

Policy Name: Federal Financial Aid Programs
Policy Number: ADM 4.02
Title of Policy Owner: Chief Financial Officer
Policy Type: RHEI/Shared Services BSMCON SCHS SOMI
Approved by: RHEI Leadership Team
Effective Date: 8/1/2024
Version: 4.0
Policy Status: Approved

I. Policy

It is the policy of Bon Secours Memorial College of Nursing (BSMCON), which provides higher education in nursing, to administer federal financial aid in accordance the requirements of Title IV - Higher Education Act of 1965, as amended (Title IV Regulations).

II. Purpose

The purpose of this policy is to establish roles and responsibilities, internal controls, procedures, and deadlines for administering Title IV Financial Aid funds. BSMCON is required to comply with all Title IV Regulations as a participant in Title IV programs. Continued access to Title IV Financial Aid funds is a vital resource for BSMCON students as a means to finance their education.

III. Scope

This is an institutional policy that applies to all students who utilize Title IV Financial Aid programs that are administered by BSMCON, including Federal Pell Grant, Federal Work Study (FWS), Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Direct Loans (Subsidized, Unsubsidized and PLUS).

IV. Definitions

Add/Drop Period – is the period of time, generally measured as the start of each Semester through 11:59 p.m. on the tenth (10th) calendar day of each Semester in which students have the capability to add, or drop, courses from enrollment without financial penalty.

Book Voucher – is a voucher that is issued to students in conjunction with BSMCON’s online bookstore so that students have a financial resource to purchase books required by the academic program in advance of the applicable Semester and prior to disbursement of Title IV Funds in accordance with ADM 4.06 Book Voucher policy.

Cost of Attendance (COA) – is the anticipated cost that a student may incur during an academic year to attend college. COA typically includes costs for Tuition and Fees, books, course materials, supplies & equipment, living expenses, transportation, personal and professional credential (i.e. NCLEX) expenses. COA

does not reflect the actual charges that a student will incur. COA is published annually in the BSMCON College Catalog and website.

Dependency Status – refers to a student’s status in relation to receiving Title IV Financial Aid. If a student is Dependent, the parent’s financial information will be submitted on the FAFSA. This is not required of an Independent student. Federal Direct Loan annual and aggregate loan limits are subject to Dependency Status.

Enrollment Intensity – is the percentage of Full-Time enrollment for which the student is enrolled, rounded to the nearest whole percent, in any given Semester. BSMCON considers Full-Time enrollment as twelve (12) or more credits per Semester. Beginning with the 2024-25 Academic Year, Enrollment Intensity (not Enrollment Status) is used in the calculation of a student’s Federal Pell Grant award. Enrollment Intensity only applies to Federal Pell Grant eligibility.

Enrollment Status – is indicative of how many credits a student is enrolled in during a Semester. Full-Time (12+ credits), Three-Quarter Time (9-11 credits), Half-Time (6-8 credits) and Less Than Half-Time (less than 6 credits).

Entrance Counseling – is an electronic counseling session that includes borrowing information such as loan terms and conditions, debt management strategies, repayment obligations, etc. Entrance Counseling is required to be completed by first-time student borrowers prior to disbursement of any Federal Direct Loan funds.

Exit Counseling – is an electronic counseling session with emphasis on repayment requirements and debt management strategies. Exit Counseling information is provided to student borrowers who fall below Half-Time Enrollment Status or upon graduation.

FAFSA Processing System (FPS) – is the U.S. Department of Education’s (ED) application data processing center. FPS processes information from the Free Application for Federal Student Aid (FAFSA) and produces two (2) reports: FAFSA Submission Summary (FSS) which is distributed to students and Institutional Student Information Record (ISIR) distributed to institutions (BSMCON). FPS replaces Central Processing System (CPS) beginning with the 2024-25 Academic Year in accordance with the FAFSA Simplification and/or FUTURE Acts, as amended.

FAFSA Submission Summary (FSS) - is a summary of information from the student’s FAFSA submission. The student receives a FSS, and the institution (BSMCON) receives an Institutional Student Information Record (ISIR). FSSs and ISIRs contain the same information in different formats. FSS replaces the Student Aid Record (SAR) beginning with the 2024-25 Academic Year in accordance with the FAFSA Simplification and FUTURE Acts, as amended.

Federal Direct Parent PLUS Loan - is a loan in which the parent of a dependent, undergraduate student is the borrower to help pay for a child/student’s COA. Federal Direct Parent PLUS Loans are authorized by Title IV of the Higher Education Act of 1965, as amended.

Federal Direct Subsidized Loan - is a loan for students who demonstrate financial Need in which an interest subsidy is provided, meaning interest does not accrue on the principal amount of the loan until the student completes his/her academic program. Federal Direct Subsidized Loans are authorized by Title IV of the Higher Education Act of 1965, as amended.

Federal Direct Unsubsidized Loan – is a loan for students that is not based on financial Need and do not provide any interest subsidy. Federal Direct Unsubsidized Loans are authorized by Title IV of the Higher Education Act of 1965, as amended.

Federal Pell Grant – is a federal grant that provides Need-based funds to low-income undergraduate and certain post-baccalaureate students to promote access to postsecondary education. Beginning with the 2024-25 Academic Year in accordance with the FAFSA Simplification and/or FUTURE Acts, as amended, students may qualify for a Federal Pell Grant in one (1) of three (3) ways: 1. Maximum Pell Grant (Max Pell), 2. Minimum Pell Grant (Min Pell), or 3. Calculated Federal Pell Grant. Federal Pell Grant award amounts are dependent on the student's SAI, COA, Enrollment Intensity, and whether the student attends for a full Academic Year or less. Year-Round-Pell is offered to students who meet certain eligibility requirements.

Federal Supplemental Educational Opportunity Grant (FSEOG) - is a Need-based grant available to undergraduate students who are also Federal Pell Grant eligible. FSEOG is a Campus-Based Program authorized by Title IV of the Higher Education Act of 1965, as amended.

Federal Work Study (FWS) – is a program that provides jobs for students who demonstrate financial Need as a means to help pay for a student's COA. FWS provides students with part-time employment either on-campus or in a community service position up to twenty (20) hours per week. FWS is authorized by Title IV of the Higher Education Act of 1965, as amended.

Financial Aid – is any source of financial funding to defer a student's COA. Examples of Financial Aid may include, but are not limited to, Title IV Financial Aid (Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work Study (FWS), Federal Direct Loans (Subsidized, Unsubsidized, and Parent PLUS), Scholarships, Third Party Payors, etc.

Financial Aid Office - collectively refers to the Director of Financial Aid, Financial Aid Specialist and Financial Aid Counselor, who are responsible for the timely and accurate awarding, scheduling, and reconciliation of Financial Aid.

Free Application for Federal Student Aid (FAFSA) – is an application completed by students (and parents) to apply for federal student aid. The 2024-25 FAFSA Simplification and FUTURE Acts significantly changed the application.

Grade Level – is a component of the FAFSA and is directly related to the amount of Federal Direct Loans that a student can borrow. Grade Level 1 (Freshman) is 0-29 Credits Earned. Grade Level 2 (Sophomore) is 30-59 Credits Earned. Grade Level 3

(Junior) is 60-89 Credits Earned and Grade Level 4 (Senior) is 90 or greater Credits Earned. For Federal Financial Aid purposes, Grade Levels 3 & 4 are combined.

Institutional Student Information Record (ISIR) – is a summary of information from the student’s FAFSA submission. ISIRs and FSSs contain the same information in different formats.

Master Promissory Note (MPN) – is a legal document completed by the student that is a promise to repay any loan(s) and accrued interest and fees to the U.S. Department of Education (ED). The MPN lists and explains the terms and conditions of the loan and the borrower’s rights and responsibilities.

Need – Need, sometimes referred to as Financial Need, is determined by Title IV Regulations as a student’s COA less Student Aid Index (SAI). Need is the basis on which many Financial Aid awards are based.

Payment Period – or Semester, is the standard measurement of time in higher education used to group weeks of instructional time in the academic year. A semester is generally referred to as a period of enrollment and includes fall, spring, and summer.

Professional Judgement – is a provision of law under Title IV – Higher Education Act of 1965, as amended, that allows Financial Aid administrators to make adjustments to Financial Aid eligibility based on a student’s special circumstance(s). Professional Judgement is categorized into 1) Special Circumstances in which a financial situation (i.e. loss of a job) justifies the Financial Aid administrator to adjust certain elements in the COA or SAI calculation and 2) Unusual Circumstances in which a condition exists that justifies the Financial Aid administrator to adjust a student’s dependency status (from dependent to independent) based on unique situations (i.e. human trafficking, refugee or asylee status, parental abandonment, incarceration, etc.), which is commonly referred to as a dependency override. Instances of Professional Judgement are rare and additional documentation is required.

Semester - is the standard measurement used to group weeks of instructional time in the academic year. Semester is generally referred to as period of enrollment and includes fall, spring, and summer. For purposes of Title IV funding, Semester is the term also denoting a Payment Period.

Student Account - collectively refers to a student specific record of all pending, scheduled or posted financial transactions over the duration of program enrollment. Student Account is generally referred to as transactions contained within the Registration Bill (generally pending or anticipated transactions) and Student Ledger Card (posted transactions). Further information can be obtained in ADM 4.04 Student Accounts policy.

Student Aid Index (SAI) – is an eligibility index number that is used to determine the financial resources available to contribute to a student’s postsecondary education expense. SAI is calculated by the U.S. Department of Education (ED) FAFSA Processing System (FPS) based on formulas that are established by law. SAI is

calculated from information submitted in the Free Application for Federal Student Aid (FAFSA), and federal tax information (FTI) that is retrieved directly from the Internal Revenue Service (IRS). SAI is reported to the student on the FAFSA Submission Summary (FSS) and to BSMCON via the Institutional Student Information Record (ISIR). BSMCON uses the SAI, among other information, to determine Financial Aid eligibility and the amount for such award(s). SAI is not the amount of money that a student (or family) will, or is expected to, pay, nor is it the amount of Financial Aid that a student will receive. SAI replaces Expected Family Contribution (EFC) beginning with the 2024-25 Academic Year in accordance with the FAFSA Simplification and/or FUTURE Acts, as amended. Unlike EFC, SAI may be a negative number, as low as (\$1,500).

Title IV Credit Balance - is a negative (credit) balance that occurs when there is an excess of Title IV Financial Aid when applied to Tuition and Fees (or Other Charges) assessed to the Student Account within a Semester.

Title IV Financial Aid – is federal financial aid authorized by Title IV of the Higher Education Act of 1965, as amended. Title IV Financial Aid programs that BSMCON participates in includes: Federal Pell Grant, Federal Work Study (FWS), Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Direct Loans (Subsidized, Unsubsidized and PLUS).

Title IV Regulations – are requirements imposed under Title IV of the Higher Education Act of 1965, as amended, that institutions must comply with to participate in Title IV programs. Title IV Regulations include, but are not limited to, the FAFSA Simplification and FUTURE Acts, as amended, which were predominantly implemented during the 2024-25 Academic Year.

V. Policy Details

A. Designation of a Responsible Party

The Chief Financial Officer is responsible for monitoring compliance with the requirements of this policy and applicable Title IV Regulations.

B. Title IV Programs

Title IV Financial Aid programs that are administered by BSMCON include Federal Pell Grant, Federal Work Study (FWS), Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Direct Loans (Subsidized, Unsubsidized and PLUS). To participate in Title IV Programs, students are required to complete and submit the Free Application for Federal Student Aid (FAFSA) annually. Eligibility to participate in Title IV Programs is determined from the FAFSA output report to the student in the form of the FAFSA Submission Summary (FSS) and BSMCON in the form of the Institutional Student Information Record (ISIR). Student responsibilities as participants in Title IV Programs are further outlined in Section G of this policy.

C. Need-Based Federal Financial Aid

Need, sometimes referred to as Financial Need, is determined by Title IV Regulations as a student's Cost of Attendance (COA), as published annually by BSMCON, less Student Aid Index (SAI), which is determined by the FAFSA Processing System (FPS) and included on the FSS and ISIR. Need is the basis on which many Financial Aid awards are based including, but not limited to Federal Pell Grant, FSEOG, FWS and Federal Direct Subsidized Loans.

D. Federal Pell Grant

The Federal Pell Grant provides Need-based funds to low-income undergraduate and certain post-baccalaureate students to promote access to postsecondary education. Pell Grant eligibility is determined by FPS. When a student is eligible to receive a Federal Pell Grant, the Pell Grant Eligibility Flag will be indicated as "Y" on the FSS and ISIR. BSMCON utilizes additional information included in the ISIR to determine which award the student qualifies for including (1) Maximum Pell Grant (Max Pell), (2) Minimum Pell Grant (Min Pell) or (3) Calculated Pell Grant. The amount of Federal Pell Grant that a student receives is dependent on the student's SAI, COA, Enrollment Intensity, and whether the student attends for a full Academic Year or less.

Maximum Pell Grant (Max Pell)

Eligibility for the Maximum Pell Grant (Max Pell), which is an amount determined by Congress annually, is dependent upon Adjusted Gross Income (AGI) reported to the Internal Revenue Service (IRS), federal poverty guidelines, state of legal residence, family size, and tax filing status. Additionally, students whose parent or guardian have died in the line of duty while serving on active duty as a member of the U.S. Armed Forces on or after September 11, 2001 or actively serving as and performing the duties of a public safety officer and is less than thirty-three (33) years old as of January 1 of the processing Academic Year will receive Max Pell.

Minimum Pell Grant (Min Pell)

Eligibility for the Minimum Pell Grant (Min Pell), which is an amount equal to 10% of the Max Pell, as determined by Congress annually, is dependent upon Adjusted Gross Income (AGI) reported to the Internal Revenue Service (IRS), federal poverty guidelines, state of legal residence, family size, and tax filing status.

Calculated Pell Grant

When the Pell Grant Eligibility Flag is indicated as "Y" on the FSS and ISIR, but the Maximum Pell Indicator and Minimum Pell Indicator is blank, the student will receive a Calculated Pell Grant. The amount of the Calculated Pell Grant is calculated by taking the Max Pell amount, less SAI, which is then rounded to the nearest \$5. If the Calculated Pell Grant amount is greater than

Pell COA, which is always full-time and full year, the Calculated Pell Grant is equal to Pell COA. If the Calculated Pell Grant amount is less than the Min Pell amount, the student is not eligible to receive a Pell Grant.

Enrollment Intensity

Enrollment Intensity is the percentage of Full-Time enrollment for which the student is enrolled, rounded to the nearest whole percent, in any given Semester. BSMCON considers Full-Time enrollment as twelve (12) or more credits per Semester. Beginning with the 2024-25 Academic Year, Enrollment Intensity (not Enrollment Status) is used in the calculation of a student’s Federal Pell Grant award. Enrollment Intensity only applies to Federal Pell Grant eligibility. Once the Pell Grant amount is determined, it is multiplied by the student’s Enrollment Intensity. Enrollment Intensity is defined in the table below.

Credit Hours	Enrollment Intensity Formula	Enrollment Intensity*	Enrollment Status Equivalent
12+	$12 \div 12 = 1.000$	100%	Full-Time
11	$11 \div 12 = 0.917$	92%	Three-Quarter Time
10	$10 \div 12 = 0.833$	83%	Three-Quarter Time
9	$9 \div 12 = 0.750$	75%	Three-Quarter Time
8	$8 \div 12 = 0.667$	67%	Half-Time
7	$7 \div 12 = 0.583$	58%	Half-Time
6	$6 \div 12 = 0.500$	50%	Half-Time
5	$5 \div 12 = 0.417$	42%	Less-than-Half-Time
4	$4 \div 12 = 0.333$	33%	Less-than-Half-Time
3	$3 \div 12 = 0.250$	25%	Less-than-Half-Time
2	$2 \div 12 = 0.167$	17%	Less-than-Half-Time
1	$1 \div 12 = 0.083$	8%	Less-than-Half-Time

*NOTE: Enrollment Intensity cannot exceed 100% for the purpose of Federal Pell Grant proration.

Federal Pell Grants are typically awarded by Award Year and are disbursed in two (2) disbursements, one in the Fall and one in the Spring Semesters. In certain circumstances, students may be eligible to receive a third disbursement, during the Summer Semester. Such Year-Round Pell awards are packaged and disbursed not to exceed 150% of the published Max Pell limits, in accordance with Title IV Regulations.

There is a Lifetime Eligibility Usage (LEU) limit of six hundred (600) percent. The Financial Aid Office monitors Pell LEU, which is also indicated on the FSS/ISIR and has established internal controls to prevent Pell Grant awards in excess of 600% LEU. In certain circumstances, students may qualify for Pell LEU Restoration related to closed institutions. Students are to contact the Financial Aid Office for further guidance.

Should attendance not be recorded in all scheduled course(s) and non-attendance causes the student’s Enrollment Intensity to change, the Federal Pell Grant amount will be recalculated. In addition, the Financial Aid Office will

recalculate Federal Pell Grant amounts when a subsequent ISIR is received from FPS with a revised SAI amount.

Once a student posts attendance in all course(s) and the Add/Drop Period is completed, the Financial Aid Office will not recalculate the amount of Pell Grant awarded for that Payment Period.

Maximum and Minimum Pell Grant award amounts are published in the BSMCON College Catalog annually.

In accordance with Title IV Regulations, BSMCON students who are Pell Grant eligible and have an estimated Title IV Credit Balance indicated on the Student Account qualify for a Book Voucher as further defined in ADM 4.10 Book Voucher policy.

E. Campus-Based Programs

Federal Supplemental Educational Opportunity Grant (FSEOG)

FSEOG is a Need-based grant available to undergraduate students who are also Federal Pell Grant eligible. The Financial Aid Office awards FSEOG in a consistent manner for all students meeting eligibility requirements, regardless of Dependency and Enrollment Status. FSEOG award ranges are determined and published in the BSMCON College Catalog annually.

Federal Work Study (FWS)

The FWS program is a Need-based program that provides additional financial resources by providing job/work opportunities for students. FWS provides students with part-time employment either on-campus or in a community service position up to twenty (20) hours per week. BSMCON determines the pay rate based on job functions and responsibilities and in accordance with federal and minimum wage rates. FWS funds are not paid until earned in the form of a bi-weekly paycheck processed by Bon Secours Mercy Health (BSMH) Payroll department. Students can indicate interest in FWS opportunities on the Free Application for Federal Student Aid (FAFSA) or by contacting the Financial Aid Office.

F. Federal Direct Loan Programs

The ED provides financing opportunities in which students (or in some cases parents) can borrow money to cover a student's COA at a postsecondary educational institution. Subject to other eligibility requirements, students are required to have an Enrollment Status of at least Half-Time (6+ credits per Semester) to be eligible to participate in the Federal Direct Loan Program. Students are required to meet Satisfactory Academic Progress (SAP) as further defined in ADM 2.06 Satisfactory Academic Progress (SAP) policy. Students are required to complete Entrance Counseling, a Master Promissory Note (MPN) and Exit Counseling when student's Enrollment Status drops below Half-Time. Annual and aggregate Federal Direct Loan Limits are published annually in the BSMCON College Catalog. BSMCON offers

Financial Aid Counseling sessions with the Financial Aid Counselor to assist students with financial awareness and literacy as it relates to any source of financial funding used to defer the student's COA.

Federal Direct Subsidized Loan

A Federal Direct Subsidized Loan is a Need-based loan that provides an interest subsidy, meaning interest does not accrue on the principal amount of the loan until the student completes his/her academic program. Federal Direct Subsidized Loan amounts are determined by Need, Grade Level, Dependency status, annual and aggregate loan limits.

Federal Direct Unsubsidized Loan

A Federal Direct Unsubsidized Loan is not based on financial Need. Unsubsidized Loans are not subject to interest subsidy, meaning interest begins accruing once the loan is disbursed to the Student Account. The student may choose to pay accrued interest during the period of enrollment. If accrued interest is not paid during the period of enrollment, such interest is capitalized with the principal amount of the loan at the time the student begins repayment. Federal Direct Unsubsidized Loan amounts are determined by Grade Level, Dependency status, annual and aggregate loan limits. The amount of Unsubsidized Loans awarded is determined by Grade Level, Dependency status, annual and aggregate loan limits.

Federal Direct Parent PLUS Loan

A Federal Direct Parent PLUS Loan is a loan in which the parent of a dependent, undergraduate student is able to borrow to help pay for their child's (the student's) COA. The parent is the borrower of a Federal Direct Parent PLUS loan and loan approval is based on the parent's credit rating. Federal Direct Parent PLUS Loans are subject to further eligibility requirements that include (1) the parent borrower must be the student's biological or adoptive parent. In some cases, the student's stepparent may be eligible, (2) the student must be a dependent student who is enrolled at least Half-Time (6+ credits per Semester), (3) generally a student is considered to be dependent if s/he is under 24 years of age, has no dependents of their own, is not married, is not a veteran or active duty member of the military, is not a graduate or professional degree student and is not a ward of the court, (4) the parent borrower must not have an adverse credit history (if a parent borrower does not pass the credit check, in certain circumstances additional actions may be taken), (5) student and parent must be U.S. citizens or eligible noncitizens, (6) student and parent must not be in default on any federal education loans, (7) student or parent must not owe an overpayment on a federal education grant and (8) student and parent must meet other general eligibility requirements for the federal student aid programs. Parent PLUS Loans are not subject to interest subsidy, meaning interest begins accruing once the loan is disbursed to the Student Account.

G. Student Responsibilities as Participants in Title IV Programs

Students who participate in Title IV Financial Aid programs administered by BSMCON are expected to be compliant with Title IV Regulations and to

provide accurate and timely information to the Financial Aid Office. By participating in Title IV Financial Aid programs, the student is responsible for the review and understanding BSMCON’s Financial policies including, by not limited to, all policies related to the Financial Aid Office and Business Office (Student Accounts). Students are strongly encouraged to obtain Financial Aid Counseling from BSMCON’s Financial Aid Counselor. Students are further responsible for ensuring that Federal Direct Loan Entrance and Exit Counseling is completed within the required timeframe, an active Master Promissory Note (MPN) is on file with the ED, completion of Verification and Conflicting Data process is timely, as further outlined in ADM 4.03 Federal Financial Aid Verification & Conflicting Data policy, providing information regarding Unusual Enrollment History (UEH), maintain SAP and further requirements as promulgated under Title IV Regulations.

VI. Attachments

None

VII. Related Policies

- ADM 2.06 Satisfactory Academic Progress (SAP)
- ADM 4.01 Federal Financial Aid Administration
- ADM 4.03 Federal Financial Aid Verification & Conflicting Data
- ADM 4.04 Student Accounts
- ADM 4.06 Book Voucher
- ADM 5.01 Financial Refund

VIII. Disclaimers

- a. Nothing in this policy creates a contractual relationship between Bon Secours Memorial College of Nursing (BSMCON) and any party. BSMCON, in its sole discretions, reserves the right to amend, terminate or discontinue this policy at any time, with or without advance notice.

IX. Version Control

Version	Date	Description	Prepared by
1.0	6/24/2020	Revisions and new template	Dean of Finance
2.0	06/10/2022	Updated for Chief Financial Officer and regulatory changes related to SULA	Chief Financial Officer
3.0	05/01/2023	New template. Update to Definitions	Chief Financial Officer
4.0	4/10/2024	Revisions and updates to definitions and processes related to the FAFSA	Chief Financial Officer

		Simplification and/or FUTURE Acts, as amended	
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