

North Florida Cosmetology Institute

Policy and Procedure Manual for Federal Financial Aid

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Commission for Independent Education
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Accredited By:

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North Florida Cosmetology Institute

Table of Contents

Mission Statement & Goals	3
Philosophy of Financial Aid	3
General Information	3
Policies & Practices	4
Leave of Absence Policy	5
Satisfactory Progress Policy	6
Application Procedures	9
Awarding Financial Aid	10
Packaging Concepts	10
Appeals Process	11
Types of Aid	11
Federal Pell Grant Calculation	11
Verification Procedures	12
Professional Judgment Policy	14

North Florida Cosmetology Institute

Mission Statement & Goals

The North Florida Cosmetology Institute Office of Financial Aid is committed to providing financial resources to all students who would otherwise be unable to pursue the attainment of their educational and professional goals.

The purpose of this document is to comply with the Federal Department of Education's requirement for a policy and procedure manual. The manual is available online at www.cosmetologyinst.com or a written copy upon request.

Communicate with our students openly and frequently. Provide efficient and effective access through personalized service and the use of creative, innovative employees who communicate with empathy, compassion, and respect. Value and take care of our employees and recognize and reward their work and contributions.

Coordinate the administration of all students' financial assistance awarded to ensure equity and consistency in delivering funds to students and make the most efficient use of funds available.

Philosophy of Financial Aid

North Florida Cosmetology Institute provides a variety of programs to assist students who have financial needs.

North Florida Cosmetology Institute believes it is the student's primary responsibility and his/her family to meet the costs of education. NFCI also recognizes that economic circumstances may require the student to seek additional assistance from other sources. When family resources do not meet the total cost of attending the institution, financial need is established. The total cost of attending NFCI includes tuition and all fees, room and board, books and supplies, personal expenses, and allowable transportation costs.

If economic circumstances beyond the student/parent control prevent a student from receiving assistance, the Financial Aid Director or the director's designee might use professional judgment. Professional judgment decisions are final. (See Professional Judgment Section)

General Information

Financial need calculated by a standard need analysis system using confidential information submitted by the parents or the self-supporting student. The family's financial strength analysis includes considering current family income, assets, family size, the number of children in college, and any other factors that alter a family's financial strength.

North Florida Cosmetology Institute

Federal aid programs, state aid programs, and many college programs do not permit aid awards that exceed the computed need. Students must also include information on all other sources of aid the student receives. The Free Application for Federal Student Aid (FAFSA) is the need analysis accepted at NFCI. – apply here <http://www.fafsa.ed.gov/>

Applicants for financial aid are not required to enroll to apply for financial aid. However, the student must be registered and comply with all satisfactory progress requirements before disbursements.

Transfer students from other colleges should have a transcript and an admission application on file at the time of application for financial assistance.

Policies & Practices

1. All awards are contingent upon receipt of funds from all funding sources and are made according to the specific stipulations for awarding each aid source. Should the guidelines for distributing specific funds change, NFCI has the right to adjust awards.
2. The Financial Aid Office reserves the right to review and cancel an award at any time because of a change in financial or academic status.
3. **Recipients of financial assistance from NFCI notify the Financial Aid Office of any other scholarships, grants, or loans extended to them from other sources outside NFCI before accepting outside aid.**
4. All students are expected to make immediate payment of all school obligations, tuition, fees, and supplies. If the financial aid award does not cover the total fees, it is the student's responsibility to pay the difference.
5. NFCI does not offer Federal Work-Study at this time.
6. All assistance is awarded by demonstrated need or academic achievement. Those students with the greatest need will be filled with grants and loans. Those with less need will have their need filled primarily with loans.
7. Financial need will be re-evaluated each year, and appropriate increases or decreases of assistance offered will be made. For this evaluation, renewal or new application for Federal Student Aid will be required. It is the student's responsibility to secure the necessary forms and have them processed as soon as possible after completing the required year's income taxes or before July 1. Those students whose files are adequately completed by July 1 will receive aid as need indicates.

North Florida Cosmetology Institute

8. Students with loans who withdraw during the academic year must immediately notify NFCI in writing. Those students must make arrangements for repayment/exit interview with the Financial Aid office of NFCI.
9. Federal Assistance will be received via Check.
10. Assistance is based on half-time 15 hours per week or full time 30 hours per week. No student is to attend more than 35 hours/per week on average.
11. Students should complete entrance counseling if needed, and Master Promissory Note via the Internet <https://studentloans.gov> soon as possible before he/she registers for classes. **Four** weeks prior should be sufficient. If a student does not have access to a computer, NFCI will provide computer access for the loan application process.
12. In certain circumstances, students withdraw or drop below half-time before their loan proceeds arrive. Typically, the funds would be returned to the lender. If the student owes the institution, it will be deducted from the proceeds, and the remainder will be returned to the lender.

Leave of Absence Policy (LOA)

LEAVE OF ABSENCE (LOA) A LOA may be requested for any reason the student needs, personal or medical. Requests for LOA must be submitted in advance in writing, including the reason for the request and the student's signature. Suppose unforeseen circumstances prevent the student from requesting the LOA in advance. In that case, the institution may grant an LOA to a student if the institution documents the reason for its decision and collects the student's request at a later date. For example, a student is involved in an accident and needs a few weeks to recover. The student could not request the LOA in advance – the institution would determine the beginning date of the LOA to be the first date the student was unable to attend School due to the accident.

NOTE: 14 consecutive (calendar) days absent is considered an automatic withdrawal.

- Total LOA not to exceed 180 days in the calendar year
- A leave of absence must not exceed sixty 60-days unless for medical reasons.
- Medical leaves of absence must be documented and must not exceed 180-Days.
- There must be a reasonable expectation the student will return from the LOA
- Approval of the student's request for an LOA is following the institution's policy.
- Students must return before the next scheduled school day following the end date on the LOA.

North Florida Cosmetology Institute

- The status of a student upon LOA absence will remain the same as before that leave.
- The Institute will extend the student's contract period by the same number of calendar days in the LOA. All parties must initial changes to the contract period on the Enrollment Agreement Addendum must be signed and dated by all parties.
- The Institute may not assess the student for any additional charges as a result of the LOA.
- A student granted an LOA that meets these criteria is not considered withdrawn, and no refund calculation is required at that time.
- Students who do not return from a leave of absence, the date of withdrawal to calculate a refund is always the student's last day of attendance.
- The students must follow the institution's policy in requesting the LOA.

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North Florida Cosmetology Institute

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APPLICATION PROCEDURES

The application for Financial Aid is found @ <https://fafsa.ed.gov/>. NFCI will also provide computer access and assistance for those who do not otherwise have electronic access. Students should file as soon as possible after completing the required year's income taxes.

After NFCI Financial Aid Director receives the Institutional Student Information Record (ISIR), an award notification package is assembled for the student. The financial aid package is determined by the student's need-based on college costs and the availability of funds. A written award explains the package contents, including loan or grant assistance, depending upon the amount of need and the types of aid for which the student is eligible. The awarded funds are made available to the student; if the award amount is not sufficient to cover total costs, the student must be prepared to pay the remainder at registration or agree to a monthly payment plan.

NFCI will attempt to meet the need of every eligible aid applicant. However, all awards are contingent upon the availability of funds and satisfactory progress regulations.

All financial aid must be used for legitimate educational costs.

1. Meet with the admissions office, discuss the program, and complete entrance counseling and MPN if loans are needed.
2. Submit the Federal Aid Application (FAFSA) @ <http://www.fafsa.ed.gov> or NFCI will provide computer access and assistance for those who do not otherwise have electronic access.
3. Remember to include the school code (**0035573**) on the FAFSA application. The inclusion of the school code allows the institution access to student's information electronically.
4. Submit all follow-up requests as soon as possible after notification from the Financial Aid Office to complete the file.
5. Financial aid is NOT automatically renewed. Continuing students must reapply for aid each year. Therefore, items should be in the Financial Aid

North Florida Cosmetology Institute

Office by April 1 each year for new and continuing students to receive priority awards.

Awarding Financial Aid

NFCI will award financial aid to students with the **most significant need in the following order:**

1. Grants (Pell)
2. Loans (Direct Loans)

Packaging Concepts

1. The Federal Pell Grant and available outside resources will be the "foundation" upon which a financial aid package is built.
2. Ideally, the package will include a mixture of gift aid and self-help.
3. The concept will be applied consistently across the board (like-type students will receive like-type packages).
4. If need-based federal or state funds are included in the award, the financial need cannot be exceeded.
5. Students are eligible for aid equal to the need but not necessarily entitled to it.

Appeals Process

A student has the right to appeal if the financial aid is terminated for any reason other than lack of funds.

1. A written letter of appeal must be submitted to the Financial Aid Office at NFCI. A letter of explanation must be provided by the student and the letter of appeal (documentation). For example, a medical doctor's letter should accompany a letter of appeal about a medical condition.
2. Types of appeals that will be considered are (a) Medical, (b) Family Death or (c) other extenuating circumstances.
3. All appeals must be received before the beginning of the financial aid year the student plans to attend. The student will be notified in writing of the Financial Aid Office's decision not more than ten days after the receipt of the appeal letter and required documentation.

North Florida Cosmetology Institute

4. Any student wishing to appeal higher may do so.

Types of Aid

"GRANTS."

Federal Pell Grant: This grant is a federal aid program designed to provide financial assistance to those who have established need and who are enrolled in an eligible undergraduate program on at least a half-time basis. It is designed to be the floor of the financial aid award and should meet approximately one-half of the student's needs. The amount of the Federal Pell Grant is determined by the family's financial resources and college cost.

"LOANS."

Federal Direct Student Loan Program – FDSLPL: A program that provides low-interest loans to post-secondary students and their parents. The William D. Ford Federal Direct Student Loan Program is issued and managed by the US Department of Education. It is the only government-backed loan program in the United States. Students who wish to apply for funding from the FDSLPL must first submit the Free Application for Federal Student Aid (FAFSA).

Direct Subsidized and Unsubsidized Loans: Eligibility for Direct Subsidized and Unsubsidized Loans is based on the information reported on the *Free Application for Federal Student Aid* (FAFSA). No interest is charged on subsidized loans while you are enrolled at least half-time, during your grace period and deferment periods. Interest is charged on unsubsidized loans during all periods.

Direct PLUS Loans—Direct PLUS Loans are low-interest loans available to parents of dependent students and graduate and professional degree students. Interest is charged during all periods.

Direct Consolidation Loans—Direct Consolidation Loans are loans for borrowers who want to combine their eligible federal student loans into a single loan.

For additional information or questions on FDSLPL: <http://www.direct.ed.gov/>

Federal Pell Grant Calculation

The Expected Family Contribution (EFC) is the amount that a family can be expected to contribute towards college costs. By comparing the EFC to the student's cost of attendance, the Financial Aid Director can determine the student's financial need for federal student aid from the US Department of Education (ED) and other sources.

The Federal Pell Grant is calculated using an official EFC and the institution's cost of attendance (COA). ED provides the institution with a Pell Payment Schedule, which shows the Pell for which a student could qualify. Where the EFC and the COA intersect is

North Florida Cosmetology Institute

the grid's location that displays the amount of Pell for the academic year. This amount is divided by the terms in the academic year.

Verification Procedure

1. After an ISIR (electronic data) is received by the School and flagged for verification by The Department of Education, NFCI will contact the student and request the documentation. **It is the student's responsibility to see that all requests from the Financial Aid Office are satisfied.**
2. If a change is made after the award, the student will receive a revised award notification for review and signature.
3. **The financial aid office will help the student make corrections to their application.** During the verification process, all corrections will be made electronically based on the documentation received.
4. If an award must be reduced because of subsequent verification, the student is responsible for submitting any funds disbursed in error due to the incorrect information. If funds are not repaid, the overpayment will be reported to The Department of Education.

Verification items may consist of the following:

1. Adjusted Gross Income (AGI)
2. US Taxes Paid
3. Social Security
4. SNAP
5. VA.
6. Other Income and Benefits
7. Untaxed Income & Child Support
8. Number in College
9. Number in Family
10. Dependency Status
11. Citizenship
12. IRA/KEOGH Payments

Process of Verification – workflow, and communication.

1. US Department of Education processes data from the Free Application for Federal Student Aid (FAFSA). It sends a Student Aid Report (SAR) to students and ISIR to schools listed on the application.

North Florida Cosmetology Institute

2. A student is contacted about documents needed for processing purposes.
3. Student completes documents needed for file.
4. NFCI reviews the documents for errors
5. NFCI performs recalculation of expected family contribution after resolution of conflict (if any).
6. If the change affects the original EFC, the correction is done electronically using FAA Access Online.
7. Corrections are entered electronically using the FAA access website.
8. After a seventy-two (72) hour period, correct ISIR's are downloaded to NFCI.
9. The verification process is then completed if there are no other errors found.

The applicant has fifteen (15) days in which to supply the FAA with the requested information for verification, provided the student has reasonable access to such information. Applicants who miss the stated deadline but later supplies this needed information shall be awarded. Still, the institution will not take responsibility for the delay or loss of other aid if funds are depleted at that time. Depending on the timeframe in which the information is presented (during registration, for example), it could be a two-week delay in processing. The student is responsible for fee payment until the verification process is complete.

Methods of Notification

The applicant will be notified by telephone, email, or a letter to the local address, whichever is most appropriate for that student? If items must be clarified or discussed, the applicant may be asked to bring supportive documentation and come by the Financial Aid Office. When the student's file is complete, the student will receive an award letter. The student will be given a copy of the award letter, and the Financial Aid Office will keep the original. Any questions on the award should be addressed to the Financial Aid Office. All questions about the bill and checks should be addressed to the Admissions office.

Professional Judgment Policy

This policy was established to act as a standard by which consistent and equitable decisions can be made. This policy will attempt to identify circumstances that may occur and list the documentation required and the action taken. Cases brought to the Financial Aid Office will be reviewed. Every case is different; therefore, circumstances the same or

North Florida Cosmetology Institute

similar to those listed below will be evaluated on a case-by-case basis. Not all circumstances relate to needing analysis. Adjustments may have to be made regarding the dependent/independent status of the student.

Adjustable Elements

The professional judgment gives the financial aid administrator authority to make changes in the cost of education and data elements. The EFC alone cannot be adjusted for professional judgment.

Circumstances that may require review by the Financial Aid Office

Listed below are some circumstances that may require professional judgment during the academic year. Students falling into one of these categories will not necessarily receive a change in their financial aid information; however, a review may be warranted on a case-by-case basis.

A. The spouse or parent has died since the student has filed a need analysis document.

Documentation: Tax return for applicant or parent, W-2 forms, Death certificate, or statement from applicant or parent regarding the circumstances.

Action Taken: Determine the amount of income from wages, salary, tips, etc., from the W-2 forms of the surviving parent or spouse. If accounts were jointly owned, one-half (1/2) of the amounts should be reported. To determine the amount of US tax paid, use a percentage based on the amount the applicant or parent contributed to the combined adjusted gross income. After AGI and taxes paid have been determined, the SAR will be recalculated on the student's or parents' information.

B. Divorce or separation has occurred since the student filed a need analysis document.

Documentation: Tax return of applicant or parent divorce papers and or statement from parent or spouse regarding the divorce or separation.

Action Taken: If the applicant or parent filed a joint return, use the same procedure required for the death of spouse or parent.

C. Unusually high medical or dental expenses not covered by insurance

Documentation: Statement by applicant or parent regarding the expenses accompanied by the applicant or parent's appropriate bills. Must give proof that the expenses were not covered by insurance.

North Florida Cosmetology Institute

Action Taken: Treatment of significant indebtedness from medical and dental bills incurred during the base year is to consider the indebtedness as an allowance against assets. Therefore an adjustment to the AGI should be made. The Student Aid Report will be sent back to the Federal Student Aid Processor if necessary.

- D. The student had a court-appointed guardian; however, the legal relationship has ended. This student was not claimed on the guardian's or parent's tax return.**

Documentation: Court documents stating the student did have a legal guardian. If documentation can be provided, then the student can file as an independent. A student may have contact with the parent. However, guardianship superseded the authority of parents.

Action Taken: If the student filed as a dependent on guardian information, then a correction application is necessary. If a student has not completed a need analysis document, then the correction application can be filed as the initial application with a dependency override code.

- E. Loss of Income/Benefits including Social Security Benefits, Court-ordered child support, Welfare Benefits, AFDC or ADC, Untaxed retirement or disability benefits, loss of wages involuntarily through lay-off or termination.**

Documentation: Statement from the appropriate agency listing the number of benefits received in the base year and date benefits will be terminated.

Action Taken: Recalculate the EFC by disregarding the benefits received in the base year. Estimate future earnings using income from current sources such as unemployment or lower wages from a new job.