CHANGES TO STUDENT AWARD PAYMENTS

May 20, 2021

Aesha Greene, FAAC, Office of Scholarships & Student Aid

Beverly Wyrick, The Graduate School

- Use the chat box
  to ask questions

- Questions will be addressed
  at the end of the presentation

- Webinar is being recorded

- Recording will be posted on the
  Graduate School's website:
  https://gradschool.unc.edu/

Webinar

Housekeeping

Today's Agenda

- Background and Project Goals
- Training Grants
- Students
  - Impacts
  - Communications
  - Resources
- GradStar System Changes
- Questions

Background and Project Goals

Aesha Greene, FAAC, Office of Scholarships & Student Aid

Background and Project Goals

BACKGROUND

- Project team formed in 2019 to begin review of all student payments

- Found inconsistencies in processing and unclear policy

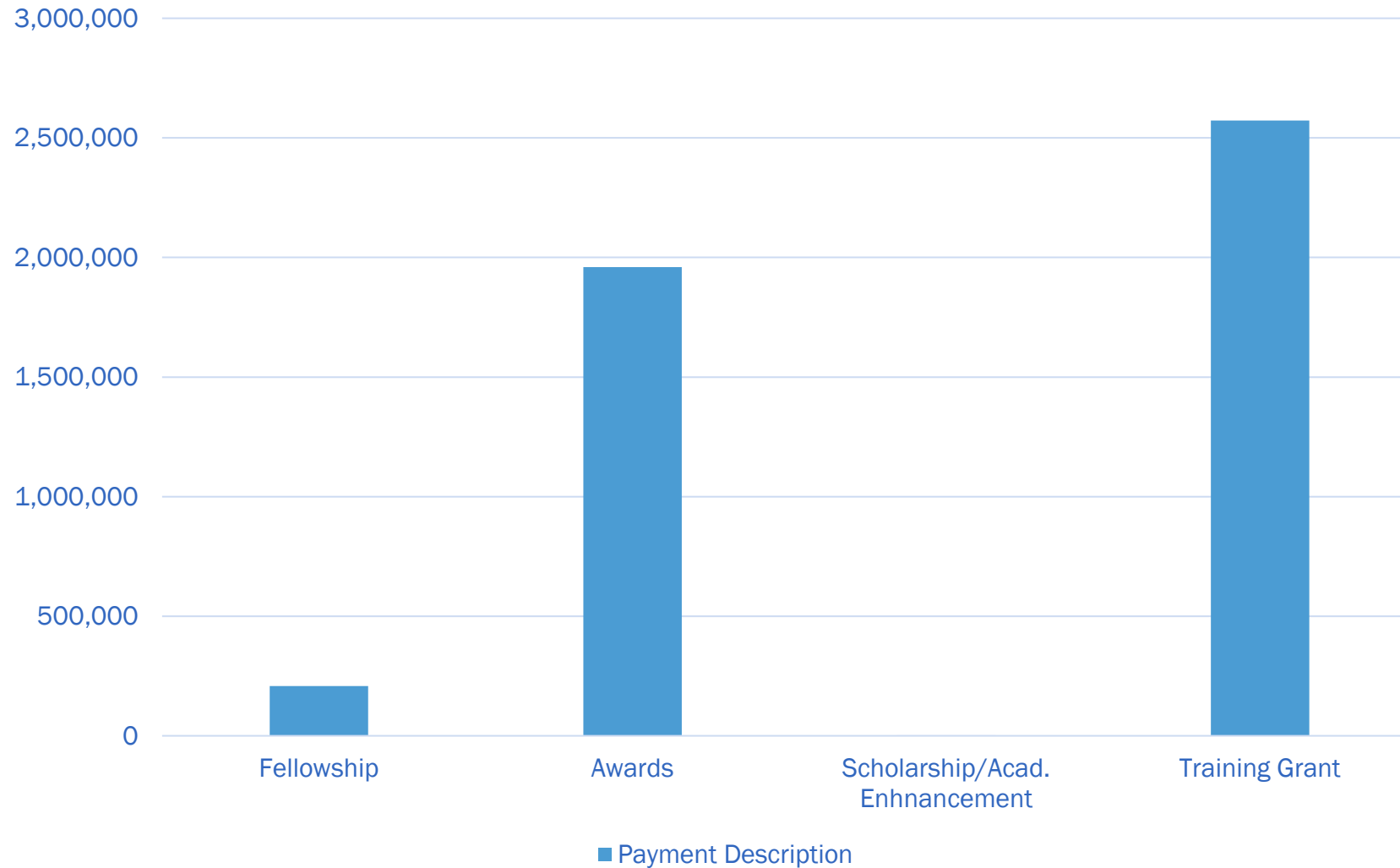- Identified need for guidance on how to manage student payments

GOALS

- Define and document information about student payments

- Ensure University is compliant with federal & state financial aid policies

- Correct known errors in processing

- Communicate changes to campus and students

Background and Goals

Voucher Payments — bar chart showing Payment Description across categories: Fellowship, Awards, Scholarship/Acad. Enhnancement, Training Grant

Define and document information about student payments

- What do federal financial aid regulations say?

  Estimated Financial Assistance (EFA)
  - EFA is defined by the US Dept. of Education and must be considered when determining a student's eligibility for federal financial aid.
    - The estimated amount of assistance for a period of enrollment that a student (or a parent on behalf of a student) will receive.
    - Any educational benefits paid because of enrollment in a postsecondary education institution, or to cover postsecondary education expenses [34 CFR 685.102(b)]

  Administrative Capability
  - Requires all campus offices to report to the financial aid office any information which may have bearing on a student's receipt of Title IV federal student aid. [34 CFR 668.16(b)(3); 673.5; 685.201]

Why are student payment changes needed?

All monies paid to support students are considered **financial aid <u>except</u>**:

- compensation for work performed
- reimbursement of travel expenses performed on behalf of the University

All monies paid to students must be coordinated with other aid to prevent over awarding federal aid:

- Total resources from University and external sources must not exceed the maximum <u>Cost of Attendance</u> when the student is receiving any state or federal support

University is out of compliance if federal aid is <u>**over awarded**</u>:

- **RISK** - lose the ability to administer federal financial aid

Define and document information about student payments

Examples of Financial Aid Payment Types

Payment Type	Description
Fellowships & Scholarships	Paid to an individual to support the pursuit of study or research
Training Grants	An agreement that provides a coordinated training program for students; not compensation
Prizes/contests open to students only	Ex. Honors Taylor Research Award, Innovate Carolina Award
Research studies and internships opportunities	Off Campus Research Fellowship (Graduate School), Summer Internships
Travel for the student's academic benefit	Attending or presenting at a professional conference; conducting fieldwork; and other research activities
Reimbursement of expense for personal research project or similar	Ex: A student is required to create a project to graduate and is reimbursed for the supplies

Define and document information about student payments

Non -Financial Aid Payment Types

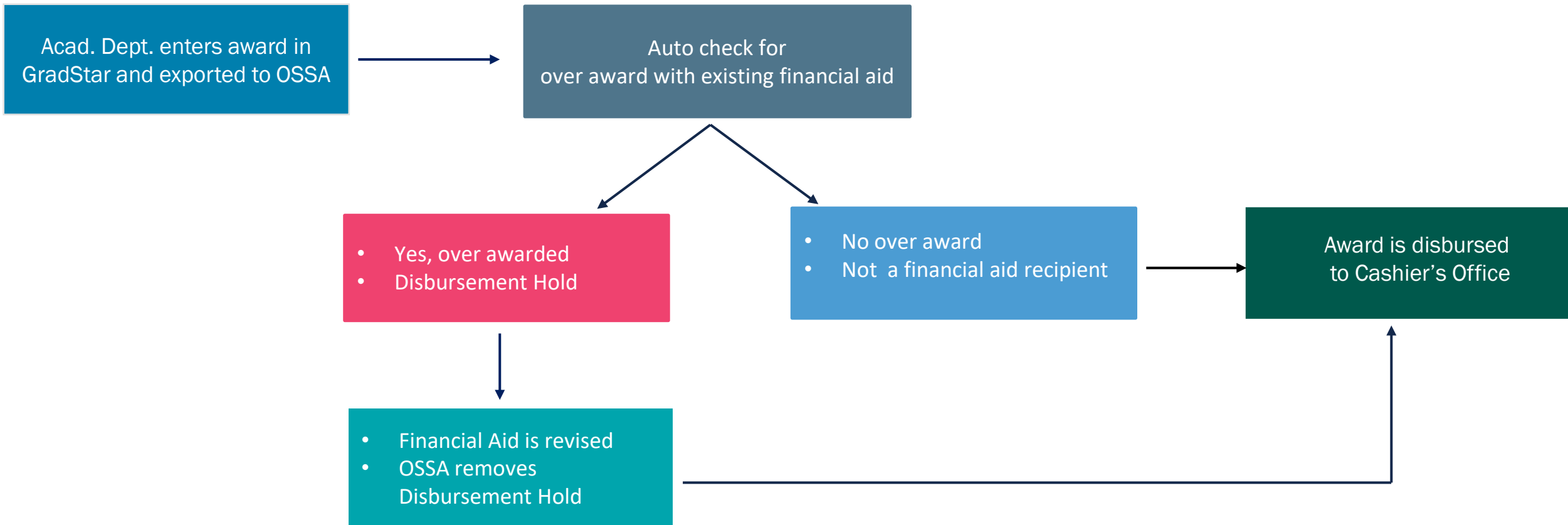| Payment Type	Description
Employment Compensation	Research Assistants or Teaching Assistant Positions held by students
Prizes/contests open to students, faculty, staff or general public	Award/prizes that students, staff, faculty and general public can apply/compete for (ex. lottery)
Travel for University Business	Attending an admissions recruitment event for the department .
Reimbursement of expense	Ex: A student purchases office supplies for their department from their own funds

GradStar

GradStar is a Connect Carolina Student Administration application designed to collect and report all non-service awards, fellowships, tuition and fee awards given to a student in support of their attendance at the University.

Ensure The University Is Compliant With Financial Aid Policy

Acad. Dept. enters award in GradStar and exported to OSSA

Auto check for over award with existing financial aid

- Yes, over awarded
- Disbursement Hold

- No over award
- Not a financial aid recipient

Award is disbursed to Cashier's Office

- Financial Aid is revised
- OSSA removes Disbursement Hold

All monies paid to students must be coordinated with other aid (Over Awards).

- ## What is an over award?
  - Total Aid received is higher than the Cost of Attendance (COA).
  - Need based aid received is higher than student's documented financial need.

- ## What is a Cost of Attendance?
- Budget of reasonable education related expenses during the student's enrollment per academic year.
  - ❑ Tuition/fees
  - ❑ Housing Food
  - ❑ Books/ Supplies
  - ❑ Health Insurance
  - ❑ Loan Fees
  - ❑ Travel
  - ❑ Miscellaneous/ Personal

All monies paid to students must be coordinated with other aid (Over Awards).

Undergraduate

	In-State	Out-State
Tuition/Fees	8,910	34,938
Housing	6610	
Food	4580	
Books/Supplies	948	
Travel	804	1676
Loan Fees	1828	
Personal	54	
Total	**$23,734**	**$50, 634**

Graduate

	In-State	Out-State
Tuition/Fees	12,170	29,380
Housing	13,220	
Food	4580	
Books/ Supplies	948	
Travel	1676	
Health Insurance	2540	
Loan Fees	246	
Personal	1828	
Total	**$37,208**	**$54,418**

Training Grants

Beverly Wyrick, The Graduate School

Why are student payments for training grants considered financial aid?

- Payments on training grants are defined as financial aid because they are not compensation for work performed, but support activities that are primarily for the benefit of the student and their education

- Stipends from training grants are not compensation for work performed and there are no effort reporting requirements

- This payment processing change will not impact how student training grant payments are currently reported to sponsors.

Data

- How many FA recipients?
  - 5065 Graduate & Professional
  - 9600 Undergraduate

- How many students receive training grants?
  - 436 (spring 2021)

- How many students receive training grants **and** financial aid?
  - 43 – Undergraduate
  - 61- Graduate or Professional

Data

Training Grant Recipients (436)

- Not a Financial Aid Recipient
- Applied for, Received or Offered Aid
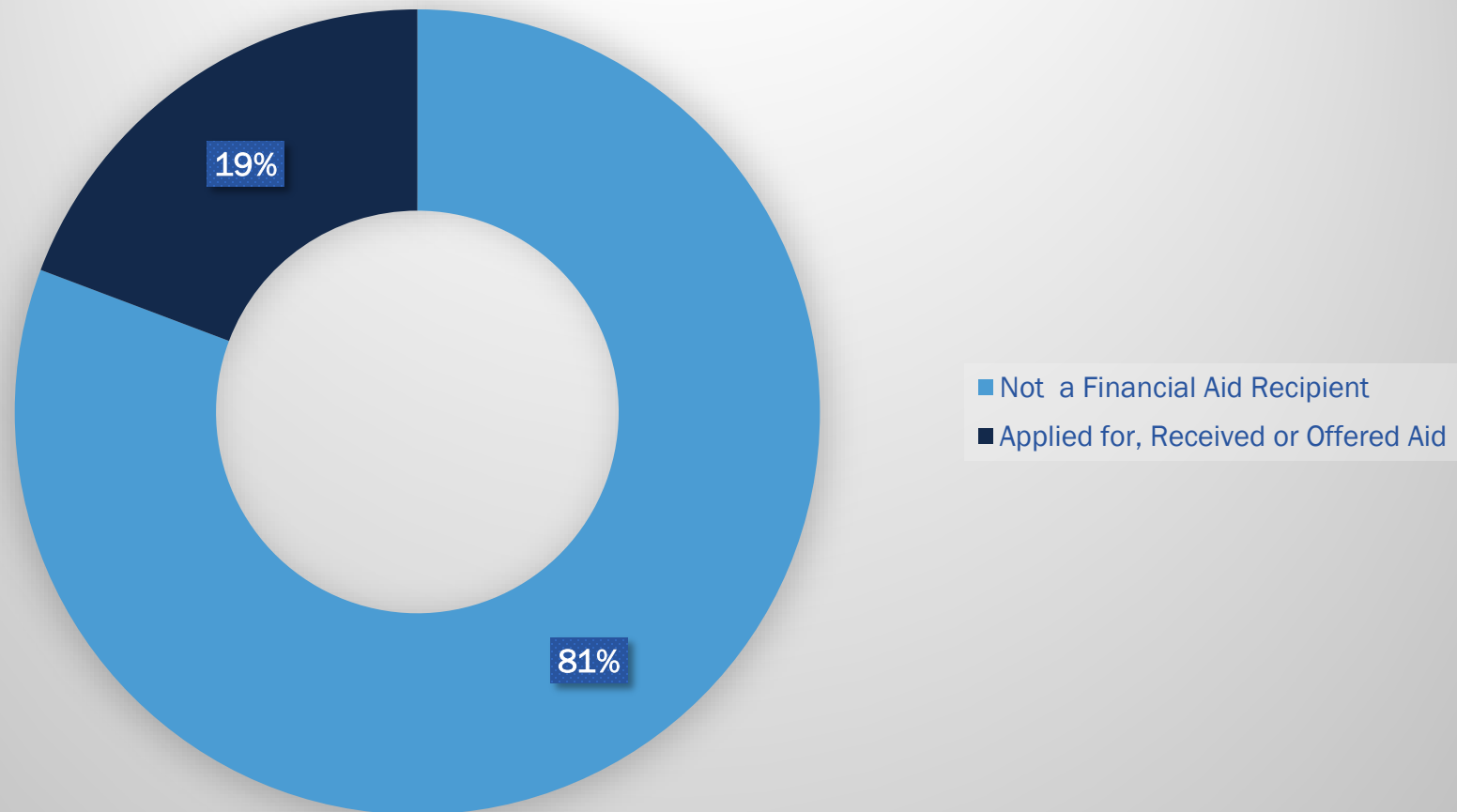
New Process - Student Training Grant Payments

- Training grant payments will be **entered in GradStar** beginning August 2021 and no longer paid from Accounts Payable campus vouchers

- Payments will be made on a **semester** basis instead of monthly.

- Payments are processed like all other financial aid.
  - Payment entered in GradStar, award info automatically sent the Office of Scholarships and Student Aid (OSSA) to check for loan eligibility -- award info updated to Cashier's Office where payment/award is dispersed to student

GradStar → OSSA → Cashier's Office

Changes to Training Grant Payments - what are the impacts to departments?

- Current <u>finance staff</u> will no longer use Accounts Payable to make training grant payments.

- Current <u>finance staff</u> may need to get access to GradStar and get trained in the system

- Current <u>student services staff</u> who process other GradStar payments may also process training grant payments

- Supervisors and departmental **managers** need to think about staff assignments and workload

- Cross training may be needed for finance staff and student services staff on how to process training grants in GradStar

- **Access** will be granted using normal [process](#) – contact gradstar@unc.edu if you need help coordinating access for your school/area

Students

Impacts

Communications

Resources

What are the impacts of these changes to students?

- Students on training grants will be paid once per semester rather than in monthly installments

- Students paid on semester basis will need to budget for the semester; educational resources will be provided to help students with this transition

- Federal aid eligibility could be reduced for students receiving any type of departmental aid

- It is possible to adjust the COA if OSSA deems it appropriate

- Financial aid is reported on form 1098-T, issued by the Cashier's Office

- Form 1098-T helps a student determine if they can claim a tax deduction or one of the education tax credits on their federal income tax return

- Training grant payments will no longer be reported as taxable income on form 1099-M or W-2

Communication and Resources for Students

- Email to all students to be sent week of May 24
- Copy of student email to be sent to faculty and staff
- Town hall planned for students, hosted by The Graduate School – date TBD
- Communication with Student Groups
  - Graduate and Professional Student Government (GPSG)
  - Student Advisory Committee to the Chancellor (SACC)

- Topic No. 421 IRS policy on taxability of scholarships, fellowship grants and other grants
- Publication 970 IRS policy on tax education benefits for education
- UNC School of Law Volunteer Income Tax Assistance (VITA) program
- Graduate School professional development workshops
- Forbes' list of best budgeting apps for 2021

All communications and resources will be hosted on
The Graduate School's website.

GradStar System Changes

Changes in GradStar

- **New this week!**
  - Added a comment box, rearranged chartfields to match finance layout, renamed "other acct info" tab to "additional CFS", increased award description length, added the "include" checkbox on award row for instate/GSHIP proration (greyed out until final project go-live)
- Non-service award type will no longer be an option
- Instead, new and more descriptive award types will be created
  - Fellowship/scholarship
  - Research/internship
  - Prize/contest/recognition
  - Travel award
  - Training grant payments – these awards will have SIX sub-award types:
    - *Stipend, Dependency Allowance, Book Allowance, Travel, Other, Non-degree*

Changes in GradStar

- Instate Tuition and GSHIP Proration
  - Required: HR stipends (RA/TA), Trainee stipends
  - Optional: Fellowship/scholarship, research/internship
    - A checkbox will be available to indicate awards to be included in proration
- Instate Tuition Budget
  - New budget table with similar functionality as Tuition Remission Budget
  - System will prevent instate award save if department is over budget
- New account codes for new award types, training grant accounts stay the same

Questions and Contacts

- [Graduate School - GradStar](#) | gradstar@unc.edu

- [Office of Scholarships & Student Aid](#) | aidinfo@unc.edu

- [Cashier's Office](#) | funded@unc.edu

- [Office of Sponsored Research](#) | ResAdminOSR@unc.edu

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