Fiscal Impact of Overawards

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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 Awarded by Class

Percentage of Total Aid Awarded

- Freshman
- Sophomore
- Junior
- Senior
- Grad/Prof
- Other*
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.
Prevention Strategies

For IU Departments

- Award early
  - March 1\textsuperscript{st} for incoming freshmen
  - May 15\textsuperscript{th} for returning students
  - April 15\textsuperscript{th} 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?