



POLICIES & PROCEDURES

Title: Financial Aid Over-Award Policy

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Effective Date:

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Department: Financial Aid

Purpose

Students who receive any federal, state, institutional or scholarship aid in excess of their Financial Aid Cost of Attendance budget must have their funds returned or adjusted to accommodate the overage.

Scope

LDCC Students

Policy

If a potential or actual over-award is discovered, USDE guidelines regarding over- awards are followed. Other aid that may need adjusting to prevent an over-award will be adjusted in the following order, first to last: loans, work-study program, FSEOG, scholarship.

An over award occurs any time a student's financial aid (federal, institutional, state and outside aid) and other resources exceed the demonstrated financial need for the award period by more than an allowable tolerance, currently \$300, if the student has been awarded any Campus Based Aid (FSEOG or FWS). If no campus based aid has been awarded to the student, the college will adjust the Federal Student Aid in the student's aid package in order to eliminate the over-award. If additional aid, such as outside resources and/or scholarships, has been awarded to the student after aid has been disbursed; the over-award then becomes an overpayment. The student is liable fo any overpayments made to his/her account that is greater than \$25.

Eliminating an Over-Award

Before reducing a student's aid package because of an over award, an attempt will always be made to reduce or eliminate the over award. Two methods are:

1. Increase cost of attendance budget using allowable expenses
2. Adjust undistributed funds

Causes of an Over-Award and/or Overpayment:

1. Student earns more than the awarded FWS funds
2. Change in enrollment status
3. Student has resources greater than those originally used to calculate award
4. Aid administrator inadvertently makes an error
5. Student intentionally deceives or misrepresents information to obtain funds

Treatment of an Over-Award

If eliminating the over award is not possible, the Financial Aid Advisor will reduce the over award using the following sequence. All overpayments will be handle in accordance to federal guidelines.

1. An over award from administrative error must first reduce or eliminate next semester's payment and then bill the student for any remaining amount.
2. If an over award occurs due to fraud, procedures outlined by the United States Department of Education must be followed.