

# Payments for Student Financial Aid:

**Purpose of this document:** To communicate processes that ensure UGA is compliant with federal and state regulations for all student financial aid recipients. This information applies to graduate and undergraduate students.

Any resource or aid, to include scholarships, awards, or stipends that a student receives due to their enrollment at UGA should be processed through ScholarshipUniverse. This system facilitates proper reporting and ensures compliance with IRS rules and the requirement that any educational benefits paid to a student, regardless of the source, are considered in the determination of eligibility for federal financial aid. Processing aid through any method that circumvents the ScholarshipUniverse system (except for an award made due to employment via payroll) could result in financial aid overawards and potential penalties and fines for UGA. See Exhibit A for a flow chart and decision points on student payments.

The UGA Foundation exists to support the University of Georgia through scholarship, faculty support, travel, research, and other institutional programs. The UGA Foundation works closely with the University to align with reporting and processing standards.

UGA complies with the intent of donors when administering funds to students and others on their behalf. However, donor intent, no matter how specific or strongly worded, may not supersede the University's obligation to meet federal and state financial aid rules, and IRS, Fair Labor Standards Act, or other regulations. When requirements conflict with each other, the most stringent of applicable rules prevails regardless of the funding source for payments to students. If a conflict occurs, the funding source or award must be adjusted.

On the rare occasion an award or resource is noted where payment cannot be made via a student's account and will be paid directly to a UGA department, such as the Health Center, please reach out to the UGA Foundation's Expenditure Control team ([askfsap@uga.edu](mailto:askfsap@uga.edu)) for instructions on facilitating this payment.

**Process:** To comply with federal and state regulations, the following process is required for all student aid payments:

1. **Scholar Selection** - Department or unit identifies a student(s) that meets the eligibility criteria for a scholarship or monetary payment. The department selecting recipients is responsible for ensuring awards comply with donor intent or other awarding constraints as stated in the donor fund agreement. Donor intent may not supersede UGA's obligation to meet federal and state financial aid rules, IRS, and other regulations.
2. **Scholarship Impact on Federal Financial Aid** - Under the Higher Education Act of 1965 and its amendments, institutional financial aid must be taken into consideration when the Office of Student Financial Aid (OSFA) determines eligibility for federal aid (including student loans). Every effort is made to maximize a student's funding opportunities; however, there may be situations where receipt of additional aid will require a reduction in federal aid due to federal regulations regarding financial aid recipients.

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If a student is in an overaward situation, OSFA will work with the student to see if they have any **required** program expenses that are not currently included in their Cost of Attendance (COA) that might be documented to increase their maximum aid eligibility. (Common examples include expenses incurred by participation in a Study Abroad or Experiential Learning Program). If applicable, OSFA will work with the student to complete the Cost of Attendance Adjustment Request Form.

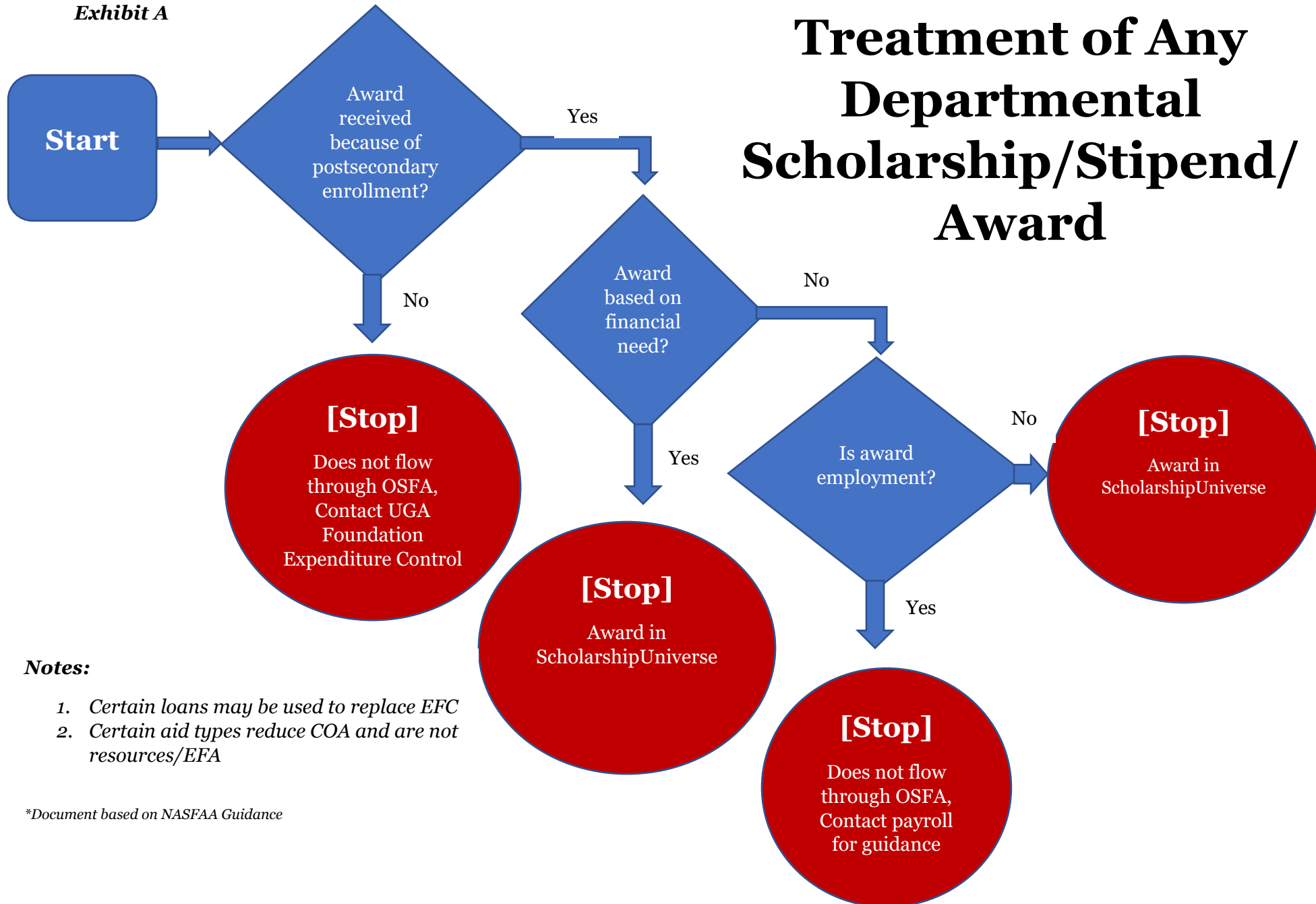
3. Awarding Deadlines - To avoid unexpected or unintentional consequences for a student, a best practice is to award scholarships and departmental awards based on the priority dates listed below. Please note, awards can still be made after this date. However, OSFA cannot guarantee that the scholarship will be on the award for the payment deadline.

TERM	DATE BY WHICH DEPARTMENT SHOULD AWARD
FALL	July 15 (see detail above)
SPRING	November 15
SUMMER	April 15

4. Award Notification - When a department notifies a scholarship recipient that they were selected to receive an award, they should encourage the student to report the award to OSFA (if the award does not already appear on their financial aid award). This can be accomplished by the student entering the award under the Resources/Additional Information tab in Athena. Departments should also make students aware that their scholarship may impact their federal financial aid. Please see Exhibit B for a sample Scholarship Award Notification.
5. Account Expenditures - The awarding department is responsible for monitoring expenditures from its accounts. UGA Foundation accounts can be monitored via FAME and ScholarshipUniverse and endowed (Bursar) accounts can be monitored via ScholarshipUniverse.
6. ScholarshipUniverse - The OSFA ScholarshipUniverse platform is used by departments to award scholarships and stipends. An award is initiated and reviewed by departmental users. If approved, the award is routed to OSFA, added to the student's financial aid record, and federal aid is revised, if necessary. During OSFA's busiest time (summer and fall), it can take up to 5 business days for processing once OSFA receives the award. The student will receive an email from OSFA once the scholarship has been awarded.
7. Disbursement - Awards are disbursed toward the student's account balance 10 days before classes begin each term. If the student does not have an account balance, they will receive a reimbursement via the method the student has setup with the Bursar's Office (preferably direct deposit). Student Accounts will start refunding financial aid the first business day following the initial financial aid disbursement date.
8. Billing - If applicable, the Bursar's Office will bill the appropriate funding source. (E.g. Admissions undergraduate scholarships, some state grants)
9. UGAF Funding - The UGA Foundation will review scholarship expenses in reference to donor intent through engagement with OSFA and ScholarshipUniverse.

Exhibit A

# Treatment of Any Departmental Scholarship/Stipend/Award



**Notes:**

- 1. Certain loans may be used to replace EFC
- 2. Certain aid types reduce COA and are not resources/EFA

\*Document based on NASFAA Guidance

## **Exhibit B**

### Example Scholarship Award Notification

Dear (Student Name),

*Congratulations! You have been selected to receive the (Scholarship Name) awarded by the (Department Name). You have been graciously awarded this scholarship based on (list requirement(s) E.g. student financial need, academic achievement). The award is \$(dollar amount) for the 2021-22 Academic Year.*

*If you are a federal financial aid recipient (including student loans) this scholarship may require a revision to your financial award package. If this scholarship does not currently appear on your award in Athena, please notify the Office of Student Financial Aid (OSFA) of your award. You can do this by going to the Financial Menu in Athena and enter the award under the Resources/Additional Information tab. Please note, all student aid (with the exception of employment) must be reported to the Office of Student Financial Aid (OSFA) to ensure UGA is compliant with federal and state regulations.*

*Please contact OSFA at [osfa@uga.edu](mailto:osfa@uga.edu) if you have any questions about this process.*