

Hood Theological Seminary Financial Aid

Policies & Procedures Manual

Hood Theological Seminary

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**Section One: Statement of Purpose**

**1.1 Introduction**

Federal regulations mandate that institutions have written policies and procedures. This manual is established specifically to govern those processes, which are relevant to this office while maintaining fairness. Our goal will always be to meet the student's need without bias and adhere to the Department of Education. The policies will be emphasized to correct and prohibit problems from arising and the procedures developed will aim to make the financial aid office more efficient. In addition there are many benefits to having written policies and procedures:

1. for the purpose of informing/fostering an understanding of the complexity and operation of the Financial Aid Office (FAO);
2. for FAO staff as a referral guide to assist in maintaining consistency in the problem-solving process
3. a training component
	1. **Statement of Purpose**

The purpose of this document is to record policies and procedures for the delivering financial aid at Hood Theological Seminary. The policies and procedures which follow will be exercised to their furthest extent and are able to be amended accordingly to continually comply with the Department of Education (DOE). If no policy, practice, or procedure addresses a given issue the FAO is expected to use professional judgment based upon the intent of all financial aid programs explained in this manual.

**This manual provides:**

1. The FAO with current policies and procedures which pertain to eligibility

 assessment for federal and institutional programs.

2. The FAO with general and specific responsibilities and the office's relationship to other departments.

3. A systematic and consistent approach ensuring those similar operations will be handled in

 a uniform manner.

4. Quick reference to various programs and practices.

1. Initial orientation and training of personnel when changes occur.
	1. **Financial Aid Reference Documents**

There are many resource guides, which assist the FAO and are used to determine student eligibility for financial aid. Included in these sources are the Department of Education guides such as the Federal Student Financial Aid Handbook, Verification Guide, formula books, and Audit Guide. In addition the Federal Register, Dear Colleague Letters, and the National Association for Student Financial Aid Newsletters containing updated legislation, laws, and information may be found online at www.ifap.ed.gov.

**Section Two: Philosophy of Student Financial Aid**

The philosophy of student assistance is to provide access and choice to students, who, without such assistance would not be able to attend an institution of higher learning.

**2.1 Policy Development**

2.1.1 Responsibility for Institutional Policy Development

 The Director of Financial Aid and the Financial Aid Committee are responsible

for developing institutional policies surrounding the delivery of financial aid. Policy development adheres to federal laws and regulations as well as to the Seminary’s mission.

2.1.2 Institutional Principles of Financial Aid

Based on the principles of access and choice, with an understanding that aid resources are limited; the following principles have been adopted by Hood Theological Seminary (HTS).

* 1. The primary purpose of the financial aid program is to provide assistance to students, who without such aid would be unable to attend HTS.
	2. Financial aid consists of grants, scholarships, loans, and work study, which may be offered separately to students or in various combinations.
	3. The student is expected to make a maximum effort to assist with college expenses. Financial assistance is viewed only as a supplement to the student contribution.
	4. The college should publish budgets that state total student expenses realistically by including, where applicable, maintenance at home, commuting expenses, personal expenses, and necessary travel.
	5. Students must maintain satisfactory academic progress with a grade point

average of at least 2.33 for Masters Programs and 2.5 for the Doctor of Ministry program.

* 1. The total amount of need-based financial assistance shall not exceed the student's demonstrated need; the non need-based aid shall not exceed the cost of attendance.
	2. The Federal Methodology (FM) analysis established by Congress shall be the mechanism used to determine the student’s contribution which takes into account the financial support reasonably expected from income, assets, and other resources from the student.
	3. Federal Work-Study (FWS) may be awarded to eligible students if requested on the financial aid application (FAFSA) and institutional application.
	4. International students are eligible for financial aid pending proper documentation of citizenship status from the US government.
	5. Selection of students to receive financial aid will be made without regard to age, sex, race, color, religion, national origin, disability, or marital status.

* 1. All financial aid recipients are informed of the conditions under which

aid is granted at the time the offer is made.

* 1. All documents, correspondence, and conversations between and among aid applicants and financial aid officers are confidential and entitled to the protection ordinarily arising from a counseling relationship. Information shall be released only upon written consent of the student.
	2. Because the amount of financial aid awarded reflects the economic circumstances of students, the institution should refrain from any public announcement of the amount of aid offered and encourage students and others to respect the confidentiality of this information.
	3. Financial aid should be offered only after determination that the resources of the student are insufficient to meet the student’s educational expenses. The amount of aid offered should not exceed the amount needed to meet the difference between the student’s total educational expenses and the student’s resources.

2.1.3 Operating Policies

 The following operating policies are designed to ensure that the FAO is effective

 in carrying out its responsibilities:

1. All students must apply for financial aid by submitting appropriate application forms to the FAO.
2. All funds available for financial assistance shall be administered through the FAO. Funds or awards for students received from outside sources by other offices are required to notify the FAO.
3. All FWS student employment shall be administered through the FAO.
4. It shall be the responsibility of the FAO to cooperate with the employing department in matching the capabilities of the individual to the requirements of the job.
5. The FAO shall maintain adequate records to ensure administration of aid funds. This includes ensuring that aid given is not in excess of need and/or cost of attendance and that aggregate awards do not exceed total expenditures of funds under each program.
6. Records on work-study students must be adequate to assure the student is earning up to, but not in excess of, the amount authorized in the student aid package.

2.1.4 Financial Aid Committee

 The Financial Aid Committee is established by the President, and composed of faculty and

 administration. The committee:

1. Establishes HTS policy on matters relating to scholarships, grants,

loans, and student employment. These policies must be in compliance with the federal guidelines.

1. Establishes program objectives consistent with the HTS strategic plan.
2. Monitors the effectiveness of the financial aid activities.
3. Financial Aid meetings are called at the discretion of the Convener of the committee.

**2.2 Academic Year, Payment Period, and Frequency of Disbursement Policy**

 2.2.1 Academic Year Requirement

Hood Theological Seminary’s academic year will be defined as two semesters and a minimum of 30 weeks of instructional time.

2.2.2 Payment Period

Hood Theological Seminary’s payment period for a full-time student will be divided in two installments (Fall and Spring). Summer terms will be treated as the trailer for subsequent payments.

2.2.3 Frequency of Disbursement

Hood Theological Seminary does not offer more frequent payment periods for its traditional program of study. All payment periods are established in the above payment period policy.

2.2.4 Definition of Full-time Policy

Full time= A student taking 12 hours is considered fulltime.

A student must be enrolled and registered for a minimum of 6 hours to be eligible for financial aid.

2.2.5 Federal Stafford Loan Academic Year- define for HTS

0-29 freshman

30-59 sophomore

60-89 junior

91 & above senior

 The financial aid office uses 6 credit hours as full time for all terms including the summer term.

|  |  |
| --- | --- |
| **To be considered** | **A student must take at least** |
| **Full-time** | **12 semester hrs. per term** |
| **Three-quarter-time** | **9-11 semester hrs. per term** |
| **Half-time** | **6-8 semester hrs. per term** |
| **Less than half-time** | **1-5 semester hrs. per term** |

**Section Three: Administrative Organization of the Financial Aid Office**

**3.1 Division of Responsibility between Financial Aid and Business Offices**

There exists a clear and separate division of responsibility for the administration of financial aid programs, which are divided between the FAO and the Business Office. In order to maintain this division, each office is accountable for the following responsibilities

**Financial Aid Office**

The FAO is responsible for the following:

1. Collect supporting documentation for the determination of aid eligibility.
2. Determine student eligibility for financial assistance.
3. Award federal, state, and institutional aid in compliance with laws, regulations, and policies.
4. Notify students of aid eligibility.
5. Compile and complete necessary reports.

**Business Office**

The Business Office is responsible for the following:

1. Maintain and disburse accurate bills.
2. Collect payments for student accounts.
3. Disburse funds to students.

**3.2 General Financial Aid Office Administration**

3.2.1 Office Hours

Normal office hours are 8:00 a.m. to 5:00 p.m. Monday through Friday with the exceptions of special events, holidays, sickness, and emergencies. Appointments can be made during these hours if no other events are scheduled. The office will be closed from 1:00 p.m.-2:00 p.m. for lunch.

1. Students who require general information may come in without an appointment. Students must schedule an appointment if specific information is required.
2. Appointments are made on a first-come, first-serve basis. Those students who take the time to set an appointment will take precedence over those who walk in without an appointment.

3.2.2 Correspondence

All Financial Aid correspondence shall be routed to the FAO for processing. When appropriate, correspondence should be responded to within one week. When the Financial Aid Administrator (FAA) responds to a complaint or concern it is typical procedure to have the Financial Aid Committee review correspondence which will keep the committee aware of potential problems.

3.2.4 Telephone

Telephone calls are answered in a friendly and professional manner (i.e., Financial Aid Office, this is "Susie." May I help you?) Typically, support staff answering incoming calls. If the caller requires general information, the support staff member should respond. If the caller requires specific information, the staff member should screen the call thoroughly and transfer the information and caller to the appropriate individual. The person transferring the call should inform the call recipient of the following:

1. A summary of the caller’s request/circumstances.

1. The caller's name and social security number (if appropriate).

**3.3** **Records Management**

3.3.1 Confidentiality of Records

All records and conversations pertaining to financial aid are entitled to the same protection as an ordinary counseling relationship. Hood Theological Seminary emphasizes the confidentiality of student educational records in accordance with institutional rules and state and federal laws including the Family Educational Rights and Privacy Act of 1974. The Buckley Amendment provides student’s access to their educational records and to limit dissemination of personally identifiable information without the written consent of the student. All students, former and active, have the right to review their records to determine content accuracy. For the cost of photocopying, students may generally have copies of any documents in their file with the exception of other institutions' transcripts.

3.3.2 Non-Public Information

Student's consent is required for the disclosure or publication of any information which is a) personally identifiable and b) a part of the educational record. Certain exceptions are allowed to this generality under the Family Educational Rights and Privacy Act. The following persons and organizations may have access to personally identifiable information without the student’s prior written consent:

A student’s consent is required for the disclosure or publication of any non-directory information with the following exceptions:

1. Another Seminary Employee
2. Representatives of federal and State agencies
3. Accrediting organizations
4. Any lenders with which a student deals
5. The Department of Education

 A student must submit a written release of information for any additional information to be released to any other person or agency. The student’s release must contain:

1. Date of request
2. Last 4 digits of the social security number
3. Date of birth
4. Student’s signature
5. Specific contact name or agency
6. Summary of information which may be released

3.3.3 Active Records

The FAO maintains a master record for each student receiving financial assistance. All financial aid folders are retained for a minimum of five years. For campus-based programs records are retained for five years from the end of the award year in which the funds were awarded and disbursed. Effective July 1, 1997, a three-year minimum record retention requirement. Any records involved in any claim or expenditure, which has been questioned by federal audit, is retained until the question is resolved.

 3.3.5 Inactive Records

Inactive records are kept in the FAO for one year following the close of the fiscal year in which they were active. At the end of one year, the folders are moved to a storage area. The FAO keeps inactive records for a minimum three years or longer depending on the retention policy. After the appropriate time, records are shredded.

 3.3.6 Automated Program Files

PowerFAIDS is used for processing financial aid data. Federal eligibility information is received electronically from the Department of Education. This information is downloaded and maintained by the Financial Aid Office.

##### Section Four: Participation in Financial Aid Programs

The FAO participates in a variety of financial aid programs consisting of scholarships, grants, loans, and jobs. Scholarships and grants are gift awards, which do not have to be repaid and loans and work opportunities are considered self-help awards since repayment or performance of duties are required. The type of aid awarded depends upon the demonstrated financial need and is generally a combination of gift and self-help assistance.

1. Institutional and Program Eligibility

As a private nonprofit institution, Hood Theological Seminary has been authorized by the United States Secretary of Education to participate in financial aid programs through Title IV of the Higher Education Act of 1965 as amended. The Program Participation Agreement between Hood Theological Seminary and the Department of Education entitles the FAO to participate in the following federal programs:

1. Federal Work-Study Program
2. Federal Direct Loan Program
3. Graduate Direct Plus Loan

Each year the FAO applies for federal funds through the Fiscal Operations Report and Application to Participate (FISAP) submitted during September/October. Together the financial aid and business offices work to collect the necessary statistics to complete this report. The finalized data is sent electronically direct to the Department of Education (DOE). The signature and certification pages are via mail. The signature page is signed by the President of the institution.

###### Student Eligibility for Federal Title IV Financial Aid

There are several eligibility requirements, which students must meet in order to be considered for federal funds. Students must:

1. Demonstrate financial need according to Federal Methodology.
2. Have a bachelor’s degree or its equivalent, from an accredited college or university.
3. Be enrolled in a degree seeking or eligible certificate program
4. Be a U.S. citizen or eligible non-citizen
5. Make satisfactory academic progressed as defined by the institution.
6. Institutional Programs

Hood Theological Seminary offers a number of scholarships targeted at our traditional prospective students. The institutional scholarships are separated into two categories: endowed scholarships (need based) and paper scholarships (non-need based). The policies established for the institutional scholarships will be separate for those need based and non-need based gift awards. Each policy designed will have the aim of meeting the student’s need according to the criteria of students in their eligible program. It will further be the responsibility of the Financial Aid and Scholarship Committee to determine the amounts to be awarded based upon financial need of all students. The general requirements governing the use of institutional scholarships are as follows:

1. The initial requirement established for all endowed scholarships states that all recipients must submit a copy of a thank you letter to the financial aid office prior to mailing the original copy to the scholarship’s donor.
2. It is the decision of the Scholarship Committee to utilize 75% of endowed funds for continuing students and the remaining 25% for new and transfer students.

Students receiving other financial assistance may have their awards taken or adjusted if all assistance combined exceeds the cost of attendance. The financial aid office will automatically adjust the self-help aid (loans and employment) prior to informing the appropriate area of such reduction in terms.

1. The need based and non-need based awards are as follows:
	* + - Non-Need Based
			- The President’s Award
			- The Faculty Award
			- The G.W. Griffin Memorial Preaching Award
			- The George E. and Edna B. Armstrong Memorial Award
			- The Mabel Harris Graves Award
			- The Wilether D. Faush Memorial Award
			- The J. Roy Valencourt Prize in Greek
			- The Clinton L Wilcox Scholarship Fund
			- The George Clayton Tharrington Memorial Award
			- The Harlee H. Little Memorial Award
			- The Bishop William M Smith Memorial Preaching Award
			- The Dean’s Award in the Diploma Program in Christian Ministry
			- The Doesrous L. Thurman Phillips Memorial scholarship
			- The Hood Alumni Association Scholarship
			- The Reverend Reid R. and Mrs. Ruby M. White, Sr. Memorial Scholarship
			- The Bishop Joseph and Dr. Dorothy Sharpe Johnson Endowed Scholarship
			- The L.C. Asbury Memorial Award
			- The Religious Education Book Award
			- Thomas A. Langford Award in Theology
			- Award in the History of Christianity
			- The AME Zion Scholarships

Need Based Scholarships, Grants, and prizes:

* + - The Hood Grant
		- WH&OMS Scholarship of AME Zion Church
		- The United Methodist MEF Scholarship
		- Margaret C. Woodson Endowed Scholarship
		- Bishop and Mrs. Richard K. Thompson Endowed Scholarship
		- Dr. Andrew McLean Spaulding Endowed Scholarship
		- Thomas and Barbara Langford Endowed Scholarship
		- Dr. Albert Aymer Endowed Scholarship
		- Dr. Price and Mrs. Fletcher Brown Endowed Scholarship
		- Robert Harkrader Endowed Scholarship
		- Robert and Lois Pruehsner Endowed Scholarship
		- Power Cubers Scholarship
		- Bishop James Walker Hood Scholarship

All scholarship, grants and prizes will be calculated into the student’s budget to determine the student’s need base for the academic school year.

1. Federal Programs:

Hood Theological Seminary further assists students through federal educational loans designed to meet the cost of graduate educational expense.

**1. The Federal Work Study Program (FWS)**

The FWS program provides employment positions for graduate students at HTS who demonstrate financial need and whose earnings assist students with educational expense.

1. **Objectives and Purpose of the Program:**
2. a source of campus-based financial aid to students who demonstrate financial need.
3. Work experience which enhances the participants’ education whenever possible.
4. An employment pool to the seminary and to federal, state, and local public agencies which would not exist otherwise.
5. **Institutional Policy Statement**

Selection of Students

The policy regarding dissemination of FWS funds is to award as many students as possible. This is accomplished by awarding funds to needy students (including part time) on a priority basis until funds are exhausted. The FWS funds are only to be awarded to students if requested on the FAFSA and are granted a position upon filling out an application to participate and signing an agreement. Reasonable effort is made to place students in positions, which complement and/or reinforces their educational and career goals.

Off-campus employment

Typically, FWS contracts with outside agencies are not permitted. Exceptions can be expected if they fall in the category of community service and require the approval of the Director of Financial Aid along with a written agreement.

Employment during periods of non-enrollment

Students are allowed to work during periods of non-enrollment (i.e., vacations, breaks, summer session prior to June 30th) provided sufficient FWS funds exist. Typically, FWS funds are not awarded for summer terms: however, the Director of Financial Aid may approve summer work study if funds exist.

Over awards

Students are only awarded FWS funds if, in combination with other resources, the award does not exceed the student’s need. If additional resources are received after FWS wages are paid, the over award is the amount, which exceeds the student’s need by more than $300. Students may not earn FWS funds in excess of their cost of attendance. Students who earn their FWS award and want to keep working may do so only if they have their employer’s consent and are paid with non-FWS funds.

Federal share

The institutional contribution required by law is at 25% to complement the federal share of 75% utilized for the school fiscal year.

FWS fund transfers

10% of FWS funds may be carried forward or back to the next or last year’s FWS account.

Minimum and Maximum Awards

The minimum FWS award for graduates is the extent that institutional charges are met. The maximum award will be no greater than the student’s demonstrated need. The Director reserves the right to make the maximum FWS award the equivalent to the total of a student’s institutional charges.

Placement Procedures

The students who are considered for FWS must indicate their interest on the FAFSA. Due to limited employment positions those students who have been in a job in the past will be offered the same job and others will be dealt with according to their need.

Supervision

Employers are instructed to maintain adequate supervision of students with regard to attendance and quality of job performance via the FWS agreement. A work schedule must be agreed upon each semester by the student and the employer which is not in conflict with the student’s classes or chapel.

Human Resources Time-Clock Portal

The student receive a welcoming email from the Human Resources office regarding the computer Time Clock Portal. <https://savers.evolutionpayroll.com/HR/Login.aspx>

 All students are paid at least the federal minimum wage. Non-cash contributions are not used to compensate students.

1. **Federal Direct Loan Program**

The Federal Family Educational Loan Program (FFELP) is broken into two different categories. The Federal Stafford Loan Program and the Parent Loan for Undergraduate Students (PLUS). The following programs are a final opportunity for students to benefit from federal sources of postsecondary educational funding. The loan program also carries added responsibilities of loan entrance/exit counseling and reporting on student enrollment status to the National Student Loan Data System (NSLDS).

**Federal Loan Program**

The Federal Subsidized/Unsubsidized Stafford Loan Program provides low-interest deferred-payment loans to undergraduate students who demonstrate the financial need. While it is the goal of the Financial Aid Office to meet the student’s need it is also important to stress minimizing debt. The loan program federally guarantees repayment through the State Guaranty Agency to the lending institution should the borrower default.

Purpose of the Program

The guarantee between lenders and guarantors creates an incentive for the lending institutions to loan funds to students without a credit history. The ability to borrow, in turn, helps the needy students meet the cost of postsecondary education.

The Loan Process and Eligibility

The student loan process is handled further on a dependent and independent level as set forth by the Department of Education. Upon completion of the financial aid application and Student Budget Sheet all students will be eligible for both subsidized and unsubsidized loans at the dependent or independent aggregate limits. A Unsubsidized Loan is awarded to a student, upon request, if he/she has remaining eligibility after outside sources, institutional scholarships and FWS sources have been awarded. The Federal Stafford Loan may also be offered to students register for a least six (6) credit hours.

Certification of Loan Applications

Loan certification will not be completed the following items have been submitted to the FAO:

HTS Institutional Financial Aid Application

FAFSA

All documents necessary for packaging: MPN, EC, Direct Deposit

Documentation of dependency status is on file

Verification is complete

Award Letter

Lender delivery dates for first-time borrowers is listed as 30 days after classes begin

All other financial assistance is reported

Exceptions should be carefully documented and monitored to ensure improper disbursement of loan funds does not occur.

Minimum and Maximum Awards

The Department of Education establishes its own maximums that a student is eligible to receive including a total aggregate limit for the total of all undergraduate and graduate study. There are no minimum amounts regulated; however, lending institutions will typically not loan amounts less than $200.

Returning Checks to Lenders

The Financial Aid Office is responsible for returning checks to the lender if: the student is not registered, the institution cannot document the student’s attendance in any class, a certification was processed without a Financial Aid Transcript (FAT) and one is not received within 45 days of check receipt, a certification was processed without verification and it is not complete within 45 days of check receipt, or the disbursement is received after the student has ceased to maintain eligibility.

Reporting to Lenders

If a student withdraws or leaves school, the FAO is required to notify the lending institution within sixty days. A report is run at the end of the drop/add period to notify lenders of students no longer enrolled at least half time. Hood Theological Seminary provides information to National Clearing House regarding student enrollment.

1. **Loan Entrance/Exit Counseling**

Prior to receiving any loan proceeds the student must complete loan entrance counseling regarding the terms of the loan. The Director of Financial Aid is responsible for seeing that this gets done prior to any disbursements being made. Finally, at the end of the student’s graduate studies there will be loan exit counseling to go over lender information, repayment figures, and student rights and responsibilities.

#####  Section 5: Student Consumer Information

##### The staff in the FAO recognizes that in order to understand the complications of Financial Aid, accurate and timely dissemination of information to consumers is vital. Several policies have been implemented to ensure appropriate dissemination is achieved.

1. Financial Aid Program Availability

Financial Aid Programs, which are made available to students, are distributed through the following mediums:

The HTS Catalog

HTS Institutional Application

Financial Aid Page on myHood

The Scholarship Database ([www.fastweb.com](http://www.fastweb.com)); search for scholarships and other financial aid information

The HTS website through the financial Aid link

Award Letter

Additional resources are published outside of, but are distributed through the FAO.

Financial aid funds may be categorized into 3 basic sources: federal, denominational and institutional.

1. Federal

Federal Work-Study Program

Federal Direct Loan Program

Direct Graduate Plus Loans

1. Institutional

HTS Academic Scholarships (non-need based)

HTS Institutional Scholarships (need based)

1. Denominational

AME Zion

United Methodist

 May Be Other Not Identified

1. Procedures and Forms Required to Apply

There are many forms that may be required to evaluate student eligibility. To apply: a student need only submit the federal application for financial aid (www.studentloans.gov ), and apply with a lender of their choice; (a lender’s list will be sent with student’s award letter). Additional documents may be requested to complete processing of the aid request. Notification of these additional required documents is sent to students through a missing document letter. The additional documentation may include, but is not limited to, the following:

1. Proof of citizenship
2. Proof of selective service registration
3. Marriage certificate
4. Verification form (independent or dependent)
5. Tax returns
6. Statement of non-tax filer
7. Student Aid Report (SAR)
8. Admission status
9. Student certifications
10. Employment verification

When all necessary paper work has been completed; returning students should expect to receive an award letter prior to the beginning of the academic year. New students should expect to receive an award letter shortly after the beginning of the academic year.

1. Methods of Disseminating Consumer Information

The primary method of disseminating consumer information to students is through the HTS website. In addition, information sheets and or brochure are distributed to students with their award letters.

1. Student Eligibility/ Forms

Requirements for student eligibility are listed in the following documents:

* The HTS catalog
* On specific applications (i.e. federal loan, denominational scholarship applications)
1. Rights and Responsibilities of Students on Financial Aid

As a recipient of financial aid, there are certain rights and responsibilities of which students should be aware.

Students have the right to know:

* What financial aid programs are available
* The process/procedures to be followed to receive financial aid
* The criteria used in selection of recipients and the method used for calculating need.
* The various programs on the financial aid award and how the need was determined.
* The refund and repayment policy
* How the FAO handles the student academic progress, the appeal process, and other decisions.

Students are responsible for:

1. The timely completion of all necessary forms by the established deadlines and the accuracy of such information.
2. Promptly providing any additional information requested by the FAO.
3. Keeping the FAO informed of any changes in address, name, marital status, financial situation, or any change in student status.
4. Reading and understanding all financial aid forms sent/signed and keeping copies of forms.
5. Notifying the FAO of other resources available to cover seminary costs.
6. Notifying the FAO if the student withdraws or changes their enrollment status.
7. Maintaining satisfactory academic progress.
8. Visiting the FAO prior to withdrawal/graduation for any incomplete paperwork.
9. Re-applying for aid each school year.
10. Information on Affiliation and Accreditation

Hood Theological Seminary was founded by the AME Zion Church and operates under the sponsorship of that denomination.

Hood Theological Seminary is accredited by The Association of Theological Schools (ATS), in the United States and Canada, to award the Master of Divinity, Master of Theological Studies, and Doctor of Ministry degrees. . ATS is located at, 10 Summit Park Drive, Pittsburgh, Pennsylvania: Telephone # 412-788-6505.

Hood Theological Seminary is listed by the University Senate of the United Methodist Church as and “approved graduate theological seminary” where United Methodist ministerial candidates may be prepared for ordination.

**Information** concerning accreditation is listed in the HTS catalog. Additional information may be received through the Office of the President.

**Section 6: Student Application for Financial Aid**

All students are required to submit an aid application on an annual basis

1. Forms:

There are many forms, which may be required, to evaluate student aid eligibility. However, a student need only submit the Free Application for Federal Student Aid (FAFSA) and potentially a Financial Aid Transcript (FAT) from any post-secondary college or university attended to begin the process of applying for aid. Additional documents may be required to complete processing of the aid request upon notification.

1. Free Application for Federal Student Aid (FAFSA) - a need analysis document published by the ED. Information is sent to the Central Processing System (CPS) for an analysis of the expected family contribution (EFC). Federal aid may only be awarded based on the official results of the FAFSA.
2. Financial Aid Transcript- a document that may be requested if an institution was attended during the fall semester of an award year prior to the spring semester beginning.
3. Student Aid Report (SAR) - students are not automatically required to submit SAR. However, an aid administrator may request the document to verify conflicting information.
4. Master Promissory Note- a document updated by the DOE allowing one promissory note to cover all loans received at a four-year institution.
5. Federal Tax Returns- Federal Income Tax returns may be requested if the Department of Education has selected a student for the verification process or if the financial aid administrator deems it necessary to verify conflicting information.
6. Verification Worksheet- a document that collects updated information submitted on the FAFSA. Students who are selected for verification must submit a worksheet prior to aid being received.

1. Citizenship/Residency Verification- a document that collects proof that the student has a citizenship status that would be eligible to receive financial aid.
2. Student Certifications- a document that collects information concerning the student’s statement of educational purpose, the statement of registration status, and the certification of the anti-drug abuse act.
3. Certification of Separation- a notarized document that verifies that a married student is separated and living separately from his/her spouse.
4. Employment Verification- a document that verifies a student, spouse, or parents’ change in employment status.
5. Application Process:

Students begin the application process by submitting any piece of documentation. This submission informs the FAO that the student wishes to apply for financial aid. Tracking letters are sent to students when other documentation is pending. If the student doesn’t submit the required information within 30 days the application will become inactive.

**Section 7: Verification**

Verification is the process of confirming the accuracy of student data reported on the financial aid application. Only portions of student financial aid recipients are selected for verification.

1. **Selection of Applications to be Verified**

The FAO verifies those applicants identified by the Department of Education. After information is electronically transmitted to the FAO, a list of such students is compiled and processed. Typically the Department of Education selection criteria translates into about thirty percent (30%) of the financial aid population. In addition, counselors may select a student for verification if there is a discrepancy or a condition that is unusual and warrants investigation.

1. **Exclusions**

Listed below are certain circumstances where students do not have to complete verification. Counselors must identify and document in the aid folder why the student does not have to complete verification.

1. An applicant who died during the award year.
2. A resident of Guam, American Samoa, the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and the Trust Territory of the Pacific Islands (Palau).
3. A student who is incarcerated.
4. Applicants whose parents do not live in the United States and cannot be contacted.
5. A student immigrant (the student must meet citizenship requirement).
6. A dependent student whose parents cannot comply because of specified reasons (i.e., parents are deceased, are physically or mentally incapacitated, or the student does not know where the parents reside).
7. A student who does not receive Title IV Funds.
8. **Conflicting Information for Non-selected Students**

Counselors are required to resolve any discrepancies discovered in a student’s file. Because need analysis information is only collected from the ED, and additional information is not typically requested from students who are not selected for verification, conflicting information is systematically rare.

1. **Verification Time Frame**

If the FAO has received from the Department of Education information identifying a student as being selected for verification the student will be notified by the FAO. The student has two (2) weeks to provide the requested information to the FAO.

1. **Document Collection Procedures**

Required documentation items are identified and receipt date is maintained through the read file. All unique outgoing letters should be submitted for tracking purposes. When documents arrive or action is taken to individual student files such information should be noted and dated for accuracy. When all required documents are received the file is considered to be complete and additional processing may continue.

1. Documentation submitted to the FAO must be legible, appropriate, and have the student’s social security number for identification purposes. If any documents are questionable as to their source or validity it should be duly noted with a request for additional documentation for clarity.
2. Students must be notified that the majority of financial aid funds are awarded on a first-come, first-serve basis. Once the missing items are submitted and verification completed may additional processing of their file continue.
3. Students who fail to submit verification documents never become complete; therefore, aid is not awarded for these students.
4. Students who submit verification documents very late after the time they were requested will be awarded aid on an availability basis. Typically by the end of the spring semester, aid funds beyond federal loans are depleted.
5. Students are notified that they are selected for verification on the Student Aid Report (SAR). In addition, the tracking letter indicates to the student he/she has been selected for verification.
6. **Verification of Data Elements**

Hood Theological Seminary systematically verifies only those data elements required by the federal government (Dept. of Education). However, the FAO is free to ask for additional information if further investigation is needed to resolve a discrepancy.

1. Adjusted Gross Income (AGI), U.S. Income Tax Paid, Household Size

The Adjusted Gross Income and U.S. Income Tax paid are verified by comparing a copy of the student, spouse, or parent income tax return or Income Certification Statement to the information on the Student Aid Report or Institutional Student

Information Record (SAR/ISIR). Discrepancies outside of tolerance levels must be corrected before further processing.

1. Household Size, Number in Postsecondary Institutions

The household size and number of family members enrolled in postsecondary institutions are verified by comparing the Verification Worksheet to the (SAR/ISIR). Discrepancies must be corrected before further processing.

1. Regulations allow situations when verification of household size or number in college is not required. All students selected for verification must submit a response to these questions on the Verification Worksheet.
2. The FAO verifies those applicants identified by the ED. Counselors may select a student for verification if a situation warrants investigation. If a student submits documentation the FAO must verify the information on the document against the information in the student’s file.
3. **Tolerances**

When verifying a student’s record, there are two instances when information does not match against the SAR that the SAR does not have to be corrected.

When the absolute value of the discrepancy does not exceed $200.

When the EFC is 0 and a recalculation determines the EFC would remain 0.

1. **Notification of Students**

Students must be notified of verification results. If there were no changes to their financial aid (ISIR) an award letter is sent to the student. When there are changes to the (ISIR) the student receives an award letter with a printed copy of the items changed as a result of verification. The student is required to sign both the award letter and the Institutional Student Information Report (ISIR). Parents of dependent students are also required to sign both documents.

1. **Updating Requirements and Procedures**

There are three items, which may be updated to reflect the student’s changed circumstance. When students notify the FAO of an allowable update, the office may recalculate the student’s EFC and the new figure may be used to award financial aid. Updates may occur for:

1. Dependency status
2. Family size
3. Number of family members enrolled in a postsecondary institution

Updates may not occur for changes pertaining to marital status.

1. **Interim Disbursements**

Because the FAO is liable for disbursements made prior to verification, it is the policy of the Financial Aid Office not to award nor disburse funds until verification is complete. The FAO does not allow interim disbursements. Students must complete the verification process before aid is awarded or disbursed.

**Section 8: Student Budgets (COA)**

Student Budgets are an integral component in the financial aid equation. Standard student budgets reflecting the Hood Theological Seminary’s average student population cost of attendance at a modest, but adequate standard of living are used to award financial aid. Other special budget considerations are approved on a case-by-case basis.

1. Basis for Student Budgets

The Financial Aid Office collects information pertaining to the cost of living to prepare standard cost for living on an annual basis.

1. Tuition and Fees

Each school year the Board of Trustees meets to discuss and approve the projected budget and the cost of tuition and fees for the next school year. The students are notified of the increase during the summer so that they may sufficiently plan for their expenses. The tuition and fees are the same for both in-state and out-of-state students.

1. Books and Supplies

An estimate for books and supplies of $700.00 per semester is factored into the overall student’s budget and expenses.

1. Room and Board

Room and board expenses are divided three categories: living with parents, living on-campus, and living off-campus. Students living with their parents acquire minimum required cost based under the law along with an estimate of weekly expenses. The off-campus costs are based from a student questionnaire containing mortgage/rent and utility expense Committees’ opinion

1. Transportation

Transportation costs consist of average costs for car insurance, maintenance, and gasoline or bus fares.

1. Personal Expense

Personal expenses include expenses for clothing, toiletries, medical/dental, recreational, and other miscellaneous expenses.

1. Special Budget Considerations

Upon request, the FAO may review, and if appropriate, adjust a student’s budget. Students should submit appropriate documentation.

Examples of changes to student budgets include, but are not limited to:

1. Child Care – the cost of child-care for single parents (or parents with a spouse also in college) with dependent children may be added to a student budget.
2. Special needs – disabled students or students with special problems may be allocated funds to cover reasonable costs associated with disabilities or problems that are not already covered by other sources.

**Section 9: Awarding Financial Aid**

###### **Institutional Packaging Philosophy**

The Financial Aid Office exists to help students with the cost of higher education; however, it is duly noted that such expenses acquired are the responsibility of the student/spouse and/or parent(s). Students are given the opportunity to decline an award at any time during the school year.

The student financial aid package consists of a cost of attendance [(explained in Section IX) COA] minus their expected family contribution (EFC).The difference represents the demonstrated need during the student’s enrollment period. The Federal Subsidized Stafford Loan is used for need based funding only. The Federal Unsubsidized Stafford Loan is the source of aid that may replace a student’s EFC.

1. Institutional Packaging Procedures

Student aid is packaged beginning with a priority date set at May 30th. It is the FAO’s responsibility to counsel the individual students of their eligibility and it is the student’s responsibility to initiate the process. Following are the procedures, which will establish a student’s financial aid package.

1. Complete the Free Application for Federal Student Aid (FAFSA) hard copy application or by using the internet at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).
2. If interested in Federal Loans, the student should contact the FAO to discuss eligibility.
3. Complete the Federal Loan, Master Promissory Note (MPN) and entrance interview.
4. Complete all verification paperwork and submit a copy of your base year federal income tax return if requested.
5. The FAO will advise you regarding your financial aid through an award letter.
6. **Determination of Total Campus Based Funds to be Awarded**

The FAO, in conjunction with the Business Office, determine the total aid funds to be awarded during an award year. The (ED) sends the FAO information detailing annual fund allocations through the Official Notice of Funding. The total campus-based funds, including required matching, available to be disbursed are compared with past school years to maintain fairness. A determination is made based on prior year history, of the percentage, which all programs will be awarded in excess of allocation to account for attrition.

1. **Outside Resources**

Students are encouraged to seek assistance from outside resources. It is required that all outside assistance be reported to the FAO. Student aid, including outside resources, may not exceed the student’s cost of attendance. If a student has been awarded and receives an outside award an adjustment may be necessary. The outside aid will replace the self-help aid if possible.

1. **Award Letter and Acceptance of Awards**

Each year students receive notice of their financial aid through an award letter. During the fall semester students will receive an award letter for their records. The student should return this in the event that a source of aid is to be declined or an update of further assistance is reported.

The award letter in the spring will provide notification of financial aid to be received for the entire school year. Students are required to accept or decline each award (blank responses are considered acceptances). Students who do not return award letters within 30 days will lose all funds. Campus-based funds will be awarded to other needy students. A student may receive a reinstatement of a cancelled offer only if aid is available. Monies are not reserved for reinstated awards.

1. **Summer Aid**

The summer term at Hood Theological Seminary is used as the ending of the school year. There are only a few programs students may apply for during the summer term. If a student has eligibility for Federal Stafford Loans and has not used their entire allocation for the current school year, the appropriate remainder may be used. Students may also apply for the Graduate PLUS loans during the summer term.

1. **International Students**

International students are not eligible for federal or state financial aid because they do not meet the citizenship requirement. International students may receive non-federal aid and scholarships and are encouraged to apply for such aid.

**Section 10: Professional Judgments**

The Higher Education Act of 1992 allows financial aid administrators to make professional judgment decisions to make adjustments for special or unusual family or student circumstances. Such circumstances must be analyzed on a case-by-case basis.

FAA’s may treat a student with special circumstances differently that the strict application of the methodology would otherwise permit. Adjustments can either increase or decrease a student’s EFC or cost of attendance. In the event of a professional judgment, specified adjustment may be made to the data elements. Changes to the methodology are prohibited. Professional judgment decisions may be made to adjust eligibility for all institutional, Title IV, and campus-based aid. The reason for the adjustment must relate to the student’s special circumstances and must be documented in the student’s file.

1. **Staff Authority**

The Director of Financial Aid and the FAC are responsible for adjusting student eligibility and making professional judgments.

1. **Circumstances**

Because the purpose of such adjustments is to allow FAA’s to accommodate unusual circumstances, the Department does not provide detailed information on when the FAA may make adjustments. However, effective, October 1, 1998, Reauthorization added some examples of special circumstances schools might consider. Examples of special circumstances listed in the law include:

1. elementary or secondary school tuition
2. medical/dental expenses not covered by insurance
3. unusually high child care costs
4. recent unemployment of a family member
5. changes in the family income or assets.

 Use of professional judgment is neither limited to nor required in these situations (Student Eligibility, Corrections, Updates, and Adjustments, 1999-2000, p 209).

1. **Student Appeals**

The decision of the Financial Aid Office pertaining to professional judgments is final.

1. **Documentation**

The FAO is required to document professional judgment decisions. Because professional judgments are unique, specific required documentation is not listed. The documentation is left to the discretion of the FAO and must be maintained in the student’s file.

1. Documentation should substantiate the student’s situation.
2. Typically, documentation should be from a professional.
3. If collecting documentation about a student’s life situation more than one source should be collected.
4. Independent Student Status/Dependency overrides

The FAFSA initially determines the areas and/or circumstances that make an individual independent. However, there are special situations, which may warrant a professional judgment decision on behalf of the student’s life circumstances.

1. Cancellation of parental contribution due to an abusive relationship with a family member.
2. Cancellation of parental contribution due to parental abandonment of the student.

**Section 11: Processing Loans**

The Federal Family Educational Loan Program (FFELP) is comprised of four loan types:

1. The Federal Subsidized Loan
2. The Federal Unsubsidized Loan
3. The Federal Graduate Plus Loan
4. The Federal Direct Loan

The Financial Aid Office must certify each loan before a student may borrow from a lending institution (Policies for loans are outlined in section 5).

1. **Loan Application**

Students are initially instructed to file the **FAFSA online ww.fafsa.ed.gov** to determine eligibility for any financial aid. If students are interested in an education loan they must submit an application on line to the lender of their choice (lender’s web links; Appendix) and electronically sign the **Master Promissory Note** (**MPN**)the Once these steps are completed; the Financial Aid Officer is responsible the **School Certification** of the students loan..

1. It will be the intention of the FAO to keep students/borrowers with their lender of choice and to help the students once repayment begins. The current lenders of choice for Hood Theological Seminary are College Foundation of North Carolina, Inc., Wachovia Bank, Sallie Mae, Citibank, and Direct Loan. Bank of America will no longer provide lending through the Federal Family Education Loan Program (FFELP) for new applicants.
2. The Federal Subsidized and Unsubsidized Stafford Loans for graduate students (no credit check required at this time)

The student’s borrowing eligibility is initially determined upon the student’s dependency status and their school classification. According to the limits established by the federal government independent students have more eligibility to borrow and they are counseled to only borrow what is needed and to further allow for emergency cases. The federal government is stricter with dependent students only allowing them a smaller range of eligibility.

1. The Graduate Plus Loan (credit check is required at this time)

Once a dependent student has borrowed their limit for the school year they are no longer eligible for additional Federal Stafford Loan proceeds. They are to be directed toward the PLUS loan for an additional educational loan. In the case of dependent students the FAO will determine the type loan the student qualifies for; this will be done on a case by case bases.

 3. The Alternative Loan: Contact lender(s) for requirements:

**Section 12: Revision of Financial Aid Awards**

Once an award letter is sent to the student, there may be instances, which warrant a change to the original award notification. An Aid Administrator may review a student’s circumstances, make an adjustment, and must release a revised award letter notifying the student of the change. The new award letter then invalidates the original award letter. An award letter may be changed due to circumstances arising from the FAO, the student, or an over award.

Revision Initiated by the Financial Aid Office

The FAO will automatically consider a revision in a student’s aid package when the following occurs:

1. There is presence of conflicting information within the file
2. There are changes resulting from verification
3. There is a change resulting from a professional judgment
4. There is a change in availability of funds
5. There is an FAO staff member error

The award letter is accompanied with another separate sheet explaining the terms and conditions of the financial aid. It further acknowledges the right of the FAO to make a change to an award letter. Students are to be sent a revised award letter with an award message explaining the change. In the case of an office error, it is customary to contact the student or send a personalized letter.

1. **Revision Initiated by Request from the Student**

The initial award letter sent to students in the spring will have both the options to either accept or deny the award(s). When a student receives the award letter they may decline any portion of the award letter. It is further the responsibility of the student to inform the FAO of changes to a student’s resources. If a student reveals a change to their family situation, which may affect their family contribution, the Aid Administrator should make a note of such circumstances and/or have the student write a letter reiterating the conversation and include supportive documentation.

1. **Over-awards**

An over-award occurs any time a student’s disbursed financial aid (federal, state, institutional, and outside aid) and other resources exceeds the cost of attendance for the award period by more than an allowable tolerance.

1. **Eliminating an Over-award**

Before reducing a student’s aid package because of an over-award, the FAO should always attempt to alleviate the situation by reducing or eliminating an over-award. Three methods are:

1. Increase the student’s budget by using allowable expenses
2. Verify the information reported on the FAFSA to potentially adjust the EFC
3. Adjust un-disbursed funds (all federal un-disbursed funds must be withdrawn in the case of an over-award).
4. A professional judgment decision must not be done in order to adjust an EFC to correct an over-award.
5. **Causes of an over-award and/or overpayment**

There are several reasons for an over-award:

1. Student wages – the student earns more than their awarded (projected) FWS allocation
2. Change in enrollment status-a student withdraws or drops below a projected enrollment status
3. Reduction in the cost of attendance – the student changes budget categories
4. Additional resources – The student has resources greater than those used to calculate the award
5. Administrator error – the aid administrator inadvertently makes an error
6. Fraud – the student intentionally deceives or misrepresents information to obtain funds
7. **Treatment of an over-award**

If eliminating the over-award is not possible the aid administrator must reduce the over-award by adjusting self help awards using the following sequence:

1. A student loan that has not already financed the EFC may be adjusted to replace the EFC and correct the over-award.
2. If a student is scheduled to receive or has already received educational loan proceeds the disbursement(s) may be partially returned or cancelled altogether.
3. An over-award over $300 based on surplus earnings from FWS must be counted as a resource for the next academic year.
4. The campus-based aid should not be changed to correct an over-award unless the student’s eligibility has changed.
5. If an over-award occurs due to fraud, follow the procedures in section 18.

**Section 13: Disbursement of Funds**

There is a clear and distinct separation of functions between the FAO and business offices. The Financial Aid Office is responsible for maintaining student eligibility and assures compliance with the Department of Education. The business office handles the account status of individual students.

1. **Responsibility for Disbursement of Funds**

The FAO is responsible for both entering student data into PowerFaids and exporting such aid over to the business office which is applied to the students account once it is disbursed in EX by the FAO. It is the responsibility of the business office to verify that such aid has been applied to individual student accounts.

B. **Procedures for Disbursement of Funds**

All forms of student aid to be used for the school year are to be entered into the financial aid module on the Jenzabar computer software. This will enhance communication between departments and prepare the FAO to create award letters.

1. For directions on entering student data into PowerFaids refer to the financial aid refer to the PF user’s guide.
2. The Financial Aid Office must also compliment such aid reported in PowerFaids by sending the same information over to the business office on a hard copy disbursement roster.
3. Records are to be kept for all areas of federal financial aid utilized by Hood Theological Seminary and their own institutional scholarships.
4. All sources of aid *must be held* for those students selected for verification until their file(s) have the necessary documentation required to sufficiently complete the verification requirement.

**Section 14: Refunds and Repayments**

Institutions are required to have a fair and equitable refund policy for students who receive financial aid. When a student withdraws from classes Hood Theological Seminary may be able to refund all or a portion of the institutional expenses. The refund will be returned to the source whether it is the student or the financial aid program from which it came. A student who receives a cash disbursement to assist with living expenses and then withdraws, drops out, or is expelled, may be required to repay money to the aid programs. Refund refers to money paid toward school charges that must be returned to the financial aid source due to withdrawing from school. Hood Theological Seminary has designed the following policy and procedure to ensure proper accountability when a student leaves.

1. **Refund Policy:**

Any student who pays an excess amount for tuition and fees is entitled to a full refund of the overpayment. No refunds will be granted on institutional scholarships or grants-in-aid.

Students who withdraw from the Seminary voluntarily or involuntarily, with the endorsement or by the authority of the Academic Dean, may be entitled to partial refund of tuition, providing they submit on time to the Academic Dean the appropriate withdrawal form and return all library books and parking stickers to the President’s Office. The date of withdrawal will be that on which the completed withdrawal form is received in the Registrar’s Office and the cards surrendered to the President’s Office.

**Return to Title IV Funds Policy**

Federal regulations require Title IV financial aid funds to be awarded under the assumption that a student will attend the Seminary for the entire period in which federal assistance was awarded. However, in the event a student withdraws from all courses for any reason, including medical withdrawals or stops attending class, the Seminary is required to determine if the student has fully earned the awarded Title IV aid.

 Financial Aid Office is required to calculate the amount of the Federal Title IV financial aid that the student has earned and the amount that is unearned. The unearned portion of the Title IV financial aid must be returned to the appropriate financial aid program according to federal and institutional guidelines. If a student received more assistance than earned, the excess funds must be returned to the government by Hood Theological Seminary. This is called a Return to Title IV.

In keeping with this requirement of the Department of Education and for consistency, our return policy is as follows:

Students who withdraw on or before the 60% of the semester will have a percentage of their fees and Title IV financial aid calculated as earned and unearned on a pro-rata basis. If a student is enrolled beyond the 60% of the semester, all fees paid and Title IV financial aid received will be considered earned.

**Return to Title IV funds Process**

* Students must submit the appropriate paperwork to the Registrar Office. A copy of the withdrawal form will be received by Financial Aid Office and will be use as the official withdraw date.
* The Financial Aid Office will calculate the amount Title IV earned and unearned funds. The amount of earned and unearned financial aid is determined using the “Return to Title IV” (R2T4) calculation that is required by the U.S. Department of Education (ED).
* Federal regulations require Hood Seminary to perform R2T4 calculations within 30 days of the date Hood Seminary determines the student has completely withdrawn from school. Hood Seminary must return any unearned funds owed to the Title IV program(s) as soon as possible, but not later than 45 days after the date Hood Seminary determines the student has completely withdrawn from school.
* A copy of the recalculation will be placed on the student’s file.
* The institution and/or the student is required to return unearned financial aid funds.

**Return to Title IV Funds Financial Aid Programs**

The institution is responsible for calculating the percentage and amount of Title IV assistance the student did not earn and return the funds to the respective programs. The returned funds must be refunded to the following resources in specific order until the amount of the school’s responsibility has been satisfied. The order is:

Federal Subsidized Direct Loans

Federal Unsubsidized Direct Loans

Federal PLUS Loans

1. **Repayment Policy and Procedure:**
2. **Repayment Policy:**

A repayment is when a check has been issued to a student for living expenses and that student withdraws. The school will determine if the allotment is more than the living expense calculation up to the withdrawal date.

When a student receives a cash disbursement based on a credit balance after financial aid has been credited and withdraws it will be determined if a repayment will be required from the student. After the repayment calculation has been completed the student will be informed if a repayment is due. Hood Theological Seminary is not responsible for collection.

1. **Repayment Procedure**

When a student withdraws from Hood Theological Seminary, the procedures listed below should be followed:

1. A student is required to initiate the withdrawal process by obtaining the “Withdrawal Form” from the Registrar’s Office. The student must take the “Withdrawal Form” to their Advisor and the respective offices listed. It is the student’s responsibility to verify that the FAO or Business Office receives this form to perform a refund calculation.
2. The FAO and Business Office will complete the appropriate refund/repayment calculations according to the Department of Education.
3. Once the appropriate refund amount has been determined, the refund will be allocated in the federally required order. Hood Theological Seminary will distribute or return the funds within the 30 day requirement.
4. **Appeal Process**

If a student or parent feels individual circumstances exist and warrant an exception to this policy, they must:

1. Submit a request in writing to the President documenting all circumstances.
2. The written appeal will be reviewed with ten (10) working days and a written response will be forwarded to the student.
3. **Withdrawal Procedures**

When a student receiving federal aid ceases attendance the withdrawal date (as defined by federal regulations) will be used to determine the charges to the student. The student must initiate the process of withdrawal (official withdrawal) by completing the required form. If a student ceases enrollment without contact, the attendance roster will be used (administrative withdrawal) to determine the last date of attendance.

**Section 15: Satisfactory Academic Progress**

Federal regulations require the establishment and application of reasonable standards for Satisfactory Academic Progress (SAP) for the purpose of the receipt of financial assistance under the programs authorized by the Title IV of the Higher Education Act. Each institution must design criteria, which outlines the definition of student progress towards a degree and the consequences to the student if progress is not achieved. HTS students who wish to be considered for financial aid must maintain satisfactory progress in their selected course of study as set forth in this policy.

 **Academic Progress Policy**

All eligible students must be making satisfactory academic progress to continue receiving financial aid. Satisfactory Academic Progress is determined through two areas: 1) Qualitative progress – a student must maintain a 2.0 cumulative grade point average; 2) Quantitative progress – a student must be making quantitative progress towards a degree (see following explanation).

If a student is ½ time (6-8.5 credit hours) then he/she must complete a minimum of 6 hours. If a student is ¾ time (9-11.5 credit hours) then he/she must complete a minimum of 9 hours. If a student is full-time (anything 12 credit hours or more) then he/she must complete a minimum of 12 hours. Any hours completed above the minimum requirement within any given block will count as positive hours, any time a student completes less than the minimum for that block, it counts as negative hours.

To maintain satisfactory academic progress, the student must keep the cumulative qualitative above 2.0 and the cumulative quantitative either at 0 or in the positive. Any student who falls

 behind in either category will be placed on financial aid probation. A student does have the

 right to appeal to the Financial Aid Office on the basis of extenuating circumstances

 **Satisfactory Academic Progress Chart**

**Credit Hours Completed                      Maintaining Progress        Financial Aid Suspended**
 **Master of Divinity (Track I)**00-12 credit hours
13-25 credit hours                                            2.00 or greater                                     1.99
26-38 credit hours                                            2.33 or greater                                     2.32
39-51 credit hours                                            2.33 or greater                                     2.32
52-64 credit hours                                            2.33 or greater                                     2.32
65-77 credit hours                                            2.33 or greater                                     2.32
78+   credit hours                                             2.33 or greater                                     2.32

**Master of Divinity (Track II)**00-09  credit hours
10-23  credit hours                                           2.00 or greater                                     1.99
24-35  credit hours                                           2.33 or greater                                     2.32
36-47  credit hours                                           2.33 or greater                                     2.32
48-59  credit hours                                           2.33 or greater                                     2.32
60-71  credit hours                                           2.33 or greater                                     2.32
72-83  credit hours                                           2.33 or greater                                     2.32
84+     credit hours                                           2.33 or greater                                     2.32

**Master of Theological Studies (Track I)**00-12   credit hours
13-25   credit hours                                               2.00                                               1.99
26-38   credit hours                                               2.33                                               2.32
39-51   credit hours                                               2.33                                               2.32
51+      credit hours                                               2.33                                               2.32

**Master of Theological Studies (Track 11)**00-09   credit hours
10-17   credit hours                                              2.00                                                1.99
18-26   credit hours                                              2.00                                                1.99
27-35   credit hours                                              2.33                                                2.32
36-44   credit hours                                              2.33                                                2.32
45-53   credit hours                                              2.33                                                2.32
54+      credit hours                                              2.33                                                2.32

**Doctor of Ministry**0-35 credit hours                                                  3.00                                                2.99

**Note: T**he Committee decision is final and cannot be overturned. The Committee
reserves the right to request additional information from the student and/or other
parties.

Academic Progress Procedure

Students are notified of the SAP policy in the HTS catalog. Each semester student academic progress is measured (updated). Those students who do not meet SAP criteria are then mailed a letter notifying them of their financial aid obligation or status.

 **Consequences of Financial Aid Denial:**

Students who do not maintain satisfactory academic progress after their first semester are placed on financial aid probation. They will lose eligibility for federal aid if such criteria are not met after two semesters (one academic year) and until the institutional criteria is achieved. Exceptions must be approved by the Financial Aid Committee and documented in the student’s file. A student will be denied assistance if any of the following as defined by the institutional policy occurs:

1. The student’s GPA is below the federal minimum requirement of 2.0
2. The student does not make the incremental progress of minimum credits completed per semester.
3. The student reaches the maximum time frame (150%) for completion of his/her program of studies.

See SAP Chart for further Information

 **Section 16:** **Fraud**

There are difficult situations where students and/or parents purposefully misrepresent information in hopes of obtaining additional assistance. The FAO is required to have a policy of referral when confronted with actual or suspected cases or fraud or abuse.

1. **Policy for Fraud**

Students and parents who willfully submit fraudulent information will be investigated to the furthest extent possible. All cases of fraud and abuse will be reported to the proper authorities.

1. **Procedures for Fraud**

If, in an aid administrator’s judgment, there has been intentional misrepresentation, false statements, or alterations of documents, which have resulted or could result in the awarding or disbursement of funds for which the student is not eligible, the case shall be automatically selected for verification to investigate the matter.

The FAO reviews the student’s aid file and determines whether it is necessary to deny or cancel financial assistance. A written request to make an appointment is sent to the student. If the student/parent(s) do not make an appointment, the FAO may:

1. Not process a financial aid application until the situation is resolved satisfactorily.
2. Not award financial aid
3. Cancel financial aid
4. Determine that financial aid will not be processed for future years.

All processing of the application or disbursement of funds shall be suspended until the FAO has made a determination as to whether the student shall be required to make an appointment.

Fraudulent situations should be reported to the hotline of the Department of Education Inspector General at (202) 755-2270 or 1 (800) MIS-USED.

**Section 17: Audits and Program Review**

Federal regulations require that the FAO have its records and student files audited at least once every two years [668.23]. Each audit must cover the time period since the last audit. Hood Theological Seminary is audited annually by Potter and Company.

Auditors review a sample of student aid files to ensure the FAO is in compliance with federal, state, and HTS policies. The auditors submit a preliminary memorandum of findings to the Director of Financial Aid who conducts research and prepares a response addressing resolution of the specific discrepancy and appropriate procedures to correct faulty processing. Items which are resolved are deleted from the report and the final document is submitted to the Auditor. The President relays a copy of findings to the Financial Aid Office who, in turn, submits a written response to errors discovered by the Auditor. If the FAO submits a valid response to the Auditor, the discrepancy is removed from the citation report. An audit exit meeting is held with the auditor and selected institution personnel to discuss findings and allow the institution an opportunity to clarify a response. The Office of the Auditor General then submits potential findings to the Board of Regents and the U.S. Department of Education.

1. **Preparation**

Preparation for the audit is cooperation with the Auditor’s requests. Typically the Auditor will randomly select a specific number of students from each of the Title IV programs. The files are then given to the auditor in a timely fashion and other additional assistance is responded to promptly.

1. **Guidelines**

A complete listing of financial aid guidelines is listed in the Audit Guide published by the U.S. Department of Education. See this reference document for additional information.

1. **Liaison**

At some point during the audit the Auditor will request additional information. This information may be documents in the FAO or other sources, which will need to come from the Business Office. At the final stages the Auditor will go over the findings and the FAO will be given a chance to research the findings.

Your federal student loans will be reported to, and tracked by, the National Student Loan Data System (NSLDS) which is accessable to you, guaranty agencies, eligible lenders, and eligible institutions of higher education as authorized users of NSLDS. Your access is through the use of your FAFSA pin, at [www.nslds.ed.gov](http://www.nslds.ed.gov/).