

Fiscal Impact of Overawards



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BY

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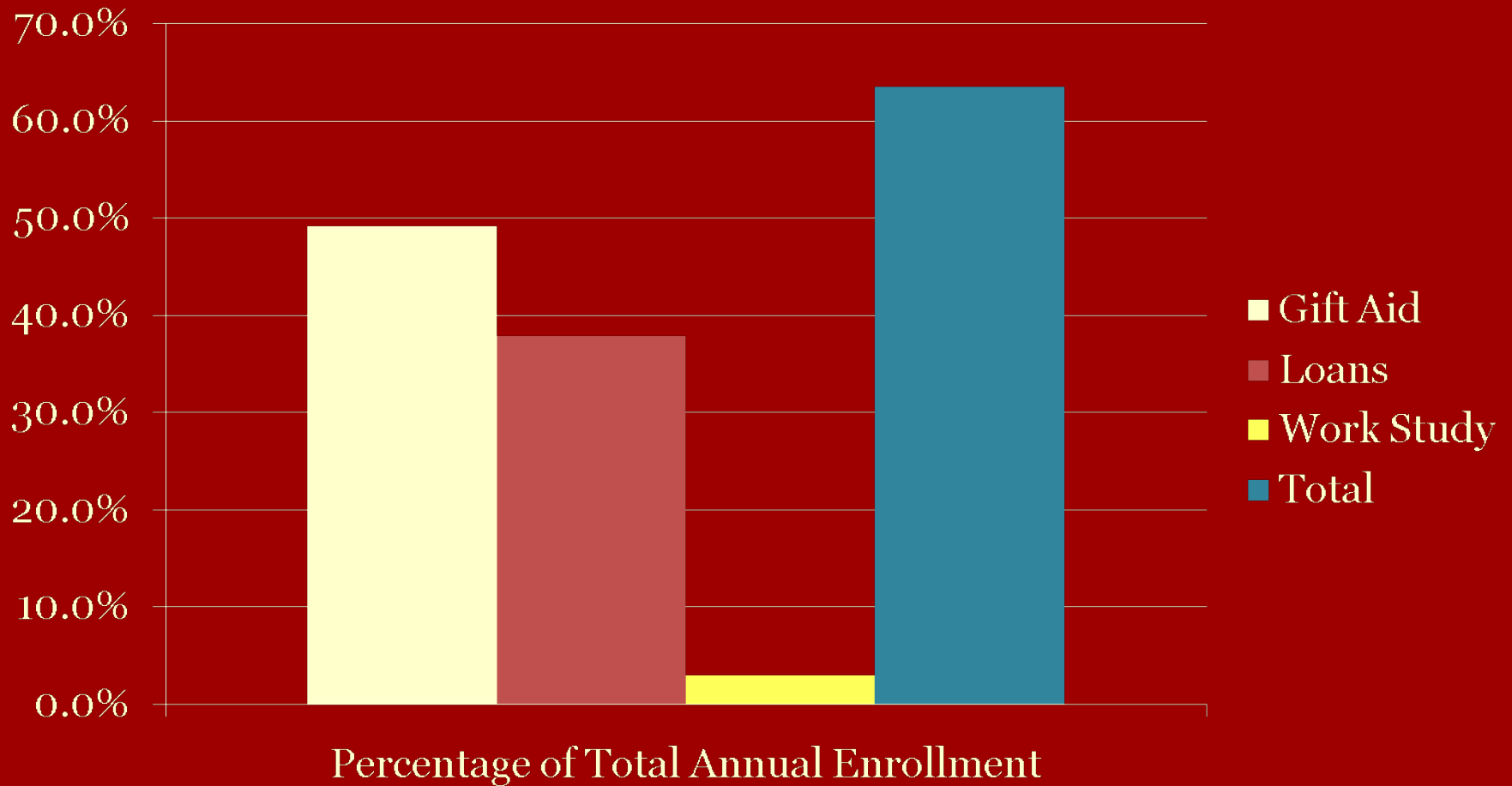
ABAUM@INDIANA.EDU
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Estimated Financial Assistance (EFA)

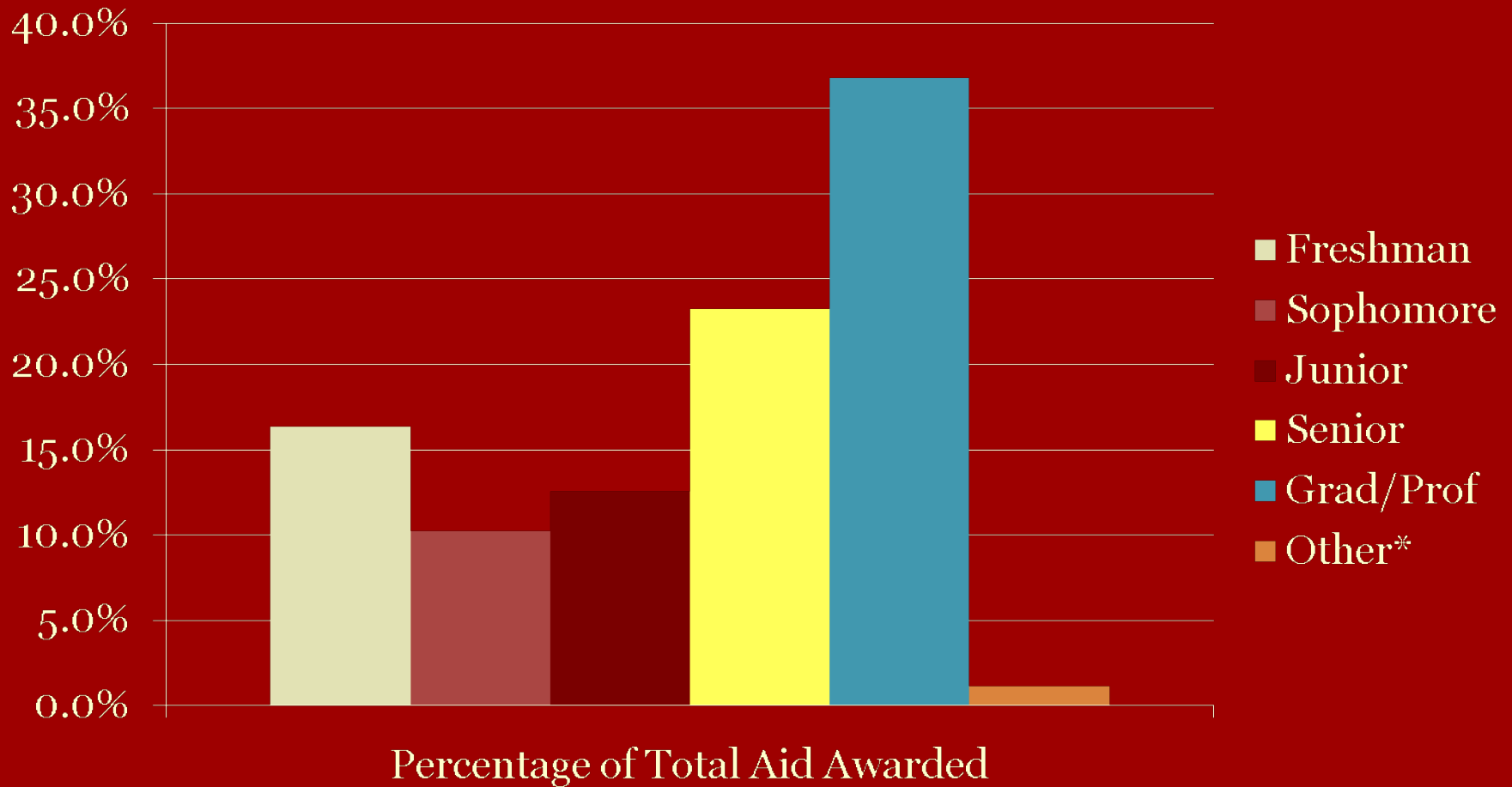


- **Describes other aid that must be accounted for when awarding Federal aid.**
 - **Includes:**
 - ✦ **All FSA Programs, except Federal Pell Grant**
 - ✦ **Grants**
 - ✦ **Scholarships/Fellowships**
 - ✦ **Fee Remissions**
 - ✦ **Sponsorships**
 - **EFA must be accounted for “whether the aid is awarded by the school or an individual or organization outside the school.”** -from *Student Financial Aid Handbook, Volume 5, Chapter 1*

IUB Financial Aid by Type



IUB Financial Aid Awarded by Class



Overawards



- Occur when a student's financial aid package exceeds the student's need.
- Occur primarily when awards are made after Federal aid has been awarded, or even disbursed.
- Occur when the student's circumstances change after Federal aid has been awarded.

Effects of Overawards



On the student:

- Undisbursed Federal aid may be reduced.
 - ✦ Includes:
 - ACG/SMART grants
 - SEOG
 - Perkins Loans
 - Federal Work Study
 - Indiana University Grant
 - Federal Stafford Loans
- EFA that would result in an overaward cannot be posted to students' accounts.

Effects of Overawards



On the school:

- The *school is liable* for all improperly administered funds received or returned under the FSA programs
-from PPA General Provisions Regulations (34 CFR Part 668)
- 2008-09 adjustments to gift aid* by IUB departments:
 - 1,896 since January 2, 2009
 - 2,023 total adjustments since January 2, 2009
 - Excludes Summer 2009 awards

*Includes scholarships, fellowships, grants, and other awards processed in SIS.

Consequences



- **Federal Audit**

- The school is liable for any amount of overpayment for FSA programs for which the school is responsible.
- This includes failure to follow requirements outlined in the Code of Federal Regulations.
- IUB paid down \$248, 441 for 136 Federal Title IV aid recipients as a result of the 2004-05, 2005-06 A-133 Federal Audit.

Prevention Strategies



For Indiana University

- **Timeliness**
 - × **Bursar bill payment**
 - × **Recruitment and retention**

2009-10 Calendar for Financial Aid



- ▶ **March 1, 2009- FAFSA submission priority deadline**
- ▶ **Early March 2009- Incoming freshman packaging**
- ▶ **Mid-March 2009- Financial Aid Notifications are sent to students**
- ▶ **Mid-May 2009- Returning student packaging***
- ▶ **July 27, 2009- First bursar bill run for Fall 2009**
- ▶ **August 10, 2009- Fall 2009 bursar bill due date****
- ▶ **August 21, 2009- Fall 2009 financial aid disbursement date**
- ▶ **November 23, 2009- First bursar bill run for Spring 2010**
- ▶ **December 10, 2009- Spring 2010 bursar bill due date**
- ▶ **December 11, 2009- Final day to process Federal aid for Fall 2009**
- ▶ **January 1, 2010- Spring 2010 financial aid disbursement date**
- ▶ **April 30, 2010- Final day to process Federal aid for Spring 2010**

* Includes Graduate and Professional students.

** Office of the Bursar billing schedule: http://bursar.indiana.edu/billing_calendar.php

Prevention Strategies



For IU Departments

- Award early
 - ✦ March 1st for incoming freshmen
 - ✦ May 15th for returning students
 - ✦ April 15th for summer aid
 - ✦ Ten (10) days prior to the start of each term.
- Award accurately
- Award full academic year amounts
- Anticipate awards
- Award to subsequent terms

Prevention Strategies



For OSFA

- Anticipate awards
- Adjust undisbursed aid
- Manage offered awards
- 2009-2010 Deadlines for SIS award entry
 - April 24, 2010 for Academic Year (fall and spring)
 - August 7, 2010 for Summer

QUESTIONS?