CHAPTER 3

STATE SCHOLARSHIP AND GRANT PROCESSING

A. APPLICATION PROCESSING

The United States Department of Education’s (USDE) Central Processing System (CPS) processes applicant FAFSA information and distributes need analysis results to college and university officials at institutions listed by applicants. College and university officials receive this information electronically from the USDE on need analysis reports called Individual Student Information Records (ISIRs). Applicants are notified of processing results on Student Aid Report (SARs). SARs and ISIRs provide applicants’ Expected Family Contributions (EFCs).

B. IOWA COLLEGE AID RECEIPT

The Iowa College Student Aid Commission (Iowa College Aid) electronically receives need analysis information from the USDE’s CPS for all applicants that are self-reported as Iowa residents on the FAFSA. All Iowa resident applicants are considered for state-funded student financial aid. However, only those Iowa resident applicants who list eligible Iowa colleges or universities on FAFSAs are placed in Iowa College Aid’s Scholarship and Grant System as recipients.

Most awards are calculated by college and university officials using awarding parameters provided by Iowa College Aid and information from applicant ISIRs.

C. CERTIFICATION OF RECIPIENTS

Payment Certification Forms for each academic year are distributed to college and university officials prior to the beginning of the academic year. Officials must provide signed Certification Forms for each scholarship and grant program under which students on their campuses will be certified for payment during the academic year. The use of an annual “blanket” Certification Form allows more timely payment, as changes and updates submitted electronically do not require additional Payment Certification forms with original signatures.

By signing and returning Payment Certification Forms, college and university officials certify that each student submitted for payment by the college or university is eligible for the program from which payment is being requested. It is important that college and university officials read Payment Certification Forms carefully, sign the forms, keep copies in
college or university files, and return the signed originals to Iowa College Aid staff. No additional Certification Forms are required during the academic year. Completed Payment Certification Forms provide Iowa College Aid with the following assurances about student eligibility for state-funded student aid:

- Students are making Satisfactory Academic Progress as described in the college or university's written procedures.

- Students classified as full-time are enrolled for at least 12 credit hours per semester, or the quarter or trimester equivalent.

- Iowa Tuition Grant, Iowa Vocational-Technical Tuition Grant, Kibbie Grant, All Iowa Opportunity Scholarship, All Iowa Opportunity Foster Care Grant, Education and Training Voucher Grant, GEAR UP Scholarship, Iowa National Guard Educational Assistance Program, and Barber and Cosmetology Arts and Sciences Tuition Grant recipients classified as less than full-time are awarded grants which correspond to the number of hours enrolled.

- Iowa Tuition Grant recipients are not scheduled to receive grants that exceed the difference between the actual tuition and mandatory fee charges and the corresponding average tuition and fee charges at the Regent universities.

- Iowa Vocational-Technical Tuition Grant and Kibbie Grant recipients are enrolled in eligible vocational-technical or career option programs as defined by the State Department of Education.

- Recipients do not owe refunds for, and are not in default on, student assistance awards or loans funded or subsidized by the United States Department of Education or the State of Iowa.

- Students are not receiving gift aid in excess of financial need, as established by Iowa College Aid (see Chapter 2).

- Students have received official notification of Iowa awards and notification of any adjustments made to the awards.

- All recipients meet the Iowa residency definition as described in Chapter 1 of this Guide.

- College officials will report disbursements by the Iowa College Aid-defined reporting deadlines, listed in Chapter 3; and
• Ensure overpayments are refunded to Iowa College Aid in accordance with the State Refund Procedures, as detailed in Chapter 2.

Iowa College Aid staff will begin processing advance payments and additional student payments upon receipt of Payment Certification Forms and other forms from the college or university.

D. OTHER FORMS

All colleges and universities that participate in state-funded student financial aid programs are required to complete a Primary User Agreement, which dictates rights and responsibilities of utilizing Iowa College Aid systems for determining and reporting state financial aid disbursements. Primary User Agreements are sent to the Director of Financial Aid at each participating college or university in Iowa during the summer. The Director of Financial Aid, or his/her designee, must sign and return the form before receiving login credentials for the next academic year.

Private college or university officials must also sign and return the Accredited Private Institution Required Policies Certification Form annually. By completing this form, each accredited private college or university certifies that their institution has established institutional policies that meet the requirements of 261.9(1)e, 261.9(1)f, 261.9(1)g, and 261.9(1)h. Barber and cosmetology schools that participate in state-funded student financial aid programs are not required to establish policies that meet the requirements of 261.9(1)h.

Payment Certification Forms and Accredited Private Institution Required Policies Certification Forms (if applicable) must be signed and returned to Iowa College Aid prior to issuance of any payments, including advance payments.

If the individual that signs a form under this section has a change in role within the institution (to the extent that a new certifying official should be designated) or is no longer employed by the institution, the corresponding forms must be resigned by a new certifying official.

E. ADVANCE PAYMENTS

Iowa College Aid’s financial aid payment process begins approximately two weeks prior to the beginning of the fall and spring academic terms when Iowa College Aid makes advance payments for Iowa Tuition Grants, Iowa Vocational-Technical Tuition Grants, and Kibbie Grants. Fall term advances are based on staff’s projection of the number of students...
expected to receive awards under each program as indicated by applicant information received from the CPS. Spring term advances are based on the actual fall payments made to students at colleges and universities. For the fall term beginning with the 2010-11 academic year, Iowa National Guard Educational Assistance Program and All Iowa Opportunity Scholarship advance payments will only be made if Iowa College Aid staff project a college to expend at least $50,000 in funding for the fall term. All Iowa Opportunity Foster Care Grant, Education and Training Voucher Grant, and GEAR UP Scholarship advance payments will only be made if staff projects a college to expend at least $50,000 in funding for the fall term.

Iowa College Aid staff provides college and university officials with full annual payments at the beginning of the fall term for Barber and Cosmetology Arts and Sciences Tuition Grants. If funded by the legislature, full annual payments also are made under the Iowa Work-Study Program for colleges and universities with annual payments that are expected to be $50,000 or less.

Payments are made to colleges and universities either by means of an Electronic Funds Transfer (EFT) or with a state warrant. College and university officials who choose to receive funds via EFT are notified by e-mail when funds are transferred to college or university accounts.

F. PAYMENT FILES

Iowa College Aid staff notifies college and university officials at the beginning of each academic year when Iowa College Aid’s State Scholarship and Grant Reporting System is available. The State Scholarship and Grant Reporting System (System) includes information about applicants who meet Iowa College Aid’s general eligibility criteria. College and university officials use the System to report disbursements and make adjustments to student awards. Detailed web functions and processing information are included in the “User Guide” provided by Iowa College Aid (see Appendix A).

Many college and university officials have computer systems that allow them to download student information in a file and upload that file into the System. Detailed information is provided in the “User Guide” provided by Iowa College Aid (see Appendix A).

Scholarship and grant information must be updated by the dates specified by Iowa College Aid staff. Iowa College Aid may reject any awards or updates submitted after the following final deadlines. If a student fails to provide verification documentation to a financial aid office within a timeframe that would allow the college to report a disbursement on or
before the corresponding final reporting deadline, the student could lose state program eligibility for that term.

See Section H for details on exceptions to the Payment Terms and Deadlines.

<table>
<thead>
<tr>
<th>Term 1 (Semester/Quarter)</th>
<th>Term 2 (Quarter)</th>
<th>Term 3 (Semester/Quarter)</th>
<th>Term 4 (Quarter)</th>
<th>Term 5 Final (Summer/Accelerated)</th>
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<tr>
<td>File Due</td>
<td>October 15</td>
<td>February 15</td>
<td>April 1</td>
<td>June 15*</td>
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<tr>
<td>Final Updates Due</td>
<td>December 1</td>
<td>May 1*</td>
<td>June 15*</td>
<td>July 31*</td>
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*these dates were extended effective for the 2013-14 academic year.

G. TERM PAYMENTS

When the Scholarship and Grant System has been updated by college and university officials, student information is reviewed by Iowa College Aid staff to ensure that a FAFSA was received by Iowa College Aid’s deadline and that the student’s EFC is under the maximum allowed in the program under which payment is requested. Any discrepancies between information provided by the college or university and that held by the Iowa College Aid’s System must be resolved by Iowa College Aid staff and college and university officials. Any eligibility errors can be accessed in the System by reviewing ‘Error Reports’ (see Appendix A, pages 25 and 26). The ‘Error Reports’ should be reviewed by college/university officials after reporting disbursements in the System.

Iowa College Aid staff will authorize payments to colleges/universities after the college/university indicates that the Scholarship and Grant System disbursement roster has been updated. The college/university indicates that the disbursement roster has been updated by clicking the “Submit Payments” link in the Scholarship and Grant System.

State warrants or Electronic Funds Transfers are requested for amounts that were not covered by advance payments.

H. CORRECTIONS

College and university officials are responsible for making adjustments or corrections to applicants' financial aid applications, noting any changes in applicant files, and retaining detailed support documentation. Any changes in applicant or parent information or applicant status must be
documented. Changes in eligibility should be reported to Iowa College Aid in one of the following ways:

- Students resubmit Student Aid Reports (SAR) with corrections or changes directly to the CPS.
- College or university officials input changes and electronically send them to the CPS.
- College or university officials make changes on the System (Iowa College Aid does not forward this information to the CPS).

Iowa College Aid staff uses updated information and corrections submitted by college and university officials for students that are processed through the CPS. Corrections to student information not processed through the CPS must be updated by college and university officials.

Corrections to EFCs and adjustments to state-funded awards made after submitting the fall term payment information must be reported electronically to Iowa College Aid. Generally, retroactive award adjustments are not permitted if applicants become eligible for state-funded grants after the published deadlines for submission of term award information. However, awards may be made to these students if Iowa College Aid staff determines that sufficient funding is available after funding all applicants whose names were submitted by the deadline.

Aid administrators are encouraged to report all changes through the CPS. Documentation for any changes in EFC should be retained in applicant files.

**EXAMPLE I – Iowa Vocational Technical Tuition Grant**

A student notifies college or university officials that parental income was incorrectly reported as $49,000 on the FAFSA. The income actually was $25,000. The newly computed EFC changes from $4,200 to $1,140. If the correction is processed by the Central Processing System or college or university before August 1, an adjustment on the fall term Payment File will be made by Iowa College Aid's data processing system and need only be verified by college or university officials. If the recalculation is processed after August 1, the adjustment should be reported on the college or university Payment File.

**EXAMPLE II – Iowa Tuition Grant**

A student enrolling at an independent college or university reports parental income as $33,000, not the estimated $65,000 provided on the FAFSA. A
recalculation changes the EFC from $14,000 to $4,200, making the student eligible for an Iowa Tuition Grant. An adjustment should be made through the CPS before August 1 or college or university officials must submit the adjustment on the fall Payment File.

College and university officials must retain all change documentation in applicant files and submit changes through the CPS or directly to Iowa College Aid.

If changes on the System are required subsequent to the initial submission of payment information, college and university officials must make updates as soon as possible. Corrections which increase the amount or number of awards must be submitted by the deadline specified by Iowa College Aid staff (see Payment Terms and Deadlines table on page 5).

Awards generally will not be approved after the end of the term for which payment should have been requested. However, Iowa College Aid may approve these payments as special priority awards prior to the end of the academic year.

I. SPECIAL PRIORITY AWARDS

Special priority awards may be authorized by Iowa College Aid staff when state appropriations are sufficient and when it is determined to be impractical to increase the EFC or maximum award. Upon notification from Iowa College Aid staff, college and university officials should use professional judgment to identify students to receive special priority awards.

Students who have graduated or completed the terms of enrollment for which special priorities have been authorized may be awarded as long as they were eligible to receive funds at the time first-priority students were awarded had they been included in the initial awarding parameters.