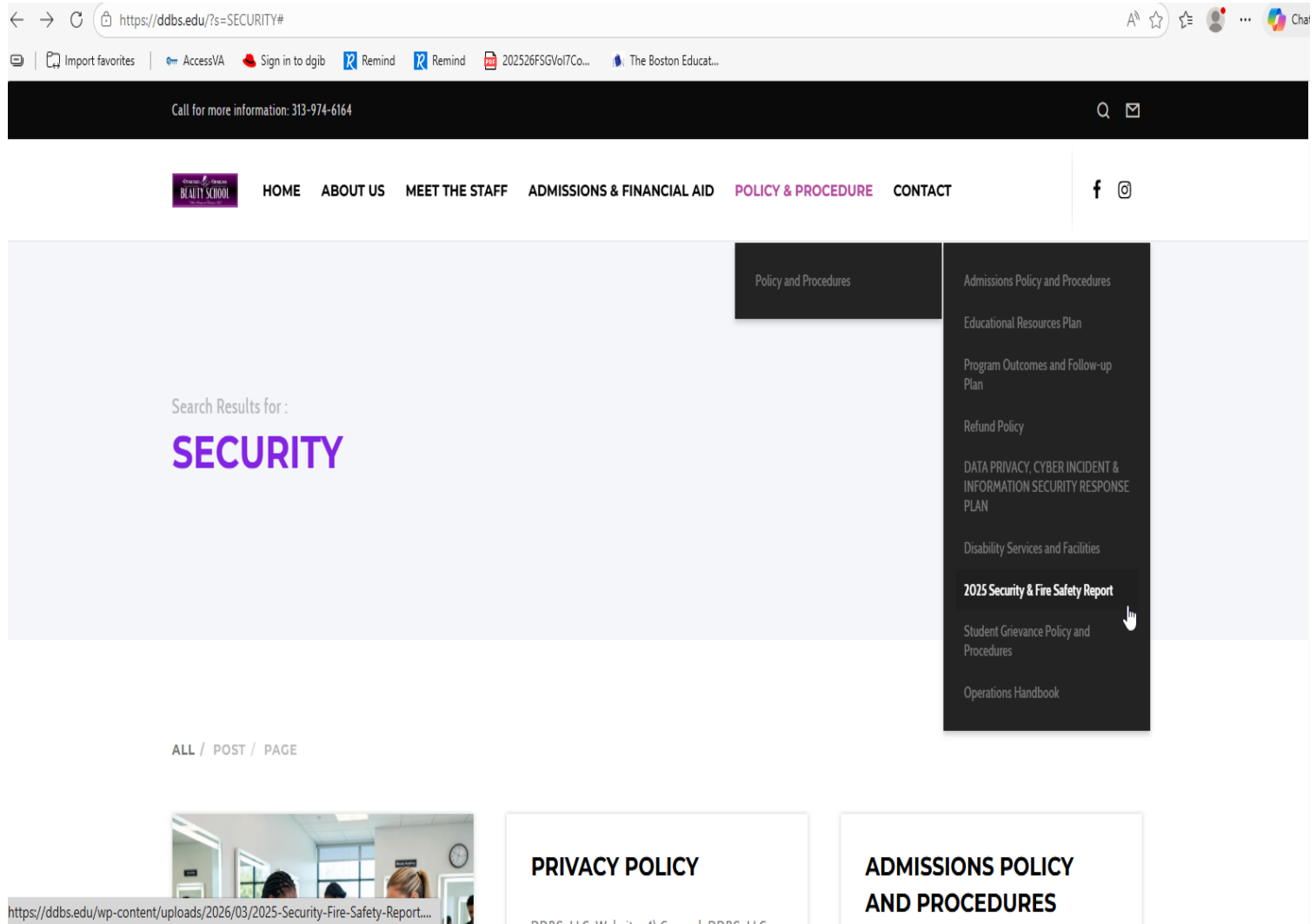
VI. Date Funds Sent

Date Direct Disbursement mailed or transferred Grant / / Loan / /

You should use this format when the withdrawal date is on or after 7/1/2023.

p. 3 of 3

APPENDIX I – ANNUAL SECURITY REPORT



APPENDIX J – CONSUMER INFORMATION NOTICES

CONSUMER INFORMATION NOTICES CAN BE FOUND IN SECTION 9 OF THE TITLE IV HANDBOOK

APPENDIX K – ADVISORY COMMITTEE MINUTES

Institutional Advisory Meeting June 2025.docx

APPENDIX L – GAINFUL EMPLOYMENT DISCLOSURES

GAINFUL EMPLOYMENT DISCLOSURES MAY BE FOUND IN SECTION 10 OF TITLE IV HANDBOOK

APPENDIX M – FINANCIAL AID CALENDAR

THE INSTITUTION FOLLOWS THE STANDARD TITLE IV FINANCIAL AID AWARD YEAR CALENDAR. THE AWARD YEAR RUNS FROM JULY 1 THROUGH JUNE 30 OF EACH YEAR, IN ACCORDANCE WITH FEDERAL TITLE IV REGULATIONS.

APPENDIX N – INTERNAL CONTROLS CHECKLIST

STUDENT FILE CHECKLIST FOR GRADUATES

This is the order that all student files for graduates **MUST** remain in!!!

PLEASE CHECK IN THE BOX BELOW TO CONFIRM THAT STUDENT DOCUMENT IS FILED

- Signed Enrollment Agreement
- Signed Pre-Enrollment Receipt
- Signed Enrollment & Application Agreement
- Signed Admissions Application & Enrollment Agreement (**General Terms of Agreement**)
- Signed Enrollment Addendum (**If Applicable**)
- Enrollment Essay
- Driver's License/ State I.D./Passport
- High School Diploma/GED/School Transcript or Equivalent such as a degree
- Signed FAFSA Award Letter Disbursement Summary (**IF Applicable**)
- Attendance and Monthly MPA's Report
- Student ISIR (**If Applicable**)
- Disbursement Notification from DDBS (**If Applicable**)
- Master Promissory Note (**Located in BEN depending on award year IF Applicable**)
- Entrance Counseling (**Located in BEN if Applicable**)
- Invoice/School Ledger (**Make sure it matches with disbursement summary**)
- Signed Acknowledgement of Receipt for Consumer Information
- Transcript if student is withdrawn from school
- Signed Health and Safety Form
- NSLDS (**If Applicable**)
- Proof of Income (**If Applicable**)
- Participant Training Start Documentation (**If Applicable**)
- Signed New Student Orientation Checklist
- Signed DDBS Plans and Policies Student Survey
- Signed Student Schedule/Hybrid Survey
- Admissions Personal Entrance Assessment
- The following signed Plans and Policies: (1). Health and Safety Policy (2). Educational Resource Plan (3). Release of Student Information Form, (4). SAP Policy, (5). Student Rules and Code of Conduct/Attendance Policy, (6). Refund Policy, (7). Excused Absence Policy, (8). DDBS Kit/Book Policy, (9). State Board Prep Policy, (10). Registration and National Exam Policy
- Signed student Voluntary Self Identification and Disability Form
- Additional Grants/Scholarships
- Signed 2-4 Student Evaluation Forms
- Signed 1-2 SAP Forms
- Student Theory/Practical Midterms and Finals
- 1 quiz printed from Cima
- Signed Student Kit Bag Forms
- Participation Training completion Documentation (**If Applicable**)
- Signed student exit survey and exit interview documents
- All receipts of cash payments, and fees

APPENDIX O – STAFF TRAINING LOGS



STAFF MEETING DATE:

ADDRESS: 3300 E. JEFFERSON AVE. STE 450, DETROIT, MI 48207

PHONE: 313-974-6164

LOCATION:

TIME:

STAFF SIGN IN SHEET:

PRINT:	SIGNATURE:	DATE:
PRINT:	SIGNATURE:	DATE:
PRINT:	SIGNATURE:	DATE:
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APPENDIX P – CYBERSECURITY POLICIES

DISCLOSURE: CYBERSECURITY POLICIES ARE AVAILABLE FOR REVIEW IN SECTION 2.12 OF THE TITLE IV HANDBOOKS.

APPENDIX Q – WISP DOCUMENTATION

Full IT: Services Agreement

This Managed Services Agreement (“Agreement”) dated this 1st day of May, 2020 (the “Effective Date”), is between Electronic Brain Solutions, Inc., a Michigan Corporation, having its principal offices at 1611 Ford Ave, Wyandotte MI, 48192 and Dymond Designs Beauty School (“Customer”) with principal offices at 3300 E. Jefferson Ave STE. 450 Detroit, MI 48207. Electronic Brain Solutions and Customer agree as follows:

1. Purpose and Scope

Customer desires to outsource the maintenance and support for its information technology infrastructure. Electronic Brain Solutions shall provide Customer with Services, as more specifically defined below, which shall include regular remote network software management, and both remote and on-site technical assistance as necessary.

2. Services

a. Description of Full-IT Services are outlined in Exhibit A.

b. Hours of Service

Electronic Brain Solution’s services shall be available during regular business hours (8am to 5pm EST) M-F and as necessary after hours.

c. Response Times

- i. 1.5 hour response for remote services.
- ii. 2 business-hour response for emergency on-site support services. Emergency service is characterized as involving a mission-critical function.
- iii. 5 business-hour response for emergency on-site support service on Federal Holidays and non-critical on-site support services.

d. Escalation Policy

Unless it is immediately clear that an issue requires on-site service, Electronic Brain Solutions will treat each issue as a remote service call. Should Electronic Brain Solutions be unable to resolve the issue remotely within a reasonable period of time, a consultant will be dispatched according to the response times described above. An onsite charge may be assessed depending on the scope of the work, but will be communicated clearly and approved by the customer before any changes are assessed.

3. Customer Responsibility

a. Customer is required to conform to the following criteria:

- i. Allow the installation of software and hardware on Customer’s network as necessary to allow for the performance of the services contemplated in this agreement.
- ii. Provide configuration and proper ownership documentation as necessary for hardware and software

APPENDIX R – REVISION LOG & POLICY UPDATES

DISCLOSURE: REVISION LOGS ARE INCLUDED WITH EACH POLICY AND DOCUMENT, INCLUDING THE LAST REVISED DATE, ORIGINAL CREATION DATE, AND ANY SUBSEQUENT UPDATES OR AMENDMENTS, TO MAINTAIN A CLEAR RECORD OF POLICY HISTORY AND VERSION CONTROL.

APPENDIX S - 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 T – DEFAULT PREVENTION AND MANAGEMENT PLAN

Reference

- 34 CFR 668 Subpart N, 34 CFR 682.604, and 34 CFR 685.304
- [Default Prevention and Management](#) – Partner Connect
- [Cohort Default Rate Guide](#) – Partner Connect
- Guidance DCL-GEN-05-14 (Default Prevention and Management Plans)
- U.S. Department of Education regulations under Title IV of the Higher Education Act
- Accreditation standards of the Council on Occupational Education

Purpose

DDBS is committed to reducing cohort default rates through proactive borrower counseling, institutional monitoring, and coordinated intervention strategies that support student success, completion, and employment outcomes. The purpose of this policy is to reduce student loan default rates, promote financial literacy, improve retention and completion, and ensure compliant administration of federal student aid programs. This policy applies to

- All Title IV eligible students and borrowers.
- Financial Aid Office
- Admissions Departments
- Business Office
- Academic Faculty and Staff
- Career Services/Workforce Development
- Default Prevention Team

The Default Prevention and Management Plan provides activities, techniques, and tools implemented by the institution to promote student and school success and reduce student loan defaults in the William D. Ford Federal Direct Loan (Direct Loan) programs.

Default Management Plan Procedure

I. Core Default Reduction Strategies

1. DDBS has established a Default Prevention Team consisting of Marlene Brooks (Director of Operations), Racquel Williams (Director of Financial Aid), and Roxy Dunlap (Business Center Representative).
2. Data is collected on defaulted students with relevant statistics, including reason for default as explained by students and information obtained through NSLDS reporting and internal tracking systems.
3. The Director of Financial Aid has written a Default Prevention and Management Plan and will submit this plan to the U.S. Department of Education upon reaching a single Cohort Default Rate (CDR) equal to or greater than 30%.
4. DDBS conducts weekly portfolio monitoring by pulling the NSLDS School Portfolio Report.

All loan statuses are reviewed weekly, including current, delinquent, and defaulted borrowers. Borrowers identified as delinquent or at risk of default are contacted based on institutional determination of delinquency status and are urged to contact their loan servicer to either make payment arrangements or enter an approved deferment or forbearance status if eligible. Borrowers in default are also contacted and instructed to contact their loan servicer to resolve the default status and are informed of the consequences of default.

5. DDBS tracks student loan repayment status on a spreadsheet, complete with contact information, and maintains detailed notes indicating status updates and contact attempts.
6. The Director of Financial Aid establishes an annual reduction percentage target based on the published CDR.
7. The Director of Financial Aid verifies available NSLDS reports and the official CDR with internal default tracking data regularly. Errors are corrected through NSLDS enrollment reporting processes.
8. DDBS emphasizes early borrower engagement by contacting students during grace periods to help borrowers select an appropriate repayment plan.

II. Additional Default Prevention Strategies

1. During new student orientation, students are provided with Financial Literacy counseling, which includes a presentation on student loan information, borrowing responsibilities, and repayment obligations.
2. On an individual basis, following graduation or withdrawal, students are provided an estimate of required monthly payments based on their loan balance. Students are introduced to the Loan Simulator, provided loan servicer contact information, and educated on NSLDS. Students are also provided with a copy of the *Repaying Your Student Loans* publication.
3. The Business Center Representative meets with incoming students and discusses alternative funding sources that may reduce or eliminate the need for borrowing.
4. Upon issuance of the financial aid award letter, students are provided with clear disclosure of Direct Loan amounts and estimated repayment obligations to ensure informed borrowing decisions.
5. Student academic progress is monitored through SAP evaluations. Faculty provide academic counseling and support as needed to promote retention and completion.
6. Information regarding academic progress and enrollment status is shared across departments, including the Financial Aid Office and Business Office, to ensure accurate and timely reporting in compliance with federal requirements and institutional administrative capability standards.
7. As part of mandatory Exit Counseling, students are individually counseled regarding their loan obligations upon program completion or withdrawal. Students are shown how to access loan information online and how to contact their loan servicer, including account setup procedures.
8. All students, graduates, and withdrawn students are instructed on how to use the Loan Simulator to estimate monthly payments and evaluate repayment options aligned with their financial circumstances.
9. The Default Prevention Team maintains contact with borrowers after they leave DDBS to address repayment concerns and identify barriers to repayment.
10. The Team assists borrowers experiencing employment difficulty by providing career counseling, job placement assistance, and guidance regarding deferment or forbearance options.

11. DDBS maintains ongoing tracking of borrower repayment status using internal spreadsheets that include detailed contact logs, status updates, and intervention history.
12. The Director of Financial Aid ensures timely and accurate enrollment reporting to the U.S. Department of Education, ensuring borrowers receive appropriate grace periods and that loan servicers can engage borrowers at the correct time in the repayment cycle.
13. The Director of Financial Aid requests the NSLDS Date Entered Repayment (DER) Report every week and compares it with internal records. Any discrepancies are corrected through NSLDS enrollment reporting to ensure accurate cohort assignment and default reporting.
14. The Director of Financial Aid obtains borrower delinquency reports from NSLDS. All delinquent borrowers are contacted and counseled on the impact of delinquency and available repayment options, including deferment and forbearance.
15. DDBS participates in Late-Stage Delinquency Assistance (LSDA) to support borrowers who are 240–361 days delinquent. These borrowers are contacted monthly and provided intensive counseling and intervention support to prevent default.
16. Upon receipt of the official CDR and Loan Record Detail Report (LRDR), DDBS reviews all data used in cohort calculations. The institution identifies and disputes inaccurate data, requests adjustments when necessary, and submits appeals for incorrect reporting in accordance with federal guidelines.

III. Evaluation – Key Statistics for Measuring Progress

No matter how effective and far-reaching a default prevention and management plan is, some borrowers will default. Therefore, DDBS conducts ongoing evaluations to measure effectiveness and identify areas for improvement. A comprehensive analysis of defaulters is conducted to determine borrower characteristics, risk factors, and institutional contributors to default. Data sources include internal records and the Loan Record Detail Report (LRDR), which provides detailed borrower-level information used in cohort calculations.

Internal analysis may include:

- Student demographic data
- High school and prior education history
- Program of study
- Academic performance and SAP outcomes
- Borrowing patterns and loan amounts

This analysis allows DDBS to identify trends in default behavior and adjust institutional practices accordingly, including admissions, academic support, and financial literacy interventions.

The following metrics are examined as part of the internal data analysis to measure progress:

1. The number of students enrolled at DDBS 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 have received default prevention counseling services each fiscal year.
5. The average number of borrower contacts made while in deferment, forbearance, or repayment status 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 this plan.

General Responsibilities

Admissions Representative

- Maintain updated records documenting borrowers' addresses, telephone numbers, employers, and employers' addresses; and
- Undertake activities such as the process of "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 Administrator

- 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.

Evaluation and Continuous Improvement

This policy shall be reviewed annually or upon:

- Changes in institutional default rates
- Accreditation updates from the Council on Occupational Education
- Regulatory updates from the U.S. Department of Education

Data is reviewed quarterly and annually. Findings are used to improve counseling practices, adjust financial aid packaging strategies, and enhance academic and career support services.

Appendix A - Acceptable Documentation for Verification 2024-2025

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FAFSA Information	Acceptable documentation
<i>Income information for tax filers</i> (a) Adjusted Gross Income (AGI) (b) Income Earned From Work (c) U.S. Income Tax Paid (d) Untaxed Portions of IRA Distributions (e) Untaxed Portions of Pensions (f) IRA Deductions and Payments (g) Tax Exempt Interest Income (h) Education Credits (i) Foreign Income Exempt from Federal Taxation	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: (1) A transcript¹ 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 (2) A copy of the income tax return¹ and the applicable schedules¹ 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. (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.
<i>Income information for tax filers with special circumstances</i> (a) Adjusted Gross Income (AGI) (b) Income Earned from Work (c) U.S. Income Tax Paid (d) Untaxed Portions of IRA Distributions (e) Untaxed Portions of Pensions (f) IRA Deductions and Payments (g) Tax Exempt Interest Income (h) Education Credits (i) Foreign Income Exempt from Federal Taxation	(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— (a) A transcript obtained from the IRS or other relevant tax authority that lists 2022 tax account information of the tax filer(s); or (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 (c) A copy of IRS Form W-2² for each source of 2022 employment income received or an equivalent document.² (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— (a) A signed statement listing the sources of any 2022 income and the amount of income from each source; (b) A copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2022;³ (c) A copy of IRS Form W-2² for each source of 2022 employment income received or an equivalent document;² and (d) If self-employed, the signed statement must indicate the amount of estimated AGI and U.S. income tax paid for tax year 2022. (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. <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. (4) For an individual who was the victim of IRS tax-related identity theft— • A Tax Return DataBase View (TRDBV) transcript¹ obtained from the IRS; and • 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.

FAFSA Information	Acceptable documentation
Income information for non-tax filers Income Earned from Work	Note: 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. (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— (a) Updated income and tax information from the IRS on an ISIR record with all tax information from the original tax return; (b) A transcript obtained from the IRS that lists 2022 tax account information of the tax filer(s); or (c) A signed copy of the 2022 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 2022 income tax return— (1) A signed and dated statement certifying— (a) That the individual is not required to file a 2022 income tax return; and (b) The sources and amounts of earnings, other income, and resources that supported the individual(s) for the 2022 tax year; (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; (3) A copy of IRS Form W-2² for each source of 2022 employment income received or an equivalent document²; and (4) Except for dependent students, verification of non-filing⁴ for individuals who would file a return with a relevant tax authority other than the IRS dated on or after October 1, 2023. Note: 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.
Family Size	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: 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. Note: Verification of family size is not required if— • 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 • 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.
Identity/Statement of Educational Purpose	(1) An applicant must appear in person and present the following documentation to an institutionally authorized individual to verify the applicant's identity: (a) An unexpired valid government-issued photo identification⁵ 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— I. The date the identification was presented; and II. The name of the institutionally authorized individual who reviewed the identification; and

FAFSA information	Acceptable documentation
	(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: <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) _____ (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,⁵ 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: <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) _____ (Student's Signature) (Date) _____ (Student's ID Number)

¹ 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—

- Copies of all IRS Form W-2s for each source of 2022 employment income or equivalent documents; or
- 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
- 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.

² 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—

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

³ 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.

⁴ 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.

⁵ 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.

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	Tax Filers - Adjusted Gross Income. - Income Earned From Work. - U.S. Income Tax Paid. - Untaxed Portions of IRA Distributions. - Untaxed Portions of Pensions. - IRA Deductions and Payments. - Tax Exempt Interest Income. - Education Tax Credits. - Foreign Income Exempt from Federal Taxation. Non-Tax Filers - Income Earned from Work. Tax Filers and Non-Tax Filers - Family Size.
V2	Reserved	N/A.
V3	Reserved	N/A.
V4	Custom Verification Group	Identity/Statement of Educational Purpose.
V5	Aggregate Verification Group	Tax Filers - Adjusted Gross Income. - Income Earned From Work. - U.S. Income Tax Paid. - Untaxed Portions of IRA Distributions. - Untaxed Portions of Pensions. - IRA Deductions and Payments. - Tax Exempt Interest Income. - Education Tax Credits. - Foreign Income Exempt from Federal Taxation. Non-Tax Filers - Income Earned from Work. Tax Filers and Non-Tax Filers - Family Size. - Identity/Statement of Educational Purpose.
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.
- 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. 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. 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: EG23–286–000.

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: EG23–287–000.

Appendix B - Acceptable Documentation for Verification 2025-2026

FAFSA information	Acceptable documentation
<i>Income information for tax filers</i>	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:
(a) Adjusted Gross Income (AGI)	(1) A transcript ¹ 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 2023 tax account information of the tax filer; or
(b) Income Earned From Work	(2) A copy of the income tax return ¹ and the applicable schedules ¹ that were filed with the IRS or other relevant tax authority of a U.S. territory, or a foreign government that lists 2023 tax account information of the tax filer.
(c) U.S. Income Tax Paid	
(d) Untaxed Portions of IRA Distributions	(3) If item d or e contains a rollover, 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.
(e) Untaxed Portions of Pensions	
(f) IRA Deductions and Payments	
(g) Tax Exempt Interest Income	
(h) Education Credits	
(i) Foreign Income Exempt from Federal Taxation	
<i>Income information for tax filers with special circumstances.</i>	(1) For a student, or the parent(s) of a dependent student, who filed a 2023 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 2023 joint income tax return—
(a) Adjusted Gross Income (AGI)	(a) A transcript ¹ obtained from the IRS or other relevant tax authority that lists 2023 tax account information of the tax filer(s); or
(b) Income Earned from Work	(b) A copy of the income tax return ¹ and the applicable schedules ¹ that were filed with the IRS or other relevant tax authority that lists 2023 tax account information of the tax filer(s); and
(c) U.S. Income Tax Paid	
(d) Untaxed Portions of IRA Distributions	(c) A copy of IRS Form W-2 ² for each source of 2023 employment income received or an equivalent document. ²
(e) Untaxed Portions of Pensions	(2) For an individual who is required to file a 2023 IRS income tax return and has been granted a filing extension by the IRS beyond the automatic six-month extension for tax year 2023—
(f) IRA Deductions and Payments	(a) A signed statement listing the sources of any 2023 income and the amount of income from each source;
(g) Tax Exempt Interest Income	(b) A copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2023; ³
(h) Education Credits	(c) A copy of IRS Form W-2 ² for each source of 2023 employment income received or an equivalent document; ² and
(i) Foreign Income Exempt from Federal Taxation	
FAFSA information	Acceptable documentation
	(d) If self-employed, the signed statement must indicate the amount of estimated AGI and U.S. income tax paid for tax year 2023.
	(3) If d or e contains a rollover, 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.
	<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 ¹ from the IRS, or by submitting a copy of the income tax return ¹ and the applicable schedules ¹ that were filed with the IRS that lists 2023 tax account information. When an institution receives such information, it must be used to reverify the income and tax information reported on the FAFSA.

- (4) For an individual who was the victim of IRS tax-related identity theft—
- A copy of the signed 2023 income tax return¹ and applicable schedules¹ the individual filed with the IRS; and
 - An IRS 4674C letter (a letter from the IRS acknowledging the identity theft) or a statement signed and dated by the tax filer indicating that he or she was a victim of IRS tax-related identity theft and the IRS is aware of it.
- (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 2023 or documentation from the IRS that include the change(s) made to the tax filer's 2023 tax information, in addition to one of the following—
- (a) Income and tax information from the IRS on an ISIR record with all tax information from the original tax return;
 - (b) A transcript obtained from the IRS that lists 2023 tax account information of the tax filer(s); or
 - (c) A signed copy of the 2023 IRS Form 1040 and the applicable schedules that were filed with the IRS.

Income information for non-tax filers

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 2023 income tax return—

Income Earned from Work

- (1) A signed and dated statement certifying—
 - (a) That the individual is not required to file a 2023 income tax return; and
 - (b) The sources and amounts of earnings, other income, and resources that supported the individual(s) for the 2023 tax year;
- (2) For individuals without a Social Security number (SSN), Individual Taxpayer Identification Number (ITIN), or Employer Identification Number (EIN), a signed and dated statement certifying that they do not have an SSN, ITIN, or EIN;
- (3) A copy of IRS Form W-2² for each source of 2023 employment income received or an equivalent document;² and
- (4) Except for dependent students, verification of non-filing⁴ for individuals who would file a return with a relevant tax authority other than the IRS dated on or after October 1, 2024.

Note: 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 2023 tax year.

Family Size

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:

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 2025–2026 award year and the relationship of that family member to the applicant.

Note: Verification of family size is not required if—

- 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 and the parents are married, remarried or unmarried and living together; or
- 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 and the applicant is married or remarried; or
- The applicant manually updated their family size and the number is the same as the family size derived from data transferred directly from the IRS.

(1) An applicant must appear in person and present the following documentation to an institutionally authorized individual to verify the applicant's identity:

- (a) An unexpired, valid, government-issued photo identification⁵ 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—

- i. The date the identification was presented; and
- ii. The name of the institutionally authorized individual who reviewed the identification; and

- (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:

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 2025–2026.

(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,⁵ 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 2025–2026.

(Name of Postsecondary Educational Institution)

(Student's Signature) _____ (Date) _____

(Student's ID Number)

¹ This footnote is applicable whenever an income tax return, the related schedules, or transcript is mentioned in the above chart.

The copy of the 2023 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 2023 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 2023 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 2023; and
- c. Documentation from relevant tax authorities other than the IRS that indicates the individual's 2023 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 2023 tax account information.

² 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.

³ 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.

⁴ 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.

⁵ 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.

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	<i>Tax Filers</i> - Adjusted Gross Income. - Income Earned From Work. - U.S. Income Tax Paid. - Untaxed Portions of IRA Distributions. - Untaxed Portions of Pensions. - IRA Deductions and Payments. - Tax Exempt Interest Income. - Education Tax Credits. - Foreign Income Exempt from Federal Taxation. <i>Non-Tax Filers</i> - Income Earned from Work. <i>Tax Filers and Non-Tax Filers</i> - Family Size.
V2	Reserved	N/A.
V3	Reserved	N/A.
V4	Custom Verification Group	Identity/Statement of Educational Purpose.
V5	Aggregate Verification Group	<i>Tax Filers</i> - Adjusted Gross Income. - Income Earned From Work. - U.S. Income Tax Paid. - Untaxed Portions of IRA Distributions. - Untaxed Portions of Pensions. - IRA Deductions and Payments. - Tax Exempt Interest Income. - Education Tax Credits. - Foreign Income Exempt from Federal Taxation. <i>Non-Tax Filers</i> - Income Earned from Work. <i>Tax Filers and Non-Tax Filers</i> - Family Size. - Identity/Statement of Educational Purpose.
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>:

- 2025–2026 Application and Verification Guide.
- 2025–2026 FAFSA Specifications Guide: Volume 6—ISIR Guide, Volume 7—Comment Codes.

- 2025–2026 COD Technical Reference.

- Program Integrity Information—Questions and Answers on Verification at 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.

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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. 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 1087-51 through 1087-58.

Nasser H. Paydar,

Assistant Secretary, Office of Postsecondary Education.

[FR Doc. 2024-19786 Filed 9-3-24; 8:45 am]

BILLING CODE 4000-01-P

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact Marcos Cerdeira, 202-453-5819.

SUPPLEMENTARY INFORMATION: The Department is especially interested in public comment addressing the following issues: (1) is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: Rural, Insular, and

Dated: August 29, 2024.

Kun Mullan,

PRA Coordinator, Strategic Collections and Clearance, Governance and Strategy Division, Office of Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2024-19799 Filed 9-3-24; 8:45 am]

BILLING CODE 4000-01-P

DEPARTMENT OF ENERGY

Advanced Scientific Computing Advisory Committee

AGENCY: Office of Science, Department of Energy (DOE).

ACTION: Notice of open meeting.

SUMMARY: This notice announces an open meeting of the DOE Advanced Scientific Computing Advisory Committee (ASCAC). The Federal

2024-2025 Suggested Verification Text

APPENDIX A 2024–2025 Suggested Verification Text

Verification of 2022 Income Information for Student Tax Filers

Important Note: The instructions below apply to the student and spouse (if the student is married). Notify the financial aid office if the student or spouse filed separate IRS income tax returns for 2022 or had a change in marital status after December 31, 2022.

Instructions: Complete this section if the student and spouse filed or will file a 2022 IRS income tax return(s). As part of federal student aid eligibility, students, and spouses (as appropriate), will be required to consent and approve sharing and importing income and tax information from the IRS to the FAFSA form, even if the attempt to obtain or use such data is ineffective. In other words, if the student and spouse filed separate 2022 IRS income tax returns, both must provide consent and approval to share and import income and tax information from the IRS. In most cases, no further documentation is needed to verify 2022 income information that was transferred into the student's FAFSA using income and tax information directly from the IRS.

If 2022 income tax return information for the student (or spouse, if applicable) was not available or could not be used, the student should provide the institution with a **2022 IRS Tax Return Transcript(s) or a signed copy of the 2022 income tax return and applicable schedules.**

A 2022 IRS Tax Return Transcript may be obtained through:

- Get Transcript by Mail – Go to www.irs.gov, click "Get Your Tax Record." Click "Get Transcript by Mail." Make sure to request the "Return Transcript" and **NOT** the "Account Transcript." The transcript is generally received within 10 business days from the IRS's receipt of the online request.
- Get Transcript Online – Go to www.irs.gov, click "Get Your Tax Record." Click "Get Transcript Online." Make sure to request the "Return Transcript" and **NOT** the "Account Transcript." To use the Get Transcript Online tool, the user must have (1) access to a valid email address, (2) a text-enabled mobile phone (pay-as-you-go plans cannot be used) in the user's name, and (3) specific financial account numbers (such as a credit card number or an account number for a home mortgage or auto loan). The transcript displays online upon successful completion of the IRS's two-step authentication.
- Automated Telephone Request – 1-800-908-9946. Transcript is generally received within 10 business days from the IRS's receipt of the telephone request.
- Paper Request Form – IRS Form 4506T-EZ or IRS Form 4506-T. The transcript is generally received within 10 business days from the IRS's receipt of the paper request form.

APPENDIX A
2024–2025 Suggested Verification Text

Verification of 2022 Income Information for Parent Tax Filers

Important Note: The instructions below apply to each parent included in the household. Notify the financial aid office if the parents filed separate IRS income tax returns for 2022 or had a change in marital status after December 31, 2022.

Instructions: Complete this section if the parents filed or will file a 2022 IRS income tax return(s). As part of federal student aid eligibility, parents will be required to consent and approve sharing and importing income and tax information from the IRS to the FAFSA form, even if the attempt to obtain or use such data is ineffective. In other words, if the parents filed separate 2022 IRS income tax returns, both must provide consent and approval to share and import income and tax information from the IRS. In most cases, no further documentation is needed to verify 2022 income information that was transferred into the student's FAFSA using income and tax information directly from the IRS.

If 2022 income tax return information for the parents was not available or could not be used, the parents should provide the institution with a **2022 IRS Tax Return Transcript(s) or a signed copy of the 2022 income tax return and applicable schedules**.

A 2022 IRS Tax Return Transcript may be obtained through:

- Get Transcript by Mail – Go to www.irs.gov, click "Get Your Tax Record." Click "Get Transcript by Mail." Make sure to request the "Return Transcript" and **NOT** the "Account Transcript." The transcript is generally received within 10 business days from the IRS's receipt of the online request.
- Get Transcript Online – Go to www.irs.gov, click "Get Your Tax Record." Click "Get Transcript Online." Make sure to request the "Return Transcript" and **NOT** the "Account Transcript." To use the Get Transcript Online tool, the user must have (1) access to a valid email address, (2) a text-enabled mobile phone (pay-as-you-go plans cannot be used) in the user's name, and (3) specific financial account numbers (such as a credit card number or an account number for a home mortgage or auto loan). The transcript displays online upon successful completion of the IRS's two-step authentication.
- Automated Telephone Request – 1-800-908-9946. Transcript is generally received within 10 business days from the IRS's receipt of the telephone request.
- Paper Request Form – IRS Form 4506T-EZ or IRS Form 4506-T. The transcript is generally received within 10 business days from the IRS's receipt of the paper request form.

APPENDIX A
2024–2025 Suggested Verification Text

Individuals Granted a Filing Extension by the IRS

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, must provide:

- A signed statement listing the sources of any 2022 income and the amount of income from each source;
- A copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2022;
- A copy of IRS Form W-2 for each source of employment income received or an equivalent document for tax year 2022; and
- If self-employed, a signed statement certifying the amount of the individual's Adjusted Gross Income (AGI) and the U.S. income tax paid for tax year 2022.

Individuals Who Filed an Amended IRS Income Tax Return

An individual who filed an amended IRS income tax return for tax year 2022 must provide a signed copy of the 2022 IRS Form 1040X, "Amended U.S. Individual Income Tax Return," that was filed with the IRS or documentation from the IRS that include the change(s) made by the IRS, in addition to one of the following:

- Updated income and tax information from the IRS on an ISIR record with all tax information from the original tax return;
- A **2022 IRS Tax Return Transcript** (that will only include information from the original tax return and does not have to be signed), or any other IRS tax transcript(s) that includes all of the income and tax information required to be verified; or
- A signed copy of the 2022 IRS Form 1040 and the applicable schedules that were filed with the IRS.

APPENDIX A
2024–2025 Suggested Verification Text

Individuals Who Were Victims of IRS Tax-Related Identity Theft

An individual who was the victim of IRS tax-related identity theft must provide:

- A Tax Return DataBase View (TRDBV) transcript obtained from the IRS or, if unable to obtain a TRDBV, an equivalent document provided by the IRS or a copy of the signed 2022 income tax return and applicable schedules the individual filed with the IRS; *and*
- 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 is aware of the tax-related identity theft.

Individuals Who Filed Non-IRS Income Tax Returns

- A tax filer who filed an income tax return with a tax authority other than the IRS may provide a signed copy of his or her income tax return that was filed with the relevant tax authority. However, if we question the accuracy of the information on the signed copy of the income tax return, the tax filer must provide us with a copy of the tax account information issued by the relevant tax authority before verification can be completed.

APPENDIX A
2024–2025 Suggested Verification Text

Verification of 2022 Income Information for Student Non-tax Filers

The instructions and certifications below apply to the student and spouse (if the student is married.) Complete this section if the student and spouse will not file and are not required to file a 2022 income tax return with the IRS.

Check the boxes that apply:

- The student and spouse were not employed and had no income earned from work in 2022.
- The student and/or spouse were employed in 2022 and have listed below the names of all employers, the amount earned from each employer in 2022, and whether an IRS W-2 form or an equivalent document is provided. [Provide copies of all 2022 IRS W-2 forms issued to the student and spouse by their employers]. List every employer even if the employer did not issue an IRS W-2 form.

If more space is needed, provide a separate page with the student's name and ID number at the top.

Employer's Name	IRS W-2 or an Equivalent Document Provided?	Annual Amount Earned in 2022
<i>(Example) ABC's Auto Body Shop</i>	Yes	\$4,500.00
Total Amount of Income Earned From Work		\$

Provide a signed and dated statement certifying that the individual has not filed and is not required to file a 2022 income tax return, as well as the sources of 2022 income earned from work and the amount of income from each source.

- ____ Check here if non-filing statement is signed and dated.
____ Check here if non-filing statement will be provided later.

APPENDIX A
2024–2025 Suggested Verification Text

Verification of 2022 Income Information for Parent Non-tax Filers

The instructions and certifications below apply to each parent included in the household. Complete this section if the parents will not file and are not required to file a 2022 income tax return with the IRS.

Check the box that applies:

- Neither parent was employed, and neither had income earned from work in 2022.
- One or both parents were employed in 2022 and have listed below the names of all employers, the amount earned from each employer in 2022, and whether an IRS W-2 form or an equivalent document is provided. [Provide copies of all 2022 IRS W-2 forms issued to the parents by their employers]. List every employer even if the employer did not issue an IRS W-2 form.

If more space is needed, provide a separate page with the student's name and ID number at the top.

Employer's Name	IRS W-2 or an Equivalent Document Provided?	Annual Amount Earned in 2022
<i>(Example) ABC's Auto Body Shop</i>	<i>Yes</i>	<i>\$4,500.00</i>
Total Amount of Income Earned From Work		\$

Provide a signed and dated statement certifying that the individual has not filed and is not required to file a 2022 income tax return, as well as the sources of 2022 income earned from work and the amount of income from each source.

- ____ Check here if non-filing statement is signed and dated.
____ Check here if non-filing statement will be provided later.

APPENDIX A
2024–2025 Suggested Verification Text

Family Size
(Independent Student)

Family Size - Includes the following:

- The student.
- The student's spouse, if applicable.
- The student's dependent children if the following are true:
 - They live with the student (or live apart because of college enrollment);
 - They receive more than half of their support from the student; and
 - They will continue to receive more than half their support from the student during the award year.
- Other persons if the following are true:
 - They live with the student;
 - They receive more than half of their support from the student; and
 - They will continue to receive more than half their support from the student during the award year.

The provided criteria for "dependent children" or "other persons" align with the requirement that family size align with whom the student could claim as a dependent on a U.S. tax return if the student were to file a U.S tax return at the time of completing the 2024-2025 FAFSA. As a result, the student should not include any unborn children in the family size.

If more space is needed, provide a separate page with the student's name and ID number at the top.

Full Name	Age	Relationship
		<i>Self</i>

APPENDIX A
2024–2025 Suggested Verification Text

Family Size
(Dependent Student)

Family Size - Includes the following:

- The student.
- The student's parents, even if the student is not living with them. Exclude a parent who has died or is not living in the household because of separation or divorce. Include a parent who is on active duty in the U.S. Armed Forces apart from the family.
- The student's siblings if the following are true:
 - They live with the student's parents (or live apart because of college enrollment),
 - They receive more than half of their support from the student's parents, and
 - They will continue to receive more than half their support from the student's parents during the award year.
- Other persons if the following are true:
 - They live with the student's parents,
 - They receive more than half of their support from the student's parents, and
 - They will continue to receive more than half their support from the student's parents during the award year.

The provided criteria for "dependent children" or "other persons" align with the requirement that family size align with whom the parent could claim as a dependent on a U.S. tax return if the parent were to file a U.S. tax return at the time of completing the 2024-2025 FAFSA. As a result, the parent should not include any unborn children in the family size.

If more space is needed, provide a separate page with the student's name and ID number at the top.

Full Name	Age	Relationship
		<i>Self</i>

APPENDIX A
2024–2025 Suggested Verification Text

Identity and Statement of Educational Purpose
(To Be Signed at the Institution)

The student must appear in person at _____ to
(Name of Postsecondary Educational Institution)

verify his or her identity by presenting an unexpired valid government-issued photo identification (ID), such as, but not limited to, a driver's license, other state-issued ID, or passport. The institution will maintain a copy of the student's photo ID that is annotated by the institution with the date it was received and reviewed, and the name of the official at the institution authorized to receive and review the student's ID.

In addition, the student must sign, in the presence of the institutional official, the Statement of Educational Purpose provided below.

Identity and Statement of Educational Purpose
(To Be Signed in the Presence of a Notary)

If the student is unable to appear in person at _____
(Name of Postsecondary Educational Institution)

to verify his or her identity, the student must provide to the institution:

- (a) A copy of the unexpired valid government-issued photo identification (ID) that is acknowledged in the notary statement below, or that is presented to a notary, such as, but not limited to, a driver's license, other state-issued ID, or passport; and
- (b) The original Statement of Educational Purpose provided below, which must be notarized. If the notary statement appears on a separate page than the Statement of Educational Purpose, there must be a clear indication that the Statement of Educational Purpose was the document notarized.

Statement of Educational Purpose

I certify that I _____ am the individual signing
(Print Student's Name)

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)

(Student's Signature) (Date)

(Student's ID Number)

APPENDIX A
2024–2025 Suggested Verification Text

Certification and Signature
(Independent Student)

Certification and Signature

Each person signing below certifies that all of the information reported is complete and correct.

WARNING: If you purposely give false or misleading information, you may be fined, sent to prison, or both.

Print Student's Name

Student's ID Number

Student's Signature (Required)

Date

Spouse's Signature (Optional)

Date