• 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/
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

- Fellowship
- Awards
- Scholarship/Acad. Enhancement
- Training Grant

Payment Description
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 \[34\text{ CFR }685.102(b)\]

**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. \[34\text{ CFR }668.16(b)(3); 673.5; 685.201\]
Why are student payment changes needed?

All monies paid to support students are considered financial aid except:

- 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 Cost of Attendance when the student is receiving any state or federal support

University is out of compliance if federal aid is over awarded:

- RISK - lose the ability to administer federal financial aid
### Define and document information about student payments

#### Examples of Financial Aid Payment Types

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

### Non-Financial Aid Payment Types

<table>
<thead>
<tr>
<th>Payment Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Compensation</td>
<td>Research Assistants or Teaching Assistant Positions held by students</td>
</tr>
<tr>
<td>Prizes/contests open to students, faculty, staff or general public</td>
<td>Award/prizes that students, staff, faculty and general public can apply/compete for (ex. lottery)</td>
</tr>
<tr>
<td>Travel for University Business</td>
<td>Attending an admissions recruitment event for the department</td>
</tr>
<tr>
<td>Reimbursement of expense</td>
<td>Ex: A student purchases office supplies for their department from their own funds</td>
</tr>
</tbody>
</table>
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
      - Financial Aid is revised
        - OSSA removes Disbursement Hold
    - No over award
      - Not a financial aid recipient
      - Award is disbursed to Cashier’s Office
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

<table>
<thead>
<tr>
<th></th>
<th>In-State</th>
<th>Out-State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition/Fees</td>
<td>8,910</td>
<td>34,938</td>
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<tr>
<td>Housing</td>
<td>6610</td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td>4580</td>
<td></td>
</tr>
<tr>
<td>Books/Supplies</td>
<td>948</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>804</td>
<td>1676</td>
</tr>
<tr>
<td>Loan Fees</td>
<td>1828</td>
<td></td>
</tr>
<tr>
<td>Personal</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$23,734</strong></td>
<td><strong>$50,634</strong></td>
</tr>
</tbody>
</table>

### Graduate

<table>
<thead>
<tr>
<th></th>
<th>In-State</th>
<th>Out-State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition/Fees</td>
<td>12,170</td>
<td>29,380</td>
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<tr>
<td>Housing</td>
<td>13,220</td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td>4580</td>
<td></td>
</tr>
<tr>
<td>Books/ Supplies</td>
<td>948</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>1676</td>
<td></td>
</tr>
<tr>
<td>Health Insurance</td>
<td>2540</td>
<td></td>
</tr>
<tr>
<td>Loan Fees</td>
<td>246</td>
<td></td>
</tr>
<tr>
<td>Personal</td>
<td>1828</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$37,208</strong></td>
<td><strong>$54,418</strong></td>
</tr>
</tbody>
</table>
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?
  o 5065 Graduate & Professional
  o 9600 Undergraduate

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

• How many students receive training grants and financial aid?
  o 43 – Undergraduate
  o 61 – Graduate or Professional
Training Grant Recipients (436)

- 81% Applied for, Received or Offered Aid
- 19% Not a Financial Aid Recipient
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.
Changes to Training Grant Payments - what are the impacts to departments?

- Current finance staff will no longer use Accounts Payable to make training grant payments.
- Current finance staff may need to get access to GradStar and get trained in the system.
- Current student services staff 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
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](mailto:gradstar@unc.edu)
- [Office of Scholarships & Student Aid](mailto:aidinfo@unc.edu)
- [Cashier’s Office](mailto:funded@unc.edu)
- [Office of Sponsored Research](mailto:ResAdminOSR@unc.edu)