

FEDERAL STUDENT  
AID  
POLICIES  
AND  
PROCEDURES  
MANUAL

Central Texas  
Beauty College

## **POLICIES AND PROCEDURES**

Federal Regulations require institutions to keep a written record of the policies and procedures used in the administration of student financial aid. This Federal Student Aid Policies and Procedures Manual (this “Manual”) is comprehensive enough to allow a new financial aid administrator to continue the financial aid process as it had been previously administered. This Manual is for the staff, management and students of Central Texas Beauty College (the “School”) and will be available for review by all interested parties, including auditors and program reviewers.

The intent of this Manual is to:

1. Standardize procedures for consistency - an important step in quality control;
2. Be consulted as a reference manual whenever questions arise;
3. Serve as a training resource; and
4. Document the School’s establishment of policies that are required by Federal Regulations.

All major management functions with respect to the financial aid processes are included in this Manual, including office organization, responsibilities and work flow. The following general office information and procedures are also included in this Manual:

1. An organizational chart of the personnel of the School;
2. Job descriptions and responsibilities of the Financial Aid staff, including reporting and counseling functions;
3. The School’s Satisfactory Progress Policy and the process for monitoring continued student eligibility;
4. The School’s Cash Management Policy;
5. The processing cycle for financial aid applications from start to finish, including the School’s withdrawal policies and Return to Title IV funds information; and
6. Information regarding the Family Educational Rights and Privacy Act.

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CENTRAL TEXAS BEAUTY COLLEGE

Administrative Staff & Faculty

**Board of Directors**

**President & Founder –**  
Mr. Robert O. Painter

**Executive Vice President,  
Academic Affairs –**  
Mrs. Marie Painter

**Director (Round Rock) –**  
Ms. Jennifer Painter-Beillon

**Director (Temple) –**  
Mrs. Edith Ingalsbe

**Educators**

Round Rock

Ms. Manuela Lindsey  
Ms. Katie Nguyen  
Mrs. Marie Painter  
Mr. Brian Schultz  
Ms. Celeste Stiller  
Ms. Ana Villarreal

Temple

Ms. Melissa Benitez  
Mr. Larry Groseclose  
Ms. Donna Hogg  
Mrs. Edith Ingalsbe  
Ms. Shauntrell Latham  
Ms. Jennifer Wittkopp

**Front Office Coordinators**  
(Round Rock) –  
Mrs. Iris Borrego &  
Michelle Newby

**Front Office Coordinator**  
(Temple) –  
Ms. Rachel Roper

## SCHOOL INFORMATION AVAILABLE FOR STUDENTS

Information materials are made available to all enrolled students and all prospective students requesting such information, including the School's Catalog, the Student Handbook, the Jeanne Clery Disclosure of the School's Security Policy, this Manual, and the Consumer Information Booklet.

The School's Catalog provides information regarding the following:

1. Licensing, accrediting agencies and other organization membership;
2. Academic programs, length of programs and cost for tuition;
3. Graduation requirements;
4. Refund policy;
5. Campus crime statistics;
6. Organizational chart including faculty and other staff;
7. Description of instructional facility;
8. Physical, safety and licensing requirements of the profession, along with typical compensation structures; and
9. Graduation, placement and pass/fail rates.

The Student Handbook provides information regarding the following:

1. Policies regarding satisfactory academic and attendance progress;
2. School regulations regarding conduct;
3. Guidelines for instruction as the Student progresses through the program; and
4. Health, safety, security and emergency procedures.

The Jeanne Clery Disclosure of CTBC Security Policy provides information regarding the following:

1. Policies for reporting crimes and other emergencies;
2. Campus emergency response and evacuation;
3. Missing student notification procedures;
4. Security of and access to campus facilities;
5. Campus law enforcement policy;
6. Security awareness and crime prevention programs;
7. Drug and alcohol regulations;
8. Sexual assault, rape and misconduct information and rules;
9. Sex offender registry information; and
10. Campus crime statistics report.

Financial aid information is included in this Manual or the Consumer Information Booklet, such as:

1. Description of all financial aid programs available at the School;
2. Procedures and descriptions of forms used to apply for aid;
3. Student eligibility criteria;
4. How awards are determined, including the amount of each award;
5. Estimates of typical costs for room and board, transportation and any additional costs the student may expect;
6. Student rights and responsibilities;
7. The requirements the student must maintain to continue to be eligible for financial aid (e.g., standards for satisfactory progress);
8. Method and frequency of payment; and
9. Refund distribution policy giving a priority listing for the distribution of the refund among the aid programs.

## **FINANCIAL AID STAFF**

### **FINANCIAL AID OFFICE**

Each member of the Financial Aid staff of Central Texas Beauty College performs certain General Functions for each campus and certain Specific Functions to maintain separation of duties in the administration of Federal Student Aid (“FSA”), as outlined below:

#### **FINANCIAL AID ADMINISTRATOR**

Edith Ingalsbe is the School’s Financial Aid Administrator. Mrs. Ingalsbe is also the Director of our Temple campus.

#### **ASSISTANT DIRECTOR OF FINANCIAL AID**

Jennifer Painter-Beillon is the School’s Assistant Director of Financial Aid. Ms. Painter-Beillon is also the Director of our Round Rock campus.

### **General Functions**

Each member of the Financial Aid staff must:

1. Remain updated on FSA regulations by reviewing bulletins and announcements posted on the Internet and by attending FSA training seminars;
2. Interview the students and describe the financial aid programs available to them;
3. Assist in the preparation of the FAFSA, if needed;
4. Be available for student’s questions.
5. Review the accuracy and reasonableness of the student’s responses to the questions on the FAFSA, checking for inconsistencies;
6. Coordinate Federal financial aid with all other aid received by students attending the School – this function includes a review of all financial aid and need analysis documents, federal income tax forms, and documents relating to admission, citizenship, and previous educational experience;
7. Prepare a Scheduled Disbursement Report twice a month, which includes student’s name, social security number, academic program, scheduled date and amount to be paid, hours required to complete before receiving payment, hours actually completed, number of weeks completed as of the date the report and whether satisfactory progress has been achieved;
8. Submit the Student Status Confirmation Report (“SSCR”) date, i.e., Enrollment Roster certification, electronically every 60 days through the National Student Loan Data System (“NSLDS”);
9. Prepare professional judgment actions, when necessary;
10. Ensure that all students sign all paperwork;
11. Ensure that ISIR’s are received by each campus in a timely manner;
12. Collect all required verification and documentation materials;
13. Confer with the Satisfactory Progress Liason for a determination of each student’s ongoing eligibility for Federal financial aid disbursements;
14. Initiate the Return to Title IV calculation for drops, when required, using the Premiere Software automated system, assuring that all clocked hours have been uploaded into such system prior to beginning Title IV and TDLR refund calculation. Only the TDLR refund calculation will take into account a student’s field trip hours;
15. Maintain financial aid files in good order;
16. Comply with Federal and State government reporting requirements;

17. Work with staff concerning any questions that may arise concerning financial aid for the students; and
18. Counsel enrolled and prospective students regarding financial aid processes at the School (see bottom of this section).

Counseling is provided to all enrolled and prospective students and their families. This counseling includes information about:

1. The source and amount of each type of aid offered;
2. How it is determined and disbursed or applied to the student's account;
3. The rights and responsibilities of the student;
4. A description of the School's refund policy;
5. The return of Title IV funds;
6. The School's satisfactory progress standards; and
7. Any other conditions or factors that may affect the student's aid package.

### **Specific Functions**

**EDITH INGASLBE – FINANCIAL AID ADMINISTRATOR:**

1. Processes the Free Applications for Federal Student Aid (the "FAFSA"), any corrections, payment data, reports and applications for funds;
2. Originates and reviews the ISIR for accuracy, completeness and compliance with government bodies' regulations;
3. If additional information is needed, or if conflicting information needs to be resolved, sends a document request describing the information that is either needed or unnecessary to resolve the issue;
4. Determines the student awards for the Pell Grant program;
5. Approves professional judgment actions;
6. Coordinates the initial eligibility of students for Federal funding with the Department of Education;
7. Prepares the award letters reflecting the date and amount of Pell to be paid for that student and requests Federal funds for only the amount needed;

**JENNIFER PAINTER – BEILLON – ASSISTANT DIRECTOR OF FINANCIAL AID:**

1. Uses the Common Origination and Disbursement System ("COD") to report, request and reconcile student disbursement information;
2. Maintains the general ledger, the subsidiary ledger and reconciles the School's Federal funds account at least annually;
3. Prepares disbursements for the School from the Federal funds account;
4. Disburses and refunds Title IV funds, including making timely returns of Title IV funds to the Department of Education;
5. Prepares and submits Eligibility and Certification Approval Report to the Department of Education, including any changes; and
6. Prepares and submits on a timely basis all reports required for the Pell Grant program.

## **ACADEMIC OFFICE**

### **SATISFACTORY PROGRESS LIASON**

The Satisfactory Progress Liason at the Round Rock campus is Katie Nguyen. The Satisfactory Progress Liason at the Temple campus is Melissa Benitez. They are responsible for the following activities with regard to the School's financial aid processes:

1. Determining the ongoing eligibility of students for Federal financial aid disbursements by monitoring: (a) the student's attendance in School; and (b) the student's academic progress to ensure each student receiving aid is meeting the School's Satisfactory Progress Policy.

## **ADMISSIONS OFFICE**

### **ADMISSIONS DIRECTOR**

The Admissions Director at the Round Rock campus is Jennifer Painter-Beillon. The Admissions Director at the Temple campus is Edith Ingalsbe. Admissions personnel are responsible for providing information to prospective students regarding:

1. Programs offered:
  - a) Length of program
  - b) Program costs (Tuition, fees, books, supplies, equipment, etc.)
2. Admissions criteria:
  - a) High school diploma, GED, home school certificate, or ability to benefit (however no Federal financial aid is available to ATB students unless grandfathered)
  - b) Citizenship, or an eligible non-citizen
  - c) Beyond the age of compulsory school attendance
3. Counseling and referrals:
  - a) Job opportunities after graduation
  - b) Determining prospective students' level of interest and their ability to benefit from the program
4. Completion/graduation rates, placement rates, pass/fail rates, all of which are updated on July 1 of each year.
5. Physical, safety and licensing requirements of the vocation.
6. Types of financial assistance available at the School, if qualified, as outlined above.

The School does not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any person engaged in student recruiting or admission activities, or in making decisions regarding the awarding of financial aid.

## **BUSINESS AFFAIRS OFFICE**

### **PRESIDENT**

The President of CTBC, Robert Painter, offices at the Temple campus and is responsible for the following with regard to the School's financial aid processes:

1. Overseeing the School's Federal funds bank account; and
2. Overseeing all books of account in Quickbooks Online.

### **VICE PRESIDENT OF BUSINESS AFFAIRS**

The Vice President of Business Affairs, Jennifer Painter-Beillon, offices at the Round Rock campus and is responsible for the following with regard to the School's financial aid processes:

1. Maintaining the School's Federal funds bank account, including making all disbursement deposits from the Department of Education G5 system, transferring funds from the Federal funds bank account to the individual campus accounts, issuing timely refund payments of Title IV funds to School's Federal funds account and refunding Federal funds to the Department of Education through the G5 system;
2. Crediting students' accounts with all payments and disbursements in students' ledgers maintained in the computerized Premiere Educational Systems utilized by the School;
3. Issuing tuition refunds to students in the event of credit balances; and
4. Maintaining all books of account in Quickbooks Online.

## **GENERAL PROVISIONS**

1. The School maintains adequate staffing based on number of students aided, number of applicants evaluated and processed, and the amount of funds administered.
2. Student financial aid is not processed by the School until after an enrollment agreement is signed during Orientation, therefore funds are never disbursed until after a Student begins the program.
3. The School separates the functions of awarding financial aid funds and disbursing or delivering financial aid funds so that no one person or office exercises both functions for any student receiving aid.
4. If the School finds that a student may have engaged in fraud or other criminal misconduct in applying for financial aid program funds, the School will refer this information to the Department of Education's Office of Inspector General (OIG).
5. Everyone involved in the administration of the School uses extreme caution to ensure the accuracy of information provided regarding:
  - a. Nature of the School's educational programs, including:
    - 1) Accreditation;
    - 2) State license to operate;
    - 3) Transfer of credits;
    - 4) Level of qualifications for employment upon completion of training;
    - 5) Size, location, facilities or equipment;
    - 6) Course content designed to meet employment objectives;
    - 7) The number, availability, and qualifications of faculty and other personnel;
    - 8) Availability of part-time employment or other financial assistance; and
    - 9) Availability of any tutorial, counseling, or other supplementary assistance provided before, during or after completion of the course.
  - b. Charges for tuition, fees, books, supplies, equipment, etc.
  - c. Employability of graduates.
6. The School's records are made available to the Department of Education, to independent auditors for the annual audits, and other state and local government agencies as needed.
7. Compliance audits and audited financial statements are performed annually by an independent certified public accountant, and are submitted within the required time frame. The auditor is permitted to access all records needed for review, and to make copies of those records or documents. If repayments are required as a result of audit findings, the repayments are made within the 45-day time frame.
8. This School, as a participant in the Federal financial aid programs is governed by Federal Regulations, National Accrediting Commission of Career Arts & Sciences ("NACCAS") Regulations, Texas Department of Licensing and Rules ("TDLR") Regulations, and by rules of other agencies that provide sources of funding to be used to assist students in meeting their educational costs.



## CASH MANAGEMENT POLICY

1. The advance payment method is used to request funds for Pell Grant funds to the Department of Education prior to disbursing aid for eligible students. The amount requested is only for what is immediately needed at that time, and is disbursed within the 3 to 5 day time frame, unless unusual circumstances can be documented. The Satisfactory Progress Liason at both campuses is responsible for approving these disbursement requests.
2. A separate, non-interest bearing, bank account is maintained for the Federal funds. ACH transfers from the Federal Reserve Bank are deposited into the School's Federal funds account. Disbursements are made from the account only for eligible students, and for administrative fees due the School, if applicable.
3. Payments to students are made by crediting the students' accounts. The students are notified through the award letter, which includes the expected date of payment and the amount to be paid from each program. The Business Affairs Office records all payments and disbursements to the students' accounts.
4. If Title IV funds credited to a student's account exceed the School's charges and creates a credit balance, the credit balance is returned as follows:
  - a. If student has paid all charges, including known charges for hours clocked over contract, the credit balance is returned to the student within 30 days of such overpayment determination if authorized by the student.
  - b. If the student has withdrawn, the credit balance is returned to the Federal funds account within the 45-day time frame, according to the distribution requirements per the Return of Title IV Funds policy, or the refund calculations.
5. The School will not request from or charge any student a fee for processing or handling any application, form or data required to determine a student's eligibility for Title IV funds.
6. To be eligible for FSA participation, the School may derive no more than 90% of its revenues from the FSA programs. The School determines its revenue percentages using the following formula for its latest complete fiscal year:

FSA Program Funds used for tuition, fees,  
and other institutional charges to students

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The sum of revenues generated by the School  
from: (1) tuition, fees, and other institutional  
charges for students enrolled in eligible  
training programs; plus (2) School activities\*  
necessary for the education or training of  
students enrolled in those eligible programs

\*to the extent not included in tuition, fees, and other institutional charges

### Formula Schematics:

1. The totals used in the fraction do not include refunds paid to or on behalf of students who have withdrawn, dropped out, been expelled, or otherwise failed to complete the period of enrollment.
2. The School uses the cash basis of accounting (revenue is recognized when received) in determining whether it satisfies the 90/10 rule.
3. In determining what FSA program funds were used to pay tuition, fees, and other school charges, the School assumes that any FSA program funds disbursed to or on behalf of a student were used for such costs, regardless of whether the School credits those funds to the student's account or pays them directly to the student, **UNLESS** those costs were otherwise paid by:

- Grant funds provided by nonfederal public agencies,
- Grant funds provided by independent private sources,
- Funds from qualified government agency job training contracts, or
- Funds received from a prepaid state tuition plan.

4. In figuring revenues generated by school activities, the School includes only revenue from activities that are conducted on campus or at a facility under the control of the School, that are performed under the supervision of a faculty member, and that are necessary for the training of its students who are enrolled in an eligible program.

5. Institutional grants in the form of tuition waivers do **not** count as revenue because no new revenue is generated.

6. Institutional scholarships are not revenues generated by the School (unless they are donated by an unrelated or outside third party).

7. Funds held as credit balances in institutional accounts cannot be counted in the 90/10 formula. However, once funds held as credit balances are used to satisfy institutional charges, they would be counted in both the numerator and the denominator of the formula.

8. The 90/10 percentage is disclosed as a footnote to the audited financial statement, which is submitted annually to the Department.

## **FINANCIAL AID – START TO FINISH**

### **Financial Aid Objective**

Our Financial Aid Objective is to provide every student with the opportunity to apply for all financial assistance available to successfully complete his or her training at our School.

### **Financial Aid Interview**

The Financial Aid Office performs the following functions during the interview:

1. Provide information regarding the application process and eligibility criteria for all of the programs which are available;
2. Assist with the completion of the application forms, if needed;
3. Document that the student meets the general eligibility criteria for participating in the programs;
4. Assist in the estimation of the amounts of financial aid and determines sources of financial aid that will comprise the total award package.

### **Student Eligibility**

A student may be eligible to receive aid from Federal financial aid programs if he or she:

1. Is a citizen or eligible non-citizen of the United States with a valid social security number;
2. Has a high school diploma (or home school diploma and transcript, if the State accepts it), or a General Education Development (GED) certificate;
3. Enrolls in an eligible program as a regular student seeking a degree or certificate;
4. Registers (or has registered) for Selective Service if student is a male between the ages of 18-25;
5. Has financial need;
6. Has completed verification, if required; and
7. Is maintaining satisfactory progress.

### **Student Ineligibility**

A student is not eligible for Federal financial aid if he or she:

1. Is enrolled in an elementary or secondary school;
2. Is in default on a student loan, or owes a refund on a student grant from the Title IV programs;
3. Is a member of a religious order;
4. Has been denied Title IV student financial assistance in connection with a conviction of drug trafficking or possession;
5. Has been convicted of possessing or selling drugs during a period when he or she was receiving FSA in the past (see “Drug Convictions” below for certain exceptions);
6. Is incarcerated in a Federal or State penal institution;
7. Has borrowed in excess of the annual or aggregate loan limits for the financial aid loan programs;
8. Is enrolled in a remedial program.

### **Citizenship**

The ISIR serves as documentation to prove the student’s eligible non-citizenship status. If the ISIR shows there was not an INS match, the Financial Aid Office sends copies of the documents the student provides to the INS, along with a G-845 (for Secondary Confirmation). The Financial Aid Office also sends notification to the student to provide eligibility documentation within 30 days. The School may approve the disbursement of funds based on the determination that the student has submitted documents to support the student’s claim to be a citizen or eligible non-citizen, and has no other documentation that conflicts with the immigration status documentation submitted.

If after the funds are disbursed, the Financial Aid Office learns that the student is NOT a citizen, or eligible non-citizen, the funds must be returned as follows:

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

Citizenship or eligible non-citizen documents may be used in later award years if the documents have not expired.

### **Drug Convictions**

A student who has been convicted of any offense under any Federal or State law involving the possession or sale of a controlled substance shall not be eligible to receive any Federal grant, loan, or work assistance during the period beginning on the date of such conviction and ending after the interval specified in the following table:

#### **If the offense involves:**

<u>The possession of a controlled substance</u>	<u>Ineligibility period is</u>
First offense	1 year
Second offense	2 years
Third offense	Indefinite
<u>The sale of a controlled substance</u>	<u>Ineligibility period is</u>
First offense	2 years
Second offense	Indefinite

#### **Rehabilitation:**

A student whose eligibility has been suspended may resume eligibility before the end of the ineligibility period if:

1. The student satisfactorily completes a drug rehabilitation program that—
  - a. Complies with such criteria as the Secretary shall prescribe in regulations, and
  - b. Includes two unannounced drug tests; OR
2. The conviction is reversed, set aside, or otherwise rendered nugatory (invalid or without force.)

**Regaining Eligibility**

**REASON FOR INITIAL INELIGIBILITY**

**REGAINS ELIGIBILITY**

Pell Grant and  
Campus-Based

FFEL and  
Direct Loans\*

\*School does not participate

**Default on Loan or Overpayment Debt**

Student was in default on a Federal loan or  
Owed an overpayment on a grant or loan at  
The beginning of the academic year, but repaid  
In full, made satisfactory repayment arrange-  
ments, or otherwise resolved the default or  
overpayment during the year.

Eligible beginning  
with the payment  
period during which  
the default or over-  
payment was  
resolved.

Eligible for  
the entire  
period of  
enrollment  
during which  
the overpay-  
ment was  
resolved.

**Satisfactory Academic Progress**

Student did not meet satisfactory academic  
progress standards at the beginning of the  
academic year, but met them during the  
year.  
(See Satisfactory Progress Policy)

Eligible beginning  
with the payment  
period during  
which the student  
met the academic  
progress standards.

Eligible for  
the entire  
period of  
enrollment  
in which the  
student met  
the academic  
progress  
standards—  
follow school policy.

**Ability to Benefit**

Student without high school diploma or  
equivalent had not obtained a passing  
score on an approved “ability-to-benefit”  
test by the beginning of the academic  
year, but passed such a test during the  
year.

Ineligible, unless  
grandfathered

Ineligible, unless  
grandfathered

**Citizenship Status**

Student failed to meet citizenship status  
requirements at the beginning of the  
academic year, but met them during  
the year.

Eligible for the  
entire award  
year in which  
proper citizenship  
status is met.

Eligible for  
the entire  
period of  
enrollment in  
which proper  
citizenship

REASON FOR INITIAL INELIGIBILITY

REGAINS ELIGIBILITY

Pell Grant and  
Campus-Based

FFEL and  
Direct Loans\*

\*School does not participate

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Selective Service Status

Student failed to meet Selective Service Status registration requirements at the beginning of the academic year, but met them during the year.

Eligible for the entire year in which confirmation status is met.

Eligible for the entire period of enrollment in which proper registration status was determined.

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Valid Social Security Number

Student was not able to provide confirmation of reported SSN at the beginning of the academic year, but was able to provide confirmation during the year.

Eligible for the entire year in which confirmation status is met.

Eligible for the entire period of enrollment in which proper citizenship status is met.

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**Forms to be Completed for Students' Files**

1. FAFSA: Completing the FAFSA is the first step in the financial aid process when applying for loans, grants, or work-study.
2. Credit Title IV Funds Toward Expenses: The student signs a statement at orientation authorizing or not authorizing the School to use his or her Title IV funds to apply toward institutional charges other than tuition and fees. These expenses include books, supplies, equipment, tools, over contract charges, etc. needed to complete the program. In the event student overpays the School while in attendance, if authorized, his or her credit balance shall be returned within 30 days from the date the credit balance was created.

**Determination of Awards**

Calculations and analyses are performed with each student's application data in evaluating eligibility and awarding aid based on Expected Family Contribution ("EFC") and Cost of Attendance as follows:

Expected Family Contribution

The School utilizes the Federal methodology (need analysis) required by the Secretary, and for which updates are approved each year by Congress. This need analysis measures the ability of the family to contribute toward educational expenses, and is based on the financial information provided by the student/spouse/parent for the previous year (base year).

## Cost of Attendance

### Costs associated with credit/clock hours:

Tuition and fees  
Books and supplies

### Costs associated with weeks of instructional time:

Room and board  
Transportation  
Personal expenses  
Dependent care  
Disability expenses  
Loan fees (if applicable)

- STEP 1: Add the tuition, fees, books and supplies.  
STEP 2: Divide the hours in academic year by the total hours of program and multiply the result by the total of the tuition, fees, books and supplies.  
STEP 3: Multiply student's room and board, transportation, and personal costs by the number of weeks in the program.  
STEP 4: Divide the total weeks in the academic year by total weeks of program, and multiply by the total derived from Step 3.  
STEP 5: Add the answer from Step 2 to the answer in Step 4, which equals the cost of attendance.

The Bureau of Labor Statistics cost of living index for the medium-low income level is used to calculate the student's budget, which reflects the range of living expenses for the majority of our students. This information is updated from time to time in our Consumer Information Booklet.

### **Pell Grant Scheduled Award**

The School must have a valid ISIR on file for the student. The Pell Grant scheduled award is based on the EFC and the Cost of Attendance. Student cannot receive more than 150% of the Pell Grant **scheduled** award within the award year (July 1 through June 30).

The Pell Grant awarded to a student is based on: (1) the number of Clock hours in which the student is enrolled and the scheduled award from the ISIR, (2) the 30 week academic year, and (3) whether such student is making satisfactory progress.

The Pell Grant payment for a particular year's ISIR will depend on the student's payment periods occurring in that award year. Payment periods are funded from the ISIR of the year in which they occur. If a payment period crosses the award year, a determination is made on an individual basis from which award year the payment period is funded.

When the full academic year falls within one award year, the student's award will be the same as the Pell Grant scheduled award which is dictated by the EFC and the cost of attendance. When less than a full academic year is to be funded, the scheduled award is prorated downward.

Pell Grants are scheduled for disbursement at the beginning of each payment period and satisfactory progress is measured at the end of the previous payment period before approval of the scheduled disbursement. The scheduled amount represents, at maximum, funding for all hours that will be earned during all payment periods to be funded from the ISIR submitted.

### **Federal Pell Grant Disbursement Procedures**

The Financial Aid Office verifies the following eligibility criteria before submitting disbursement requests:

1. The award letter is signed and dated,
2. Enrollment status,
3. Student meets satisfactory progress conditions,
4. A signed statement of approval from the student is in the file if the Pell payments are applied to any charges other than tuition and fees – such as books, supplies, equipment, tools, kit, overcontract charges, etc., and
5. If a student is eligible for a late disbursement, the Business Affairs Office may make that late disbursement only if the funds are used to pay for educational costs that the School determines the student incurred for the period in which the student was enrolled and eligible. The late disbursement must be made no later than 90 days after the date that student becomes ineligible.

**NOTE:** With the initial disbursement, the student is to be given a copy of the award letter, which serves as a receipt showing the first disbursement, how it is to be applied to the student's account, and the dates and amounts of subsequent disbursements.

### **Payment Periods**

A payment period is equal to one half the clock hours in the program or academic year – whichever is less. At the School, payment periods for the Cosmetology program are as follows: (i) 0-450 clock hours, (ii) 451-900 clock hours, (iii) 901-1200 clock hours and (iv) 1201-1500 clock hours. For the Manicuring program, payment periods are as follows: (i) 0-300 clock hours and (ii) 301-600 clock hours. For the Instructor program, payment periods are as follows: (i) 0-375 clock hours and (ii) 376 – 750 clock hours.

### **Verification Procedures**

Verification is the process which requires an applicant to provide all documents necessary to verify the accuracy of data related to the calculation of their EFC.

### **Selection of Applicants to be Verified**

The School verifies 100% of the applications selected for verification by the Department of Education in an award year. In addition, if the School has reason to believe that any information on any application used to calculate an EFC is inaccurate, it requires the applicant to verify the information that the School believes to be inaccurate.

### **Conflicting Information**

Conflicting information must be resolved before disbursing financial aid funds. In order to identify and resolve discrepancies, the Financial Aid Office reviews the information that the School receives from different sources with respect to a student's application for Title IV funds. This review includes, but is not limited to, the following:

- All student aid applications,
- ISIR,
- SSN,
- Need analysis documents,
- Registration status,
- Copies of State and Federal income tax returns,
- Verification Worksheet,



- Citizenship,
- Previous education experience,
- Other sources of income,
- Other factors relating to the student's eligibility for Title IV funds.

### The Verification Process

Responsibility for verification resides with the processing personnel of the Financial Aid Office, which information is, in turn, provided to Edith Ingalsbe for process completion and approval, if the documentation meets her satisfaction. If the student is selected for verification by the Department of Education, the student is expected to provide the required verification items needed upon request, including:

1. Verification Worksheet
  - a) Signed by the student, if independent, or
  - b) Signed by student and parent, if dependent.
2. Signed income tax return transcripts, or signed tax returns if permitted by the Department of Education
  - a) If independent, for student and/or spouse.
  - b) If dependent, for student/spouse/parents.
3. W-2 Forms for student/spouse/parents (if needed to verify earned income from work).
4. Untaxed income documentation (e.g., child support received, social security benefits, unemployment benefits, etc.)

Documents must be received within two weeks, except for unusual circumstances, or before the Department of Education's deadline of June 30, whichever comes first. Verification must be completed before awarding financial aid.

### Data Elements to be Verified

The Department of Education requires a student selected for verification to verify the items listed below:

1. Adjusted gross income (AGI) for the base year if base year data was used in determining eligibility, or income earned from work for a non-tax filer.
2. U.S. taxes paid for the base year if base year data was used in determining eligibility.
3. Household size: For a dependent student, the total number of family members in the household(s) of the student's parents—if:
  - a) The applicant's parent is single, divorced, separated or widowed and the total number of family members is greater than two; or
  - b) The applicant's parents are married to each other and not separated and the total number of family members is greater than three.

Household size: For an independent student, the number of family members in the household of the applicant, if:

- a) The applicant is single, divorced, separated or widowed and the number of family members is greater than one; or
  - b) The applicant is married and not separated and the number of family members is greater than two.
4. Number of family members in the household who are enrolled at least half-time in a postsecondary education institution, if that number is greater than one.
  5. The following untaxed income and benefits for the base year if base year data was used in determining eligibility—

- a) Social Security Benefits if the institution has reason to believe that those benefits were received and were not reported or were incorrectly reported;
  - b) Child support if the institution has reason to believe that the child support was received;
  - c) U.S. income tax deduction for a payment made to an individual retirement account (IRA) or Keogh account;
  - d) Interest on tax-free bond;
  - e) Foreign income excluded from U.S. income taxation if the School has reason to believe that the foreign income was received;
  - f) The earned income credit taken on the applicant's tax return; and
  - g) All other income subject to U.S. income tax reporting requirements in the base year which is included on the tax return form, excluding information contained on schedules appended to such forms.
6. The student/spouse/parent's W-2 Forms for earned income from work, if the amount reported on the ISIR differs from the amounts reported on lines 7, 12, and 19 of the tax return.

### Exclusions

1. Incarceration: Selected application does not have to be verified if the student is in jail or prison at the time of verification.
2. Spouse unavailable: School does not verify spouse information (or obtain signatures for verification purposes) if any of the following conditions apply:
  - a) The spouse is deceased or mentally or physically incapacitated.
  - b) The spouse is residing in a country other than the U.S. and can't be contacted by normal means.
  - c) The spouse can't be located because his or her address is unknown, and the student can't obtain it.

The basis for the exclusion will be documented in the student's file.
3. Parents unavailable: A dependent student's application is not verified if any of the following conditions apply:
  - a) Student's parents are deceased or mentally or physically incapacitated. (If both parents are dead, the student is an orphan and thus is an independent student. If the parents die after the student has applied, the student must update his or her dependency status).
  - b) Parents are residing in a country other than the U.S. and can't be contacted by normal means.
  - c) Parents can't be located because their address is unknown, and the student can't obtain it.
4. Death of the student: If an interim disbursement is made during the verification process, and the student dies before verification is completed, the verification process will stop. No other disbursements are allowed.
5. Applicant verified by another school: If student completed verification at a prior school before transferring, the Financial Aid Office requests a letter from the other school that includes:
  - a) A statement that the student's application data had been verified,
  - b) The transaction number of the verified application, and
  - c) If relevant, the reason why the school was not required to recalculate the student's EFC.
6. Not an FSA recipient: No verification will be done for a student who won't receive FSA funds (for reasons other than the student's failure to complete verification). This includes students ineligible for aid and those who withdraw without receiving aid.

Normally, the student is given two weeks to submit the requested documents. However, the School recognizes that sometimes this data must be obtained from outside sources, which could present additional delays, and that are beyond the control of the student. Therefore, if the student provides

evidence of having made all efforts to obtain the necessary documents, a longer period of time is permitted, as long as all Federal submission deadline dates for the application and disbursement of Title IV funds are met.

The student must comply with the verification requests noted in the comment section of the ISIR and any additional requests made by the School.

### Acceptable Documentation

For items to be verified, the School accepts the documents listed below:

1. For adjusted gross income, income earned from work, and U.S. income tax paid:
  - a) A copy of the income tax return transcript of the applicant, his or her spouse, and his or her parents (or the tax return if permitted by the Department of Education). The copy of the return or return transcript must be signed by the filer of the return or by one of the filers of a joint return;
  - b) For a dependent student, a copy of each Form W-2 received by the parent whose income is being taken into account if the parents are divorced or separated or one of the parents has died;
  - c) For an independent student, a copy of each Form W-2 he or she received if the independent student—
    - Filed a joint return; and
    - Is a widow or widower, or is divorced or separated.
  - d) The School accepts the following, in lieu of an income tax return transcript of an individual whose income was used in calculating the EFC of an applicant:
    - If student has not and is not required to file an income tax return – A statement signed by that individual certifying that he or she has not filed nor is required to file an income tax return for the base year and certifying for that year that individual's sources of income earned from work as stated on the application, and amounts of income from each source;
    - If student is required to file a U.S. tax return and has been granted a filing extension by the IRS: (i) A copy of the IRS Form 4868 "Application for Automatic Extension of Time to File U.S. Individual Income Tax Return" that the individual filed with the IRS for the base year, or a copy of the IRS's approval of an extension beyond the automatic four-month extension if the individual requested an additional extension of the filing time; and (ii) A copy of each IRS Form W-2 that the individual received for the base year, or for a self-employed individual, a statement signed by the individual certifying the amount of adjusted gross income for the base year. NOTE: The applicant MUST provide a copy of his or her completed income tax return when filed. When the School receives the copy of the return, it may re-verify the adjusted gross income and taxes paid by the applicant and his or her spouse or parents.

If an individual is required to submit an IRS Form W-2 and is unable to obtain one in a timely manner, the School may permit that individual to set forth, in a statement signed by the individual, the amount of income earned from work, the source of that income, and the reason that the IRS Form W-2 is not available in a timely manner. The Verification Worksheet may be used for this purpose.

- e) If an individual has requested a copy of the tax return transcript and the IRS or government of a U.S. territory or commonwealth or a foreign central government cannot locate the return or provide a Listing of Tax Account Information:

- A copy of each IRS Form W-2 that the individual received for the base year; or
  - For an individual who is self-employed or has filed an income tax return with a government of a U.S. Territory or commonwealth, or a foreign central government, a statement signed by the individual certifying the amount of adjusted gross income for the base year.
- f) The tax return transcripts must be signed by the filer of the return, or one of the filers of a joint return, or by the preparer of the return.
2. For untaxed income and benefits, the following is acceptable documentation:
- a) Copy of the tax return transcript signed by the applicant/parent/spouse, or the IRS listing of tax account information; or
  - b) If no tax return was filed or is required to be filed, a statement signed by the relevant individuals certifying that no tax return was filed or is required to be filed and providing the sources and amount of untaxed income and benefits that were reported.
  - c) Social Security Benefits—
    - Obtain document from Social Security Administration showing amount reported; or
    - A statement signed by applicant/parent/spouse certifying that the amount on the applicant's aid application is correct. The Verification Worksheet may be used for this purpose.
  - d) Child Support—
    - Submit a statement signed by the applicant/parent/spouse certifying the amount of child support received; and
    - If the Financial Aid Office has reason to believe that the amount reported is inaccurate, the applicant must verify the amount of child support received by providing a document such as—
      - A copy of a separation agreement or divorce decree showing the amount of child support to be provided; or
      - A statement from the parent providing the child support showing the amount provided; or
      - Copies of the child support checks or money order receipts.
3. To verify the number of family members in the household, the applicant must submit a statement (signed by the applicant/parent), listing the name and age of each family member in the household and the relationship of that household member to the applicant (may be done on a Verification Worksheet).
4. To verify the number of family household members enrolled in postsecondary institutions, the applicant must submit a statement signed by applicant/parent listing:
- a) The name of each family member who is or will be attending a postsecondary educational institution as at least a half-time student in the award year;
  - b) The age of each member; and
  - c) The name of the institution attended by each student.

If the Financial Aid Office has reason to believe that the information included on the application regarding the number of family household members enrolled in postsecondary institutions is inaccurate, the Financial Aid Office may require statements from the student for each household member, or from the institution that each reported member attended.

If the verification documents the student submits do not meet the requirements, the Financial Aid Office contacts the student for additional or corrected information, either by mail, by contacting the student in

person while at the School. If the information changes the student's eligibility, the Financial Aid Office processes the changes to obtain a corrected ISIR.

If the student does not submit the required documents for the School to complete the verification procedure within the given time frame, the student will not be awarded financial aid.

In the event that a student terminates and the transaction 01 ISIR is selected for verification and it is found that corrections are required that will decrease the eligibility—and if the transaction 01 ISIR was signed before the last day of attendance, the School may collect what is due to the School if the transaction 02 ISIR is signed and dated within 90 days of the last day of attendance or August 30, whichever comes first.

### Updating Information

For verification purposes only, an applicant is required to update—

1. The number of family members in the applicant's household and the number of household members attending postsecondary educational institutions, and
2. His or her dependency status (except for change in marital status), and
3. Applicant is NOT required to verify the information contained in his or her application in an award year if—
  - a) The applicant previously submitted an application for assistance for that award year;
  - b) The applicant updated and verified the information contained in that application; and
  - c) No change in the information to be updated has taken place since the last update.

If, as a result of a change in the applicant's marital status, the number of members in the applicant's household, the number of those attending postsecondary institutions, or the applicant's dependency status changes, the applicant **shall not update** those factors or that status.

If the household size and the number attending college changes for a reason **other than a change in the applicant's marital status**, an applicant will update the information so that the information is correct as of the day the applicant verifies the information.

### Professional Judgment

The Department of Education allows the School to use Professional Judgment ("PJ") to assist the Financial Aid Office in assessing more sensitively the ability of a family to pay for educational costs. The Financial Aid Office uses PJ only on a case-by-case basis to either increase or decrease one or more of the data elements used to calculate the EFC. The reason is documented in the student's file as it relates to the student's special and unusual circumstances that differentiate that individual student from the standard treatment. The Financial Aid Office uses only the special circumstances allowed by law which include, but are not limited to, the following:

1. Independent student status,
2. Elementary or secondary school tuition,
3. Medical or dental expenses not covered by insurance,
4. Unusually high child care costs,
5. Parent(s) attending college (we are not allowed to include parent(s) in college on the FAFSA),
6. Denial or reduction of eligibility for loans (must be in writing and copy to student),
7. Recent unemployment of a family member, or
8. Other changes in the family's income or assets.

The Financial Aid Office sends the corrections electronically, and keeps signed documentation for the corrections submitted in the student's file.

### **Referrals for Fraudulent Data**

Schools are required by Federal Regulations to make referrals to the Department of Education and the Department of Justice if it suspects that aid was requested under false pretenses. This School will cooperate with government agencies in the full prosecution of students who are found to provide incorrect data.

### **Return of Title IV Funds and Refunds**

If a student withdraws before completing the program, a portion of the funds he or she received may have to be returned to the Department of Education. The complete Central Texas Beauty College Refund Policy is contained on Page 14 of the School Catalog and is also attached to every student's Enrollment Agreement. The School will calculate the amount of tuition it must return to the Federal funds account according to the policies listed below:

(A) Central Texas Beauty College maintains a cancellation and settlement policy that provides a full refund of all money paid by Student if:

- (1) Student cancels the enrollment agreement no later than midnight of the third business day after the date on which the agreement is signed by the prospective student, and demands his or her money back in writing, regardless of whether Student has started training. Notice of cancellation and the demand for refund must be in writing, and the cancellation date will be determined by the postmark of written notification or the date it is delivered in person to the School; or
- (2) Student is not accepted by the School; or
- (3) A course is cancelled subsequent to Student enrolling, but prior to any instruction in the course.

(B) Central Texas Beauty College maintains a refund policy for the refund of the unused part of tuition, fees, and other charges assessed Student if Student fails to enter the course of training or withdraws from the course after the expiration of the cancellation period established under Subsection (A) of this section. The policy provides that:

- (1) A refund is based on the period of Student's enrollment computed on the basis of course time expressed in scheduled hours.
- (2) All books, equipment, and prepayment items are the property of Student if they have been paid for by Student.
- (3) If Student cancels the enrollment agreement after three business days of signing such agreement, but prior to entering classes, Student is entitled to a refund of all monies paid to the School less the registration fee in the amount of \$100.
- (4) The "Withdrawal Date" for Title IV Refund purposes is the last date of attendance as determined by the School from reviewing the computerized time clock attendance records.
- (5) The "Date of School's Determination that Student Withdrew" for Title IV refund purposes or the "Drop Determination Date" for TDLR refund purposes is the earliest of:
  - a. the date the Student is expelled by the School; or
  - b. the date the Student notifies the School of his/her withdrawal in writing, as determined by the postmark date or the date the notice is delivered to the School in person; or
  - c. the date that a student on an approved leave of absence notifies the School that he/she will not be returning. The effective date of termination shall be the earlier of the scheduled date of return from the leave of absence or the date Student notifies the School that Student will not be returning; or

- d. 10 school days after the last date of attendance. Unofficial withdrawals for clock hour students are determined through monthly monitoring of our timeclock computer. The School is NOT required to administratively withdraw a student who has been absent for 10 school days (or less if applicable). However, after 10 school days, it is expected to have determined whether the student intends to return to classes or to withdraw. If the student is eventually determined to be a withdrawal, the end of the 10 school day period begins the timeframe for completing a Return of Title IV Funds calculation.

### **Leave of Absence (LOA) Policy**

A student can be granted a leave of absence from the program due to mitigating circumstances such as illness, a family members' death, or important business elsewhere, so long as the School is notified in advance in writing of the reason with the approximate length of the LOA (unless unforeseen circumstances prevent advance notification). A student's leave of absences cannot exceed 180 days in any 12-month period. A student not returning from LOA will be withdrawn from the course, and the effective date of termination shall be the earlier of the scheduled date of return from the leave of absence or the date the student notifies the School that he or she will not be returning.

If enrollment is temporarily interrupted for an LOA, the student will return to the School in the same progress status as prior to the leave of absence. Days elapsed during an LOA will extend the student's contract period and maximum time frame by the same number of days taken in the LOA and will not be included in the student's cumulative attendance percentage calculation.

### **REFUND CALCULATIONS**

Upon a student's withdrawal, two calculations are performed:

1. The Return of Title IV funds (to determine amounts earned from the Federal programs) and
2. The State and/or the Institution's Refund Policy — to determine the amount of institutional charges earned. The School will adjust the student's charges to take into account repayments of Title IV funds that the school was required to make.

#### **i. Return of Title IV Funds Calculation**

Only the Title IV programs are to be included in this calculation. They are Subsidized, Unsubsidized, and PLUS (Direct and FFEL) Federal loans, Perkins Loans, Pell Grants, Federal Supplemental Educational Opportunity Grants (FSEOG), as applicable. Central Texas Beauty College only participates in the Pell Grant program.

The Return of Title IV Funds is NOT a Refund Policy. Instead, the Federal Regulations (beginning with October 7, 2000) require the use of a pro rata calculation to determine the amount of Title IV funds a student has earned as of the date he or she ceases attendance. Any student receiving Title IV funds will be subject to these regulations.

The amount of Title IV aid earned is based on the amount of time the student spent in academic attendance, and the total aid received; it has no relationship to the student's incurred institutional charges. Because these requirements deal only with Title IV funds, the order of return of unearned funds do not include funds from sources other than the Title IV programs.

Title IV funds are awarded based on payment periods, depending on the length of the program in which the student is enrolled. For example, a student enrolled in the Cosmetology program will be awarded Title IV funds over 4 different payment periods – the 1<sup>st</sup> disbursement will be awarded during the first 450 hours of the program, the 2<sup>nd</sup> disbursement will be awarded during the second 450 hours of the program, the 3<sup>rd</sup> disbursement will be awarded during the next 300 hours of the program, and the 4<sup>th</sup> disbursement will be awarded during the last 300 hours of the program.

Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the aid is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive. Therefore, the amount of Federal grant or loan earned by the student must be determined. If the amount disbursed to the student is greater than the amount the student earned, unearned funds must be returned.

Central Texas Beauty College measures students' progress in clock hours, therefore the determination is made as outlined below. Only scheduled hours are used to determine the percentage of the period completed by a student withdrawing from a clock-hour program.

For a clock-hour program, the percentage of the period completed is determined by dividing the number of hours the student was scheduled to complete in the payment period, as of the day the student withdrew (the Withdrawal Date is always last date of attendance for Title IV purposes), by the total number of clock hours in the same period as follows:

$$\frac{\text{number of clock hours the student was scheduled to complete in the period}}{\text{total number of clock hours in the period}}$$

A student withdrawing from a clock-hour program earns 100% of his or her aid if the student's withdrawal date occurs after the point that he or she was scheduled to complete 60% of the scheduled hours in the payment period or period of enrollment.

The School must return unearned funds for which it is responsible to the Department of Education as soon as possible, but no later than 45 days from the determination of a student's withdrawal.

**ii. State Refund Calculation**

TDLR Section 1602.459 states that if Student begins a course of training at a private beauty culture school that is scheduled to run not more than 12 months and, (i) during the last 50 percent of the course, withdraws from the course or is terminated by the School, the School may retain 100% in tuition and fees paid by Student and is not obligated to refund any additional outstanding tuition, OR (ii) before the last 50 percent of the course, withdraws from the course or is terminated by the School, the School shall refund the following percentages of any outstanding tuition to Student:

**HOURS COMPLETED OF TOTAL PROGRAM HOURS** (Refund calculations are based on scheduled hours on the Drop Determination Date unless actual hours exceed scheduled hours)

<b>Time in Course</b>	<b>Amount of Total Tuition Refunded to Student</b>
Less than 1 week	90%
1 week – 3 weeks	80%
3 weeks – 25%	75%
25% - 50%	50%
50.1% and over	0%

**This policy is mandatory for all courses at Central Texas Beauty College**

A refund owed to a student per the above stated refund calculation must be paid no later than the 30<sup>th</sup> day after the date on which the student becomes eligible to the refund.



### EXAMPLE 1:

#### EXAMPLE 1:

Student Ana missed 10 consecutive school days in a row without calling after completing 783 actual hours (and 859 scheduled hours) of the School's Cosmetology Program. Student received a Pell Grant disbursement in the amount of \$2865 for the first 450 hour payment period and a second Pell Grant disbursement in the amount of \$2865 for the second 450 hour payment period. Her Title IV refund calculation was based on her 2<sup>nd</sup> payment period as follows:

$$\frac{409 \text{ clock hours scheduled to complete}}{450 \text{ clock hours in payment period}} = 91\% \text{ of the period completed}$$

Student Ana earned 100% of her 2<sup>nd</sup> disbursement because she completed over 60% of the payment period. Student gets full credit for her 2<sup>nd</sup> Pell Grant disbursement.

Student Ana's State refund calculation is based on total scheduled hours as of the Effective Date of Termination (the last day of the 10-day absence) as follows:

859 clock hours scheduled to complete > 50% of the course, therefore 100% of Student Ana's tuition is allowable and Student Ana will be responsible for paying 100% of the contracted tuition and fees. She has credits to her account from her down payment of \$200 and her Pell Grant in the amount of \$5730, for a total of \$5930, so she will owe the School \$3570.

#### EXAMPLE 2:

Student Bryan submitted a written request to drop from the Cosmetology program to take care of a sick family member. Student had completed 216 hours (and 216 scheduled hours). Student received a Pell Grant disbursement in the amount of \$2865 for the first 450 hour payment period. His Title IV refund calculation was based on his 1<sup>st</sup> payment period as follows:

$$\frac{216 \text{ clock hours scheduled to complete}}{450 \text{ clock hours in payment period}} = 48\% \text{ of the period completed}$$

Student Bryan earned 48% of his 1<sup>st</sup> disbursement because he completed 48% of the payment period. Student has earned \$1375 of his 1<sup>st</sup> Pell Grant disbursement and School must return \$1490 to the Department of Education.

Student Bryan's State refund calculation is based on total scheduled hours as of the Effective Date of Termination (the date of his written notification) as follows:

$$\frac{216 \text{ clock hours scheduled to complete}}{1500 \text{ clock hour program}} = 14\% \text{ of the Time in Course}$$

Student Bryan dropped after the first 3 weeks of the course but before he reached 25% of the course, so he will not be held accountable for 75% of the tuition charged for his course.

### Distribution of Funds

If a student is entitled to receive a refund, or a return of Title IV funds in accordance with the Federal or State policies, the return of funds must be applied to the appropriate program in the following order: (This applies only to student attending with loan from previous institution)

1. Federal Unsubsidized Stafford Loans
2. Federal Subsidized Stafford Loans
3. Federal Unsubsidized Direct Stafford Loans
4. Federal Subsidized Direct Stafford Loans
5. Federal Perkins Loans
6. Federal PLUS Loans
7. Federal Direct PLUS Loans

Remaining funds must be credited as follows:

8. Federal Pell Grants
9. FSEOG
10. Other grant or loan assistance authorized by Title IV
11. Student

### Post-Withdrawal Disbursements

The School is permitted to credit a student's account with a post-withdrawal disbursement of Title IV grant funds without the student's permission for current charges for tuition and fees up to the amount of any outstanding charges. The School must obtain a student's authorization to credit a student's account with Title IV grant funds for charges other than current charges. The School must disburse directly to a student any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account. The School must make the disbursement as soon as possible, but no later than 30 days after the date of the School's determination that the student withdrew.

### Grant Overpayments – Student Responsibility for Returning Unearned Aid

Students will be notified by the School if a Pell Grant overpayment has occurred. Grant overpayments may be resolved through –

- full and immediate repayment to the school;
- repayment arrangements satisfactory to the school; or
- overpayment collection procedures negotiated with Debt Resolution Services (of the Department of Education).

The student is obligated to return any Title IV overpayment in the same order that is required for schools.

### Record Retention

The Financial Aid Office is responsible for the retention of all required records for three years from the end of the award year, except that period may vary as follows:

Records involved in any loan, claim, or expenditure questioned in any FSA program review, audit, investigation, or other review may be required to be maintained for more than three years. If the three-year retention period expires before the issue in question is resolved, the School must continue to retain all records until resolution is reached.

Campus-based and Pell Grant records are retained for three years after the end of the award year for which the aid was awarded.

Fiscal Operations Report (FISAP) and supporting records are retained for three years from the end of the award year in which the report was submitted.

**Types of Records Retained are:**

Program Records

Program Participation Agreement

Accrediting and licensing agency reviews, approvals, and reports

State agency reports

Audit and program review reports

Self-evaluation reports

Records pertaining to factors of financial responsibility and administrative capability standards.

Other records required by the state or accrediting commission.

Fiscal Records

Records of all FSA program transactions

Bank statements for all accounts containing FSA funds

Records of student accounts (charges, cash and FSA payments, financial aid disbursements, refunds, and repayments for each enrollment period)

General ledger and subsidiary ledgers that identify each FSA program transaction

Records that support data appearing on required reports, such as

FSA program reconciliation reports

Audit reports and School responses

Accrediting and licensing agency reports

FISAP income grid records

FSA Recipient Records

SAR/ISIR

Award Letters

High school diploma/GED/ATB

Professional judgment documentation

Financial aid history for transfer student (NSLDS)

Cost of attendance

Enrollment agreement

Satisfactory academic progress

Refund calculations

Attendance records

Calculation of completion/placement rates

Records pertaining to School's disbursement and delivery of FSA funds

## SATISFACTORY ACADEMIC PROGRESS POLICY

The Satisfactory Academic Progress Policy is consistently applied to all students enrolled at the School. It is printed in the Catalog to ensure that all students receive a copy prior to the first day of class. The policy complies with the guidelines established by the National Accrediting Commission of Career Arts and Sciences (NACCAS) and the federal regulations established by the United States Department of Education.

### EVALUATION PERIODS

Students are evaluated for Satisfactory Progress as follows:

Cosmetology 450, 900, 1200 actual hours

Manicuring 300 actual hours

Instructor 375 actual hours

- Transfer Students – Midpoint of the actual contracted hours or the established evaluation periods, whichever comes first.

Evaluations will determine if the student has met the minimum requirements for satisfactory academic progress. The frequency of evaluations ensures that students have had at least one evaluation by midpoint in the course or Academic Year, whichever comes first. An Academic Year is 900 clock hours in length.

### ATTENDANCE PROGRESS EVALUATIONS

Students are required to attend a minimum of 67% of the hours possible based on the applicable attendance schedule in order to be considered maintaining satisfactory attendance progress. Evaluations are conducted at the end of each evaluation period to determine if the student has met the minimum requirements. The attendance percentage is determined by dividing the total hours accrued by the total number of hours scheduled. At the end of each evaluation period, the School will determine if the student has maintained at least 67% cumulative attendance since the beginning of the course which indicates that, given the same attendance rate, the student will graduate within the maximum time frame allowed.

### MAXIMUM TIME FRAME

The maximum time (which does not exceed 150% of the course length) allowed for students to complete each course at satisfactory progress is stated below:

<u>COURSE</u>	<u>WEEKS</u>	<u>MAXIMUM TIME ALLOWED</u>	<u>SCHEDULED HOURS</u>
Cosmetology (Full time, 30 hrs/wk) - 1500 Hours (50 weeks)	75 Weeks		2250
Manicuring (Full time, 30 hrs/wk) - 600 Hours (20 weeks)	30 Weeks		900
Instructor (Full time, 30 hrs/wk) - 750 Hours (25 weeks)	37.5 Weeks		1125

The maximum time allowed for transfer students who need less than the full course requirements students will be determined based on 67% of the scheduled hours.

Students who have not completed the course within the maximum time frame may continue as a student at the institution on a cash pay basis.

### ACADEMIC PROGRESS EVALUATIONS

The qualitative element used to determine academic progress is a reasonable system of grades as determined by assigned academic learning. Students are assigned academic learning and a minimum number of practical experiences. Academic learning is evaluated after each unit of study. Practical assignments are evaluated as completed and counted toward course completion only when rated as satisfactory or better. If the performance does not meet satisfactory requirements, it is not counted and the performance must be repeated. At least two comprehensive practical skills evaluations will be conducted during the course of study. Practical skills are evaluated according to written procedures and set forth in a practical skills evaluation criteria adopted by the School. Students must maintain a written grade average of 70% and pass a FINAL written and practical exam prior to graduation. Students must make up failed or missed tests and incomplete assignments. Numerical grades are considered according to the following scale:

93 - 100 EXCELLENT

85 - 92 VERY GOOD

70 - 84 SATISFACTORY

69 and below UNSATISFACTORY

I - INCOMPLETE

#### DETERMINATION OF PROGRESS STATUS

Students meeting the minimum requirements for academics and attendance at the evaluation point are considered to be making satisfactory academic progress until the next scheduled evaluation. Students will receive a hard-copy of their Satisfactory Progress Determination at the time of each of the evaluations and a monthly progress report so that they can monitor their progress before each evaluation point. Students deemed not maintaining Satisfactory Progress at any evaluation point may have their Title IV Funding interrupted, unless the student is on warning or has prevailed upon appeal resulting in a status of probation.

#### WARNING

Students who fail to meet minimum requirements for attendance or academic progress are placed on warning and considered to be making satisfactory progress during the warning period. The student will be advised in writing on the actions required to attain satisfactory academic progress by the next evaluation. If at the end of the warning period, the student has still not met both the attendance and academic requirements, he/she may be placed on probation and, if applicable, students may be deemed ineligible to receive Title IV funds.

#### PROBATION

Students who fail to meet minimum requirements for attendance or academic progress after the warning period may be placed on probation and considered to be making satisfactory progress during the probationary period, if the student appeals the decision, and prevails upon appeal. Additionally, only students who have the ability to meet the Satisfactory Academic Progress Policy standards by the end of the evaluation period may be placed on probation. Students placed on an academic plan must be able to meet requirements set forth in the academic plan by the end of the next evaluation period. The student will be advised in writing on the actions required to attain satisfactory academic progress by the next evaluation. If at the end of the probationary period, the student has still not met both the attendance and academic requirements required for satisfactory academic progress or by the academic plan, he/she will be determined as NOT making satisfactory academic progress and, if applicable, students will not be deemed eligible to receive Title IV funds.

#### RE-ESTABLISHMENT OF SATISFACTORY PROGRESS

Students may re-establish satisfactory progress and Title IV aid, as applicable, by meeting minimum attendance and academic requirements by the end of the warning or probationary period.

#### INTERRUPTIONS, COURSE INCOMPLETES, WITHDRAWALS

If enrollment is temporarily interrupted for a Leave of Absence, the student will return to the School in the same progress status as prior to the leave of absence. Hours elapsed during a leave of absence will extend the student's contract period and maximum time frame by the same number of days taken in the leave of absence and will not be included in the student's cumulative attendance percentage calculation. Students who withdraw prior to completion of the course and wish to re-enroll will return in the same satisfactory academic progress status as at the time of withdrawal.

#### APPEAL PROCEDURE

If a student is determined to not be making satisfactory progress and is eligible for probationary status, the student may appeal the determination within ten calendar days. Reasons for which students may appeal a negative progress determination include death of a relative, an injury or illness of the student, or any other allowable special or mitigating circumstance. The student must submit a written appeal to the School within 10 days on the designated form describing why they failed to meet satisfactory academic progress standards, along with supporting documentation of the reasons why the determination should be reversed. Supporting documentation must include a narrative statement, a doctor's note, an obituary, a counseling record or similar supporting documents. This information should include what has changed about the student's situation that will allow them to achieve Satisfactory Academic Progress by the next evaluation point. Appeal documents will be reviewed and a decision will be made and reported to the student within 30 calendar days. The appeal and decision documents will be retained in the student file. If the student prevails upon appeal, the satisfactory academic progress determination will be reversed, the student will be placed on probation, and Title IV aid will be reinstated, if applicable.

#### NONCREDIT AND REMEDIAL COURSES

Noncredit and remedial courses do not apply to this institution. Therefore, these items have no effect upon the School's satisfactory progress standards.

#### TRANSFER HOURS

With regard to Satisfactory Academic Progress, a student's transfer hours from another institution that are accepted toward his or her educational program will be counted as both attempted and earned hours for the purpose of determining when the allowable maximum time frame has been exhausted.

## THE FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT

The Family Educational Rights and Privacy Act (“FERPA”) affords students certain rights with respect to their education records. These rights are:

1. The right to inspect and review the student’s education records within 45 days of the day the School receives a request for access.

Students should submit to the Satisfactory Progress Liason, or the appropriate official, written requests that identify the records they wish to inspect. The School official will make arrangements for access and notify the student of the time and place where the records may be inspected.

The right to request the amendment of the student’s education records that the student believes is inaccurate or misleading.

Students may ask the School to amend a record that they believe is inaccurate or misleading. They should write the School official responsible for the record, clearly identify the part of the record they want changed, and specify why it is inaccurate or misleading.

If the School decides not to amend the record as requested by the student, the School will notify the student of the decision and advise the student of his or her right to a hearing regarding the request for amendment. Additional information regarding the hearing procedures will be provided to the student when notified of the right to a hearing.

2. Generally, the School must have written permission from the parent or eligible student in order to release any information from a student’s education record. However, FERPA grants the School the right to disclose, without consent, to School officials with legitimate educational interests. A School official is defined as a person employed by the School in an administrative, supervisory, academic, or support staff position, a person or company with whom the School has contracted, a person serving on the Board of Directors, or assisting another School official in performing his or her tasks.

A School official has a legitimate educational interest if the official needs to review an education record in order to fulfill his or her professional responsibility.

Upon request, the School may disclose records without consent to officials of another school in which a student seeks or intends to enroll, as well as specified officials for audit or evaluation purposes, appropriate parties in connection with financial aid to a student, organizations conducting certain studies for or on behalf of the school, accrediting organizations, to comply with a judicial order or lawfully issued subpoena, appropriate officials in cases of health and safety emergencies, and State and local authorities, within a juvenile justice system, pursuant to specific State law.

3. The right to file a complaint with the U.S. Department of Education concerning alleged failures by the School to comply with the requirements of FERPA. The name and address is:

Family Policy Compliance Office  
U.S. Department of Education  
400 Maryland Avenue, S.W.  
Washington, DC 20202-8520

**Information Designated as Directory Information**

The School's definition of directory information is the information contained in an education record of a student which would not generally be considered harmful or an invasion of privacy if disclosed. It includes the student's name, address, telephone listing, date and place of birth, major field of study, participation in officially recognized activities and sports, dates of attendance, degrees and awards received, and the most recent previous educational agency or institution attended.