

**Alabama State College of Barber Styling
Financial Aid Office Policy Manual**

Revised 9/2017

**753 Main Street
Gardendale, AL 35071**

Financial Aid Office Policy Manual 2017

This manual outlines the policies and procedures followed by the financial aid staff of Alabama State College of Barber Styling. The policies and procedures are determined based on the regulation of the FSA Handbook.

SECTION 1 - Introduction

Introduction to the Financial Aid Office

Alabama State College of Barber Styling Financial Aid Office is committed to helping students realize their educational goals by providing financial guidance throughout the course of their enrollment:

Hours of operation:

9:00am – 3:30pm, Tuesday – Friday

9:00am – 2:30pm, Saturday

Fax and telephone numbers:

Phone: (205)631-8898

Fax: (205)631-8895

Email: admin@ascbs.edu

Website: www.ascbs.edu

Responsible Personnel:

The Director is responsible for ensuring policies are reviewed and revised as needed depending on the demand of the college. When a new policy is needed it is quickly implemented and updated to the policies and procedures manual.

Documents & Methods:

Alabama State College of Barber Styling receives updates from ED on regulatory changes by information received from the Information for Financial Aid Professionals (IFAP) website as well as from outside Financial Aid Consultants.

Publications might include but are not limited to:

Federal Registers – both Notices of Proposed Rulemaking (NPRMs) and Final Rules
The Audit Guide or appropriate OMB circulars
Federal Student Aid Handbooks
The Blue Book Compilations of Federal Regulations
Dear Colleague/Partner Letters
Policy Bulletins
Electronic Announcements

Section 2 – Financial Aid Programs

Federal Aid Programs in which Alabama State College of Barber Styling Participates:

1. Federal Pell Grant
2. Federal Direct Subsidized Stafford Loan
3. Federal Direct Unsubsidized Stafford Loan
4. Federal Direct PLUS Loan
5. Veteran’s Benefits

1. Federal Pell Grant

The Federal Pell Grant is designed to assist undergraduate students who desire to continue their education beyond high school and can demonstrate need. Every student is entitled to apply for a Federal Pell Grant. Eligibility is determined by a standard U.S. Department of Education formula, which uses family size, income, and resources to determine need. The actual amount of the award is based upon the cost of attendance, enrollment status, and the amount of money appropriated by Congress to fund the program. The Federal Pell Grant makes it possible to provide a foundation of financial aid to help defray the costs of a post-secondary education.

2. Federal Direct Subsidized Loan

Federal Subsidized Loans, available through the William D. Ford Federal Direct Loan Program, are low-interest loans made to the student by the U.S. Department of Education. The loan must be used to pay for direct and/or indirect educational expenses. Subsidized loans are need-based, while unsubsidized loans are not. Repayment begins six months after the student graduates, withdraws from school, or falls below half-time enrollment status.

3. Federal Direct Unsubsidized Loan

Federal Unsubsidized Loans, available through the William D. Ford Federal Direct Loan Program, are low-interest loans made to the student by the U.S. Department of Education. The loan must be used to pay for direct and/or indirect educational expenses. Unsubsidized loans are interest bearing as soon as the loan is disbursed. Repayment begins six months after the student graduates, withdraws from school, or falls below half-time enrollment status.

4. Federal Direct PLUS Loan

The Federal Direct PLUS Loan is available to parents of dependent undergraduate students. These loans are not based on need; however, when combined with other resources, the loan value cannot exceed

the student's cost of attendance. A credit check is required, and either or both parents may borrow through this program. Repayment begins within 60 days of final disbursement of the loan within a loan period.

5. Veteran's Benefits

Alabama State College of Barber Styling is approved by the Department of Veterans Affairs for Veterans benefits.

Section 3 - Standards of Progress

In accordance with the Higher Education Act of 1965, as amended, and Alabama State College of Barber Styling establishes the following Standards of Progress:

These standards apply to all students who apply for and receive student financial aid from the following programs:

Federal Pell Grant

Federal Direct Loan Program – including PLUS loans

Students who are in default on a student loan or who owe a repayment to a Title IV program, from any institution, are not eligible for federal student financial aid. If a student owes a repayment to a Title IV program, the debt must be cleared before any federal financial aid will be awarded and disbursed.

A. General Requirements

Federal regulations require student financial aid recipients to either have graduated from high school or have completed a recognized equivalent – GED.

B. Check Disbursement

Student financial aid stipend disbursements are made electronically to the schools operating fund account. A report is sent from FAS notifying Financial Aid of the students who have received payment. This is posted on the students' ledger in Financial Aid Office.

C. Satisfactory Academic Progress

All students are required to maintain satisfactory academic progress (SAP). A student maintaining satisfactory progress is considered to be in good standing and is eligible to continue his or her enrollment and to graduate. In addition, satisfactory academic progress (SAP) is required to maintain financial aid eligibility. See the Financial Aid section of this catalog to learn more about the impact of progress upon Financial Aid eligibility.

4. Student Loans

A. Federal Direct Loan Program

Alabama State College of Barber Styling participates in the Direct Loan Program. It is the philosophy of the Alabama State College of Barber Styling Financial Aid Office that loans should be taken out as the last alternative for financing a student's education, and only in the amount needed to cover institutional charges. It is also recognized that in many cases, a student loan may be the only viable alternative for meeting educational expenses.

B. Packaging Policy

All students who have unmet need after all other student financial aid has been awarded, may borrow a subsidized loan up to the amount of their unmet need or statutory amount, whichever is less. After award of their subsidized loan, students are eligible for their unsubsidized loan as needed and dependent on their individual packaging circumstances. Alabama State College of Barber Styling encourages students to borrow the minimum amount necessary to complete their training at our institution.

C. Withdrawal during the Loan Period

If a student withdraws during the loan period, our policy is to return the remainder of the loan minus tuition covered.

D. Entrance Counseling

Entrance Counseling, covering all the information required by federal regulations, are available throughout the year online at studentloans.gov. This must be completed prior to the loan being certified.

E. Exit Counseling Entrance counseling, covering all the information required by federal regulations, are available throughout the year online at studentloans.gov. All students must complete Exit Counseling upon leaving Alabama State College of Barber Styling.

F. Previous Defaults

Students who have previously borrowed from an educational loan program and have defaulted on such a loan will be eligible to borrow a loan at Alabama State College of Barber Styling once they have paid the previous loan in full; have consolidated a previously defaulted loan or have made satisfactory repayment arrangements, defined as having made six consecutive monthly on-time payments. The student must provide documentation from the holder of the loan indicating that a satisfactory repayment plan has been approved and nine consecutive monthly on-time payments have been made or a promissory note marked 'paid in full.' A student who has repaid a previously defaulted loan in full, made satisfactory repayment arrangements, or otherwise resolved the default regains eligibility for financial assistance. For Pell Grant only, the student is eligible once the default is resolved.

A student with a previously defaulted student loan, who has had the loan repaid by involuntary means (i.e. income tax refund withheld) has not demonstrated a willingness to repay the debt. Thus, Alabama State College of Barber Styling may refuse to process a loan for such a student on a case-by-case basis. The student will be notified of this decision.

G. Grace Periods

For the purpose of establishing the beginning of your repayment period if you are a National Direct Student Loan (NDSL), the six month initial grace period for NDSLs excludes any period during which you are a member of a reserve component of the Armed Forces named in section 10101 of Title 10, United States Code, and you are called or ordered to active duty for a period of more than 30 days. Any single period excluded from your grace period may not exceed three years and includes the time necessary for you to resume enrollment at the next available regular enrollment period. You must notify the school that made your loan of the beginning and ending dates of your service, and the date you resume enrollment. If you have an NDSL and are in your

initial grace period when called or ordered to active duty, you are entitled to a new six or nine-month initial grace period upon completion of the excluded period.

H. Student Loan Ombudsman

If you dispute the terms of your NDSL in writing and the holder of your loan is unable to resolve the dispute, you may seek the assistance of the Department of Education's Student Loan Ombudsman. The Student Loan Ombudsman will review and attempt to informally resolve your dispute and may be reached at 1-877-557-2575.

5. Verification

A. Verification Policy

Verification is the process by which the FAA compares the information on the student financial aid application with source documents provided by the student to verify the accuracy of the application information. These policies are to be used in conjunction with the Department of Education verification guidelines. Alabama State College of Barber Styling will verify the information on the ISIR for students who complete the application process for federal student financial aid and who are selected for verification by the Department of Education. In addition, Alabama State College of Barber Styling may select files for verification to resolve conflicting information.

At Alabama State College of Barber Styling, student financial aid will not be awarded to those selected for verification until all documents required are submitted and the verification has been completed. If a student withdraws from all classes before verification is completed, the student must provide the necessary documents for verification within 45 days of the withdrawal date in order to receive a post withdrawal disbursement.

B. Verification Deadlines

The following deadlines, regulated by the U.S. Department of Education, will be followed at Alabama State College of Barber Styling. If Verification documents are not provided within 6 weeks of the student's start date, the student will become a cash paying student, and 25% down payment on tuition is due immediately

C. Corrections

If discrepancies are found between the documents submitted for verification and the information on the ISIR, the following procedures will be used for making the corrections: ISIR – corrections to income or asset figures, household size, and dependency must be made and a new need analysis performed. If the corrections result in a changed EFC, the data is transmitted via FAS to the Central Processor to produce an electronic student aid report. Students will receive an acknowledgement from the DOE.

Award changes – If corrections to the ISIR during verification result in a change in the student's award, the student will be contacted to go over the revised award. Financial aid notifications are produced as needed for new awards and changes to awards.

D. Verification Selection

Approximately 30% of a student financial aid population may be selected for verification by the

Department of Education. The FAA at Alabama State College of Barber Styling will perform additional verifications on all students who have conflicting data in the file documents

E. Notification of Verification Requirements

Students will be notified of the documents that must be submitted to the FAA in order to complete verification by the Financial Aid Administrator.

If a student or parent has filed a request for tax filing extension, a copy of the IRS Form 4868, "Application for Automatic Extension of Time to File U. S. Individual Income Tax Return" must be submitted to the FAA. This form will be acceptable, but no funds will be disbursed to the student until a signed copy of the 1040 is submitted.

F. Items to be Verified

Independent Status

An independent student will be required to verify his/her status by filling out the dependency status information on the Independent Student Verification Worksheet. In addition, the specific application item that makes the student independent will be verified as follows:

Ward of the court—official letter describing situation.

Legal dependent(s) other than a spouse—income information showing that the student has the resources to provide more than 50% of the dependents' support.

Base Year Income From Work - Student

IRS Tax Transcripts are required of all students selected for verification who filed taxes. If the student did not file taxes and was not required to file taxes, (see "Who Must File"—Publication 17 from the Internal Revenue Service) copies of the student's W-2 forms are required. If a student was required to file taxes and did not, verification cannot proceed until the student completes the appropriate tax form. If the student worked but did not receive W-2 forms from his/her employer, the student must show the source and amount of that income on the Verification Worksheet.

Base Year Income From Work – Parent

IRS Tax Transcripts are required from the parents of all dependent students selected for verification, unless the parent did not file a tax return and was not required to file a tax return. If the parents did not file taxes and were not required to file taxes, copies of the parents' W-2 forms are required. If the parents worked but did not receive W-2 forms from his/her employer, the parents must show the source and amount of that income on the Verification Worksheet.

In the case where the student is unable to obtain his/her W-2 forms and, in the opinion of the professional staff member doing the verification, the W-2 form will not materially change the student's income situation, the W-2 form may be waived. If a student or parent has filed a request for tax filing extension, a copy of IRS form 4868, "Application for Automatic Extension of Time to File U.S. Individual Income Tax Return" must be submitted to the Financial Aid Office. This form will be acceptable, but no funds will be disbursed to the student until the actual 1040 is submitted.

Child Support

Child support will be verified by self-certification on the Verification Worksheet unless there is a discrepancy in the information submitted. In such a case, the student (or the students' parent, in

the case of a dependent student) will be required to provide the Financial Aid Office with a copy of the divorce decree, or other appropriate document.

Other Untaxed Income

The following will be verified from the student's or the student's parents' 1040. (If taxes were not filed, there is no need to verify these items:

Untaxed payments to IRA/Keogh

Foreign income exclusion

Household Size

If the student (and/or the student's parents) filed taxes in the previous year, household size will be verified by self-certification on the Verification Worksheet. If the student (or the student's parents) did not file taxes in the previous year, household size will be verified by self-certification on the Verification Worksheet.

Number in College

Number in college will be verified by self-certification on the Verification Worksheet.

Income Reduction – Dislocated Worker

Income reductions will not normally be considered upon the student's submission of the required documents. Criteria for determining those eligible for projecting income are as follows: If the student is dependent, the student or a parent whose income was reported on the previous year's 1040 (that which is used to calculate this year's EFC), must now be unemployed or have been unemployed earlier in the current year. If this is the case, the student or parent must have filed for and received unemployment benefits for at least four (4) months. Documentation of unemployment benefits and the date that they started must be presented to the Financial Aid Office. If one of the parents whose income was significant has died, a projected income may be done. The student or parent will also give a written statement regarding their specific situation. FAS may also request for additional documentation. If requested documentation is not provided, no income reduction will be made.

G. Resolving Comments on the Student Aid Report

The Alabama State College of Barber Styling Financial Aid Office uses the following criteria for resolution:

1. If Immigration and Naturalization Services were unable to verify status as eligible noncitizens. we will photocopy the student's most current immigration document and complete the INS form G-845S. The completed form and the photocopy will be mailed to the INS. After being returned for the INS, documentation will be sent to FAS.
2. Selective Service was unable to certify compliance with registration requirements. Self-certification is acceptable for female students and male students born before January 1, 1960. Male students will be instructed to contact the Selective Service Agency for confirmation of registration or a letter from Selective Service describing the individual student's status. Any ambiguous or unfavorable responses will be forwarded to the FAA or designee who has the authority to determine if the student willfully avoided registration with Selective Service. If the FAA determines that the student

willfully avoided registration with Selective Service, no Title IV aid will be awarded. No aid will be awarded until a response is received from Selective Service and/or a decision is made. Once this decision has been made it will carry forward to all academic years.

3. Records indicate that default exists. Student will be instructed to contact the agency listed on the SAR or in NSLDS to resolve the default. It will be the responsibility of the student to secure documentation proving resolution of the default and to provide a copy of the documentation to the FAO. Acceptable documentation may include a letter from the current or last holder of the loan, a promissory note marked "paid in full", or any written material clearly indicating the borrower has made at least nine consecutive monthly payments on the loan. No Title IV aid will be awarded to the student until the default issue is resolved.

4. Name mismatch with NSLDS indicates that the social security number listed on the SAR matches a record in the National Student Loan Data System, but the name does not match. We will access NSLDS and review the data to determine how to resolve the mismatch. Only the provider of the data to NSLDS can change the data, therefore, the FAA and student will work through that entity.

5. Social security number mismatch indicated will need resolution.
No Title IV aid will be Awarded until this situation is resolved.

No match on SSN – the social security number reported on the SAR is not a valid number.

If the student is correcting the number, no further resolution is needed. If the student insists that the number is accurate, he or she must get written documentation from the Social Security Administration verifying the number. The student must complete a new FAFSA with his/her correct social security number.

SSN and name match, no DOB match – The birth date reported on the SAR does not match the Social Security Administration's records.

The student will need to provide an explanation; note the explanation on the SAR or in the student file documentation. A correction will be made to the student's ISIR.

SSN match; no name match – The name reported on the SAR does not match the Social Security Administration's records.

The student must provide an explanation; document this explanation on the SAR and in the student file. If name mis-match is due to a nickname being used (i.e., Bob instead of Robert) no further action is required. If name mis-match is due to marital status or citizenship status the student must complete the name change with the Social Security Administration and provide the FAA with documentation of the name change.

H. Conflicting Information and Resolutions

In addition to reviewing application and data match information provided by the CPS, a school must have an adequate internal system to identify conflicting information—regardless of the source and regardless of whether the student is selected for verification. The school is responsible for reconciling any conflicting information that it has. All such discrepancies must be resolved before any FSA funds are disbursed to the

student. If a discrepancy is discovered after disbursing FSA funds, the information must still be reconciled and appropriate action must be taken.

Discrepant data with Admissions Office

If a student has reported on his FAFSA that he does have a high school diploma or GED, and has reported on the Alabama State College of Barber Styling admissions application that he does not have a diploma or GED, the student is required to bring in the high school diploma or GED scores. If the student does not bring in one of these two documents, it will be assumed that a mistake was made on the FAFSA and the student will not be able to attend Alabama State College of Barber Styling until document is provided.

Discrepant tax data

Financial aid professionals are required to know: whether a person is required to file a tax return, what the correct filing status for a person should be, and that an individual cannot be claimed as an exemption by more than one person.

If an individual is required to file taxes and did not file, he or she will be required to complete the appropriate tax form before processing of the financial aid application will continue. If it is discovered that a student and spouse, or a dependent student's married parents, have each filed as "head of household" the individuals will be required to amend the tax return and file under the correct filing status. It is not acceptable to simply add the two tax returns together.

Other discrepant information

No FSA funds will be disbursed until there is resolution on all conflicting information. If the conflict involves a previous award year, it must still be resolved as long as the student is attending Alabama State College of Barber Styling. The resolution is considered to be complete when a determination has been made as to which information is correct and that determination is noted in the comment screens of the student's electronic file.

6. Packaging Guidelines – 2010-2011

A. Expected Family Contribution

The expected family contribution used in awarding student financial aid at Alabama State College of Barber Styling will be that calculated by the central processor. REMINDER: It is permissible, under professional judgment, to change the student's contribution to more accurately reflect the financial strength of the student (and the student's parents).

B. Packaging Priorities

1. Federal Pell Grant
2. Federal Direct Loans

1. Federal Pell Grant

Federal Pell Grant will be awarded to when a student reaches appropriate hours for each disbursement.

2. Federal Direct Loans

As a general policy, students will be awarded Federal Direct loans according to the packaging guidelines in the Federal Student Aid Handbook

3. Work Study

Alabama State College of Barber Styling does not offer Federal Work Study.

C. Overawards

1. If the student has federal aid other than Federal Pell Grant, reduce the federal aid (other than Federal Pell) until the overaward is eliminated.
2. If the student is overawarded and has no federal financial aid (other than Federal Pell) that may be reduced, first meet with the student to determine if the student has an unusual situation that warrants an addition to the budget. If not, the aid will be reduced to stay within the budget.

D. Professional Judgment

Unusual circumstances of the student may cause the FAA to wish to make exceptions to the above guidelines. Professional judgment cannot be used to waive general student eligibility requirements or to circumvent the intent of the law or regulations. When exercising professional judgment, document the change by:

1. Collecting documentation from the student describing their extenuating circumstance.
2. Forward to a Financial Aid Administrator for review.
3. Submit to FAS for review

E. Student Budgets

Student budgets are completed by FAS with information provided by Alabama State College of Barber Styling. Budgets vary based on student's dependency status and living situation

7. Federal Work Study

Alabama State College of Barber Styling does not offer the Federal Work Study Program.