



# **Preferred College of Nursing**

## **Financial Aid**

### **Policy and Procedures Manual**

**2010-2011**

## Chapter 1: Administration

### Section 1: Introduction

#### Introduction

Preferred College of Nursing has developed this Policy and Procedures Manual solely to explain the school's policies and practices to the administration of the Title IV Higher Education Amendments (HEA) programs. Each of the financial aid staff along with the consultant will be provided with a copy of this manual with a purpose to benefit each current and prospective student at Preferred College of Nursing.

#### Financial Aid Director/Officer Training

Each financial aid staff member will undergo training in order to demonstrate the ability to fulfill each of their daily responsibilities and tasks. With sufficient training, each staff member will be able to comprehend the guidelines and regulations of financial aid policies and adequately communicate with students, parents, and colleagues within and outside the school.

#### Workshop Training

Preferred College of Nursing requires that all financial aid personnel attend financial aid workshops. Financial aid staff can attend state, regional, or national financial aid conferences. Financial aid staff keeps with regulations by being members of CASFAA, WASFAA, EASFAA, FASFAA, NYSFAA. Financial aid staff can keep current with webinars and other printed material that NASFAA publishes.

#### Financial Aid Reference Documents

This manual has been designed to be used in conjunction with all guidelines issued by the U.S. Department of Education (ED). These guidelines consist of the Higher Education Act, the Code of Federal Regulations, the Federal Student Financial Aid Handbook, "Dear Colleague" Letters, the Verification Guide, and any other supplemental guidelines obtained through the [www.ifap.ed.gov](http://www.ifap.ed.gov) website. In addition, data provided in various institutional publications such as the School catalogs, and website is to be used to supplement the information in this manual.

### **Institutional Eligibility**

Under the Federal Student Aid (FSA) programs guidelines Preferred College of Nursing is classified as a Proprietary institution of higher education (private and for-profit). Preferred College of Nursing's Program Participation Agreement (PPA) expires on June 30, 2011. Any changes made by the Preferred College of Nursing under the existing PPA, to include but not restricted to: personnel changes of person(s) exercising substantial control or person designated as Title IV program administrator, change of address, increase or decreases in level of program offerings, changes to program length, and change in Governance must be updated on the Eligibility Certificate and Certification Approval Report (ECAR) within 10 days of the change.

\*See **Appendix A** for recent copy of the ECAR and Program Participation Agreement.

### **Institutional Principles of Financial Aid**

The primary purpose of Federal Student Aid (FSA) is to provide financial resources to students who would otherwise be unable to pursue a postsecondary education. In addition to determining that the student has met eligibility for disbursement; the financial aid department must determine and confirm that the program's funds have been disbursed for programs that are approved by FSA.

### **Statement of Good Practices for the Financial Aid Office**

#### *The financial aid staff*

- Will ethically award each student to the limit that is permitted by the Department of Education.
- Will implement adequate controls to assure that students are not over-awarded base on their individual need-base documents.
- Will identify, assist, and explain federal regulations to students and their parents while processing financial aid. Financial assistance is only intended to supplement the effort of the student and his or her family.
- Will provide students with any and all available financial aid resources available.
- Will communicate to students of all rules and regulations under which an FSA award is granted.
- Will value the confidentiality of student records. All policies and procedures should protect the student's rights to privacy.
- Will remain honest and fair throughout preparation of funding requests.

## Section 2: Administrative Organization of the Financial Aid Office

### Records Management

#### *Records Maintenance*

All records will be retained to demonstrate the proper administration and fiscal requirements for the participation of the Title IV Federal Student Aid funds (FSA) program funds. See **Appendix B** for a list of the minimum records to be retained. This information can be found in a student's financial aid file. Files are maintained in fireproof storage.

#### *Essential School Information*

##### Preferred College of Nursing address:

Preferred College of Nursing  
3424 Wilshire Blvd. Suite 1100  
Los Angeles, CA 90010

Financial Aid Telephone Number: (323)456-5050

Financial Aid E-Fax Number: (323)857-5010

Federal School Code: 041505

Federal Direct Loan Code: G41505

### Organizational Charts

See **Appendix C** for the Financial Aid Organizational Chart and corresponding job descriptions.

### Responsibilities of the Financial Aid Office

#### *Financial Aid Office Responsibilities*

Financial Aid Office Responsibilities Include:

- Reviewing financial aid programs and answering questions in regards to funds available to the students.
- Receiving all necessary documents to review and analyze for determining student's financial need and eligibility.
- Will assure and add, if applicable, any and all other outside source that the student is receiving.
- Awarding of financial aid awards.

### *Financial Aid Directors*

Financial Aid Director Responsibilities Include:

- Authorizing disbursements.
- Submitting voucher to the Executive Director in order to request funds.
- Calculating Return to Title IV.
- Requesting the return of funds.
- Reconciling federal funds accounts with the Executive Director in accordance with Blue Book accounting principles.
- Providing EFT notification to student.

### **Financial Aid Office Administration**

#### *Office Hours*

The financial aid office is staffed Monday through Friday from 9:00 a.m. to 5:30 p.m. Students may contact the financial aid office via phone or by making an appointment. The financial aid office staff will respond to each student inquiry within a 24 hour period during a normal work week, in accordance with Preferred College of Nursing's policy.

#### *Record Retention Period*

All records will be maintained for a period of five years. See **Appendix D** for exact retention timeframes.

### **FERPA Policy**

#### *Confidentiality of Records*

Under State and Federal laws, including the Family Educational Rights and Privacy Act of 1974, every conversation and all paperwork that the Financial Aid Office has with a student and his/her parents is considered private and confidential and is entitled to the protection ordinarily given to a counseling relationship. Preferred College of Nursing assures the confidentiality of student educational records in accordance with Preferred College of Nursing procedures and (FERPA) as amended. The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) is a Federal law that protects the privacy of student education records. In compliance with FERPA, Preferred College of Nursing will have written permission from students in order to release any information from a student's education record. However, FERPA allows schools to disclose those records, without consent, to the following parties or under the following conditions (34 CFR § 99.31):

- School officials with legitimate educational interest
- Other schools to which a student is transferring
- 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
- State and local authorities, within a juvenile justice system, pursuant to specific State law.

Preferred College of Nursing does not presently disclose, but may at a future date, without consent; disclose "directory" information such as a student's name, dates of attendance, status and/or degree received if any. Please contact us if you DO NOT wish PCN to disclose the above directory information.

### **Directory Information**

Preferred College of Nursing may disclose directory information as defined in FERPA to the public unless the student has specifically requested in writing that this information is to be withheld. A student must submit a written release of information for any additional information to be released to any other person or agency. A student's consent is not required for disclosure of non-directory information to other college employees who have a need to know, representatives of federal and state agencies, and accrediting organizations.

**\*See Appendix E** for a copy of the PCN FERPA form.

## **Chapter 2: Title IV Programs Participation**

### **Section 1: Financial Aid Programs**

#### **Program Type and Access**

Preferred College of Nursing offers a non-degree Vocational Nursing Program (LVN), Nursing Assistant Training, Home Health Aid Training, Pharmacy Technician, Advanced IV Therapy for RN, IV Therapy, Blood withdrawal certification for LVN's, and continuing education credits for LVN's and RN's. The LVN Program is the only FSA Approved program to participate in Title IV. The website can be found at <https://studentloans.gov/mydirectloan/index.action>.

## Section 2: Participation in Financial Aid Programs

### Federal Financial Aid Programs Availability

#### *Federal Pell Grant*

Awards are based on the Expected Family Contributions (EFC) on the student's SAR or ISIR, the academic year structure, and the student's cost of attendance. The Scheduled Award amounts are specified on the Pell. A full-time 2010/2011 Federal Pell Grant award is \$5,550.00.

#### *Federal Direct Student Loans*

All new students and continuing packaged students may apply for the Federal Direct Student Loan programs: Subsidized / Unsubsidized / PLUS

#### *General Student Eligibility*

In order to be eligible for Title IV assistance, students must meet the following requirements:

- Possess a high school diploma or GED or signed attestation affirming high school graduation or comparing transcripts.
- Minimum of 17 years of age.
- Passing score of 80% on the entrance exam.
- Maintain a 75% average per class.
- Enrolled in an eligible program for the purpose of obtaining a certificate.
- Provide a valid Social Security Number.
- Be a citizen or a permanent resident of the United States.
- Registered with Selective Service or submit a verified exemption from registration.
- Not be in default on a Title IV federal student loan or owe any Title IV federal student grant overpayments.
- Enrolled for the minimum number of hours required for the Title IV federal student aid program.
- Make satisfactory progress in their educational program.
- Demonstrate financial need.
- For purposes of the Federal Pell Grant program, not have a baccalaureate or first professional degree.

**Criminal Background Policy:**

Preferred College of Nursing applicants shall be advised to bring his/her live-scan fingerprint report for submission to the Department of Public Health Services during registration. The student shall indicate on the initial application whether or not he/she has ever been convicted by any court of law of any crime other than a minor traffic violation. If yes, the following steps will occur:

- Enrollment will be on hold pending upon result of his/her criminal background screening.
- Once clearance has been received the enrollment process will continue.

**Drug Testing Policy:**

Depending on the Hospital or facility a urine-drug screening will be requested one week prior to the student attending the assigned clinical site. The student has the option to be tested by his/her own private doctor or by a facility recommended which is affiliated by the school. Steps to be followed:

- The drug screening must be completed within one (1) week of beginning the clinical rotation.
- If the student tests positive for drugs, a one (1) time re-test is permitted.
- Two (2) positive results will automatically jeopardize the student's ability to continue in the program.

**Eligibility Prior to Disbursing**

- Student must be in attendance.
- Student must meet required hours and weeks.
- Must be enrolled at least half-time.
- Student must have completed entrance counseling and/or received the required disclosures.

**Approved Leave of Absence (LOA)**

Students can request a leave of absence (LOA) which will temporarily interrupt a student's program of study. Students must meet certain conditions according to 34 CFR 668.22 (d); to be counted as a temporary interruption in a student's education instead of being counted as a withdrawal requiring a school to perform a Return to lender calculation. A student is considered withdrawn or dropped if he/she does not return upon the end of the LOA. FSA eligible students are not eligible for Direct

Loans during this period. Federal Pell Grant is authorized to be disbursed during an official LOA, as long as other eligibility criterion is met.

### **Re-Entry Students**

The student must submit a signed and dated letter to the program Director detailing why he or she should be considered a viable candidate for readmission, including specific reference to resolution of the issue(s) that led to the student's termination. In the case where a student was terminated due to his or her lack of attendance or progress, the student must show positive proof that the problem causing the termination has been corrected, thereby ensuring proper attendance and or progress.

### **Notification of Disbursement**

- Student will be notified of disbursements either via electronic or hard copy paper.
- School has 14 days to disburse monies to the students.
- Once the student receives FSA funds, the student and parent (if applicable), assumes the responsibility of the loan.
- Students and parents have the right to cancel loans.

## **Section 3: Non-term Academic Calendar**

### **Purpose:**

To establish guidelines for the calculation, packaging, and disbursement of Title IV funds to students enrolled in the non-term education programs. Title IV funds refers to funds provided to or on behalf of students under the federal financial aid programs authorized by the Higher Education Act of 1965, as amended, including Federal Pell Grant and Federal Direct Loan.

### **Academic Year Definition**

Preferred College of Nursing defines its academic year for its educational programs as 970 clock hours and 30 weeks of instruction. The first academic year is defined as 970 clock hours and subsequent academic year is 580 clock hours.

### Definition of Payment Period

Preferred College of Nursing payment periods are based on the completion of term clock hours and weeks of Theory and clinical hours. Under its non-academic calendar, Preferred College of Nursing is limited to two payment periods each academic year. The first and second payment periods occur at the time which the student successfully completes 485 clock hours. The third and fourth payment periods begin once the student successfully completes 970 clock hours of the first academic year, and the remaining payment periods are 290 clock hours per payment period.

First Academic Year		Second Academic Year	
Payment Period	Clock Hours	Payment Period	Clock Hours
1	1 – 485	3	971-1260
2	486 – 970	4	1260-1550

## Section 4: Student Consumer Information

### General Financial Aid Information

A complete list of the basic required student consumer information requirements can be found in **Appendix F**. Various portions of the required student consumer information can be found in this manual.

### Student Right to Know

Information required under the Student Right to Know Act is provided to the student by Preferred College of Nursing. Additionally this information is available from the school President.

### Campus Security & Statistics

For campus security, every person is required to sign in and sign out in the building lobby after office hours and weekends. The campus statistics is accessible from the PCN Dean's office.

## Section 5: Financial Aid Process

### Forms

Students interested in applying for Title IV financial assistance at Preferred College of Nursing must complete the Free Application for Federal Student Aid (FAFSA), and other pertinent documents requested by the Financial Aid Director.

### Documents to complete by New Financial Aid students

- Students need to complete FAFSA on the web ([www.fafsa@ed.gov](http://www.fafsa.ed.gov))
- Master Promissory Note
- Entrance Counseling Test

### Receipt of Applications

The FAFSA may be processed electronically online at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) and may be sent to ED's central processor, and students can go to Direct loan's website and complete all necessary required paperwork at <https://studentloans.gov/mydirectloan/index.action>.

### Low Income Certification

It is Preferred College of Nursing policy to ensure that there are adequate internal systems in place to ensure conflicting data is resolved before Title IV funds are disbursed. A student with family income reported on the FAFSA of \$0 – \$6000 is considered conflicting data and must be resolved by the student completing a Low Income Form. A valid Low Income Form confirms the total income reported on the FAFSA provides an explanation from the student/parent on how they survived on low income during the award year, current monthly income received, and a signature from the student/parent.

## Section 6: Verification

### Introduction

Students may make mistakes when entering their information on the FAFSA on the Web; schools have processes and procedures for verifying the reported information. Verification is the process of confirming the accuracy of the data students report on their financial aid applications.

### Applications to be verified

*Preferred College of Nursing must verify all applications the CPS selects for verification.*

**Financial Aid Office will Review:**

- Household size
- Number in college
- Adjusted gross income
- U.S. income tax paid
- Certain untaxed income and benefits

The student will be sent a letter requesting the necessary documentation to complete the verification process. Students must submit requested Institutional Student Information Records (ISIRs) with correct data. Failure to provide all required documentation by this date will result in forfeiture of the financial aid award.

Preferred College of Nursing utilizes the U.S. Department of Education's 2010/2011 Federal Verification Worksheet. See **Appendix G** for Independent and Dependent Verification Worksheet form used for the 2010/2011 award year.

**Notification to Students of Results**

Once Preferred College of Nursing has received the verification documents, Preferred College of Nursing will verify the student's eligibility for Title IV assistance, make any appropriate corrections to the data based on the information received, and notify the student in writing that a correction was made to the existing data and of any change in eligibility resulting from the revisions. Upon receipt of the corrected ISIR Preferred College of Nursing will continue with the eligibility review process. Preferred College of Nursing will not make any disbursements or certify any loans until the verification process is completed.

❖ *A student has an option to pay cash for the payment period in question.*

- *A student has the option of requesting a written appeal pertaining to a disqualification decision. The Financial Aid Director makes the final determination of the written appeal. Preferred College of Nursing reserves the right to make a decision to overturn a disqualification based on mitigating circumstances.*

**Referrals to the U.S. Department of Education**

Preferred College of Nursing will refer to the U.S. Department of Education any information identified during the verification process indicating that an applicant for

Title IV assistance may have engaged in fraud or other criminal misconduct in connection with his or her application.

### **NSLDS History Requirement**

Students who apply to Preferred College of Nursing's may have previously attended other college(s) and may have taken out loans which may jeopardize the amount of funds available to them. Other previously awarded funds will have created a financial aid history. Financial Aid personnel will review a student's history by accessing the NSLDS on line at [www.nsls.fap.ed.gov](http://www.nsls.fap.ed.gov). NSLDS not only provides default status, or overpayment status on loans, but also identifies loan periods, annual loan amount, and grants.

Preferred College of Nursing Advisor's must print an NSLDS history for all Federal Student Aid applicants. In order to retrieve a student's NSLDS history, the following information is needed:

- Student Social Security Number
- First Name
- Date of Birth

Preferred College of Nursing personnel must retrieve NSLDS History for every new financial aid applicant or new renewal application. NSLDS will be reviewed and make an assessment on each student's Federal Student Aid eligibility. Items to be reviewed are:

- Default Status on loans
- Overlapping loan periods
- Annual loan limits
- Aggregate loan limits

**Note:** This list is not meticulous and is subject to change based on updates on the Handbook which is updated on a yearly basis.

These items are primary eligibility issues that could affect a student's award at Preferred College of Nursing. All students must have a NSLDS history printed at the beginning of each academic year along with packaging. The NSLDS report shall be placed in the student's financial aid file.

### **Transfer Student Monitoring Process**

The Financial Aid Advisors must send NSLDS a notice for student's transferring to Preferred College of Nursing. Once NSLDS is notified, the Financial Director must

wait 7 calendar days before processing the student's award. An email alert is sent to a Preferred College of Nursing designee if a change occurs. The designated Preferred College of Nursing official is responsible for alerting the Financial Aid Director of the change for an immediate review of the file.

### **Transfer Student Monitoring Process**

The Financial Aid Advisors must send NSLDS a notice for student's transferring to Preferred College of Nursing. Once NSLDS is notified, the Financial Director must wait 7 calendar days before processing the student's award. An email alert is sent to a Preferred College of Nursing designee if a change occurs. The designated Preferred College of Nursing official is responsible for alerting the Financial Aid Director of the change for an immediate review of the file.

### **PCN Enrollment Term Dates**

Annual start dates and end dates are approved and provided by the Associate school Director to all departments. The financial aid department uses these dates when determining a student's loan period for student loan certification. See **Appendix H** for a 2010-2011 enrollment Start and End Date schedule.

## **Section 7: Student Budgets**

### **Cost of Attendance**

The Director of Financial Aid collects information to prepare standard budgets on an annual basis. The actual cost of tuition and fixed estimates for room and board, supplies, miscellaneous and personal expenses, and origination fees are used in calculating annual costs of attendance at Preferred College of Nursing. As actual living expenses and other costs may differ significantly for individual students, using professional judgment, the Financial Aid Director may adjust the estimated costs to accommodate individual circumstances.

### **Budgets**

Budgets are revised annually based on methodology derived by the California Student Aid Commission. Student Expense Budgets provide an estimate of monthly educational expenses (e.g., books and supplies, housing, food, personal expenses, child care as education expense, and loan fees). PCN calculates the expenses for the academic year when establishing the student's budget for the academic year. See **Appendix I** for standardized budgets used during the award year.

## Rationale for the Academic Year Charges

The budget for students within their first academic year with total charges of **\$18,500** is defined below:

Tuition of \$17822.50/1550 clock hours = \$11.49 rounded to \$11.50 X 970 (First academic year) = \$11,155.00 + \$75.00 (reg) + \$100.00 (Lab fee) + \$452.50 (textbooks) + \$50.00

(STRF)/I.D./Cert = \$11832.50 rounded to **\$11,833.00**

For the 2<sup>nd</sup> academic year the tuition amount will be the difference between the first year and the total charges of **\$6,667.00**.

### Full-time

The first academic year tuition and fees are added to the **7** month standardized budget. The second academic year tuition and fees are added to the **5** month standardized budget.

### Part-time

The first academic year tuition and fees are added to the 12 month standardized budget. The second year academic year tuition and fees are added to the 6 month standardized budget.

The budget for students within their first academic year with total charges of **\$19,500** is defined below:

Tuition of \$18822.50/1550 clock hours = \$12.14 X 970 (First academic year) = \$11,776 (rounded) + \$75.00 (reg. fee) + \$100.00 (Lab fee) + \$452.50 (textbooks) + \$50.00 (STRF)/I.D./Cert = \$12453.30 rounded to **\$12,454.00**

For the 2<sup>nd</sup> academic year the tuition amount will be the difference between the first year and the total charges of **\$7,046.00**.

Effective **January 1, 2011**, Preferred College of Nursing tuition charges will increase to **\$22,500**.

First Academic Year: Tuition of 22,365/1550 clock hours = \$14.42 X 970 = 13987.40 + 75.00 (reg. fee) + \$55.00 (STRF) + 5.00 (ID) = **\$14122.40**.

Second Academic Year: Tuition of **\$8377.60**

## Section 8: Packaging

### Introduction

“Packaging” is the term usually applied to the concept of offering two or more types of financial assistance to students. Students receiving Title IV assistance cannot receive aid in excess of total cost of attendance. Upward adjustments in the amount of aid awarded are permissible on the basis of new information, provided that

assistance is available. Preferred College of Nursing must also reduce the amount of aid awarded when necessary in order to prevent an “over-award”; such as in the case of a student’s receipt of additional outside aid. However, Pell Grants are never adjusted to take into account other forms of aid awarded.

### **Institutional Packaging Philosophy**

Students are packaged based on need and availability of funds.

### **Order of Packaging Awarding Financial Aid Funds**

- Federal Pell Grant
- Federal Subsidized Direct/Direct Loan
- Federal Unsubsidized Direct/Direct Loan
- Federal PLUS Direct/Direct Loan
- Alternative Loan

### **Institutional Requirements for Award Acceptance**

Preferred College of Nursing Financial Aid Director meets and provides to the student a Preliminary Award Letter which defines what funding is anticipated for the two academic years of attendance. An award letter is presented to students upon completion of packaging. A copy of the award letter is retained in the student’s file.

### **Revisions of Financial Aid Awards**

In the event of the student receiving additional funding from outside sources, or the student requesting additional funds, or a change in the student’s circumstances, awards are revised accordingly. A copy of the revised award letter is retained in the student’s file.

### **Over-awards**

Students who receive additional funding after initial packaging has occurred are reviewed to ensure no over-award will occur. In the event of an over-award, the financial aid office will notify the Accounting Department to return funds to appropriate agencies.

The financial aid office will also notify the student with an updated award letter.

## Section 9: Professional Judgment

### Introduction

Except in unusual circumstances, a student's expected family contribution (EFC): the amount the student and his or her family are expected to contribute towards the student's educational costs will be derived from the data provided on the FAFSA. Professional judgment is used to recognize a special circumstance related to a student's application for federal student aid that might warrant an adjustment in a student's EFC. Professional judgment must be applied on a case-by-case basis and properly documented.

### Circumstances under which Professional Judgment may be considered

- Death in the family – Death Certificate
- Loss of employment – Letter From Employment Development Department
- Critical injury – Medical Diagnosis, Bills, Etc.
- Change in financial circumstances – (3) Letters from parties involved
- Other circumstances approved by the Financial Aid Director

### Exercising Professional Judgment and Required Documentation

#### *Documentation of Professional Judgment*

Appropriate documentation must be collected to verify each circumstance and then professional judgment may be used to make the appropriate adjustment.

**Example:** In the event one of a student's parent's dies, but both parent's incomes are provided on the application for financial assistance, Preferred College of Nursing may adjust the student's eligibility for federal aid by adjusting the income to reflect only the surviving parent.

Documentation must be collected to verify all adjustment.

### Student Appeals

Students may appeal decisions of aid administrators with respect to professional judgment. A student must first submit a written appeal to the Financial Aid Director. The decision of the Financial Aid Director is final, and no further appeal is available.

## Section 10: Processing Loans

### Certification Process

In certifying a Direct Loan, the Financial Aid Director is required to make several determinations pertaining to a student's eligibility. The review includes but is not

limited to: student eligibility (resolving conflicting data), determine maximum loan amount, loan periods, grade level, and payment period completion to progress to subsequent loan. The certification process begins when the financial aid office certifies the period of the loan (e.g. academic year), the grade level, and the anticipated date of program completion for the academic year. This information is retrieved from data which is provided by the Office of Student Affairs. In all cases, the student’s Financial Aid Director must re-confirm graduation dates with the Records Office at the time of preparing a Student Status Confirmation Report. Direct Loan originations and disbursements are updated and transmitted in EDEXpress. Copies of the origination and disbursement records are printed and maintained in the student’s financial aid file.

**Annual Loan Limits**

The amounts of Direct Loan funds that a student may borrow for each academic year is the annual loan limit established for an undergraduate.

<b>Loan Limits</b>	<b>Subsidized</b>	<b>Unsubsidized</b>
Undergraduate	\$3,500.00	\$6,000.00
(Independent)	\$4,500.00 (subject to Proration)	\$4,500.00 (subject to Proration)
(Dependent)	\$3,500.00	\$2,000.00 \$4,000.00 (if parent denied)
	\$4,500.00 (subject to Proration)	\$4,500.00 (subject to Proration)

\*Proration is based on credits and weeks determination.

**Preventing over-awards**

The purpose of this policy is to ensure over-awards are adequately handled. Direct loan borrowers are not to exceed the annual and aggregate loan limits. In addition, total aid received may not exceed the student documented Cost of Attendance (COA). If an over-award is detected based on recalculating the Cost of Attendance (COA), Expected Family Contribution (EFC), or Estimate Financial Assistance (EFA), subsequent scheduled disbursements must be cancelled immediately. If the subsequent disbursements have been released, a reallocation may be warranted not to exceed the student COA if a reallocation cannot be made, such as the borrower was not eligible for the amount of subsidized loan received, and no unsubsidized

was certified, then the ineligible amount of subsidized loan must be refunded to Direct Loans within 30 days.

## **Section 11: Fraud**

### **Policy Concerning Fraud**

Students and parents who willfully submit fraudulent information will be investigated to the furthest extent possible. All cases of fraud and abuse will be reported to the proper authorities.

### **Procedures Concerning Fraud**

If, in a financial aid Director's judgment, there has been intentional misrepresentation, false statement, or alteration of documents which has resulted, or could result in the awarding or disbursement of funds for which the student is not eligible, the case shall be referred to the Director of Financial Aid for possible disciplinary action. After investigating the situation, if the Director of Financial Aid believes there is a fraudulent situation, all information must be forwarded to the Office of Inspector General of the U.S. Department of Education or the local law enforcement agency.

The Director of Financial Aid reviews the student's aid file with the appropriate financial aid administrator and a decision is made by the Director of Financial Aid to pursue the possibility of denying or canceling financial aid. All processing of the application or disbursement of funds shall be suspended until the Director of Financial Aid has made a determination as to whether the student shall be required to schedule an appointment to address the issues.

## **Section 12: Default Management**

### **Entrance Counseling**

Entrance counseling is completed to inform students of their rights and responsibilities before receiving the first disbursement of a Direct Loan at Preferred College of Nursing. Each student must complete an entrance interview form Entrance Counseling (StudentLoans.gov website) for Direct Loan borrowers on the Direct Loan Servicing Online Web site. First-time borrowers are required to complete Direct Loan Entrance Counseling prior to receiving their first disbursement of student loans.

## **Exit Counseling**

The Financial Aid Director mails the student to complete the exit interview process. See **Appendix J**. A copy of the letter and date issued is documented in the student's financial aid file. All exit counseling must be completed within 30 calendar days of the change of status.

## **Default Management**

Preferred College of Nursing has an in-house appointed person to work on the Default Prevention. The appointed person will work with student loan delinquency resolution and reduction in cohort default rate data.

## **Disbursement Process and Qualitative/Quantitative Evaluation**

### *Anticipated Disbursements*

The Financial Aid Director is responsible for monitoring anticipated disbursement scheduled for students. Accounts Receivable is vital for students. The Financial Aid Director can run monitoring reports in EDEXpress on what is anticipated disbursements and/or manual tracking loan log of anticipated disbursements.

## **Satisfactory Academic Progress for a LVN Student**

All Students must maintain satisfactory academic progress and clock hours completion requirements.

### **1) Successfully Complete Attempted Credit Hours (Quantitative):**

A Student must complete each term or required clock hours and weeks in order to receive their scheduled financial aid award.

### **2) Consecutive Enrollment:**

A student must remain enrolled and must be continuous with no breaks in enrollment in order to receive their 2nd disbursement of their financial aid award. All courses attempted must be successfully (passed) completed.

### **3) Required Minimum Hours:**

Candidates must have completed a minimum of 485 clock hours (1 Term) before receipt of the 2nd disbursement of the award, and they must also complete course one of the second course.

### **4) Grades (Qualitative):**

A student must maintain a grade of 75% for each course or an academic standing consistent with the requirements for graduation in the program of study.

A student's academic year begins with the first term and consists of five consecutive terms from a start date. *If a student does not complete the necessary clock hours then the scheduled second disbursement will be delayed until the student has successfully complete 485 clock hours (half of 970 clock hours).* However, a student will only become eligible to enter a new award year after successful completion of a full academic year, 970 clock hours. The completion of a full academic year constitutes a progression in grade level and makes a student eligible for a new award year of financial aid funding.

**1) Successfully Complete Attempted Clock Hours (Quantitative):**

Students must complete half of the clock hours in the academic year and successfully pass all courses in order to maintain the scheduled Financial Aid Award.

**2) Required Minimum Hours:**

Student must complete the first clock hour of the program to receive the 1st disbursement of a scheduled disbursements. A minimum of 485 clock hours (1 Term plus completion of second week of Term 2) before receipt of the 2nd disbursement of the award can be released.

**3) Grades (Qualitative):**

A student must receive a grade of 75% or better, for each term to be considered completed. A student who may have a passing grade average in one subject but fails the other subjects within the program is not progressing toward graduation at an acceptable pace. Minimum Cumulative Grade Point Average requirements must also be met at the end of each completed Term as defined in the PCN Student Catalog, to receive the scheduled financial aid award.

**EFT notification**

The Accounting Office notifies the student that the funds have arrived and funds have been applied to the account. An EFT notification is sent to the student and/or the parent within 14 calendar days advising the student's right to cancel disbursements.

## **Returning Title IV Funds**

Returning Title IV funds is the responsibility of the Accounting Office. All funds are returned to the lenders or E-Payments (G-5 for Fed Pell and Fed Direct Loan) by the Accounting Department. Loan funds are returned within or by 45 days of the student's Withdrawal Date.

## **Section 13: Authorization for Disbursement of Funds**

### **Methods of Disbursement**

Funds are disbursed daily as the student becomes eligible. Funds are disbursed electronically in two equal disbursements for an academic year. Once the Financial aid Director determines eligibility; he/she will go into EDEXpress and the Common Origination and Disbursement (COD) records to order Federal Pell Grants and Direct Loans. Preferred College of Nursing is under the advanced method and draws down through E-Payments based on actual disbursements.

### **Timing of Disbursements**

#### *Timing of Disbursements*

Timing for Disbursements is processed by using the anticipated disbursements schedule that relates to the payment period.

#### *Non- Term Disbursements*

First Disbursements concerning funds for Non-term Programs are reviewed by the Financial Aid Director or designee to review the student eligibility standards listed below prior to authorizing any disbursement of Title IV Funds to any student's account. As part of this review, the Financial Aid Director confirms that the student:

1. Is enrolled for the number of clock hours and weeks required for each Term for which an award has been made.
2. Has fulfilled all financial aid program requirements and submitted all required documents from forms.

For second disbursements in an academic year the Financial Aid Director confirms that the student:

1. Has successfully completed 485 Clock hours and has passed all courses attributed to those hours and half of the number of weeks of instruction in the academic year of the second Term of the second payment period.

## Section 14: Identifying Withdrawal Students R2T4

### Withdrawal Process

*Student asks to drop a program.*

If a student wants to drop a program he or she has to request the drop via written notification to Preferred College of Nursing.

*Student request to withdraw*

A student who wishes to be withdrawn from Preferred College of Nursing requests withdrawal through their program Director. Students who officially withdraw will receive refunds in accordance with the Institution Refund Policy and Return to Title IV calculation. Students who do not officially withdraw from a course will automatically receive a grade of Fail (F) reflected in his or her transcripts of record.

*School drops the student (unofficial withdrawal)*

Financial aid students will be deemed as an unofficial withdrawal by the school when taking an unapproved break in enrollment or cessation of course (absent no more than 10 consecutive days). An unofficial withdrawal will constitute a Return to Title IV calculation up through the student's last date of attendance. Students will receive a Notice of Refund within 45 days of their withdrawal date.

### Return of Title IV Funds Procedure

If a student withdraws completely from a term or stops attending before he/she has completed 60 percent of that payment period, the student will need to abide by certain federal rules regarding the return of financial aid.

#### Defining 60 percent of a term

The federal formula to calculate "60 percent" takes the number of calendar days completed in a term, divided by the total number of calendar days in that term. If the student withdraws or stops attending before the 60 percent point of that payment period, he/she may have "unearned aid" that will need to be returned to the applicable Title IV programs.

If the student is on an approved Leave of Absence (LOA), he/she will be excluded from the Return of Title IV funds calculation. If the student fails to return from an approved leave of absence, then a Return to Title IV calculation is warranted up through their last date of attendance.

**What are "earned" and "unearned" aid?**

During the first 60 percent of a payment period, the student will "earn" Title IV funds in direct proportion to the length of time he/she remain enrolled. If the student remains enrolled beyond the 60 percent point, he/she earns all the aid for that period. "Unearned aid" covers federal financial aid funds that the student has accepted, but that he/she has not yet earned by attending for a full term.

**How is the amount of unearned aid determined?**

The federal "Return of Title IV Funds" formula dictates the amount of federal Title IV aid that must be returned to the federal government by the school. The percentage of Title IV aid to be returned (—) the unearned aid (=) the number of calendar days the student completed in the payment period divided by the total number of calendar days in the payment period.

**Who is responsible for repaying unearned aid?**

Preferred College of Nursing is not required to return all of student excess funds, the student must return the remaining amount. Any loan funds that the student must return may be repaid in accordance with the terms of his/her master promissory note. That is, the student makes scheduled payments to the holder of the loan over a period of time.

PCN will calculate the percentage of the enrollment period completed and multiply this by the amount of aid that was disbursed as of the date of withdrawal to determine the aid that was earned. To determine the unearned portion, PCN will subtract the earned amount from the aid disbursed as of the date of the withdrawal.

PCN must return the amount that is equal to the total institutional charges for the period of enrollment multiplied by the percentage of the Title IV aid that was unearned. The student will be responsible for returning the amount that is equal to the funds received times the percentage of the Title IV aid that was unearned.

Example:

Any amount of unearned grant funds that you must return is called an overpayment.

### **Order of Return**

Unearned Federal Financial Aid must be returned to Title IV Programs in the following order:

1. Federal Direct Unsubsidized Stafford Loan
2. Federal Direct Subsidized Stafford Loan
3. Federal Direct PLUS Loan
4. Federal Pell Grant

Student owing dollars to Federal Student Loan Program begins repayment six months after the student ceases to enroll at least half-time. Dollars owed by the student to Federal Pell Grant Program must be repaid immediately and will be deemed by the school as an **overpayment**.

### **Return of Title IV (Federal Student Aid)**

Federal regulations require that when a financial aid recipient officially withdraws from the school or ceases participation in all his or her classes (unofficially withdrawal) prior to the end of a payment period, Preferred College of Nursing completes a Return of Title IV calculation to determine the amount of federal student aid that the student has earned for the payment period. Generally, unearned Title IV Funds must be returned to the appropriate Title IV program, either by the institution or the student, as appropriate. Title IV Funds are disbursed based on a student's eligibility and enrollment status for each payment period. At Preferred College of Nursing there are two payment periods in each academic year. (See "payment period" and "academic year" definitions.) Return of Title IV Funds is calculated on a payment period basis.

Title IV Funds are disbursed with the expectation that the student will complete the payment period. When a Title IV Fund recipient ceases enrollment in all courses of a payment period before the end of the payment period, the student may be ineligible for a portion of the Title IV Funds awarded for the payment period. In brief, a student earns the Title IV Funds awarded on a pro rated basis according to the percentage of the term the student completed. Once a student has completed 60% of the payment period, the student is deemed to have earned 100% of the Title IV Funds scheduled for the payment period.

If it is determined that Title IV Funds need to be returned to the Title IV programs they will be returned in the following order:

1. Federal Unsubsidized Direct Loan
2. Federal Subsidized Direct Loan
3. Federal Parent Loans to Undergraduate Students (PLUS)
4. Federal Pell Grant

Preferred College of Nursing's financial aid office will return the refund for the student for whom a Return to Title IV calculation is required. If the return funds create a balance due on the student's account, the student will be responsible for paying the balance. See **Appendix K** for a copy of the Return to Student form.

## **Section 15: Satisfactory Academic Progress for Title IV**

### **Policy on Satisfactory Academic Progress (SAP) for Federal Financial Aid**

To be eligible for federal financial aid (also known as "Title IV funds") a student must be making satisfactory academic progress or maintain a grade of 75% or higher at the end of Term 5 in his/her degree plan. Any student who is not making satisfactory academic progress under the standards of this policy cannot receive Title IV funds. There are two primary measurements that schools must use to establish student eligibility under SAP. They are qualitative (GPA) and quantitative (credit completion).

#### *Qualitative/Quantitative Standards*

The standards of academic progress measure a student's academic progress both qualitatively and quantitatively. The qualitative measure assesses the student's general average. The student must maintain, in general, a grade of 75% for each course or an academic standing consistent with the requirements of graduation in the program of study.

#### *Title IV Probation*

If a student is not meeting the minimum cumulative grade average requirement at the end of any term the student will be placed on Title IV Probation for one term. If at the end of the Title IV Probation term the student still is not meeting the cumulative grade average of 75% requirement, the student will be deemed to not be making SAP and will not be eligible for Title IV until such time as all standards of SAP are met. Please note that Title IV Probation relates to the SAP determination of students receiving Title IV student aid and is separate and distinct from a student's academic status. Preferred College of Nursing's Academic Probation Policy determines a student's continued academic standing. Students are notified by the Financial Aid Department when they are placed on Financial Aid Probation or

Disqualified from Financial Aid. A student on Title IV probation is considered to be making academic progress and remains eligible for Title IV funds. See **Appendix L**. A copy of the probation letter is maintained in the student's financial aid file.

*Clock Hour Completion (SAP)*

To meet the credit completion requirements, students must be making progress (earning clock hours) at a rate to ensure they will complete in no more than 150% of the total clock hours required to graduate from the program. Students must successfully complete at least 75% of all attempted hours. "Successfully completed" terms, solely for purposes of SAP and Title IV eligibility, are those for which the following grades are awarded: A+, A, B+, B, C

*Title IV Eligibility*

The student should seek the advice of his or her program Director to determine what is required to satisfy Preferred College of Nursing's academic requirements for graduation.

*Transfer credits*

Students who do not meet percentage standard are not eligible for Title IV funds until they meet all terms of the SAP standards. If a student is not making SAP, achieves SAP during a term, the student will be eligible for the entire term.

*Failing grade, Withdrawal (W), Repeat, and Cancel*

A student will be allowed to participate in a written evaluation (test) to demonstrate successful meeting of remediated subject objectives. If a student successfully demonstrates that he or she has met the course objectives by successfully passing the remediation examination (achieving a grade of 75% or above) the student's permanent record would reflect a passing score of no more than 75%. If the student fails the remediation examination (achieving a grade lower than 75%), the student will then receive whichever is the higher or the two grades (original failed grade or the remediation examination grade). Both the original and remediation grades would be reflected on the student's transcript of records. During remediation course, an FSA student is not eligible for Title IV funding.

SAP will be recalculated. If SAP is not met, the student may be required to repay Title IV funds.

Once a student has attempted total clock hour requirements equal to 150% of the program, they are no longer eligible for any Federal financial aid.

### *Appeals of Satisfactory Academic Progress*

Any student with a complaint or grievance regarding any aspect of his or her instruction at the Preferred College of Nursing should follow the procedure to make sure that their grievance is heard.

- Make an appointment to discuss the matter with the Instructor of the course in question within seven (7) days of the event.
- Outcome is not satisfactory: the student needs to make an appointment to discuss the matter with the Director of Nursing Education or the Director of Student Affairs within 3 days of the event.
- After meeting with the Instructor and the Director a satisfactory outcome is still not reached: the case is then brought to the Academic Committee for determination of outcome. The decision of the committee is final and not subject to further appeal.

### **Section 16: Funds Management and Reconciliation**

Preferred College of Nursing maintains a funds management system that adheres to Federal and State regulations, and Generally Accepted Accounting Principles. As such, the personnel authorizing requests for federal funds know the availability of fund balances when making requests, the fund management system tracks draw downs and disbursements of funds, and maintains controls to ensure the university does not spend more funds than it has the authority to spend.

Preferred College of Nursing determines the amount of funds needed to make disbursements to students. Based on that need, the College will initiate the process of drawing down funds. Preferred College of Nursing has established appropriate cash accounts, based on relevant Federal, State or other guidelines, to ensure that all funds may be tracked appropriately (See Section 13 for a description of disbursement of funds to students).

#### **Preferred College of Nursing Management System**

- Records that identify source and application of funds;
- Effective control over and accountability for all funds, property, and other assets, including adequate safeguarding of all asset and ensuring that they are used solely for authorized purposes;
- Procedures for determining reasonableness, allow ability, and allocation of costs;
- Accounting records that are supported by audit trail documentation.

### **Processing Student Refunds Checks**

The purpose of this policy is to ensure that refund checks are issued no later than 14 calendar days after the day the disbursement is posted to the student's account. The Accounting office has 3 business days to process the disbursement, and Accounts Payable has 14 days to process the refund check to the student.

### **Accounting System**

The accounting system is designed to enable timely internal and external reporting, proper filing of applications, and accurate final reports, as well as to meet documentation requirements for various financial aid programs. An integral part of the accounting system is the chart of accounts. The chart is a primary internal control mechanism delineating the framework of the accounts. The chart is designed to meet the accounting needs of the School and various funding agencies.

In addition to the chart of accounts, Preferred College of Nursing maintains a system of internal control that includes:

- Separating the functions of authorizing and disbursing funds to students.
- Determining that accounts are in balance.
- Reconciling cash between the books and the federal bank accounts.
- Reconciling funds from various agencies between bank accounts and reported balances for cash.

## **Section 16: Enrollment Status Updates**

### **Enrollment Status**

Preferred College of Nursing defines full-time enrollment status for the Vocational Nursing (LVN) program.

### **Status Change and NSLDS**

Preferred College of Nursing uses Student Status Change Report (SSCR) or the National Student Loan Data Systems (NSLDS) when reporting student enrollment information. The process of reporting a student's status while attending PCN determines when a student's loan status shall move into repayment, or is eligible for an in-school deferment. For students moving into repayment, the out of school status effective date determines when student ceases attendance, when the grace period begins and how soon a student must begin repaying loans borrowed.

This information is submitted to NSLDS, evidenced by a Student Status Change Report that can be retrieved by PCN. The Student Status Change Report is a document used during an audit.

NSLDS Reporting Schedule:

- Date 12-01-2010, 02/01/11, 04/01/11, 06/01/2011, 08/01/11, 10/01/11.
- PCN will update NSLDS as a student graduates or withdraws

## **Section 17: Audits**

### **Preparation**

The financial aid records are to be maintained in a manner which allows them to be accessible for review during an audit.

### **Liaison**

The Director of Financial Aid will be the liaison between the financial aid office and the auditors. The Director may however direct the auditors to individuals responsible for specific functions.