Chapter 3 – State Scholarship and Grant Processing

A. Application Processing

The United States Department of Education's (USDE) FAFSA Processing System (FPS) processes applicant Free Application for Federal Student Aid (FAFSA) information and distributes need analysis results to college/university officials at institutions listed by applicants. College/university officials receive this information electronically from the USDE on need analysis reports called Institutional Student Information Records (ISIRs). Applicants are notified of processing results on the FAFSA Submission Summary. FAFSA Submission Summaries and ISIRs provide applicants' Student Aid Indexes (SAIs).

B. Iowa College Aid Recipient

The Iowa Department of Education (Iowa College Aid) electronically receives need analysis information from the USDE's FPS for all applicants that list Iowa as their Legal State of Residence on the FAFSA. All Iowa resident applicants are considered for state-funded student financial aid.

Most awards are calculated by college/university officials using awarding parameters provided by Iowa College Aid and information from applicant ISIRs.

C. Certification of Recipients

Payment Certification Forms are available to college/university officials prior to the beginning of the academic year. Officials must complete Payment Certification Forms in the Iowa College Aid Processing System (ICAPS®) for each scholarship and grant program under which recipients on their campuses will be certified for payment during the academic year.

By completing Payment Certification Forms, college/university officials certify that each recipient with reported disbursements in ICAPS is eligible for the program from which payment is being requested. Completed Payment Certification Forms provide Iowa College Aid with the following assurances about recipient eligibility for state-funded student aid:

- Recipients are making Satisfactory Academic Progress as described in the college or university's written procedures.
- Recipients classified as full-time are enrolled for at least 12 credit hours per semester, or the quarter or trimester equivalent. Recipients in clock hour programs must be enrolled in 450 clock hours to be classified as full time.
- Recipients classified as less than full-time are awarded grants which correspond to the number of credits/hours enrolled.
- Iowa Tuition Grant recipients at not-for-profit colleges/universities are not scheduled to receive grants that exceed the difference between the actual tuition and mandatory fee charges and the corresponding average tuition and fee charges at the Regent universities.
- Iowa Vocational-Technical Tuition Grant, Kibbie Grant and Future Ready Iowa Last-Dollar Scholarship recipients are enrolled in eligible career and technical education programs as defined by the Iowa Department of Education.

- Future Ready Iowa Grant, Workforce Grant, Future Ready Iowa Last-Dollar Scholarship, and Kibbie Grant recipients are enrolled in approved high-demand programs of study.
- Recipients do not owe refunds for, and are not in default on, student assistance awards or loans funded or subsidized by the United States Department of Education or the State of Iowa.
- Students have received official notification of Iowa awards and notification of any adjustments made to the awards.
- All recipients meet the Iowa residency definition as described in Chapter 1 of this Guide.
- College/university officials will report disbursements on or before the Iowa College Aid-defined reporting deadlines, listed in Chapter 3 Section F.
- College/university officials will ensure overpayments are refunded to Iowa College Aid in accordance with the State Refund Procedures, as detailed in Chapter 2.

D. Institutional Policies

Colleges/universities participating in state-funded financial aid programs must develop policies and must abide by reporting requirements listed in Chapter 2, Section E of the Iowa Student Financial Aid Guide. These policies are reviewed every two years, in addition to other information, when institutions apply for postsecondary authorization in Iowa.

E. Advanced Payments

Iowa College Aid's financial aid payment process begins approximately two weeks prior to the beginning of the fall term when Iowa College Aid makes advance payments for Iowa Tuition Grants, Iowa Vocational-Technical Tuition Grants, Future Ready Iowa Last-Dollar Scholarships, Kibbie Grants, and the Workforce Grant. Fall term advances are based on the amount of projected awards for each college/university under each program, based on historical information and applicant information received from the FPS. Advance payments are made only if:

- Staff projects at least $100,000 to be paid in the term under a corresponding program.
- Payment Certification forms have been submitted in ICAPS.
- A school has no outstanding prior year refunds due.

If funded by the Iowa General Assembly, allocation payments are made under the Iowa Work-Study Program for colleges/universities with annual payments that are expected to be $50,000 or less.

Payments are made to colleges/universities either by means of an Electronic Funds Transfer (EFT) or with a state warrant. College/university officials who choose to receive funds via EFT are notified by email when the funds are transferred to college or university accounts.

F. Payment Files

Iowa College Aid staff notifies college/university officials at the beginning of each academic year when ICAPS is available. ICAPS includes information about applicants who meet Iowa College Aid's general eligibility criteria. College/university officials use ICAPS to report disbursements and make adjustments to student awards (See ICAPS training website).

Scholarship and grant information must be updated by the deadlines specified by Iowa College Aid staff. Iowa College Aid may reject any awards or updates submitted after the following final deadlines. If a student

fails to provide verification documentation to a financial aid office within a timeframe that would allow the college to report a disbursement on or before the corresponding final reporting deadline, the student could lose state program eligibility for that term.

See Section H for details on exceptions to the Payment Terms and Deadlines.

The ICAPS reporting year for state-funded programs is September 1 - May 31. If a specific enrollment term overlaps with these dates, please contact Iowa College Aid to discuss state program eligibility for that term of enrollment. Certain programs do not allow summer disbursements so care is taken to ensure payments are only applied during the traditional academic year.

State-Defined Payment Terms and Deadlines

Update	Term 1: Fall	Term 2: Winter	Term 3: Spring	Term 4: Spring	Term 5: Late Spring	Term 6: Summer
Initial Updates Due	October 15	January 2	February 15	April 1	June 1	June 15
Final Updates Due	December 1	February 15	May1	June 15	July 15	July 31

G. Term Payments

After ICAPS certification rosters have been updated successfully by college/university officials, Iowa College Aid staff will authorize payments to colleges/universities.

H. Corrections

College/university officials are responsible for making adjustments or corrections to applicants' financial aid applications, noting any changes in applicant files, and retaining detailed support documentation. Any changes in applicant or parent information or applicant status must be documented. Changes in eligibility should be reported to Iowa College Aid in one of the following ways:

- Students resubmit their FAFSA Submission Summary with corrections or changes directly to FPS.
- College or university officials input changes and electronically send them to FPS.

Iowa College Aid staff uses updated information and corrections submitted by college/university officials for students that are processed through the FPS.

Corrections to SAIs and adjustments to state-funded awards made after submitting the fall term payment information must be reported electronically to Iowa College Aid. Generally, retroactive award adjustments are not permitted if applicants become eligible for state-funded grants after the published deadlines for submission of term award information. However, awards may be made to these students if Iowa College Aid staff determines that sufficient funding is available after funding all applicants whose disbursements were reported by the deadline.

College/university officials must retain all change documentation in applicant files and submit changes through the FPS.

If changes in ICAPS are required subsequent to the initial submission of payment information, college/university officials must make updates to ICAPS as soon as possible. Corrections which increase the amount or number of awards must be submitted by the deadline specified by Iowa College Aid staff (see Payment Terms and Deadlines table in Section F).

Generally, awards will not be approved after the end of the term for which payment should have been requested. However, Iowa College Aid may approve these payments as special priority awards prior to the end of the academic year. College/university officials must have explicit authorization from Iowa College Aid before making any increases to awards after reporting deadlines.

I. Special Priority Awards

Special priority awards may be authorized by Iowa College Aid staff when state appropriations are sufficient and when it is determined to be impractical to increase the SAI or maximum award. Upon notification from Iowa College Aid staff, college/university officials should follow guidance issued by Iowa College Aid to select additional recipients.

Students who have graduated or completed the terms of enrollment for which special priorities have been authorized may be awarded as long as they were eligible to receive funds at the time first-priority students were awarded (had they been included in the initial awarding parameters).

The Special Priority funds may be awarded for all state-defined reporting terms (as applicable to your college/university). For students who have withdrawn and are no longer enrolled, you may award state funds, but the award amount is limited to current outstanding balance, or outstanding tuition and fees if the grant is tuition restricted (Chapter 2, Section 4). State funds cannot be refunded to a student post-withdrawal.