

Ozarka College

Awarding & Overawards

Policies and Procedures

Awarding Financial Aid

The Financial Aid Office staff has developed an institutional packaging philosophy to ensure consistent, equitable, and fair distribution of financial aid funds.

Academic Year Definition

Ozarka College's Academic Year begins July 1 and ends June 30 of each calendar year. The academic year for all of our programs (credit-hour) is defined as 30 weeks of instructional time. Ozarka College does not offer any clock-hour programs. Each Fall and Spring term consists of 15 calendar weeks of instruction, with Fall term beginning in August and ending in December and Spring term beginning in January and ending in May.

Summer I and II term begin and end dates vary and typically consist of a minimum of 5 calendar weeks of instruction.

Full-time enrollment for all terms (Summer II, Fall, Spring and Summer I) is considered to be 12 credit hours per term.

Determination of Total Funds to be Awarded

The Director of Financial Aid determines the total aid to be awarded during an academic year. The US Department of Education sends the Financial Aid office information detailing annual fund allocations through the Federal Authorization Letter with the Official Notice of Funding. Determining the total funds available includes an evaluation and projection of available funds, required matching (if any), and administrative expense. Careful projections are made to enable the Financial Aid staff to offer fair and equitable packages to students.

Outside Resources

Students are encouraged to seek assistance from outside resources. It is required that all outside assistance be reported to the Financial Aid Office, as outlined in their award letter. Student aid including outside resources, may not exceed the student's cost of attendance. Therefore, if a student has been awarded by the Financial Aid Office and receives an outside award, an adjustment to the original award letter may be necessary. If an adjustment is made, the outside aid will replace self-help aid if possible.

Award Notification

Students receive notice of financial aid awards through their myOzarka account and through an award notification letter.

The college notifies students about the amount of Title IV aid that they will receive from each Title IV program before any aid is disbursed. The college also provides information about disbursements methods and schedule, and itemize subsidized and unsubsidized loans separately.

The college notifies students of their right to cancel all or a portion of an education loan disbursement.

Summer Aid

If a student has eligibility for a Pell Grant and has not used his/her entire allocation during the preceding academic year, the appropriate remainder may be used during the summer 1 enrollment period.

Students may also apply for Direct Loans (Subsidized and Unsubsidized) during the summer 1 term if eligibility is remaining (i.e., student has not used all of preceding years' maximum amount).

Summer II is considered a "header" of the academic year.

Summer aid will be packaged separately from the full academic year award.

Consortium Agreements

A student may receive Title IV aid if he/she is taking courses at two or more schools, if the participating institutions enter into a consortium agreement. A consortium agreement specifies which institution will process and disburse student aid. The agreement also should stipulate which institution will consider the student enrolled. Whichever institution disburses aid funds is responsible for keeping records and returning Title IV funds in the case of an over award. The institution where the student is seeking the degree should be the institution to disburse financial aid.

International Students

International students are not eligible for federal or state financial aid because they do not meet the citizenship requirement. International students may receive non-federal aid and are encouraged to apply for such aid. International students seeking assistance are referred to the Admission's Office.

Overawards

An overaward occurs any time a student's financial aid (federal, institutional, and outside aid) and other resources exceeds the cost of attendance for the award period.

Resolving Overawards

The financial aid office must ensure that a student does not receive more Title IV aid than the amount for which he or she is eligible. Ozarka College does not award or disburse campus-based aid (FSEOG or FWS) to a student if that award, combined with the other resources the student receives, exceeds the student's need. The Institution does not certify or disburse a Direct Loan for a student if the loan, combined with the other resources the student receives, exceeds the student's need. 673.5(a)

An overaward exists when a student's aid package exceeds his or her need. While your school must always take care not to overaward a student when packaging his or her aid, circumstances may change after you have packaged the student's aid that result in an overaward.

In the event that an overaward of Title IV funds occurs, corrective action is taken. The Institution withholds subsequent payments to the student of Title IV program funds; makes award adjustments as authorized by federal regulations; and, when applicable, promptly repays the overaward amount to the appropriate fund. In a case where the student has misrepresented his or her eligibility or reasonably should have known of his or her ineligibility for funds, the Institution makes reasonable attempts to secure repayment from the student. For example, in a situation where a student did not report receipt of an external scholarship to the financial aid office; but the business office reports receipt of those funds to the aid office, an overaward is discovered and must be resolved.

An overaward exists whenever a:

- school awards aid either to a student who is ineligible for a specific program or to a student who is ineligible for any FSA program assistance;
- student's award in an individual program exceeds the regulatory maximum, e.g., lifetime limit for Pell, annual or aggregate loan limits, annual limit on Federal Supplementary Educational Opportunity Grant (FSEOG) awards, or a Pell award based on the wrong payment schedule/enrollment status;
- student's aid package exceeds his or her need (including when the student's Expected Family Contribution [EFC] is revised upward after initial packaging);
- student's award exceeds his or her cost of attendance (COA); and
- student is receiving a Pell or Iraq and Afghanistan Service Grant at multiple schools for the same period.

In general, unless a school is liable, a student is liable for any overpayment made to him or her that is greater than \$25.00.

When awarding aid, a student's total resources are considered in the calculation of the student's eligibility for aid. Federal regulations define "resources" to include proceeds from the following sources (but not limited to the following):

- Federal Pell Grant
- Federal Direct Loans
- Grants, including FSEOG, State grants
- Scholarships
- Waivers of tuition and fees
- Net earnings from need-based employment

When the Institution determines that required resources were not included in the calculation of a student's eligibility for aid, prescribed corrective actions differ by program.

Procedures

The Financial Aid Office shall produce a monthly overaward report which will list any students whose aid package resulted in an overaward.

If an overaward occurs due to an error on the part of the Institution, the Institution is ultimately responsible for any resulting liability. However, the Institution may attempt to recover the overaward from the student.

If an overaward occurs because of a student's error, the student, not the Institution, is held responsible for the resulting liability. In this case, the Institution is required to make a reasonable effort to recover the overaward from the student.

Resolving an Overaward When Student is Liable

If the student is responsible for the overaward error, the institution attempts to eliminate the overaward by adjusting subsequent disbursements. If that does not resolve the case, the Institution discontinues disbursement of further Federal Pell Grant and FSEOG and discontinues FWS until the student takes either of the following actions:

1. Makes full repayment of the overaward, or
2. Makes repayment arrangements satisfactory to the institution.

If the student refuses to repay an overaward, the Institution makes reasonable efforts to recover the overaward. If the student does not respond to these efforts, the institution refers the federal share of the debt to the Secretary (notifies the Department of Education).

The following actions may be taken to resolve an overaward in which the student is liable:

Increasing the student's budget (if warranted)
 Decreasing the student's EFC (if warranted)
 Invoking the \$300 tolerance for campus-based aid
 Reducing or canceling award(s)
 Terminating the student's FWS employment
 Returning loan proceeds that have not been delivered to the student

Resolving an Overpayment When School is Liable

If the Institution is responsible for the error in the award, the Institution attempts to resolve the overpayment by:

1. Eliminating the overpayment by adjusting subsequent disbursements, or
2. Obtaining full repayment of the overaward from the student, or
3. Making satisfactory arrangements with the student to repay the overaward.

When the Institution is unable to resolve an overaward by the methods listed above, the Institution reimburses the appropriate program with institutional funds within 60 days of the student's last day of enrollment or by the last day of the award year, whichever comes first.

Immediate restoration by the school of Federal Pell Grant or FSEOG incorrectly awarded but previously disbursed

Immediate correction of pending Federal Pell Grant or FSEOG award amounts and disbursements