



SC TECHNICAL COLLEGE
SYSTEM



FINANCIAL AID 101

For Faculty & Student Advisors

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FINANCIAL AID 101 FOR FACULTY AND STUDENT ADVISORS

Background

Across the SC Technical College System, approximately 90% of all students receive some form of financial aid each year, with roughly 75,000 students qualifying for Pell Grants and another 41,000 students receiving loans annually. The total of all Pell Grants and loans administered by the SC Technical Colleges is approximately \$500 million each year.

As a participant in the U.S. Department of Education Financial Aid program, each college must strictly adhere to the rules and regulations governing federal and state financial aid. Failure to comply with those guidelines can result in significant fines and penalties being imposed, up to and including the loss of financial aid funding. It is the responsibility of each college to establish the policies, procedures and practices necessary to ensure compliance with all federal, state and other financial aid guidelines.

Purpose

This informational brochure is a resource to assist faculty and college administrators in:

- Understanding financial aid practices, processes, and guidelines;
- Advising students in the most accurate and appropriate means; and
- Understanding their key role in ensuring compliance with federal and state guidelines, and to mitigate the risk of fines and penalties for non-compliance.

This brochure provides basic answers to the most frequently asked questions by faculty and students regarding financial aid. If you need additional information or have further questions, please contact your local Financial Aid Office.

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FREQUENTLY ASKED QUESTIONS AND ANSWERS

1. As a faculty member, why should I care about financial aid?

There are 2 very important reasons faculty should understand and care about financial aid:

- The first reason is to better serve students. For most students, having access to financial aid is a determining factor whether they can attend college. Because faculty play a key role in advising students and answering questions about financial aid, it is imperative that faculty understand the basic practices, processes and guidelines in order to provide optimal service and support to students.
- The second reason is to minimize financial risks to your college. Failure to follow federal and state financial aid guidelines can result in significant fines and penalties for a college, up to and including loss of financial aid. Faculty play an essential role in financial aid compliance, especially as it relates to advising students. As such, it is imperative that faculty understand and follow the federal and state financial aid guidelines to mitigate risks to their institution.

2. How does the advice I give a student impact the student's ability to acquire/maintain financial aid?

The advice provided by faculty or advisors can have an enormous impact on a student's ability to secure and/or maintain their financial aid. Whether offering advice about withdrawing from classes, assigning grades, or reporting attendance, the information provided can impact a student's aid in current and future semesters.

In many instances, the recommendations and advice given to a student will vary by student, as each case is unique. For these reasons, it is imperative that faculty familiarize themselves with the materials in this brochure, especially regarding topics dealing with Satisfactory Academic Progress (SAP), administering withdrawals and assigning grades, and reporting attendance.

3. What is the role of the college in processing financial aid?

Each college serves as the coordinator between the student and the U.S. Department of Education (USDOE). To process a student's application for aid, colleges are required to comply with all USDOE, federal, and state laws governing that process. Colleges are not allowed to request funds from the USDOE for students that do not fully meet financial aid requirements.

Colleges are routinely audited to ensure compliance with financial aid guidelines, and are required to repay any financial aid funds that are awarded in error, unearned, or otherwise paid to students without complying with applicable laws, rules and regulations.

4. What are the types of financial aid?

There are four general types of financial aid as follows:

Grants – These are the most common source of aid, and are not required to be repaid. The largest and most commonly known grant is the Federal Pell Grant.

Scholarships - The second most popular form of aid is scholarships. In South Carolina, the primary scholarship is the SC Lottery Tuition Assistance Program. Like grants, scholarships are not required to be repaid.

Work-study programs - The third most common form of aid is work-study programs whereby students work part-time on or off campus earning money to help with educational costs.

Student loans - The last type of financial aid is student loans. Like any loan, student loans must be repaid and should be the last form of financial assistance that students consider. Ideally, loans should only be pursued if all other types of aid are inadequate to meet educational needs.

5. How do students apply for financial aid?

To be considered for any type of financial aid, students *must* complete the Free Application for Federal Student Aid, or FAFSA, online at www.FAFSA.ed.gov. When completing the FAFSA, students will need to know their college's school code (see appendix for SCTCS school codes), which can be obtained from their local Financial Aid Office. Students need to include this code on their FAFSA in the designated section to enable their Financial Aid Office to receive an electronic copy from the U.S. Department of Education so that their aid can be processed.

6. When should students apply for aid?

If students want to receive any form of financial aid, they must submit the FAFSA as outlined above. *Students that are applying for the fall semester are strongly urged to apply for financial aid as early as January 1 and no later than April 1 to meet the Priority Deadline.* Applying early best ensures their aid will be processed timely and can maximize the amount of aid they receive.

7. What is a student's filing status on the FAFSA?

Students who are under the age of 24 are always considered *dependent* students, even if they live on their own. Dependent students must provide parental information in order to have their FAFSA processed.

Exceptions to the dependency rule include:

- Cases of neglect or abandonment (documentation required);
- If both parents are deceased;
- Veteran students;
- Students who provide at least 50% of support for minor children (documentation required); and
- Married students.

8. What happens after students apply for aid?

Once a student has applied and been admitted to the college, it is important that they remain in contact with their Financial Aid Office, either electronically or in person. After submitting their FAFSA, additional information may be requested of students and must be received by the college to continue processing their application. As such, it is essential for students to monitor their account at least twice weekly for additional requests for information from their college and/or the U.S. Department of Education.

9. What if a student gets selected for verification?

Each year, the U.S. Department of Education select approximately 30% of all FAFSA's submitted for "verification" purposes. When a student gets selected for verification, the college's Financial Aid Office is required to verify the information submitted on

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their FAFSA. If selected, the student may be asked to submit one or more of the following documents:

- Parent federal tax information;
- Student federal tax information;
- Various income verification documents; and
- Other personal information.

Please advise students to monitor their account status at least twice weekly through their college's web portal to determine if they have been selected for verification, and if selected, what additional documentation may be necessary.

To continue processing a student's application, colleges must receive all requested information. In some instances, further questions may arise, requiring the student to submit additional documentation. If students do not understand the requests being asked, please advise them to contact their Financial Aid Office, and one of the counselors will gladly assist them through the process. Only after all documents are received is the college permitted to continue processing the student's application. Failure by students to respond to requests for additional documentation is a key reason that student aid awards are delayed.

10. How long does it take to get aid?

It really depends on the student. The financial aid process generally takes 6 weeks, so it is important for students to APPLY EARLY and routinely monitor their account for updates. Please note that the State of South Carolina has identified April 1 as its PRIORITY DEADLINE, and urges all students to apply on or before that date.

Students should be informed that if they apply after April 1 or get selected for verification, the processing time may be delayed. As faculty or student advisors, please remind students to make every effort to submit their FAFSA before April 1.

If students get selected for verification, the college cannot continue processing a student's application until all documents are received. As such, have students respond to all requests for additional documents as soon as possible to ensure timely processing of their aid.

11. How do financial aid disbursements work?

After tuition, fees, and bookstore charges are deducted from financial aid, any remaining balance is disbursed to students approximately 3 weeks after the term begins. Confirmation of attendance in all classes is required before students can receive a disbursement.

Disbursements are held for all students in a class if an attendance roster has not been received. Please note that students are only paid for classes they have entered. Payment for late-start classes is held until confirmation of entry has been received.

12. Do students need to re-apply for financial aid each semester, and if not, when do they need to re-apply?

Students do NOT need to apply each semester, but they do need to re-apply each academic year.

13. Are developmental courses covered by financial aid?

Students can attempt up to 30 credit hours of developmental studies under financial aid guidelines. After the 30 hours, financial aid will not cover any additional developmental studies coursework.

14. Are prerequisite courses, not included in the program of study, covered by financial aid?

Financial aid will cover up to 30 hours of developmental studies and prerequisite courses (combined). After the 30 hours, a student will only receive financial aid if they are enrolled in courses in their major.

15. How are repeat courses handled and how do they impact financial aid?

Financial Aid will pay for a course only one (1) time after they receive a passing grade.

16. What are veteran's educational benefits?

Colleges are approved by the U.S. Department of Veterans Affairs (VA) as a training facility to administer various types of veteran educational benefits. Colleges can assist prospective and current student veterans by providing counseling and direction on all educational benefits including:

- Providing information on the admissions process, including requesting transcripts and preparing for the Compass (admissions) test;
- Assisting with applying for the appropriate VA educational benefits;
- Connecting students with local VA resources to help them succeed in the classroom;
- Providing special services to students with disabilities including counseling; and
- Reviewing military transcripts.

For more information regarding veteran-related educational benefits, please have students contact their local Financial Aid or Student Services Office.

17. What should I tell students about student loans?

Students should be strongly urged to consider loans only as a last resort in financing their education. Like any loan, student loans **MUST** be repaid, and generally cannot be waived even through bankruptcy filings. Students requesting federal loans must be registered for a minimum of 6 credit hours. Ideally, loans should only be pursued if all other types of aid are inadequate to meet a student's educational needs.

18. How does financial aid work for summer classes?

Students may be able to qualify for financial aid for the summer session depending upon their eligibility, the availability of financial aid funds, and the following criteria:

- They are in an eligible program;
- They meet Satisfactory Academic Progress (SAP) requirements;
- They have aid left over from the fall or spring term; and
- They complete an application for summer aid.

There may be other criteria for receiving summer financial aid, and colleges may administer summer awards differently. For this reason, have students contact their local Financial Aid Office for details about summer financial aid.

19. How do the following grades impact a student's financial aid: I, W, F, and D?

The following issues arise when students do not complete their courses with a satisfactory grade:

- I (incomplete) grade – because there are no quality points/grade value or credits assigned to that class, it is calculated as an "F" grade in the Standards of Academic Progress calculation. When the student completes the class and the "I" grade has changed, the student should notify the Financial Aid Office to reevaluate their standards so the final grade can be calculated correctly.

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- W (withdrawal) – as there is no grade assigned with a W, it has no impact on a student's GPA. However, it is calculated as a course not successfully completed. Therefore, the W will affect the student's completion ratio. As long as their overall completion ratio remains above 67% it would have no impact.
- F (failing) grade – as the student earns zero quality points and zero credits for the course, the F grade effects their GPA and their overall completion ratio.
- D (below average) grade – as quality points are assigned and the student earns credits, initially the D grade would only affect their GPA, perhaps bringing it below a 2.0 and thus impacting their SAP standing. If the course is one that requires a C or better, the student must retake the course. When the course is repeated, the final grade of the second attempt will be the grade used in the calculation of the GPA. However, the credits earned are removed from the previous "D" grade and the student's completion ratio would be affected. (i.e., a 3-credit-hour course is taken twice, and the first time the student earns a D and the second time is a C. The C would be used in the GPA calculation so the student would have a 2.0 GPA, but the credit for the D grade would be removed so they would only have completed 3 credits and therefore their percentage of completion would be 50%).

Important note: A student is only allowed to be funded for one more attempt if a course is "successfully completed". Since the D grade is assigned quality points, that is considered a successful completion. Therefore, the repeat class regulations apply (see section on repeat classes).

20. What is the difference between academic standing and financial aid standing?

Confusion exists between academic standing classifications and financial aid standings. Students on academic probation (GPA 2.0 or below) often think that once they regain their eligibility academically, they are also eligible for financial aid. For federal aid, students must meet a GPA standard as well as a pace of completion standard. Therefore, it is possible for a student to be in good standing with the college but not with federal aid. In particular, students that have many course withdrawals could have an eligible GPA but not an eligible pace of completion. In this instance, a student would be eligible to take classes but would not be eligible for federal aid.

21. What is a census date and its impact on student aid?

Each college establishes a census date each academic term. All federal financial aid is "frozen" after this date. Once this date has passed, students may no longer add a class and have it covered by federal financial aid.

22. What are the implications of registering students in classes that are not in their major?

Financial aid does not pay for any classes taken outside the student's major. Please note that financial aid will pay for up to 30 hours of developmental studies coursework.

23. How does a student lose their financial aid?

Students must maintain Satisfactory Academic Progress (SAP) while receiving financial aid (and to initially qualify if they are a transfer student). A student must:

- Complete 67% of the course hours for which they attempt;
- Maintain a minimum 2.0 cumulative Grade Point Average; and
- Complete their degree within 150% of the published length of the program.

Students must satisfy all 3 conditions to continue receiving federal and/or state financial aid. Failure

to meet these goals can result in their financial aid being suspended, regardless of their eligibility in prior semesters.

Students will be notified of their financial aid SAP status at the end of each semester. It is the student's responsibility to check their financial aid SAP status. If students fail to meet SAP requirements due to extenuating circumstances and their aid was suspended, they have the right to appeal this decision. For more details about SAP and the appeals process, please contact your Financial Aid Office.

24. How does the first day of attendance/enrollment verification report impact financial aid?

Federal regulations require that colleges confirm students are eligible for the financial aid funds they receive. Therefore, professors are asked to mark the student "as attended," which confirms the student's attendance and enables aid to be awarded. If students are inadvertently marked by an instructor "as attended" when the student didn't attend, the institution is financially liable for repaying the funds provided to the student for that course.

25. What happens when I list the date on which a student has stopped attending class?

Federal regulations require a student to complete the term for which they were funded. If a student has withdrawn from all of their classes, stopped attending all of their classes, or did not successfully complete any of their classes (received all F's), the institution is required to calculate how much of the semester the student did attend to determine the amount of their aid they effectively "earned". This is referred as the Return to Title IV calculation. Please note this is not needed if the student only drops one or two courses and remains enrolled in a course. It is only required when a student is no longer enrolled in any courses for a particular term.

When colleges perform the Return to Title IV calculation, they must use the last date of enrollment and/or their last date of academic activity to determine how much aid each student "earned." This date determines how much, if anything, the student must repay if they do not successfully complete any of their courses.

In general, if a student only attended 50% of the term, then they have only earned 50% of their financial aid. The calculation is not as straight forward as that, but it is the premise of why the Return to Title IV calculation must be performed.

26. What are the different academic requirements and standards for progress for the different types of financial aid?

Academic requirements and standards of progress vary by type of aid. In general:

- Pell and all other major sources of federal aid are subject to Title IV and SAP guidelines;
- The LIFE Scholarship requires a student take at least 30 hours of non-DVS courses and maintain an overall GPA of 3.0 for the academic year; and
- The Lottery Scholarship requires students to take at least 6 credit hours per semester and maintain a 2.0 GPA, after they have completed 24 credit hours. During the first 24 credit hours, there is no GPA requirement.



27. When does a student “earn” all of their federal financial aid?

Students are considered to have earned all of their federal financial aid **ONLY** after having attended classes at the 60% point in the academic term. Students have to be attending classes at the 60% point in order to earn their financial aid, else they may have to repay a portion of that aid based on Return to Title IV calculations.

28. What happens when students drop a course without ever attending class?

If a student has never attended a class, financial aid will not pay for the class.

29. What are the ramifications to the student if withdrawals and non-attendance are not submitted in a timely manner?

Failure by faculty to timely submit student attendance records may result in students being provided aid that they did not earn. This matter may also impact the college’s Return to Title IV calculation, potentially exposing the college to significant fines and penalties.

For veteran students, it is especially important that withdrawals are reported as soon as possible. The U.S. Department of Veterans Affairs requires that withdrawals be submitted within 30 days of the change in enrollment.

30. How do student course withdrawals impact student academic progress for different types of student aid?

In general, student withdrawals may impact a student’s eligibility to receive and/or maintain financial aid. Because each form of aid has differing requirements and each student situation is different, it is important to contact the Financial Aid Office when advising a specific student on whether or not to withdraw. Please note that withdrawals may also impact veteran’s educational benefits, including any tuition balances and living stipends. For this reason, refer all veteran-related withdrawals to your local Financial Aid or Veterans Affairs Office.

31. Why do I need to report student withdrawals and give a last date of attendance if my college has an attendance policy?

Failure to report withdrawals and attendance may impact a student’s eligibility for financial aid and veteran’s educational benefits, including living expenses. In addition, failure to report withdrawals and attendance can impact the college’s Return to Title IV calculation, thus exposing the college to significant fines and penalties.

32. What financial aid implications exist when making changes to academic courses or programs?

It depends on the nature and extent of the changes. In general, the Financial Aid Office should be notified when changes, of any form, are being considered for academic courses and programs. By including the Financial Aid Office in those discussions, the college can ensure it remains in compliance with SACS, South Carolina Commission on Higher Education, and U.S. Department of Education guidelines.

33. What resources are available for students facing financial hardships?

Faculty members should send students that need financial guidance or additional financial assistance to the Financial Aid Office.

34. What if I suspect misuse of financial aid?

Each college is required to report any potential fraud or falsified information (on the part of the student, the parent, preparer of financial aid applications or related parties) to the USDOE and all other related agencies for immediate action.

Anyone suspecting fraud or abuse may make a confidential report by contacting the Office of Inspector General at 1-800-MIS-USED (1-800-674-8733).

LIST OF FEDERAL SCHOOL CODES

- Aiken Technical College - 010056
- Central Carolina Technical College - 003995
- Denmark Technical College - 005363
- Florence-Darlington Technical College - 003990
- Greenville Technical College - 003991
- Horry Georgetown Technical College - 004925
- Midlands Technical College - 003993
- Northeastern Technical College - 007602
- Orangeburg-Calhoun Technical College - 006815
- Piedmont Technical College - 003992
- Spartanburg Technical College - 003994
- Technical College of the Lowcountry - 009910
- Tri-County Technical College - 004926
- Trident Technical College - 004920
- Williamsburg Technical College - 009322
- York Technical College - 003996





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