



State Financial Aid Manual

Minnesota State Grant

2024-2025

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About the Minnesota Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education. The agency also serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program is the largest financial aid program administered by the Office of Higher Education, awarding up to \$207 million in need-based grants to Minnesota residents attending accredited institutions in Minnesota. The agency oversees other state grant and scholarship programs, tuition reciprocity programs, a student loan program, Minnesota's 529 Institution Savings Plan, licensing and early college awareness programs for youth.

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Introduction

This manual is written for schools participating in the Minnesota State Grant program and is subject to all subsequent changes in both federal and Minnesota state laws and regulations governing the Minnesota State Grant program.

The Agency will provide each school with an opportunity to respond to proposed changes to the State Grant program rules and regulations. Within 10 days following the adoption of new or modified program rules or regulations, the Agency will develop and distribute updated written information to schools that will later be included in this manual.

This chapter of the manual is updated on an annual basis. Schools are required to read all e-mail and written correspondence from the Agency to keep informed of current changes during the interim. According to the Institutional Participation Agreement ([Appendix C](#)), policy changes announced during the interim have the full force and effect of the Financial Aid Manual. All participating schools are responsible for designating a State Grant contact on campus and notifying the Agency about changes to the campus contact information, including name, e-mail address and phone number.

Change Memorandum

Brief listing of recent changes to the MN State Grant program (MSG), resulting from changes to FAFSA Simplification, MN State Legislation, and clarifying guidance to previous MSG Manuals

Mid-Year Changes Due to Funding Shortfall

- Effective for the 2024-2025 year the application deadline has been changed to 11/30/2024. No MN State Grant or MN Dream Act for students who file their FAFSA or MN Dream Act application after 11/30/2024.
- No MN State Grant or MN Dream Act for Summer 2025 terms. MN State Grant and / or MN Dream Act funds will not be paid out to any student for Summer 2025

2024-2025 FAFSA Simplification Changes

- Expected Family Contribution (EFC) was changed to Student Aid Index (SAI)
- Federal Pell Grant enrollment levels changed to enrollment intensity, which now calculates on a per credit level.
- [2024-2025 Federal Pell Grant eligibility](#) may be calculated in three different ways; Max Pell Grant, Minimum Pell Grant, and SAI Calculation.

MN State Legislative Changes effective 2023-2024

- On page 12, Effective 2023-2024 MN State Grant Application Deadline changed from 30 days from the start of term to 06/30 of the Aid Year. For example, for the 2023-2024 year the application deadline is 06/30/2024

MN State Legislative Changes effective 2024-2025

- On Page 17, the limit on post-secondary enrollment was changed from 8 full-time semesters of post-secondary attendance to 12 full-time semesters of receipt of MN State Grant.
- On page 35, change to the State Grant Formula on handling of part-time student enrollment pro-ration. Also covered in appendix G and H.
- On page 22, the minimum credit level changed from 3 credits to 1 credit.

Clarifying Guidance Changes from previous MSG Manual

- On page 14, Clarification regarding eligible program lengths
- On page 66, MSG awarding of Clock Hours aligned with Federal Pell Grant awarding processes
- SGWebAccess System changed to MNAid system
- Throughout manual, DDS report changed to State Grant File
- Throughout manual, many items that were formerly in the appendix have been replaced with hyperlinks to pages on the OHE website.

Program Objective

The objective of the Minnesota State Grant program is to provide monetary assistance to eligible students who demonstrate financial need, in order to encourage their education at Minnesota postsecondary institutions of their choice.

Program Overview

The Minnesota State Grant program provides undergraduate students with assistance in meeting the cost of attendance at eligible Minnesota public and private postsecondary institutions of their choice. Each academic year, the Agency determines which schools will be eligible according to program statutes and rules. Program funds are allocated to the Agency by the State Legislature.

To receive a State Grant, the student must be enrolled at an eligible Minnesota postsecondary institution for at least one credit per term, demonstrate financial need (as defined in [Minnesota Statutes 136A.121, Subd. 5](#))¹, and meet several other eligibility requirements outlined in the 'Eligibility Requirements' section of this chapter. A student may receive a State Grant for any year of undergraduate study unless the student fails to meet the program eligibility requirements.

The following formula is used to calculate the **2024-2025** annual full-time State Grant award:

Tuition and mandatory general fees (30 semester/45 quarter credits)*
+ Living and miscellaneous expense allowance (LME)
= Award calculation budget
- **52.8%** student share
- **100%** (dependent)
- **100%** (independent w/o dependents) or **100%** (independent w/ dependents) of annual 9- month FM SAI
- Full-time annual 9-month Pell Grant
= State Grant award (\$100 annual minimum, \$50 semester, \$33 quarter)

*Subject to tuition and fee maximums in law.

(See also [Appendix G](#) - Shared Responsibility Formula)

Participating schools are responsible for screening applications, calculating awards, award notification, and disbursement of awards at the campus level, and electronically reporting the application and award data to the Agency monthly to ensure that the school's award calculations and payments fall within established tolerances.

¹ <https://www.revisor.mn.gov/statutes/cite/136A.121>

Application Process

Original Application

The student applies for a State Grant by completing the Free Application for Federal Student Aid (FAFSA) on the Web at www.studentaid.gov². In order to provide an electronic signature on the FAFSA on the Web, the student and parents should create a Federal Student Aid ID (FSA ID) while completing the FAFSA process.

Once the FAFSA is submitted, the federal processor calculates the Federal Methodology need analysis results and sends an electronic FAFSA record called the Institutional Student Information Record (ISIR) with results to both the Agency and any college the student listed on the FAFSA. The student is sent an output document called the FAFSA Submission Summary (FSS), formerly the Student Aid Report. If the student provided an e-mail address on the FAFSA, the student will be sent an e-mail containing a link to the electronic version of the FSS.

Only schools participating in federal financial aid programs can receive ISIR records from the federal processor. Students attending schools that do not participate in federal aid programs can have the student list the University of MN (003969) on their FAFSA and then the institution can work with the Agency to retrieve that ISIR.

The federal processor sends ISIR records to the Agency throughout the FAFSA processing cycle. ISIR records are downloaded by the Agency on a nightly basis. Each time the Agency downloads ISIR records, the records are screened to inform schools about possible eligibility problems and data is written to the [MNAID system](#)³ and can be accessed by running the [Hold Report](#)⁴. The school is notified by the Agency via an automated weekly e-mail any time data is changed on its online hold report.

Correcting Applications

Correction Methods

Once a FAFSA is processed, there are several methods a student or school can use to make corrections:

- the student can make corrections on the paper FSS and resubmit the FSS to the federal processor;
- the student can make corrections on the Web at www.studentaid.gov ; or
- if the school participates in federal aid programs, the school can electronically submit corrections to the federal processor

² <http://www.studentaid.gov/>

³ <https://mnaid.guarantorsolutions.com/ApplicationSignon/SignOn.aspx>

⁴ <https://ohe.mn.gov/outreach-professional-resources/campus-resources/campus-financial-aid-administrator-resources/mnaid>

Schools not participating in federal financial aid programs must have students submit any corrections on their FSS and provide the school with a revised FSS after the corrections have been processed by the FAFSA Processing System (FPS).

Use of Professional Judgment

The Agency allows data elements on the student's application to be adjusted based on the financial aid administrator exercising professional judgment, as outlined in federal aid regulations and [Minnesota Statutes 136A.1312](#). This occurs when there are documented changes in the family's economic status during the current or previous tax year. Examples of special cases are loss of employment, marriage, divorce, change in number of dependents, substantial medical expenses, etc. Professional judgment may also be used for a dependency override, which are identified in the unusual circumstances section of the FAFSA. When performing a dependency override, the aid administrator makes an otherwise dependent applicant independent based on documentation of unusual circumstances. (Please refer to 'Professional Judgment' within the OHE '[Common Definitions](#)'⁵ document.)

There must be written documentation of the special situation and the resulting financial impact in the student's file. Documentation should include a description of the special situation, the effect it will have on the student's ability to pay for his/her education, the effect on the student's overall financial condition, and the date the school was informed of the special situation.

Corrections/adjustments based on the financial aid administrator exercising professional judgment must be submitted to the federal processor by the financial aid administrator either electronically or on the student's paper FSS.

Institutional Responsibility for Correcting Applications

Schools are responsible for resolving all conflicting information on the student's application as well as any C codes on the student's ISIR record. This includes actively comparing any new information received or accessed by the school to existing information to determine if a student's eligibility is affected. Institutions are required to make financial changes to a student's application if the change will have an impact on the parent contribution, Student Aid Index, Pell Grant award, or any other factor affecting the State Grant award calculation.

Schools not participating in federal financial aid programs must have students submit any corrections on their FSS and provide the school with a revised FSS after the corrections have been processed by the FPS.

If a student's FAFSA application is selected for verification by the federal processor, the institution is responsible for verifying the accuracy of data provided on the student's application using procedures and tolerances established for federal Title IV financial aid programs, even if the institution does not participate in those

⁵ <https://ohe.mn.gov/sites/default/files/pdf/FAManual/CommonDefinitions.pdf>

programs. The school should obtain a copy of the federal 'Application and Verification Guide' for the current aid year at [FSA Partner Connect](#)⁶ for further guidance.

If a student's ISIR record or FSS has a value of '2' or '3' for the unusual enrollment history flag, the school must delay disbursing State Grant funds to the student until the unusual enrollment history can be resolved in accordance with unusual enrollment history guidelines issued for federal financial aid programs. This applies even if the school does not participate in federal financial aid programs. The unusual enrollment history flags and required actions are described in the March 8, 2013 Dear Colleague letter from the U.S. Department of Education available at [FSA Knowledge Center](#)⁷ [FSA Partner Connect](#).

In cases where a subsequent ISIR is received after the student is no longer attending the school and is not intending to reenroll, the school is not required to adjust the student's State Grant if:

- all the student's State grant has already been disbursed; and
- there was no conflicting information at the time of disbursement

Application and Correction Deadlines

Original Application Deadlines

To receive a State Grant award for a term, the student's original FAFSA for the current aid year must be received by the FPS no later than June 30th of the financial aid year. For example, for the 2024-2025 aid year, a student's original application will need to be received by FPS June 30th, 2025. This same deadline applies to state financial aid applications submitted by students under the MN Dream Act program.

**** Due to funding constraints on the MN State Grant program for the 2024-2025 year, the application deadline was changed to November 30th, 2025****

If the student's original FAFSA was submitted under an incorrect social security number and the student corrects the error by submitting another FAFSA under the correct social security number, the FAFSA receipt date on the original FAFSA will be used to determine if the student meets the State Grant application deadline.

FPS Correction Deadlines

The only State Grant application transaction that is subject to the application deadline is the student's original FAFSA for the aid year in question. If the student's original FAFSA was received by the deadline, the school may accept any subsequent correction transaction until the school closes out its State Grant activity for the aid year, which it must do no later than August 31. Therefore, schools are allowed to package and adjust the student's State Grant throughout the aid year, which may involve late or retroactive payment for a term, as long as the original FAFSA was received by the application date. (See 'Adjusting Payments Due to Revised Award' and

⁶ <https://fsapartners.ed.gov/knowledge-center/fsa-handbook/pdf/2024-2025>

⁷ <https://fsapartners.ed.gov/knowledge-center>

'Late/Retroactive Disbursement' sections for further information.) The same applies to state financial aid applications submitted by undocumented students under the MN Dream Act.

*** Due to funding constraints on the MN State Grant program for the 2024-2025 year, the program closeout deadline was set to May 30th, 2025. ***

State Grant Student Eligibility Questionnaire

Because the FAFSA does not contain all of the information needed to verify State Grant eligibility, the institution must collect and/or review supplemental data to determine each student's history of Minnesota residency. The institution can use the paper [MN State Grant Questionnaire](#)⁸, [MNAID Online State Grant Questionnaire](#), or include the questions from the Agency's questionnaire on its own institutional paper or online form as a proxy. If the institution chooses to include these questions on its own form, it is recommended they be included on a financial aid form since many students exclude previous postsecondary attendance on admissions forms if they do not wish to transfer credit.

A school is not required to have each State Grant applicant complete the Student Eligibility Questionnaire (or school's proxy) if the school has sufficient information from other sources; ISIR/FSS, National Student Loan Data system (NSLDS), admissions records, registration records, and other financial aid records that documents the student's eligibility. The following are examples of when state residency or the amount of postsecondary attendance can be documented without using the paper [MN State Grant Questionnaire](#), [MNAID Online State Grant Questionnaire](#) (or school's proxy):

- The school has a copy of the student's Minnesota high school diploma or another form indicating the student graduated from a Minnesota high school (establishes Minnesota residency via graduation from a Minnesota high school).
- A dependent student's ISIR/FSS indicates Minnesota as the parents' state of legal residence (establishes Minnesota residency by documenting parents resided in Minnesota when the FAFSA was completed).
- The student has previously completed a [MN Student Eligibility Questionnaire](#) (or the school's proxy) and subsequent information received or accessed by the school (FSS/ISIR, NSLDS, institutional records, etc.) is reviewed to determine it does not contradict the student's continued eligibility.

Because the NSLDS and State Grant historical databases are not comprehensive sources of previous postsecondary attendance, they cannot solely be used when determining MN Residency.

⁸ <https://ohe.mn.gov/outreach-professional-resources/campus-resources/campus-financial-aid-administrator-resources>

Disclosure Statement Required for Schools Not Participating in the Federal Pell Grant Program

Private schools not participating in the Federal Pell Grant program must have all students sign the [student disclosure statement](#) upon enrollment at the school informing them that they will not be eligible to receive a Federal Pell Grant at that particular school.

Eligibility Requirements

Postsecondary Institutions

At least annually, the Commissioner of the Minnesota Office of Higher Education adopts a list of schools at which a State Grant may be used. To be eligible, a postsecondary institution must:

- be located in Minnesota;
- offer at least one program that:
 - is vocational or academic in nature,
 - leads to a certificate or degree,
 - is at least eight weeks long, and
 - involves at least 12 quarter credits, 8 semester credits or 300 clock hours;
- meet the definition of eligible institution contained in the OHE [‘Common Definitions’](#) manual (for schools not participating in the Federal Pell Grant program, this requires having all enrolled students sign the [student disclosure statement](#);
- have the necessary administrative computing capability to administer the program on campus and electronically report student data records to the Agency; and
- provide data to the Agency on student enrollment and federal and state financial aid

To be approved, the postsecondary institution must also:

- complete their annual State Grant Budget within MNAid;
- receive an on-site administrative overview from the supervisor of the Agency’s auditing staff;
- after the administrative review, be approved by the Agency’s Commissioner;
- once approved, sign an Institutional Participation Agreement which can be obtained from the State Grant unit ([Appendix C](#));
- attend a training session offered by the manager of the State Grant program; and
- purchase or create the software necessary to calculate federal need analysis and Minnesota State Grant awards on campus and electronically report student data records to the Agency

Schools are also encouraged to become members of the Minnesota Association of Financial Aid Administrators (MAFAA) and subscribe to the MAFAA email listserv at www.mafaa.org.

If a school is approved after the beginning of the academic year, the school will be eligible to disburse awards beginning with the term during which it obtained approval.

Student Eligibility

To be eligible for a State Grant, a student must:

- be a Minnesota resident as defined in [Minnesota Statutes 136A.101, Subd. 8](#);
- be an undergraduate student who has not received a baccalaureate degree;
- not have received MN State Grant for the equivalent of twelve semesters of full-time postsecondary education;
- be a graduate of a secondary school/GED recipient or be 17 years of age or older by June 30 of the academic year (high school students enrolled in postsecondary courses prior to receiving their high school diploma are not eligible for a State Grant);
- not owe the Agency for a State Grant overpayment;
- not be in default on a student educational loan;
- not be more than 30 days in arrears for child support payments owed to a public child support enforcement agency unless the student is complying with a written repayment plan;
- enroll at an eligible Minnesota postsecondary institution for at least 1 credit (or 2 clock hours per week at clock hour institutions) while pursuing a program or course of study that applies to a degree, diploma or certificate at any eligible Minnesota postsecondary institution;
- on the date of disbursement, be making satisfactory academic progress; and
- not be receiving tuition reciprocity benefits from another state while attending a Minnesota postsecondary institution

Further Information on Selected Eligibility Requirements

Minnesota Resident

A student must be a Minnesota resident to receive a State Grant. (See [‘Common Definitions’ manual for definition of “Resident Student.”](#))

Undergraduate Requirement

A student enrolled in an undergraduate program who has not earned a baccalaureate degree is eligible for a Minnesota State Grant. A comparable four-year postsecondary degree earned in another country, but not officially called a “baccalaureate” degree, will be considered a baccalaureate degree for purposes of the State Grant program. A foreign bachelor’s degree consisting of six or fewer semesters without general education requirements is not considered a bachelor’s degree for purposes of the State Grant program. For additional

information, please see the federal definition of undergraduate student at [Student Eligibility for Pell Grants | 2024-2025 Federal Student Aid Handbook](#).⁹

A student enrolled in a graduate program who has not yet earned a baccalaureate degree is not eligible for a State Grant, even if some of the student's course work is at the undergraduate level. A student enrolled in an undergraduate program is eligible for a Minnesota State Grant, even if some of the student's courses are at the graduate level. The key to determining eligibility is whether the student is enrolled in an undergraduate (eligible) or graduate (ineligible) program.

Limit on MN State Grant Paid

Effective for the 2024-2025 year, the limit on MN State Grant eligibility is changed from a limit of eight full-time semesters of attempted credits to **twelve full-time semesters of receipt** of MN State Grant. Further explanation on this change can be found online via the [Frequently Asked Questions on the Limit on MN State Grant](#).

A student may receive the MN State Grant for up to the equivalent of 180 semester credits. This eligibility criteria equates to twelve full-time semesters or six full-time years and is measured in total State Grant Units paid. The MN State Grant Unit allows for a universal measurement of State Grant paid, whether the student is attending a school using Semester Credit Hours, Quarter Credit Hours, or Clock-Hours. A student remains eligible for MN State Grant, as long as they have not reached the State Grant Unit limit of 144 units. With the change to the Limit on MN State Grant Paid, as opposed to the Limit on Post-Secondary Attendance, ***there is no longer a requirement for schools to review transcripts for the purpose of calculating attempted units.***

Instead, schools will need to review Total Units in [MNAid](#) and can leverage the "Units Greater than Threshold" report to monitor students who are approaching the 144 unit threshold. The "Units Greater than Threshold report" allows a school to enter the unit count threshold they would like to review and the report will pull any students with an ISIR at their school who has been paid that total of units. For example, a school may want to review all students who have been paid 120 units, which is the equivalent of five full-time years, leaving the student with one year or less of MN State Grant eligibility remaining. Once a student is identified on the report, the school can look-up more detailed payment information by year and campus, within MNAid under the student's Payment History.

In addition to the "Units Greater than Threshold report", the "State Grant Output Report" will assist schools in identifying students near or who have reached the 144 unit maximum. When a student has less than one-year remaining of MN State Grant eligibility, any awards or payments for that student will be highlighted in the "Warning" section of the school's "State Grant Output Report". Once a student has reached the 144 unit limit, any reported MN State Grant payments will be rejected on the "State Grant Output Report".

Developmental Education courses are not counted towards a student's total MN State Grant eligibility limit of twelve full-time semesters of receipt. Developmental education credits are reported separately within the MN State Grant file, allowing the MNAid system to exclude them from a student's total units paid.

⁹ <https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2024-2025/vol7/ch1-student-eligibility-pell-grants>

Units are assigned as follows:

Units Chart – Course Work Prior to July 1, 1992

| Term Enrollment Status | Units Assigned – Qtr | Units Assigned – Sem |
|-------------------------|----------------------|----------------------|
| Full-time (12+ credits) | 8 | 12 |
| 3/4-time (9-11 credits) | 6 | 9 |
| 1/2-time (6-8 credits) | 4 | 6 |
| (1-5 credits) | Bank Credits | Bank Credits |

Units Chart – Course Work After July 1, 1992

| Credits Per Term | Clock Hours Per Week | Units for Quarter | Units for Semester |
|------------------|----------------------|-------------------|--------------------|
| 15+ | 30+ | 8 | 12 |
| 14 | 28-29 | 7.5 | 11.2 |
| 13 | 26-27 | 6.9 | 10.4 |
| 12 | 24-25 | 6.4 | 9.6 |
| 11 | 22-23 | 5.9 | 8.8 |
| 10 | 20-21 | 5.3 | 8.0 |
| 9 | 18-19 | 4.8 | 7.2 |
| 8 | 16-17 | 4.3 | 6.4 |
| 7 | 14-15 | 3.7 | 5.6 |
| 6 | 12-13 | 3.2 | 4.8 |
| 5 | 10-11 | 2.7 | 4.0 |
| 4 | 8-9 | 2.1 | 3.2 |
| 3 | 6-7 | 1.6 | 2.4 |
| 2 | 4-5 | 1.1 | 1.6 |
| 1 | 2-3 | .5 | .8 |

If the student's total credits for a term is not a whole number (e.g., 14.5 credits), the remaining percentage/fraction must be dropped (e.g., assign units based on 14 credits rather than 14.5). If a student has less than one credit per term, it would be considered a term with zero credits.

Institutions may exceed the maximum of 144 units by disbursing up to one more full-time quarter or semester of aid to a student who has not accumulated 144 units. For example, if a student has 142 units following Fall 2024 semester, they are eligible for Spring 2025 because they were below 144 prior to disbursement, even though the Spring 2025 will place them above the 144-unit threshold.

Extra Term of Eligibility for Students Who Withdraw for Active Military Service

If a student had to withdraw from college for active military service after December 31, 2002, course work taken during that term shall not count against the limit on postsecondary education used for the State Grant program. The [State Grant Student Eligibility Questionnaire](#) has been modified to identify students who may have withdrawn for active military service. If schools do not use this form, it is recommended that they incorporate language to solicit such information into any institutional forms used to determine State Grant eligibility and make arrangements for the school's registrar or VA counselor to notify the financial aid office about such withdrawals. The financial aid administrator should request documentation from the student to verify the student has withdrawn for active military service. Once the financial aid administrator identifies such a student, the administrator should notify the grant unit at the Office of Higher Education so the appropriate adjustments can be made to the MNAid System. There is no restriction against this provision being used for multiple occurrences.

Extra Term of Eligibility for Students Who Withdraw for Serious Health Condition

If a student had to withdraw from college for a serious health condition, while under the care of a medical professional that substantially limited the student's ability to complete the term, the current institution may exclude that term when determining the amount of previous postsecondary attendance for that student. This exclusion applies regardless of whether the withdrawal took place at the current or a previous institution. The [State Grant Student Eligibility Questionnaire](#) has been modified to identify students who may have withdrawn for this reason. If schools do not use this form, it is recommended that they incorporate language to solicit such information into any institutional forms used to determine State Grant eligibility and make arrangements for the school's registrar to notify the financial aid office about such withdrawals. The financial aid administrator should request documentation from the student's medical professional verifying the student had to withdraw for a serious health condition that substantially limited the student's ability to complete the term. Once the financial aid administrator identifies such a student, the administrator should notify the grant unit at the Office of Higher Education so the appropriate adjustments can be made to the MNAid System. There is no restriction against this provision being used for multiple occurrences.

Extra Term of Eligibility for Students Who Withdraw while providing care to spouse, child, or parent who has a serious health condition.

If a student had to withdraw from college while providing care to a spouse, child, or parent who has a serious health condition, and that substantially limited their ability to complete the term, the current institution may exclude that term when determining the amount of previous postsecondary attendance for that student. This exclusion applies regardless of whether the withdrawal took place at the current or a previous institution. [The State Grant Student Eligibility Questionnaire](#) has been modified to identify students who may have withdrawn for this reason. If schools do not use this form, it is recommended that they incorporate language to solicit such information into any institutional forms used to determine State Grant eligibility and make arrangements for the school's registrar to notify the financial aid office about such withdrawals. The financial aid administrator should request documentation from a medical professional verifying the student provided care for a spouse, child, or parent who had a serious health condition and that substantially limited the student's ability to complete the

term. Once the financial aid administrator identifies such a student, the administrator should notify the grant unit at the Office of Higher Education so the appropriate adjustments can be made to the MNAid System. There is no restriction against this provision being used for multiple occurrences.

Relying on Pell Grant Lifetime Eligibility Used (LEU)

A school cannot rely on a student's Pell Grant Lifetime Eligibility Used (LEU) calculated on FPS in lieu of reviewing the [MNAid](#) Total State Grant Paid Units. That is because the Pell Grant LEU using a full-time definition of only 12 credits such that the student may have attended for six years, but for less than 15 credits per term. In addition, a student may have received Pell Grant during an aid year, but didn't receive any MN State Grant.

High School Graduate, GED Recipient or 17 Years of Age

To qualify for Minnesota State Grant, a student must be at least 17 years old at the time of disbursement or have a high school diploma or GED. While Minnesota uses the standard GED test and the High School Equivalency Test (HiSET), while certain other states use alternative tests, such as the Test Assessing Secondary Completion (TASC). Minnesota's K-12 education agency, the Minnesota Department of Education, honors alternative tests authorized and used by other states and will issue a student who successfully passed such a test a Minnesota GED certificate upon request. For purposes of this eligibility requirement, however, such a GED will not be treated as the equivalent of a GED earned in Minnesota for purposes of establishing state residency. (See [‘Resident Student’ in Common Definition manual](#).)

The Minnesota Department of Education currently does not honor such alternative tests if they were taken in a state in which they are not authorized. Thus, students who took alternative tests in a state in which they are not authorized will not be considered to have the equivalent of a GED for purposes of state financial aid programs.

State Grant Overpayment

A student is not eligible to receive a State Grant if the student owes the school or the Agency for a State Grant overpayment. A student is considered to have received an overpayment if the student's total payments exceeded the allowable State Grant award or if the school or the Agency learned the student did not meet one of the program eligibility requirements after the student received a State Grant payment.

The student will become eligible retroactive to the beginning of the current aid year if the student repays the overpayment or maintains a pattern of monthly payments to repay the obligation provided the student currently meets all program eligibility requirements. The student also has the option of repaying an overpayment from a previous aid year with part or all of the award for the current aid year if the student makes such arrangements with the school or the Agency's Financial Services section.

Student Loan Default

If a student is considered to be in default on any federal student loan or state SELF Loan, the student is not eligible to receive a State Grant as of the date the school (in the case of federal student loans) or the Agency (in the case of SELF loans) was notified of the default. For example, if the student received a fall term State Grant

payment and, following disbursement, defaulted on a student loan, the student would not lose eligibility for fall term, but would lose eligibility for subsequent terms. The student will be considered eligible for a State Grant retroactive to the beginning of the current aid year if the student produces documentation from the guarantor, lender or servicer that the loan has been paid in full or otherwise satisfied (i.e., meets criteria for reinstatement of federal or state financial aid eligibility) and the student currently meets all other program eligibility requirements.

The school must rely upon the student's FSS or ISIR, or the federal NSLDS system to determine if the student has defaulted on a federal student loan. In the case of the state SELF Loan, schools are notified of a student's default status on the State Grant Online Hold Report (see 'State Grant Online Hold Report' section in this chapter).

Child Support Arrears

Effective January 1, 1992, a student is not eligible to receive a State Grant if the student is more than 30 days in arrears for child support payments owed a public child support enforcement agency unless a student is complying with a written payment agreement or order for arrearages. The State Department of Human Services will run a child support arrears interface on a weekly basis against the [MNAid System](#). A student's State Grant record will be updated to reflect the Child Support Hold. The student will lose eligibility for future State Grant payments as of the date the Office of Higher Education is notified of the delinquency.

Schools will be notified of students placed on or released from child support holds via automated emails and then directed to review the [MNAid Hold Report](#). Schools that do not participate in federal aid programs will need to check student eligibility using the [MNAid System](#). Schools should prevent future State Grant payments to these students and, in some cases, may be liable for previous payments made to these students (refer to 'Responsibility for Monitoring Eligibility Requirements' section of this chapter).

To regain eligibility for a State Grant, the student must contact the county child support enforcement office and make the necessary arrangements for the worker to release the hold on the Department of Human Service's child support database. Once a student is no longer in arrears for child support payments or is complying with a written repayment agreement or order for arrearages, the student is eligible to receive a State Grant retroactive to the beginning of the current aid year provided the student currently meets all other program eligibility requirements. The hold will be removed from the student's State Grant record once the student shows up as released on the Department of Human Service's interface file.

Enrollment Status at Eligible Institution

To receive consideration for a State Grant, a student must be enrolled at an eligible Minnesota postsecondary institution for at least **one credit** per term (or two clock hours per week at clock hour institutions) in a program or course of study that applies to a degree, diploma or certificate.

Schools that disburse aid under the term-based system must base their enrollment level definitions on the

number of credits per term. This includes non-term-based schools that combine sequential course modules into a term, whereby the student's enrollment level is based on credits for all courses combined into one term.

Schools that disburse aid under the progressive clock hour system must pay initial MSG awards at full-time enrollment levels, just as they do with Federal Pell Grant. Subsequent payments of MSG are only made to students who successfully complete the clock hours of the previous payment period. (i.e. 450 clock hours of 900 clock hour academic year). See also 'Determining Enrollment Status throughout the Academic Year at Progressive Clock Hour Schools' in the Disbursement section of this manual for further guidance.)

The number of credits per term or average clock hours per week used for the various enrollment levels for the State Grant program are as follows:

State Grant Enrollment Levels

| Credits Per Term | Average Clock Hours Per Week | Enrollment Level |
|------------------|------------------------------|----------------------|
| 15+ | 30+ | Level 15 (full-time) |
| 14 | 28-29 | Level 14 |
| 13 | 26-27 | Level 13 |
| 12 | 24-25 | Level 12 |
| 11 | 22-23 | Level 11 |
| 10 | 20-21 | Level 10 |
| 9 | 18-19 | Level 9 |
| 8 | 16-17 | Level 8 |
| 7 | 14-15 | Level 7 |
| 6 | 12-13 | Level 6 |
| 5 | 10-11 | Level 5 |
| 4 | 8-9 | Level 4 |
| 3 | 6-7 | Level 3 |
| 2 | 4-5 | Level 2 |
| 1 | 2-3 | Level 1 |

If the number of credits per term is not a whole number (e.g., 7.5 credits), the remaining fraction or percentage must be dropped before determining enrollment status. A student enrolled for 7.5 credits would be assigned an enrollment level based on seven credits (Level 7).

If a student drops or adds credits during a term in which the State Grant award has already been disbursed, the State Grant may have to be adjusted. For additional information, please refer to 'Adjustments to Award Based on Changes in Enrollment Level' under the 'Award Process and Formula' section of this manual.

Enrollment Level at Non-Term-Based Credit-Hour Schools

Non-term-based credit-hour schools link sequential course modules together to form a term and determine enrollment level. For example, a school might define its semester as 12 credits based on combining four 3-credit sequential classes.

| | | | |
|-----------|-----------|-----------|-----------|
| 3 Credits | 3 Credits | 3 Credits | 3 Credits |
|-----------|-----------|-----------|-----------|

There is no requirement that all classes within such terms must be sequential. In the following example, a school defines its semester as 15 credits based on five 3-credit classes, with two classes taken simultaneously at the onset of the term.

| | | | |
|-----------|-----------|-----------|-----------|
| 3 Credits | | | |
| 3 Credits | 3 Credits | 3 Credits | 3 Credits |

If a student fails a class or classes and continues in the same program, the student will not be able to advance to the next term unless all the credits required for the first term are successfully completed. Thus, the term would be extended to include the credits for the additional class or classes. If the school charges for the additional class(es), the student’s award for the extended term would also be adjusted for the new enrollment level. Otherwise, the original term award would not be adjusted.

For example, if the student fails the third course module, the term would be extended to include an additional three credits before the student could advance to the next term. If the school charges for the additional class, the student’s award would be adjusted from Level 12 to Level 15. If the school doesn’t charge for the additional class, the State Grant award would remain at Level 12.

| | | | |
|-----------|-----------|-----------|----------------|
| 3 Credits | 3 Credits | 3 Credits | 3 Credits |
| Class 1 | Class 2 | Class 3 | Repeat Class 3 |
| Grade = B | Grade = C | Grade = F | |

Likewise, if a student withdraws from school during a term, but re-enters the same program, the student cannot advance to the next term until all the course modules for the term during which the student withdrew are completed. If the student re-enters within the same aid year, any refunds for recalculations and withdrawals during that term can be reversed, provided the student still meets all the program eligibility requirements. However, if the student re-enters during the subsequent aid year, refunds during the previous aid year cannot be reversed. Further, the student’s enrollment level for that term in the subsequent aid year will be based solely on the credits for the remaining classes of the original term.

For example, the student's semester consists of four 3-credit classes for a total of 12 credits. The student is paid a Level 12 State Grant at the onset of the term. The student withdraws during the third class, the award is recalculated from Level 12 to Level 9 and a withdrawal refund calculation is performed for the Level 9 State Grant. If the student re-enters the same program within the same aid year, both the recalculation and withdrawal refund amounts can be reversed since the student is continuing in the same term. Because the student will need to complete 12 credits to advance to the next term, the current term can be extended and enrollment level can be increased to account for both the withdrawn class and the remaining six credits in the term. The student's enrollment level would increase from Level 12 to Level 15. If the school charges for the additional course module, the State Grant award can be adjusted from Level 12 to Level 15. Otherwise, the student's State Grant award would be based on Level 12.

If the student withdraws during a term but re-enters in the subsequent aid year, any refunds for recalculations or withdrawals for the previous aid year cannot be reversed. The student's enrollment level in the subsequent aid year would be determined by the credits remaining in the original term. In the case cited in the preceding paragraph, the student completed six credits and withdrew from three credits in the previous aid year and would have six credits to complete in the subsequent aid year prior to advancing to the next semester. Therefore, the student could receive a Level 6 State Grant payment for the term in the subsequent aid year, provided the student was charged for both classes in the subsequent aid year. Otherwise, credits for which the student was not charged would not be included in the student's enrollment level.

**Aid Year One (Enrollment level recalculated from Level 12 to Level 9
and withdrawal refund calculated for Level 9)**



| | | | |
|----------------------|----------------------|--------------------------------------|---|
| 3 Credits Class 1 | 3 Credits Class 2 | 3 Credits Class 3 (withdrawal) | 3 Credits Class 4 (never started) |
|----------------------|----------------------|--------------------------------------|---|

**Aid Year Two (Enrollment level based on 6 credits
remaining in original term, assuming student charged for both classes)**

| | |
|--------------------------------|----------------------|
| 3 Credits Class 3 repeat | 3 Credits Class 4 |
|--------------------------------|----------------------|

In no instance can a school disburse a State Grant retroactively for a term during which the student withdrew from school (see also 'Late/Retroactive Disbursement' section in this manual) or for classes from which the student withdrew.

Pursuing Degree, Diploma or Certificate

To be eligible for a State Grant, a student must be enrolled at an eligible Minnesota institution in a program leading to a degree, diploma or certificate that is at least eight weeks long and consists of a minimum 12 quarter credits, 8 semester credits or 300 clock hours.

There is no requirement that a student must be pursuing a degree, diploma or certificate at the institution awarding the State Grant as long as the student is accepted into a degree, diploma or certificate program at any Minnesota institution eligible to participate in the State Grant program. No consortium agreement is required in these cases. (See exception under 'Awarding State Grant beyond Associate Degree or Maximum Time Frame at Two-Year College.')

If the student is taking course work at an ineligible school (foreign school, school located outside Minnesota), the student can only receive a State Grant if the student is pursuing a degree, diploma or certificate at an eligible Minnesota school and:

- the student registers and pays for the course work through an eligible Minnesota school; or
- the student registers and pays for the course work through an ineligible school that has a consortium agreement with the eligible Minnesota school administering the State Grant program

Excluded Course Work

Credits can only be included in the student's enrollment level from learning that results from instruction provided or overseen by the current school.

Transfer credits earned during a previous term at another institution, courses that the student audited at the current school, credits awarded from placement or CLEP tests, or credits that will not be applied towards the student's credential may not be counted towards enrollment status. However, the school may opt to have a policy that includes credits for repeated classes in the student's enrollment level.

When payment is delayed for a term, courses with grades of W, FN or FW may not be included when determining the student's enrollment level.

High school students enrolled in postsecondary classes prior to receiving a high school diploma are not eligible for a State Grant.

State Grant vs Pell Grant Enrollment Level

In certain instances, the student's enrollment level used for the State Grant program may differ from the student's Federal Pell Grant enrollment level. In such cases, the Pell Grant subtracted in the State Grant award calculation is based on what the Pell Grant would be for the student's State Grant enrollment level.

A chart comparing State Grant and Pell Grant enrollment levels is provided in the 'Pell Grant' section under 'Shared Responsibility Formula' in this chapter.

Developmental Education

Credits or credit equivalencies assigned for developmental education course work may be counted towards the student's enrollment level if the student has been accepted into a degree, diploma or certificate program and takes remedial course work within that program. A school cannot count non-credit developmental education hours in a student's enrollment status if the course is part of a program that leads to a high school diploma or GED. There is no limit on the total amount of developmental education credits that can be used to determine the student's enrollment level. Developmental education credits are excluded from a student's limit on MN State Grant received.

Awarding State Grant Beyond Associate Degree or Maximum Time Frame at Two-Year College

A student is eligible for a State Grant at a two-year college after earning an associate's degree if the student's course work is required for admission to a four-year degree program at another college or the student is already admitted to the four-year degree program and the course work will be applied to that program. This provision applies even if the student has exceeded the maximum time frame for satisfactory academic progress at the two-year college, since course work transferred to the four-year college will count against the maximum time frame for satisfactory academic progress at the four-year college. In instances where the student has already been accepted into a four-year degree program, the State Grant may be awarded by the two-year college or the four-year college if it is an institution eligible to participate in the State Grant program. If the eligible four-year college acts as the "home" institution, the amount of State Grant awarded must be based on the cost of tuition and fees at the institution the student is actually attending. In instances where the student is not yet admitted into the four-year degree program or the four-year college is not eligible to participate in the State Grant program, only the eligible two-year college may award the student a State Grant.

Whichever college awards the State Grant for this type of course work must have documentation from the student that verifies the course work taken at the two-year college is required for entry into or will be applied to a four-year degree program at the four-year college. Such documentation should include a copy of the catalog or course schedule from the four-year college specifying pre-requisite or required course work needed for the four-year degree program and a statement of intent from the student that the course work is being taken for this purpose. State Grant awards for this type of course work are limited to no more than 30 semester or 45 quarter credits.

Attending Multiple Schools for Same Term

A student attending two or more eligible schools for the same term can either:

- receive a separate State Grant at each school for up to a total of 15 credits based on the tuition and fees charged at each school; or
- receive a State Grant at one school based on the cost for the combined credits from all schools attended

If the student receives a separate State Grant at each school attended, the award at each school would be based on the tuition and fees for the credits attended at that school. However, the student cannot be awarded for

more than a total of 15 credits in any term. The school that reports a payment to the Agency which causes the 15-credit limit to be exceeded will have its payment rejected and will need to recalculate the award to a lower enrollment

For example, if School A reports a fall semester payment to the Agency for eight credits and School B reports a fall semester payment for nine credits, for a total of 17 credits, School B's payment will be rejected until School B recalculates the award based on the cost for seven credits and reports the new award to the Agency.

The other option for a student attending multiple eligible schools for the same term is to have one school act as the "home school" and calculate the State Grant term award based on the cost for up to 15 credits attended at all schools. The dollar amount of total tuition and fees cannot exceed the tuition and fee maximum at the "home school" for the student's enrollment level.

The "home school" must develop a procedure that allows the school to verify the student's attendance at all schools attended for the term. If the "home school" determines that the student withdrew or changed enrollment level or tuition and fee charges at the other schools, the "home school" must adjust the State Grant award accordingly.

For further information about the tuition and fees used to calculate the State Grant award for a student enrolled at multiple schools for the same term, see 'Tuition, Fees and LME Used for Students Attending Multiple Schools for Same Term' under the 'Shared Responsibility Term Award Calculation' section of this chapter.

Use of Interim Term Credits

Schools using a 4-1-4 calendar may use student credits attended during the interim term in determining the student's enrollment status for State Grants. The credits attended during interim may be counted as part of the fall semester or the spring semester or may be divided between the two terms. Schools may adopt any reasonable method for allocating interim credits and determining the appropriate enrollment status for fall and spring semesters on a student-by-student basis. With respect to students who are also Pell Grant recipients, there is no requirement that interim term credits be allocated to fall and spring semesters in the same manner allocated for the Pell Grant program, as long as the resulting State Grant enrollment level will not cause the incorrect Pell Grant award to be subtracted within the State Grant award calculation.

Example 1:

A student registers for 11 credits in the fall semester, four credits in the interim term and 11 credits for the spring semester. The school's policy for the Pell Grant program is to attach the interim term to the spring semester, resulting in a 15-credit enrollment level for the Pell Grant program. For the State Grant program, the school must also allocate the four interim term credits to the spring semester, since allocating any interim credits to the fall term would result in a full-time Pell Grant award being subtracted in the State Grant calculation when the student is receiving a three-quarter time Pell Grant award for the fall semester. However, if the student were not a Pell Grant recipient, the interim term credits could be allocated to fall and/or spring semesters in any manner selected by the school.

Example 2:

A student registers for 11 credits in the fall semester and four credits in the interim term but does not enroll for spring semester. The school's policy for the Pell Grant program is to attach the interim term to the spring semester, resulting in a four credit less than half-time spring term enrollment level for the Pell Grant program. For the State Grant program, the school must also allocate the four interim term credits to the spring semester, since allocating any interim credits to the fall term would result in an a full-time Pell Grant award being subtracted in the State Grant calculation when the student is receiving a three-quarter time Pell Grant award for the fall semester. However, if the student were not a Pell Grant recipient, the interim term credits could be allocated to fall and/or spring semesters in any manner selected by the school.

Example 3:

A student registers for 13 credits in the fall semester, three credits for the interim term and 14 credits for the spring semester. The school's policy for the Pell Grant program is to attach the interim term to the spring semester, resulting in a 17-credit enrollment level for the Pell Grant program. For the State Grant program, the school may allocate all interim credits to either fall or spring semesters, or allocate two of the interim credits toward the fall term enrollment status and the remaining one credit as part of the spring semester enrollment status, resulting in a Level 15 State Grant award for each semester. Any of these options would be allowable since the correct full-time Pell Grant would still be subtracted within the State Grant award calculation for each term regardless of how interim credits were allocated for the State Grant program.

The school may have a policy to retroactively adjust fall term awards based on the assignment of interim term credits even if the adjustment is performed after the school's award adjustment end date.

If a student does not attend the interim term after a State Grant disbursement was made for an enrollment status that included interim term credits, the school must recalculate the State Grant award for that term and return the overpayment to the State Grant program.

For Non-Standard Terms

A student's term enrollment status does not have to be adjusted if the term is shorter than the standard length of 10 weeks per quarter or 15 weeks per semester. To determine the award, refer to the 'Awards for Summer or Non-Standard Terms' section of this chapter.

Satisfactory Academic Progress

To be eligible for a State Grant, the student must be making satisfactory academic progress as described in the '[Common Definitions](https://www.ohe.state.mn.us/pdf/FAManual/CommonDefinitions.pdf)'¹⁰ manual. (See also 'Awarding State Grant Beyond Associate Degree or Maximum Time Frame at Two-Year College' in this chapter.)

¹⁰ <https://www.ohe.state.mn.us/pdf/FAManual/CommonDefinitions.pdf>

Tuition Reciprocity Restriction

A student who technically meets the definition of a Minnesota resident may not receive a State Grant if the student is receiving tuition reciprocity benefits from another state to attend a Minnesota public postsecondary institution. The student can opt to cancel tuition reciprocity benefits in order to receive a State Grant. In these cases where the school has determined that the student meets a Minnesota resident student definition, cancelling the tuition reciprocity benefit means the student is coded as a Minnesota resident, not a non-resident or resident of another state. In order to pay out Minnesota State Grant, this must be done even if the school does not charge a different rate to residents versus non-residents.

MNAid Hold Report

Student Holds can be viewed within the MNAid System. Documentation on how to look-up student holds and also how to run reports for student holds at your institution can be found within the MNAid Help Menu or on the MN Office of Higher Education Website: [Holds.pdf \(state.mn.us\)](https://www.ohe.state.mn.us/spages/FAForms/MNAIDTrainingDocs/Holds.pdf)¹¹. Student hold records are updated each night when the Agency downloads ISIRs of MN Residents to the MNAid System. Schools will be notified via email if any students who self-identified on the FAFSA as MN Residents were added or updated on the Hold Report for their campus. The email will contain a link to the MNAid system, where the school can run Hold reports and look up individual students. Undocumented students applying for state financial aid under the MN Dream Act do not currently appear on the report since they are not able to submit the FAFSA.

If the school has submitted a State Grant file record for the student for the aid year, a code of 'SG FILE' will appear in the 'SG FILE/ISIR' column.

The 'SG FILE/ISIR' column was designed to help schools prioritize students. Schools may wish to spend more time reviewing hold data for students with a 'SG FILE' code in this column since those students are presumably attending the current institution.

The school's designated State Grant point of contact will be notified via an automated email when any of the student hold data changes for that school. Schools can manage their State Grant point of contact under their school profile. The email will contain a link to the MNAid system. Email notification will occur in the following instances:

- ISIR or State Grant File Record loaded to MNAid System for a student who has a hold problem and has not yet had hold information written to the MNAid system.; or

¹¹ <https://www.ohe.state.mn.us/spages/FAForms/MNAIDTrainingDocs/Holds.pdf>

- Hold information changes after hold information has already been written to the MNAid system or that school (e.g., hold is released) regardless of whether or not a new ISIR or State Grant file record has been received

Because the MNAid Hold Report is cumulative and stored within the MNAid system, so there will be no need for schools to maintain paper printouts of the report throughout the aid year.

It is important to note the distinction between the hold start date and the hold notification date appearing on the report. The hold start date is the date the student becomes ineligible. The notification date is the date the school was notified that the hold data was written to the online hold database. For example, a student could have been placed on a child support hold in January 2023 (hold start date) but the hold would not be written to the online hold database or the school notified until the first ISIR or State Grant File record was received for the current aid year (notification date). A MN State Grant payment will be rejected if the disbursement date falls within an active hold period. For example, if a Child Support hold began on 9/01/2024 and ended on 11/01/2024, the reported MN State Grant disbursement date would need to fall outside of the beginning and end-date (i.e. 11/02/2024) for it to be accepted.

The hold start date and hold end date will continue to appear on the report regardless of the student's hold status and will represent the most recent date the student was placed on or released from a hold. The hold notification date will always represent the date the student's most recent hold was written to the online hold database.

If schools would like additional instructions on how to access the MNAid Hold Report they can access a how to document by going to the following weblink: [Holds.pdf \(state.mn.us\)](#) or contact the grant unit for assistance.

Use of MNAid System to Determine Hold Status

The MNAid System allows schools access to student hold data on the MNAid System. The hold data is current as of the time the school is accessing the student's record. Therefore, schools will be able to check hold data on students prior to making a State Grant disbursement. Undocumented students applying for state financial aid under the MN Dream Act do not have records in the MNAid System since they are not able to submit a FAFSA.

School users can access the [MNAid System](#) after they've been assigned a username and password to gain access to the MNAid System. A how to document on logging into the MNAid system can be found here: [LoggingintoMNAid.pdf \(state.mn.us\)](#). The MNAid System will only allow a school user to access a student's record if that school is listed on the student's ISIR for the current aid year. If the school's code is NOT listed on the student's ISIR for the current aid year, the following message will appear:

"SCHOOL NOT LISTED ON CURRENT YEAR ISIR - CANNOT ACCESS STUDENT RECORD"

If the Agency does not have the student's ISIR record on file for the current aid year, the school will receive the following error message:

"NO CURRENT YEAR RECORD ON FILE FOR STUDENT"

If the school passes the school code clearance and accesses a student's record, information about any existing holds, past history of State Grant units paid (broken out by aid year and college), and the enrollment status and accepted payments for the current aid year will be displayed on the screen. A how to document that explains how to look-up a student and review their payment history, holds, and more can be found online at:

[StudentLookupandPaymentHistory.pdf \(state.mn.us\)](#)

Payment history records for the State Grant system contain information about units of State Grant aid *paid* to the student during previous aid years. es.

Liability for Monitoring Eligibility Requirements

Because the FAFSA does not always contain information needed to verify state residency and the amount of previous postsecondary attendance, the institution must collect supplemental data to determine if the student meets these eligibility requirements unless information supplied on the FAFSA is sufficient or the student has previously completed the paper or online [State Grant Student Eligibility Questionnaire](#) (or the school's proxy) and no subsequent information contradicts the student's continued eligibility (see also 'Student Eligibility Questionnaire' section under 'Original Application' section of this chapter).

If funds are withheld either by the school or the Agency because the student owes a State Grant overpayment, is in default on a student loan or is more than 30 days in arrears for child support payments, once the obligation is repaid or otherwise satisfied, the student will be eligible to receive the State Grant retroactive to the beginning of the current aid year provided the student currently meets all program eligibility requirements.

If the school had documentation on campus, including notification of hold status on the MNAid Hold report, that the student did not meet an eligibility requirement and the school disbursed the State Grant award to the student, the school will be responsible for reimbursing the State Grant program from its own funds if it cannot collect the overpayment from the student.

If a school not participating in federal financial aid programs fails to run an eligibility check (child support, past overpayment, four years of aid, SELF default) against the MNAid System via submitting a State Grant file prior to disbursing State Grant funds to a student, the school will be liable for repaying rejected payments from its own funds if it cannot collect the overpayment from the student.

Monitoring Program Eligibility Requirements during the School Year

All schools are responsible for establishing a procedure to inform the financial aid office of all changes in a student's status that may affect the student's eligibility for a State Grant during an academic term. One means of ensuring this is to have the registrar's office (or its counterpart) routinely inform the financial aid office when any student changes enrollment status, ceases to be making satisfactory academic progress, withdraws from school, produces additional academic transcripts, etc. The Agency strongly recommends that all students be

required to contact the financial aid office when dropping to less than full-time status or withdrawing from school.

Award Process and Formula

Shared Responsibility Formula

The State Grant is calculated using the Shared Responsibility Formula (see [Appendix G](#)) which assigns responsibility for college costs to the student, family and government. A detailed description of its components follows.

Prior to final award parameters being established by the legislature each year, estimated awards contained in award notices to students must be based on estimated parameters issued by the Agency by February 15th preceding the coming aid year.

The State Grant award is not subject to financial aid packaging requirements. Thus, it is never reduced in cases where the student's Student Aid Index (SAI) and other financial aid and resources exceed the student's cost of attendance used for federal financial aid programs.

State Grant Budget

The budget used in the Shared Responsibility term award calculation consists of:

- a uniform nine-month living and miscellaneous expense allowance (LME) set by the Legislature each academic year prorated for term length and then for enrollment level; and
- the lesser of:
 - the school's annual full-time (30 semester credits or 45 quarter credits) average tuition and mandatory fees
 - the annual nine-month tuition and fee maximum set by the Legislature

Living and Miscellaneous Expense Allowance (LME)

A uniform nine-month annual LME is set by the Legislature for each academic year which represents costs for books, transportation and other living expenses. (See [Appendix G](#) for current LME.)

LME for Incarcerated Students

Incarcerated students are eligible to receive a State Grant if they meet the program eligibility requirements. However, according to program statutes, the LME must be set to zero for incarcerated students.

Tuition and Fees

The tuition and fees used in the Shared Responsibility term award calculation are the lesser of the school's average annual full-time (30 semester or 45 quarter credits) tuition and fees prorated for term length and then for enrollment level or the annual tuition and fee maximum set by the Legislature for each academic year prorated for term length and enrollment level.

Tuition and Fee Maximum

The Legislature sets a separate nine-month annual full-time tuition and fee maximum for students enrolled in a four-year degree program and another for students enrolled in a two-year degree or shorter credential program.

If a student is simultaneously enrolled in both a two- and four-year degree program, the tuition and fee maximum used to calculate the State Grant will be based on the nature of the student's program. If the content area for both the two- and four-year program is identical or very similar, where the majority of credits from the two-year program will be applied to the four-year program, the school should use the four-year tuition and fee maximum to calculate the State Grant award for the term. For example, some students may wish to earn an A.A. degree at the midpoint of a B.A. degree program.

If the content area of the two- and four-year degree programs is quite different, where the majority of credits from the two-year program will not be applied to the four-year degree program, the school must either:

- use the two-year tuition and fee maximum until the student completes the two-year program; or
- manually calculate the State Grant so that both the two- and four-year tuition and fee maximums are applied to the credits from each program. If certain credits will count towards both programs, they should be considered two-year program credits. [Note: When reporting the award in the State Grant file in the MNAID system, the school should report a '4' in the field that indicates which tuition and fee maximum was used to calculate the award.] An example of this option follows
 - EXAMPLE: Jane Doe is enrolled in both a two-year Medical Assistant A.A.S. degree program and a four-year degree completion program for a B.S. in Organizational Management. Jane has eight credits that will apply to the two-year program and seven credits that will apply to the four-year degree program for a total of 15 credits. The applicable tuition and fee maximum for each program would be prorated to the student's enrollment level as follows: Annual full-time two-year tuition maximum $\$5,808/2 = \$2,904$ for full-time semester $\times 8/15$ ths or $.533 = \$1,548$. Annual full-time four-year tuition maximum $\$10,488/2 = \$5,244$ for full-time semester $\times 7/15$ ths or $.467 = \$2,449$. The prorated tuition and fee maximums would then be compared to the tuition and fees charged by the school and the lesser of the two would be added to the full-time LME to construct the State Grant award calculation budget. The tuition and fees charged by the school are the annual full-time tuition and fees reported by the school on the Agency's online State Grant Budget Questionnaire, prorated to the student's enrollment level. If the annual full-time tuition and fees were $\$10,000$, then the amount for eight credits would be $\$10,000/2 = \$5,000$ for full-time semester $\times 8/15$ ths or $.533 = \$2,665$. The amount for seven credits would be $\$10,000/2 \times 7/15$ ths or $.467 = \$2,335$. Because the tuition and fees charged exceed the tuition

and fee maximum for each program, the school would add the eight credit two-year tuition and fee maximum of \$1,548 to the four-year maximum for seven credits, \$2,449, for a combined tuition and fee maximum of \$3,997. This would then be added to the LME of \$3,500 for a full-time semester resulting in a State Grant term award calculation budget of \$7,497.

If a student changes programs between terms, the appropriate tuition and fee maximum must be used to recalculate the award for the subsequent terms of the aid year based on the student's current program. If a student changes programs within a term, the State Grant award for that term must be recalculated using the tuition and fee maximum for the student's current program and any resulting overpayments recovered or additional funds due to the student disbursed.

Schools cannot direct students who would normally enroll in a two-year degree program to enroll in a four-year degree program simply to take advantage of the higher four-year tuition and fee maximum if the students have no intention of completing a four-year degree. Agency auditors may review institutional records to determine if there is a pattern of students changing from a four-year degree program to a two-year program after completing their first two academic years.

Average Tuition and Fees

To determine the amount of tuition and fees used to calculate the student's State Grant term award, the school must compare its average annual tuition and fees to the appropriate tuition and fee maximum for the student's degree program and then select the lesser of the two.

The annual full-time average tuition is the weighted average tuition the school charges a student for two full-time (15 credits) semesters, three full-time quarters, or for the number of hours in a clock hour school's definition of academic year. For public colleges, the standard resident tuition rate is used for the annual average tuition. For private schools where tuition rates vary by program, a weighted average is used to determine the annual full-time average tuition as shown in the following example.

| Program Name | Cost for Two Full-Time Semesters | | Percent of Student Population in Program | | Weighted Tuition |
|--|----------------------------------|---|--|---|------------------|
| Admin Assistant | \$5,000 | x | 75% | = | \$3,750 |
| Legal Secretary | \$6,000 | x | 25% | = | \$1,500 |
| Weighted Average Annual Tuition | | | | | \$5,250 |

Once the annual full-time average amount is known, the school must add on the amount of annual full-time mandatory fees charged to all full-time students. Annual full-time mandatory fees would consist of mandatory fees charged to all full-time students for two full-time (15 credits) semesters, three full-time quarters, or for the number of hours in a clock hour school's definition of academic year.

Mandatory fees charged to all full-time students cannot include mandatory fees for the purchase or rental of books, as book charges are considered a component in the Living and Miscellaneous Allowance (LME) used in the award calculation. The same applies to mandatory fees for the purchase of equipment and supplies required

for all students (such as cosmetology supply kits and computers) in cases where the student retains ownership, as these items also fall under the LME.

However, if the school charges a rental fee for equipment and supplies to all students and the school retains ownership, such fees are allowable general fees used in the State Grant calculation.

Using the full-time tuition and fees applies even if students are not enrolled for 15 credits per term since the tuition and fees will later be adjusted within the award calculation for less than full-time enrollment.

The annual full-time average tuition and fees are then compared to the appropriate tuition and fee maximum for the student's program and the lesser of the two are used in the term award calculation. (See award calculation examples in [Appendix H](#).)

Tuition Waivers

Because a uniform amount of average tuition and mandatory fees is used to calculate State Grants for all students enrolled at the same institution, any tuition waivers applied to individual student tuition and fee charges are not subtracted from the tuition and fees used to calculate the State Grant award for the student, nor are any other types of scholarships or resources applied to tuition and fee charges.

Determining Tuition and Fees for Clock Hour Payment Period

To determine the amount of tuition and fees for a clock hour payment period, the school would first divide the total tuition and fees for the program by the number of clock hours in the program to determine the hourly tuition and fee cost. The hourly cost would then be multiplied by the number of hours in the payment period to determine the tuition and fees for the payment period. The payment period tuition and fees would then be compared to the tuition and fee maximum for the term/payment period, prorated for the student's enrollment level, and the lesser of the two would be used to calculate the State Grant award for the payment period. (See award calculation Examples 9 and 10 in [Appendix H](#) for further details.)

In cases where the remaining hours in the student's program are less than the number of hours in the payment period, the school should still calculate the award based on costs for the entire payment period and then prorate the award. (See 'Adjusting Payments for Clock Hour Programs When Remaining Program Hours are Less Than the Number of Hours in Payment Period' under the 'Disbursement Process' section of this chapter for further information.)

Tuition, Fees and LME Used for Students Attending Multiple Schools for Same Term

For information on enrollment requirements for students attending multiple schools for the same term, please refer to the 'Attending Multiple Schools for Same Term' and 'Enrollment Status at Eligible Institution' sections under 'Student Eligibility' in this chapter.

If a student opts to receive a separate State Grant at each school attended during a term, each school must calculate the student's State Grant term award based on the average tuition and mandatory fee costs for the credits taken at that school. The tuition and fee costs would be subject to the tuition and fee maximum for the

degree program the student is enrolled in at each school, which would be prorated for the student's enrollment level if the student enrolled for fewer than 15 credits. The term living and miscellaneous expense allowance (LME), prorated for the number of credits attended at the school, would be added to the tuition and fees to arrive at the State Grant term award calculation budget. (See award calculation Examples 7 and 8 in [Appendix H](#) for further details.)

A student cannot be paid for more than a total of 15 credits of tuition and fees and LME when attending multiple schools for the same term. If, for example, School B knows that School A already awarded the student a State Grant for 10 credits, School B should limit the tuition, fees and LME used in its award calculation to five credits. If School B is not aware of the student attending the other school and awards the student for more than five credits, School B's payment will be rejected when reported to the Agency and School B will need to recalculate the student's State Grant so it is based on tuition, fees and LME for no more than five credits. If the school cannot collect the overpayment from the student, the school is NOT liable for repaying the State Grant overpayment from its own funds. Rather, the school would turn over the overpayment case to the Agency at the end of the award year for collection. To avoid overpayments, schools can use the Agency's MNaid System to determine if the student has received a State Grant disbursement at another school for the same term.

Another option for a student attending multiple schools for the same term is to have one school act as the "home" school and award the student a State Grant based on the combined costs for the total credits consumed at all schools, not to exceed 15 credits per term. The dollar amount of total tuition and fees used is subject to the tuition and fee maximum for the degree program in which the student is enrolled at the "home school," which is based on 15 credits and is not increased for students taking more than 15 credits. The LME used in the award calculation at the "home school" is based on combined credits but cannot exceed the LME for 15 credits.

In cases where the student is attending multiple schools within the same system (University of Minnesota, Minnesota State Colleges and Universities, private four-year college, private two-year college), the tuition and fees used in the State Grant calculation shall be the tuition and fees charged by the "home" school for the student's combined credits from all schools, up to a maximum of 15 credits. For example, if the student were taking 10 credits at a state university (home school) and five credits at a community college, the State Grant would be based on the cost of 15 credits at the state university, since both state universities and community colleges are within the MinnState system.

Conversely, if the student is attending multiple schools in different systems, the "home" school must calculate the State Grant using the tuition and fees charged by each institution (see award calculation in [Appendix H](#)) up to a maximum of 15 credits. Financial aid administrators should use the Multiple School Term Award Calculation Spreadsheet developed by the Agency for this purpose. The spreadsheet is posted under [Campus Financial Aid Administrator Resources](#).

Student Share

The student is expected to contribute a share of the budget used in the Shared Responsibility term award calculation from the student's resources, such as employment, savings or private scholarships.

The student share of the State Grant budget is shown in [Appendix G](#). However, the statute gives the Agency the authority to adjust this percentage on a term-by-term basis if awards must be rationed to address a projected funding shortfall. Any such adjustment will be shown in [Appendix G](#).

Parent Contribution

For dependent applicants, the nine-month annual parent contribution (PC), as determined by the Federal Methodology need analysis formula, is used in the State Grant award calculation. The PC is then multiplied by 1.00 and rounded.

In the case of two need analysis results (primary vs. secondary), the lowest parent contribution should be used. In some cases, where students are identified as a Maximum Pell Type 1, 2, or 3, a parent contribution isn't being provided on the ISIR and the value is NULL. In those cases where the value is NULL, please default to the student's SAI, which in most cases will either be a negative or zero SAI value.

The State Grant statute gives the Agency the authority to add a percentage surcharge to the parent contribution on a term-by-term basis in order to address any projected funding shortfalls. Any such surcharge will be shown in [Appendix G](#).

Student Contribution

The nine-month annual Federal Methodology need analysis student contribution, or SAI, is subtracted as the student contribution in the State Grant award calculation for independent students. No student contribution is subtracted for dependent students. 100 percent of the term student contribution is subtracted in the State Grant award calculation for independent students without dependents other than a spouse. 100 percent of the term student contribution is subtracted in the State Grant award calculation for independent students with dependents other than a spouse.

When choosing between two state need analysis formula results (primary vs. secondary), the lowest student contribution, or SAI, should be used.

The State Grant statute gives the Agency the authority to add a percentage surcharge to the independent student contribution on a term-by-term basis in order to address any projected funding shortfalls. Any such surcharge will be shown in [Appendix G](#).

Pell Grant

The amount of the Federal Pell Grant for which the student would be eligible based on the student's Student Aid Index (SAI) and State Grant enrollment status is always subtracted in the State Grant formula, unless the school does not participate in the Federal Pell Grant program or the student is participating in the MN Dream Act Program. The student's actual Federal Pell Grant is determined by the Department of Education's 2024-2025 [SAI and Pell Grant Eligibility Guide](#) and is based on a student's enrollment intensity. However, when calculating a State Grant, the Pell Grant amount subtracted in the State Grant award calculation will always be based on the student's enrollment status for the State Grant program and how that corresponds to the various enrollment levels for the Federal Pell Grant program as shown in the following table:

| State Grant Enrollment Level | Pell Grant Subtracted in State Grant Calculation |
|---------------------------------------|--|
| 15+ credits/30 clock hours per week | Full-time Pell Grant Award |
| 14 credits/28-29 clock hours per week | Full-time Pell Grant Award |
| 13 credits/26-27 clock hours per week | Full-time Pell Grant Award |
| 12 credits/24-25 clock hours per week | Full-time Pell Grant Award |
| 11 credits/22-23 clock hours per week | 92% of Full-time Pell Grant Award |
| 10 credits/20-21 clock hours per week | 83% of Full-time Pell Grant Award |
| 9 credits/18-19 clock hours per week | 75% of Full-time Pell Grant Award |
| 8 credits/16-17 clock hours per week | 67% of Full-time Pell Grant Award |
| 7 credits/14-15 clock hours per week | 58% of Full-time Pell Grant Award |
| 6 credits/12-13 clock hours per week | 50% of Full-time Pell Grant Award |
| 5 credits/10-11 clock hours per week | 42% of Full-time Pell Grant Award |
| 4 credits/8-9 clock hours per week | 33% of Full-time Pell Grant Award |
| 3 credits/6-7 clock hours per week | 25% of Full-time Pell Grant Award |
| 2 credits / 4-5 clock hours per week | 17% of Full-time Pell Grant award |
| 1 credits / 2-3 clock hours per week | 8% of Full-time Pell Grant award |

For example, if a student's enrollment level for State Grant were 15 credits but the enrollment level for Federal Pell Grant were only 11 credits, the full-time Pell Grant would still be subtracted in the State Grant award calculation even if the student was actually receiving 92% of the full-time Pell Grant award. (See 'State Grant Versus Pell Grant Enrollment Level in this chapter.)

With respect to awards for crossover terms (start before and end after July 1), the State Grant and Pell Grant must always be based on need analysis results for the same aid year.

It is important to note that the minimum program length for MN State Grant eligibility is 12 quarter credits, 8 semester credits or 300 clock hours, which is lower than the minimum program lengths for Pell Grant eligibility. As a result, there may be limited situations where a student solely enrolled in a short-term program that meets the MN State Grant program eligibility, but not the Federal Pell Grant eligibility. In those cases, Federal Pell Grant is not subtracted in the State Grant award calculation, because the student is ineligible for Federal Pell Grant. An example of this specific situation and others can be found in [Appendix H](#).

Definition of Academic Year

The definition of "academic year" for purposes of award calculations is provided in the '[Common Definitions](#)' manual. That definition of academic year must be used in all adjustment calculations involving State Grant, such as proration of awards. Although federal financial aid policy allows the institution to use a minimum academic year of 30 weeks (26 weeks for clock hour institutions) in its formulas, if the institution's academic year is longer

than 30 weeks, the actual number of weeks in the academic year must be used in State Grant adjustment calculations.

Period of Award / Awards for Fourth Quarter / Third Semester

Students may receive a State Grant for up to four consecutive full-time quarters (60 quarter credits) or three consecutive full-time semesters (45 semester credits) within an aid year (July 1–June 30). The term award for the fourth quarter or third semester is calculated in the same manner as for other terms. The decision to award the student for the fourth quarter or third semester within the aid year is not optional.

Transfer Students

A student who attends more than one school during the aid year may also receive a State Grant award for the equivalent of four full-time quarters or three full-time semesters.

A student who attends different schools during the aid year may be awarded for up to four full-time quarters (60 quarter credits) or three full-time semesters (45 semester credits) based on the awards calculated at the different schools, even if the award amounts differ. For example, a student could receive two full-time quarter disbursements at School A based on School A's award calculation and two full-time quarter disbursements at School B based on School B's award calculation. The same logic applies to a student attending different schools on the semester system. A term in which the student is enrolled for more than 15 credits should count only as 15 credits against the limit.

A student who transfers between schools on the quarter and semester system is also limited to receiving State Grant payments for up to 60 quarter credits or 45 semester credits during the aid year. Credits from the previous school must be translated to credits at the current school as shown in the example below.

Determining Eligibility for Transfer Student

Example:

School A awards student for two full-time quarters = 30 quarter credits

School B awards student for one full-time semester = 15 semester credits

To determine the award for a second semester at School B, convert quarter credits (30) to semester credits ($30 \times .67 = 20$). Total semester credits awarded = 35. Because a student may not receive funding for more than 45 semester credits during the fiscal year, School B could award the student for up to 10 additional semester credits at School B for the second semester.

Schools may use the Agency's [MNAid System](#) to determine whether a student has been paid a State Grant at another school for the same aid year. This information also appears on the State Grant File Output Report in MNAid.

Notification of Awards

Schools are responsible for notifying students about their State Grant eligibility and award amount. The award notice should contain a statement which informs recipients about the impact of enrollment status on the State Grant award. The State Grant award notification may be incorporated into the school's standard financial aid award notice.

Prior to final award parameters being established by the legislature each year, estimated awards contained in award offers to students must be based on estimated parameters issued by the Agency by February 15th preceding the coming aid year.

Schools are also responsible for providing information to students about all forms of financial aid administered by the institution and the availability of additional State Grant aid for a fourth full-time quarter or third full-time semester during the fiscal year.

State Grant File Output Report

Each time a school submits a batch of State Grant file records, the Agency checks the accuracy of awards and payments and generates a set of output reports for the school. The State Grant File Output report contains information about rejected awards, rejected payments, warning awards, warning payments, and accepted payments. Awards and payments that are rejected will be listed on the rejected payment worksheet and will provide a reason for the rejection. Awards and payments listed on the warning worksheet of the output report have been accepted, but a school should review them for accuracy. The reason they were flagged as warning will be provided in the report.

Awards for Summer or Non-Standard Terms

Students may receive a State Grant award for up to four full-time quarters or three full-time semesters within a fiscal year. The fourth quarter or third semester will often times take place in the summer and overlap fiscal years. The same applies to progressive clock hour schools at which students can receive up to four full-time payment periods (if school divides academic year into three payment periods similar to quarters) or three full-time payment periods (for schools that divide the academic year into two payment periods like semesters). Such terms are referred to as "crossover" terms or payment periods.

If a student is enrolled and eligible for a State Grant during the summer term or payment period, the student must be awarded. The school cannot require a separate application beyond the FAFSA (or state financial aid application used for undocumented students) and documents used to award for the standard terms or payment periods of the academic year.

Origination of Funding

If a term or payment period does not overlap two aid years, it must be paid from the aid year in which it occurs.

When a crossover term or payment period overlaps two aid years (begins before and ends after July 1), funding may come from either aid year. The institution may decide from which aid year to draw funds on a student-by-student basis. However, because the student's State Grant is based on the student's SAI and Pell Grant award, the same aid year must be selected for both the State Grant and Pell Grant. Once the aid year is selected, the need analysis, laws, rules and policies in place for that aid year must be applied.

For non-term-based schools that link sequential course modules together to form a term, if such a term overlaps a fiscal year, it is considered a crossover term and is subject to policies for crossover terms. In the event the student withdraws during a term and subsequently re-enters within the same program, enrollment level and the option to reverse refunds should be based on policies described earlier in this manual under 'Enrollment Level at Non-Term-Based Credit-Hour Schools.'

When a progressive clock hour school changes the number of hours in its academic year from one year to the next, the payment period hours for a crossover payment period would be based on the number of hours in a payment period for the aid year from which funds are awarded. For example, if the previous academic year was defined as 900 clock hours with two 450-hour full-time payment periods, and the student's crossover payment period was funded from that aid year, the crossover payment period would contain 450 hours (assuming the student is full-time). Once the crossover payment period ends in the new aid year, the school must start using the new year's academic year and payment period hours for any payment periods starting in that year.

Defining a Term

Definition of a term must be done uniformly for all recipients.

In order for two or more mini sessions to be treated as one term, the school must define a student's enrollment status in terms of the number of credits for which the student is enrolled during all sessions. When multiple mini sessions are combined to make one term, the term start date is considered the first day of the first session in the term even if the student does not attend the first session. This also applies to non-term-based credit-hour schools that combine sequential course modules into one term.

Example: The first summer session starts May 28 and ends June 29 (five weeks) and the second summer session starts July 1 and ends August 3 (five weeks). If these two 5-week sessions are combined into a 10-week term, enrollment status must be based on the total number of credits during the 10-week period. The term start date is May 28.

If the original award disbursed at the onset of the term is based on credits for other sessions or course modules and the student drops those credits without attending the classes, the State Grant must be recalculated. (See 'Recalculation of Student Award Based on Changes in Enrollment Level.')

In order for multiple mini-sessions to be treated as separate “mini terms” at standard term-based schools, the school must define enrollment status separately for each session. This is not an option at non-term-based credit-hour schools.

Determining Credits Needed for Enrollment Status

Enrollment status for standard and non-standard terms or payment periods is derived in the same manner; that is, based on the actual number of credits or clock hours for which the student is enrolled. No adjustments are required for non-standard terms.

Determining Amount of Award

The calculation of the student’s State Grant term award for a standard or non-standard term is identical. There is no further proration required for non-standard terms. (See [Appendix J](#) for Shared Responsibility term award calculation.) However, award proration is required when the number of clock hours or weeks remaining in the student’s *program* is less than the clock hours or weeks in the school’s payment period or term. (See items 6 and 7 under ‘Institutional Responsibilities Prior to Disbursement’ in this chapter.)

Recalculation or Revision of State Grant Awards

State Grant awards are revised or recalculated at the campus level. Schools are responsible for informing students about adjustments made to the award.

Increased Award – Institutional Responsibilities

If a school learns that a student’s State Grant should be increased due to a change in federal need analysis results, the Pell Grant award or the budget used to calculate the State Grant, the school is responsible for recalculating the student’s State Grant, notifying the student of the revised award amount and disbursing additional funds to the student. If the term has already started or been completed, policies for late or retroactive disbursement apply. (See ‘Late/Retroactive Disbursement’ section in this chapter.)

Schools are not required to adjust the award based on a subsequent ISIR received after the student has stopped attending if the award for the term has already been disbursed and there was no conflicting information at the time of disbursement.

Decreased Award – Institutional Responsibilities and Liability

If a school learns a student’s award should be reduced or eliminated due to a change in federal need analysis results, Pell Grant or State Grant budget, or a student not meeting the program eligibility requirements, the school is responsible for reducing the student’s award, notifying the student of the reduced award and making sure the overpayment is returned to its State Grant fund on campus. The balance of the fund is then returned to the Agency at the end of each academic year.

If the school is unable to collect the overpayment from the student, the school may turn over the student's account receivable to the Agency as part of the balance due the Agency at the end of the year if the school was not liable for repaying the overpayment from its own institutional funds. Otherwise, the school must repay the overpayment from its institutional funds.

The State Grant award rarely needs to be reduced in cases where a student's financial aid and resources exceed the student's cost of attendance. However, this can occur in limited student situations with very low costs of attendance, as the MN State Grant must be applied to educational costs in the following order: tuition, fees, books, supplies and other expenses. With unpaid portions of the awards reverting to the grant account.

Schools are not required to adjust the award based on a subsequent ISIR received after the student has stopped attending if the award for the term has already been disbursed and there was no conflicting information at the time of disbursement.

In general, a school is liable for repaying the overpayment from its own funds if:

- documentation on campus showed the student did not meet a program eligibility requirement at the time of disbursement, including the State Grant Online Hold Report;
- after the student was paid, an item on the application was corrected that should have been resolved prior to disbursement through resolving conflicting information or the verification process; or
- a school not participating in federal financial aid programs paid the student before submitting a State Grant file to the Agency to see if the student had a previous State Grant overpayment, was in arrears on child support payments or was in default on a SELF loan and, upon checking with the Agency, learned that the student failed to meet one of these eligibility requirements at the time of disbursement. The school would be liable for repaying all funds disbursed to the student.

In collecting overpayments from students, schools must:

- inform the student in writing of the overpayment;
- follow the applicable collection procedures to secure the return of the funds (the specific procedures utilized by the school to accomplish this would be determined by the school); and
- notify the Agency if the student refuses to acknowledge the overpayment or refuses to repay the funds. The Agency will utilize state income tax revenue recapture or may seek the assistance of the Attorney General of the State of Minnesota to recover the overpayment

If the school is turning over a student's file to the Agency for billing at the end of the aid year, it must include all pertinent documentation such as the FSS or ISIR (or the output from the state financial aid application used for undocumented students), copies of billing letters, an explanation of how the overpayment occurred, copies of cashed checks or student account transactions and all other supporting documentation.

Adjustments to Award Based on Change in Enrollment Level

State Grant award disbursements must always be based on the student's enrollment level as of the date of disbursement.

If a student drops or withdraws from a class after disbursement of the State Grant and the student never attended the class, the State Grant must be recalculated to the lower enrollment level and the difference refunded to the State Grant program. This also applies to cases where the school grants a retroactive withdrawal for a class or classes backdated to the first day of the term, even if the student attended the class(es), since it is treated as though the student never attended.

Conversely, if a student appeals to have a class added after the school's award adjustment end date (described later in this section) or the late addition of the class is based on a school error or the assignment of interim term credits to fall term, the school may have a policy to recalculate the State Grant award to include those credits even if they were added after the school's award adjustment end date. Or, the school can adhere to its standard policy regarding the award adjustment end date and not adjust the student's award.

In cases where the student has begun attendance in all classes, State Grant award recalculations and/or partial withdrawal refunds are not required unless the school adopts a written policy requiring award adjustments through a certain end date within the term. However, if a student withdraws from all classes, a total withdrawal refund will always be required (see 'Total Withdrawal' in the 'Calculating Refunds for Students Who Change Enrollment Level or Withdraw After State Grant Disbursement' section in this chapter).

The school may choose an award adjustment end date that coincides with the end of the drop/add period (the most commonly chosen) or any other date during the term, including the last day of the term if the school opts to perform award adjustments through the entire term. Whichever end date is selected for award adjustments, it must also be used for all applicable state financial aid programs. There is no requirement that the award adjustment end date used for state financial aid programs match the end date selected for adjusting Pell Grants. The school has the option of selecting different award adjustment end dates for different programs of study offered by the school.

If a student has a change in enrollment level *after* beginning attendance in all classes but *before* the school's end date for award adjustments, the school must perform award recalculations or partial withdrawal refunds for both increases and decreases in enrollment level. In other words, a school cannot opt to make adjustments only if they result in an increased award. The following State Grant examples apply to cases of enrollment changes occurring *after* the student has begun enrollment in all classes but *before* the end date selected by the school:

Student adds credits resulting in an *increased* State Grant award. The school would recalculate the State Grant award and disburse additional funds to the student.

Student adds credits resulting in a *decreased* State Grant award. If the student's State Grant reduction was the result of an actual increase to the student's Pell Grant award, the school would recalculate/reduce the student's State Grant award. Otherwise, no refund would be required for the State Grant program.

Student drops/withdraws credits resulting in a reduced State Grant award. The school must perform a partial withdrawal refund calculation.

Student drops/withdraws credits resulting in an increased State Grant award. If the student's State Grant increase was the result of an actual reduction of the student's Pell Grant award, the school may disburse additional State Grant funds to the student. Otherwise, no adjustments are made to the State Grant.

If a school must calculate a refund for a partial withdrawal, the school must use the [Office of Higher Education Refund Calculation Worksheet](#) ([Appendix O](#) of State Grant manual) and return the lesser of the following to the State Grant program:

- the difference between the State Grant at the original and revised enrollment level; or
- the State Grant's proportional share of the institution's refund of institutional charges (from line I (E) of the Office of Higher Education Refund Calculation Worksheet or spreadsheet).

Example A: No Change in SAI

Student originally paid \$500 for Level 15 enrollment
Student withdraws from three credits to Level 12 enrollment
Award at Level 12 is \$300
Difference between Level 15 and Level 12 award is \$200
Proportional share of refund of institutional charges is \$100
\$100 is refunded to State Grant program
School continues to report Level 15 enrollment to the Agency

In the rare instance when a student withdraws from a class after beginning attendance and before the school's award adjustment end date, and the student's overall State Grant award is decreased based on a change in parent contribution or SAI, the school must first collect the overpayment (difference between the original and new State Grant award at the original enrollment level) from the student and then perform a partial withdrawal refund calculation.

Example B: Change in SAI

Student originally paid \$500 for Level 15 enrollment
Student withdraws from three credits to Level 12 enrollment
Original award for Level 12 is \$300
Change in EFC results in revised award of \$400 for Level 15
Revised award for Level 12 is \$200
School must first recapture \$100 (difference between original and revised award for Level 15)
Difference between revised Level 15 (\$400) and Level 12 (\$200) is \$200
Proportional share of refund of institutional charges is \$100
\$100 is refunded to the State Grant program
School reports Level 15 enrollment to the Agency with payment of \$300

If the student withdraws from a class after beginning attendance and before the school's award adjustment end date, and the State Grant at the revised enrollment level is *higher* than the award disbursed for the original enrollment level (this occurs in some cases for Pell Grant recipients when the withdrawn credits result in a lower

Pell Grant enrollment level), the school can only increase the student's State Grant if the school actually reduces the Pell Grant award or if the increase in the State Grant award at the lower enrollment level can be attributed to a change in parent contribution or EFC.

Example C: No Change in SAI

Student originally paid \$300 for Level 12 enrollment
Student withdraws from one credit to Level 11 enrollment
Award at Level 11 is \$400
School does not adjust Pell Grant from full-time to 3/4-time award
State Grant remains at \$300
School continues to report Level 12 enrollment to the Agency with payment of \$300

Example D: Change in SAI

Student originally paid \$300 for Level 12 enrollment
Student withdraws from one credit to Level 11 enrollment
Award at Level 11 is \$400 due to drop in Pell enrollment level
School does not adjust Pell Grant from full-time to 3/4-time award
Change in EFC results in \$500 Level 12 and \$600 Level 11
Student limited to \$200 increase in State Grant award
(\$500 revised Level 12 minus \$300 original Level 12)
School continues to report Level 12 enrollment to the Agency with \$500 payment
[Note: Had school actually adjusted Pell to 3/4-time, the student would receive the difference between the original \$300 Level 12 disbursement and the revised \$600 Level 11 award.]

If a student adds credits after the initial disbursement of the State Grant and before the school's award adjustment end date, and the award at the revised enrollment level is *higher* than the award disbursed for the original enrollment level, the school should disburse additional funds to the student. This applies regardless of whether the increase in the State Grant award is based on an increase in the enrollment level and/or a change in the parent contribution or SAI.

If a student adds credits after the initial disbursement of the State Grant and before the school's award adjustment end date, and the award at the revised enrollment level is *less* than the award disbursed for the original enrollment level (this occurs in some cases for Pell Grant recipients), the school is only required to reduce the student's State Grant if the school actually increased the student's Pell Grant award or if the decrease in the State Grant award can be attributed to a change in the student's parent contribution or SAI.

Example E: No Change in SAI

Student originally paid \$400 for Level 11 enrollment
Student adds one credit for Level 12 enrollment
State Grant award at Level 12 is \$300
School does not adjust Pell Grant from 3/4-time to full-time award
State Grant remains at \$400
School continues to report Level 11 enrollment to the Agency with payment of \$400

Example F: Change in SAI

Student originally paid \$400 for Level 11 enrollment
Student adds one credit for Level 12 enrollment
State Grant award at Level 12 is \$300
School does not adjust Pell Grant from 3/4-time to full-time award
Change in SAI results in \$200 Level 11 and \$100 Level 12
School must recapture \$200 decrease in State Grant award
(\$400 original Level 11 minus \$200 revised Level 11)
School continues to report Level 11 enrollment to the Agency with payment of \$200

[Note: Had school actually adjusted Pell Grant to full-time, the school would need to recapture the \$300 difference between the original \$400 Level 11 disbursement and the revised \$100 Level 12 award.]

State Grant award adjustment policy becomes more complex in cases where the student both withdraws from and adds credits after beginning attendance in all classes but before the school's award adjustment end date. The school must always use the student's actual enrollment level (original enrollment level at the time of disbursement minus credits withdrawn or dropped plus credits added) to determine the adjusted award. However, whether the adjusted award results in the disbursement of additional funds or recapturing funds previously disbursed will be based on the student's disbursement history. Additionally, the enrollment level and payment reported to the Agency on the State Grant file record may not necessarily match the student's actual revised enrollment level. A flow chart outlining the steps for State Grant award adjustments taking place after the initial disbursement of the State Grant award as well as several examples is provided in [Appendix L](#).

[Appendix M](#) outlines the current State Grant disbursement and award adjustment policies in comparison to the policies used for the Federal Pell Grant program.

In cases where the initial calculation and disbursement of the State Grant award take place *after* the school's award adjustment end date, the award must be based on the student's enrollment level **as of the date of disbursement** and no further award adjustments would take place after that point.

Adjustment of Awards for Students Attending Non-Term-Based Credit-Hour Schools

This section applies to non-term-based credit-hour schools that combine a number of sequential course modules together to define a term. For example, a school may define a semester as 12 credits, comprised of a series of four sequential 3-credit courses that each last a month.

12-Credit Semester

| | | | |
|----------------------|----------------------|----------------------|----------------------|
| 3 Credits Class 1 | 3 Credits Class 2 | 3 Credits Class 3 | 3 Credits Class 4 |
|----------------------|----------------------|----------------------|----------------------|

If a student withdraws from school during the first course module of the term without attending the course, the entire State Grant disbursement for the term must be refunded.

If the student did attend the first course module before withdrawing, then the school must first recalculate the State Grant for an enrollment level that excludes credits for the remaining course modules and refund the difference between the original and revised State Grant. The school would then complete the appropriate Office of Higher Education Refund Calculation Worksheet ([Appendix I](#)) for a full withdrawal to determine the amount of the refund due the State Grant program from the first module attended.

In the following example, if the school disbursed a Level 12 State Grant at the onset of a semester to cover four 3-credit sequential course modules and the student withdrew from school *during* the first module after attending the course, the school would first recalculate the State Grant term award from Level 12 to Level 3 and refund the difference to the State Grant program. The school would then complete the appropriate OHE Refund Calculation Worksheet ([Appendix I](#)) for a full withdrawal for the first 3-credit course module the student attended, including only the Level 3 State Grant award amount on the worksheet, as opposed to the original award for 12 credits.

| | | | |
|--|--|--|--|
| 3 Credits Class 1 ↓ (attended but withdrew) | 3 Credits Class 2 (didn't start) | 3 Credits Class 3 (didn't start) | 3 Credits Class 4 (didn't start) |
|--|--|--|--|

In the next example, the student completes the first course module and then withdraws before starting the second course module. The original State Grant term award (Level 12) would be recalculated for the lower enrollment level (Level 3) and the difference refunded to the State Grant program. No refund calculation worksheet would be required, since the student did not withdraw during a course module.

| | | | |
|--|--|--|--|
| 3 Credits Class 1 ↓ (completed) | 3 Credits Class 2 (didn't start) | 3 Credits Class 3 (didn't start) | 3 Credits Class 4 (didn't start) |
|--|--|--|--|

These same policies apply when the student withdraws later in the term. In the following example, the student withdraws from school *during* the third course module after beginning attendance in that course. The school must first recalculate the State Grant term award to an enrollment level that excludes credits for any remaining modules the student did not attend, and refund the difference between the original (Level 12) and revised (Level 9) State Grant awards to the State Grant program. The school would then complete the appropriate Office of Higher Education Refund Calculation Worksheet ([Appendix I](#)) for a full withdrawal for the three course modules the student did attend, and list only the Level 9 State Grant award when completing the worksheet.

| | | | |
|-------------------------------------|-------------------------------------|--|--|
| 3 Credits Class 1 (completed) | 3 Credits Class 2 (completed) | 3 Credits Class 3 (attended then withdrew) ↓ | 3 Credits Class 4 (didn't start) |
|-------------------------------------|-------------------------------------|--|--|

If a student withdraws during the last course module of a term after beginning attendance in that course, an award recalculation would not be required, since there are no remaining course modules the student did not attend. Rather, the school would complete the appropriate OHE Refund Calculation Worksheet ([Appendix I](#)) for a full withdrawal, using the amount of the original Level 12 State Grant on the worksheet.

| | | | |
|-------------------------------------|-------------------------------------|-------------------------------------|--|
| 3 Credits Class 1 (completed) | 3 Credits Class 2 (completed) | 3 Credits Class 3 (completed) | 3 Credits Class 4 (attended then withdrew) ↓ |
|-------------------------------------|-------------------------------------|-------------------------------------|--|

Enrollment levels, award recalculations and withdrawal refunds are determined similarly for students taking courses simultaneously within a semester.

In the next example, the student's original disbursement would be based on 12 credits. If this student withdrew from school *after* completing the first set of simultaneous courses, the award would be recalculated from Level 12 to Level 6 and the difference refunded to the State Grant program. A withdrawal refund calculation would not be required, since the student did not withdraw during a course module.

| | | |
|-------------------------------------|---------------------------------------|---------------------------------------|
| 3 Credits Class 1 (completed) | ↓ | |
| 3 Credits Class 2 (completed) | | |
| | 3 Credits Class 3 (not started) | 3 Credits Class 4 (not started) |

If this same student withdrew from school *during* the first set of simultaneous courses, the award would first be recalculated from Level 12 to Level 6 and the difference refunded to the State Grant program. A full withdrawal refund calculation would then be performed using the appropriate OHE Refund Calculation Spreadsheet ([Appendix I](#)) using only the amount of the student's Level 6 State Grant award.

| | | |
|-------------------------------------|---------------------------------------|---------------------------------------|
| 3 Credits Class 1 (completed) | | |
| 3 Credits Class 2 (completed) | 3 Credits Class 3 (not started) | 3 Credits Class 4 (not started) |

If a student withdraws at any point during the term, but subsequently reenrolls in the same program, the student cannot advance to the next term until the remaining courses in the previous term have been completed. To determine the student's enrollment level for the term in question, and whether recalculation and/or withdrawal refunds for that term can be reversed, see the 'Enrollment Level at Non-Term-Based Credit-Hour Schools' and 'Post-Withdrawal Disbursement for Returning Students at Non-Term-Based Credit-Hour Schools' sections of this manual.

If a student withdraws during a module or between modules but continues on in a *different* program, the State Grant for the original term would be recalculated to cover only the modules the student did complete and a new State Grant would be awarded to cover the next term, which would start with the next course module in which the student enrolled for the new program. For example, if a Level 12 State Grant were disbursed for the initial semester and the student fully completed two 3-credit modules of the first semester and then decided to change programs, the State Grant for the first semester would be recalculated to a Level 6 and the difference between the Level 12 and Level 6 State Grant term awards would be refunded to the State Grant program. The next course module would then be considered the first 3-credit course module of a new semester consisting of four 3-credit modules for the student's new program. A Level 12 State Grant would be disbursed for the new semester.

Recalculation of State Grant Award for Student with All Non-Passing Grades

If the student receives non-passing grades for all classes taken during a term, the federal financial aid guidelines requiring schools to document attendance in these cases also apply to the State Grant program. If the school determines the student never attended a class or classes, the State Grant award must be recalculated to exclude those credits prior to any refund taking place for withdrawn classes the student did attend. (See 'Award Adjustments and Refunds for All Non-Passing Grades' in the 'Refund Process' section of this chapter.) Non-term-based credit-hour schools typically extend the term length to include another course when a student fails a class in which the student began attendance, which may result in an award recalculation. (See 'Enrollment Level at Non-Term-Based Credit-Hour Schools for further guidance.)

ISIR Transaction Received After Student No Longer Enrolled

If a school receives a subsequent ISIR transaction for a student who is no longer enrolled at the school and is not intending to reenroll, there is no requirement to adjust the student's award if:

- the State Grant for the period of enrollment has already been disbursed; and
- at the time of disbursement, there was no conflicting information.

Treatment of Student Abroad Courses

There are no special requirements for the treatment of study abroad courses with respect to determining the student's enrollment level for the purposes of awarding, adjusting awards and calculating refunds. If the student registers directly with the foreign institution, there must be consortium agreement between the foreign institution and the eligible Minnesota institution. As long as the student is pursuing a credential at an eligible Minnesota institution, courses taken through study abroad are treated in the same manner as if they took place at the eligible Minnesota institution.

For example, a student registers for 15 credits at a foreign institution that has a consortium agreement with the eligible Minnesota institution. It is initially determined that all classes will count towards the student's degree program at the Minnesota institution. The State Grant would be awarded for 15 credits. The student earns a D in one class and an F in another class, so these classes will not transfer back to the eligible MN institution. The State Grant would not be adjusted since no adjustments would have been required had the student taken those classes at the Minnesota institution.

Disbursement Process

Disbursing Funds to Schools

To improve cash management and timely State Grant reporting, the following requirements are used when processing funds advances for the State Grant program.

A school's initial advance for funds will not be processed until the school has:

- reported a STATE GRANT FILE batch for the new aid year that has been tested and is suitable for production;
- requested funds using the SG web access screen; and
- submitted its final batch and returned its end of year fund balance for the prior aid year.

The amount of funds advanced for the school's initial term of the new aid year is the total amount of awards for that term in the school's first batch for the new aid year. The Agency can limit the amount of funds advances to less than the amount of total term awards in the school's most recent batch if term awards are not yet adjusted

for less than full-time enrollment levels. Schools can request additional funds once the initial installment has been disbursed to students.

Subsequent funds requests for the first term must be requested on the SG web access screen and accompanied by an up-to-date batch showing that payments to date have consumed most of the initial installment and that total term awards in the batch support the additional funds request.

Funds advances for subsequent terms must also be requested on the SG web access screen and accompanied by an up-to-date batch showing that payments to date have consumed most of the previous advances. Advance amounts for subsequent terms are based on the amount of awards for that term in the school's most recently submitted STATE GRANT FILE batch. Schools can request additional funds once the initial installment has been disbursed to students.

Disbursing Funds to Students

In general, State Grant funds may only be used to pay for the student's costs for the current academic year. However, a school may use current-year funds to satisfy prior-year charges for tuition, fees, room or board and, with written authorization from the student, other educationally related charges.

The State Grant award must be based on the student's enrollment level as of the date of disbursement. If a student withdraws from a class prior to disbursement, the student cannot receive a State Grant payment for those credits. (See also 'Adjustments to Award Based on Change in Enrollment Level'.)

When Schools May Disburse Funds

An institution may not make a State Grant payment to a student for a payment period or term until the student has registered for classes. Schools are discouraged from delaying disbursements beyond the school's award adjustment end date to avoid award adjustments based on changes in enrollment level.

The institution is liable for all State Grant payments that are disbursed to a registered student prior to the start of the enrollment period if that student fails to begin the enrollment period. The institution will have to reimburse State Grant payments disbursed to the student prior to the start of the enrollment period if the institution cannot document that the student did begin attending classes.

If an institution posts a State Grant payment from its own funds to a student's account for a crossover term prior to the beginning of the new state fiscal year from which it is awarded, the payment must be cancelled or adjusted based on changes in enrollment, eligibility requirements or the award calculation formula that take place prior to receipt of State Grant funds by the institution.

Documentation must exist regarding the date of disbursement of the State Grant payment. The disbursement date is the date that the Agency requires the institution to determine the student's enrollment level prior to determining the amount of State Grant funds to be disbursed to the student. The Agency and/or the institution's independent public auditors will use the disbursement date to verify the enrollment level of State Grant

program participants. Schools are required to report accurate term disbursement dates on the STATE GRANT FILE record for each student.

The disbursement date of all State Grant payments made prior to the start of the enrollment period will be the first day of required class attendance.

The disbursement date of all State Grant payments disbursed to a student after the start of the enrollment period will be:

- for State Grant payments posted to a student account, the date the funds are posted to the student's account;
- for State Grant payments that are mailed to the student or transferred by EFT, the date of the check or EFT transaction unless the institution elects to use the previous day as the disbursement date for all students paid using this method; or
- for State Grant payments that are disbursed directly to the student via check, the date the student picks up the check

Payment Periods

The Agency designates that schools may have only two or three payment periods during the academic year. The institution specifies on the budget questionnaire it completes each year whether it will disburse aid on a semester (two periods) or quarterly (three periods) basis.

For progressive clock hour schools, the length of a full-time payment period equals the total number of hours in the full-time academic year (e.g., 900 clock hours) divided by the number of payment periods (two or three). Payment periods should be of approximately equal length and the total period covered by the payment periods should equal the entire academic year. For example, if a clock hour school had a 1,200-hour academic year and disbursed aid on a semester basis, each full-time payment period would consist of 600 hours. For examples of different clock hour academic year and payment periods - See 'Adjusting Payments based on Enrollment Status'

Late/Retroactive Disbursement

The State Grant disbursed to a student must be based on the student's enrollment status as of the date of disbursement. If a student withdrew from a class prior to disbursement, those credits cannot be included in the student's enrollment level. If a student withdrew from school or dropped below three credits or its equivalent prior to disbursement, the school cannot disburse any State Grant funds to the student for that term. If a student earned a grade of FN (failed but never attended) or FW (failed but stopped attending prior to finals) or the equivalent for a course, that course cannot be included in the student's enrollment level. All other grades, including F, NC and I shall be counted when determining the student's enrollment level.

At non-term-based credit-hour schools, the State Grant award cannot be disbursed retroactively for a term during which the student withdrew from school, even if one or more sequential course modules were completed. Further, if a term is extended due to the student withdrawing from one or more courses but continuing on at the school, the student's enrollment level for retroactive State Grant disbursements cannot include credits for withdrawn courses.

In cases where a student earns a non-passing grade for every class taken during a term and the Title IV federal financial aid guidelines require the school to verify the student actually attended classes, the results of the verification shall also apply to the State Grant program. That is, if the school determines the student did not attend a class or classes or unofficially withdrew during the term, the school must also calculate a refund for the State Grant program. (See 'Award Adjustments for Refunds for All Non-Passing Grades' in the 'Refund Process' section of this chapter.)

If a school disburses a State Grant to a student who is later determined to have a withdrawal date set prior to the disbursement, the school must complete the appropriate OHE Refund Calculation Worksheet ([Appendix I](#)) or spreadsheet to determine if a refund is due the State Grant program. This can occur in cases where a school is not required to take attendance and becomes aware of the withdrawal after the date of disbursement.

A student is eligible to receive retroactive payment for a past term, even if the student is not currently enrolled in a subsequent term, provided the student currently meets all of the program eligibility requirements as of the date of disbursement. If payment is for a term that has already been completed, the disbursement must be based on the student's enrollment status as of the end of the term.

For example, if a student met all the program eligibility requirements throughout fall term but was placed on a child support hold during spring term prior to the school disbursing funds for fall and spring terms, the school cannot disburse funds to the student for either term because the student does not meet all the program eligibility requirements as of the date of disbursement. The same logic applies to a student who is not making satisfactory academic progress (and has exhausted appeals and probationary periods) at the time of disbursement even if the student was making satisfactory progress during a previous term.

Method of Disbursement to Students

Each school may disburse funds to students using one or a combination of the following methods. The institution may make State Grant payments:

- to the student's account (preferred method),
- to the student by Electronic Funds Transfer (EFT),
- by institutional check directly to the student, or
- by an institutional check that is mailed to the student

Whichever methods of disbursement are used, the school must document the date of disbursement and the amount of State Grant payment disbursed to the student. The Agency holds schools liable for improperly disbursed checks.

When disbursing a State Grant check to the student, the institutional representative should request proper identification (preferably a picture ID) and check the student's social security number. Once the check has been signed and cashed, the Agency will not refund or replace it.

The institution may exercise the option of mailing the checks to the student. The institution must maintain a record that documents for each student included in each transaction the:

- student's name,
- source and amount of state and other financial aid payments included in the payment to the student,
- number of the institutional check, and
- the date that the check was mailed to the student if different from the date of the check

The institution is liable for all funds that are lost. The institution will have to reimburse either the student, the Agency or both for any lost State Grant funds.

If the institution credits State Grant funds to the student's account, the institution must document:

- student's name,
- amount and type of charges paid by each transaction in the student's account, and
- source and amount of state and other financial aid payments disbursed to the student's account

If the institution chooses to disburse State Grant payments to the student by initiating an EFT to the bank account designated by the student, the institution must obtain authorization from the student to disburse by that method.

Each State Grant aid award must be based on the student's enrollment level as of the date the funds are electronically transferred to the student. The following standards apply to EFTs:

- The date of the EFT transaction must be documented. This will be considered the date of disbursement unless the institution elects to take the following option.
- At the institution's option, the date of disbursement may be one business day prior to the date of the EFT transaction.

For each EFT transaction, the institution must maintain a dated record that documents for each student included in the transaction the:

- student's name,
- source and amount of state and other financial aid payments included in the EFT,
- the amount of the EFT,
- student's bank account number, and
- name of the bank into which the funds were deposited

The institution is liable for all funds that are lost. The institution will have to reimburse either the student, the Agency or both for any lost state financial aid funds.

Disbursement to Incarcerated Students

Disbursement of the State Grant for an incarcerated student should be arranged with the education director at the correctional facility. The award may be credited to a student's account at the school or disbursed to the student through the education director.

Disbursement to Students Studying Abroad

If tuition is paid at the Minnesota institution for study abroad, the student's State Grant payment should be credited to the student's account. Any excess funds can be mailed to the student or deposited in the student's bank account via EFT unless the school is authorized by the student to hold a balance in the student's account. If the student must pay tuition at the foreign school, the school may mail the check to the student or deposit the funds in the student's bank account via EFT, if so authorized. However, the student must be registered for credit at an eligible Minnesota school or the eligible Minnesota school must have a consortium agreement with the foreign school.

Payment of Unpaid Institutional Charges

At the time of disbursement, a school may require a student to pay all institutional charges currently due the school. Minnesota financial aid recipients cannot have stricter payment requirements than students who do not receive financial aid.

Student Account Balances

Unless otherwise authorized by the student, whenever an institution applies state financial aid disbursements to a student's account and determines that the amount of those disbursements exceeds or exceeded the amount of allowable charges the institution assessed the student, the institution must pay that balance directly to the student as soon as possible but within 14 days of the later of:

- a. the date that balance occurs,
- b. the first day of classes of a payment period/period of enrollment as applicable, or
- c. the date the student rescinds his or her authorization to hold funds

This also applies to cases where the institution posts State Grant disbursements to the student's account prior to receipt of State Grant funds from the Agency.

If an account balance remains after paying current year charges, the school may apply funds to satisfy any remaining prior year charges for tuition, fees, room or board and, with written authorization from the student, other educationally related charges.

If a school receives authorization to hold excess funds, the school must identify the student or parent and the amount of funds the school holds for the student or parent in a subsidiary ledger account designated for that purpose. The school also must maintain, at all times, cash in its bank account at least equal to the amount the school holds for students.

Because state financial aid funds are awarded to students to pay current year charges, notwithstanding any authorization obtained by a school from a student or parent, the school must pay any remaining state credit balance by:

- the end of the loan period for state loans, and

- the end of the last payment period in the award year for which they were awarded for any other remaining balance of state financial aid disbursements

If an institution attempts to disburse funds by check or EFT transaction to the student, and the check is returned to the institution or the EFT transaction is rejected, the institution may make additional attempts to disburse the funds to the student, provided those attempts take place within 45 days after the funds were returned or rejected. If no additional attempts to disburse funds are made, the funds must be returned to the program within that 45-day period. If an institution attempts to disburse funds by check to the student and the check is not cashed, the institution must return funds to the program within 240 days of the check being issued.

If a school cannot locate a student to whom a state financial aid credit balance must be paid, the school must return the credit balance to the appropriate state financial aid program. The Agency does not specify how a school should determine which financial aid funds created the credit balance. However, when possible, the Agency encourages schools to return state financial aid fund balances to the SELF Loan program first to reduce the likelihood of default.

The school is permitted to retain any interest earned on the student's credit balance funds.

Student Authorization

An institution must obtain from a student written authorization allowing the institution to:

- disburse State Grant payments via EFT;
- hold excess funds in the student's account; or
- apply State Grant payments to prior year charges other than for tuition, fees, room and board

In obtaining authorization for any of these activities, an institution may not require the student to provide that authorization and must allow the student to rescind that authorization at any time.

The authorization granted to an institution is valid for the award year or the period of enrollment in which the institution obtains that authorization. The initial authorization will continue to be valid provided that the institution notifies the student of the provisions regarding the student's current authorization prior to conducting any of the activities that require authorization for any subsequent award year. The institution's notice to the student must, in a plain and conspicuous manner, explain those provisions including an explanation regarding any interest that the institution earns on the student's funds and whether the institution will provide that interest to the student. The notice must also provide the student with the opportunity to cancel or modify those provisions.

Institutional Responsibilities Prior to Disbursement

Notification of Students

Schools are responsible for letting students know when their State Grant payments will be ready for disbursement. Notification may include a letter to the student or announcement of disbursement dates.

Certification and Monitoring of Student Eligibility

Prior to disbursement, a school is responsible for certifying that a student meets the program eligibility requirements outlined in the 'Program Eligibility Requirements' section of this chapter.

Federal Verification, Conflicting Information and C Codes

Before disbursing the State Grant award, the school is responsible for resolving any conflicting information and C codes on the student's ISIR or FSS, including unusual enrollment history flags. The school must also verify the data on the student's application if it is selected for verification using the verification criteria established by the Department of Education for federal student aid programs. These requirements also apply to schools that do not participate in federal aid programs. Schools should refer to the federal Application and Verification Guide for the aid year in question for detailed instructions. The verification guide and information about resolving conflicting information, C codes and unusual enrollment history flags are available at www.fsapartner.ed.gov.

In instances where verification selection, conflicting information, C codes and unusual enrollment history flags take place after the State Grant was disbursed, all future disbursements must be held until the school resolves the issues. If corrections result in a reduced award, the school must bill the student for the overpayment and return the overpayment to its State Grant account. If a student fails to produce the required documentation, the student should be billed for the entire amount previously disbursed.

A school is not required to adjust the award based on a subsequent ISIR transaction received after the student stopped enrollment at the school provided the award has already been disbursed and there was no conflicting information at the time of disbursement.

Adjusting Payments Due to Revised Award

Schools are responsible for adjusting a student's State Grant payment if a change in federal need analysis results, Pell Grant, or the budget used to calculate the State Grant resulted in a revision to the student's State Grant award. If a school receives a revised ISIR after the deadline by which it must make Pell Grant adjustments and the ISIR would result in a decreased Pell Grant and an increased State Grant, the school cannot increase the student's State Grant if it did not decrease the student's Pell Grant.

Adjusting Payments Based on Enrollment Status

Schools must generate State Grant payments based on the enrollment status as of the disbursement date. Because the amount of the State Grant award varies based on the student's enrollment status, the school must make certain it is generating a payment for the appropriate enrollment level. (See also 'Adjustments to Award Based on Change in Enrollment Level' and Appendix L for further information.)

Payment Periods for Clock-Hour and Non-Term Programs:

For all clock-hour programs and for credit hour programs that do not have academic terms, payment periods are defined based on a student's successful completion of clock hours and weeks of instructional time. A student successfully completes the clock or credit hours if the school considers the student to have passed the

coursework associated with those hours. **Effective 2024-2025 MN State Grant awarding procedures for clock hour programs were aligned with the Federal Pell Grant program.** Students are awarded as full-time students for their first payment period and they are not eligible for additional funds until they've completed the hours and weeks of instructional time for their first payment period. After a student has completed the scheduled hours for the first payment period, they can then be paid MN State grant for their second payment period.

Clock -hour /non -term program payment periods when the program is one academic year or less in length

- The first payment period is the period in which the student successfully completes half of the credit or clock hours AND half of the weeks of instructional time in the program.
- The second payment period is the period in which the students complete the remainder of the program. Student isn't paid for second payment period until they've completed the scheduled hours and instructional time of the first payment period.

Clock -hour /non -term program payment periods when the program is more than one academic year in length

- For the first academic year of the program and for any subsequent full academic year, follow the payment period rules above for a program that is one academic year or less in length, substituting "academic year" for "program."
- For any remaining portion of a program that is more than half of an academic year (as measured in both clock or credit hours and weeks of instructional time), but less than a full academic year—
 - The first payment period is the period in which the student successfully completes half of the credit or clock hours AND half of the weeks of instructional time in the remaining portion of the program; and
 - The second payment period is the period of time in which the student successfully completes the remainder of the program.
- For any remaining portion of a program that is half of an academic year or less, the payment period is the remainder of the program.

A student's enrollment is pro-rated when their remaining portion of their program is less than the schools' academic year. An example of this pro-ration can be found below in the 1550 clock hour program example, where in the second year the remaining 650 clock hours are pro-rated by the 900-clock hour academic year.

900 Clock hour example - program is one academic year or less in length:

A school offers a program that is 900 clock hours and the school defined academic year is 900 clock hours. An independent student without dependents has a zero SAI and is eligible for the maximum annual Pell Grant award of \$7,395 and an annual MN State Grant award of \$2,233.

Payment Period 1:

- Pell Grant: 450 clock hours in the payment period * \$7,395 / 900 Clock Hours in AY = \$3,698
- MN State Grant: 450 clock hours in the payment period * \$2,233 / 900 Clock Hours in AY = \$1,117

Student only eligible to receive a second payment after successfully completing 450 clock hours and 13 weeks of instruction from first payment period.

Payment Period 2:

- Pell Grant: 450 clock hours in the payment period * \$7,395 / 900 Clock Hours in AY = \$3,697
- MN State Grant: 450 clock hours in the payment period * \$2,233 / 900 Clock Hours in AY = \$1,116

1550 clock hour example - program is greater than one academic year in length:

A school offers a program that is 1550 clock hours and the school defined Academic Year (AY) is 900 clock hours. An independent student without dependents has a zero SAI and is eligible for the maximum annual Pell Grant award of \$7,395 and an annual MN State Grant award of \$2,233.

Payment Period 1:

- Pell Grant: 450 clock hours in the payment period * \$7,395 / 900 Clock Hours in AY = \$3,698
- MN State Grant: 450 clock hours in the payment period * \$2,233 / 900 Clock Hours in AY = \$1,117

Student only eligible to receive a second payment after successfully completing 450 clock hours and 13 weeks of instruction from first payment period.

Payment Period 2:

- Pell Grant: 450 clock hours in the payment period * \$7,395 / 900 Clock Hours in AY = \$3,697
- MN State Grant: 450 clock hours in the payment period * \$2,233 / 900 Clock Hours in AY = \$1,116

Student only eligible to receive a subsequent payment after successfully completing 450 clock hours and 13 weeks of instruction from previous payment period.

Payment Period 3: 650 Clock hours remaining in Program - less than full academic year

- Pell Grant: 325 clock hours in the payment period * \$7,395 / 900 Clock Hours in AY = \$2,670
- MN State Grant: 325 clock hours in the payment period * \$2,233 / 900 Clock Hours in AY = \$806

Student only eligible to receive a subsequent payment after successfully completing 325 clock hours and weeks of instruction from previous payment period.

Payment Period 4: Example spans two financial aid years, using same Pell award for simplicity

- Pell Grant: 325 clock hours in the payment period * \$7,395 / 900 Clock Hours in AY = \$2,670
- MN State Grant: 325 clock hours in the payment period * \$2,233 / 900 Clock Hours in AY = \$806

Disbursing Timing in Clock-hour, non-term, and certain nonstandard term programs.

A student who is enrolled in a credit hour program without terms or in a clock-hour program must successfully complete both the credit or clock hours and the weeks of instructional time in a payment period before receiving a disbursement of State Grant for the next payment period.

State Grant File Reporting Requirements

Overview of MNAid System

All participating schools are now required to administer the State Grant program on campus using the MNAid System.

With the MNAid system, the school is responsible for screening the student's application using the FAFSA record it receives from the federal processor and the Minnesota State Grant program Student Eligibility Questionnaire. Once the school completes the student's application, the school then calculates the student's State Grant award using the Shared Responsibility term award calculation ([Appendix J](#)). The Agency disburses State Grant funds to schools each term to cover anticipated payments. The school then notifies the student about his/her State Grant eligibility via the financial aid award offer and makes disbursements from its State Grant account to the student at the onset of each term. The school reports award and payment activity to the Agency on at least a monthly basis throughout the academic year. Any refunds for students who did not enroll, withdrew or changed enrollment status are deposited back in the school's State Grant fund, the balance of which must be returned to the Agency at the close of the aid year. The deadline for returning funds to the Agency is August 31.

Requesting State Grant Funds

Schools must request State Grant funds using the MNAid System along with submitting an up-to-date State Grant file. The Agency can adjust a school's advance based on previous year spending patterns or the sum of term awards in the school's most recent State Grant file. The Agency can also delay a school's funds disbursement if the school is not meeting the reporting schedule deadlines described below.

Required Reporting Schedule

Each school is responsible for submitting a batch containing State Grant records for both State Grant recipients and no-need students to the Agency on at least a monthly basis. This is to ensure that the MNAid System contains current information about awards and payments for the fiscal year in question. (See definition of no-need under 'Selection of Student Records for State Grant file.')

Reporting Deadlines

Schools must submit their initial State Grant file to the Agency prior to making any disbursements in order for the Agency to check for hold data and verify accuracy of awards and payments.

While submitting State Grant files to the Agency on at least a monthly basis, schools must incorporate the following reporting deadlines:

- Schools must submit a State Grant file suitable for production prior to receiving their initial funds for the new aid year. For schools who process aid for the leading summer term, the initial batch must be submitted in June. For schools with aid years starting with fall term, the initial batch must be submitted by August 1.

- Schools with payments for the leading summer term must submit a batch reflecting payment activity by July 15.
- Fall term payment activity for terms starting in August or September must be reported no later than October 1. For fall terms starting in early October, fall term payment activity must be reported no later than October 15.
- Winter quarter payment activity must be reported no later than January 15.
- Spring term payment activity for terms starting in January or February must be reported no later than March 1. For spring terms starting in March or early April, spring term payment activity must be reported no later than April 15.
- Trailing summer term awards and enrollment levels must be reported as soon as students have enrolled for the trailing summer term. Payment activity must be reported by July 1.
- Schools must submit an error-free final batch to the Agency by August 31 along with a refund of all unused funds from that aid year.

Selection of Student Records for State Grant files

State Grant files should be cumulative and increase in volume throughout the year as more students apply and complete their financial aid applications.

Schools must report data for students who meet all the program eligibility requirements such as residency (see ‘Comprehensive List of Eligibility Requirements’ in this chapter), have completed financial aid applications, will enroll at the school for one or more terms of the aid year, and have been evaluated for a State Grant using the Shared Responsibility term award calculation ([Appendix J](#)) and found to either be recipients or no-need students. No-need students are those who meet all the program eligibility requirements but do not show financial need for a State Grant award. It is critical for the Agency to have both recipient and no-need records on its database in order to conduct accurate program expenditure projections and simulations for proposed changes to the award formula. As with enrollment, student eligibility may change throughout the year and across terms (i.e. Satisfactory Academic Progress). In such instances, reporting zeros for the award and payment fields on the term(s) for which the student was initially eligible and subsequently lost eligibility, is permissible. Students included in the State Grant file should include students who are MN State Grant recipients and also “No Need” students, who meet eligibility requirements, but don’t show financial need for an award. An example of a “No Need” student would be a student who is a MN Resident, hasn’t earned a bachelor degree, hasn’t reached six years limit on MSG, and aren’t defaulted on a student loan. That student isn’t awarded MSG, because their SAI is too large and they do not meet financial need requirements.

The State Grant File Layout

A description of the MN State Grant File Layout can be found online in the [MN Office of Higher Education State Grant File Layout](#)¹².

¹² <https://ohe.mn.gov/outreach-professional-resources/campus-resources/campus-financial-aid-administrator-resources>

The State Grant File contains fields for most of the data elements collected on the student's FAFSA record as well as need analysis results, enrollment level, term award/payment amounts and accurate term disbursement dates.

The State Grant File record is identical for both recipients and no-need students, although the school should report zeros for the award and payment fields on the record for no-need students.

Reporting Student Enrollment Status in the State Grant File

When a school first reports a student's record to the Agency, the school should report an assumed full-time enrollment status (15 credits) for the student for all terms of the school's standard academic year (fall through spring terms) unless the school is aware of the student's actual enrollment level for those terms. Term enrollment status for the leading and trailing summer terms should not be populated until the student registers for those terms unless the school has a reliable means of knowing the student will enroll for either of those terms.

Throughout the course of the school year the school should be updating term enrollment status on the State Grant File record for students who do not enroll or end up enrolling less than full-time. Term enrollment status must be updated on both recipient and no-need records.

If a student withdrew or changed enrollment status after the State Grant was disbursed and the full amount of the difference in the awards for the initial and revised enrollment levels was not required to be returned to the State Grant program, the school should continue to report the enrollment level at which the student was initially paid. (See also [Appendix L](#) for examples.)

Methods for Submitting the State Grant File

Schools should submit batches to the Agency by uploading them in the MNAID system or by sending them via an automated SFTP process. Schools interested in submitting data via SFTP must contact the grant unit to be set-up for this function. Most schools have designed their reporting software to include this information in designated fields on the trailer record of the MN State Grant File.

Reviewing State Grant File Output Reports

When the Agency processes a school's State Grant File, it checks to make sure the student does not have an eligibility problem by checking for child support holds, SELF default holds, overpayment holds and four years of aid holds on its database. It also uses the data on the school's State Grant File the State Grant award. The Agency's calculation results are then compared to the data submitted by the school and any discrepancies are noted. If discrepancies are outside the established tolerances, the award and payment data for the student is rejected.

Data about eligibility problems, award discrepancies and rejected payments is provided in the State Grant Output Report in the MNAid system.

The output reports generated when the State Grant File is processed are the State Grant Output Report and the Reconciliation Report, both of which can be found within the Reports section of MNAid. The school is responsible for reviewing State Grant Output reports and resolving errors prior to the school reporting its next State Grant File. Instructions on how to run the reports and how to read them can be found online at: [MNAid Training Documents \(state.mn.us\)](https://state.mn.us/mnaid/training/documents).

Refund Process

General Information and Deadlines

All refunds should be for an even dollar amount with cents rounded to the nearest dollar.

Any refunds of student State Grant payments must be returned to the school's State Grant account on campus for the given aid year regardless of the dollar amount of the refund. Schools are responsible for calculating the amount of student refunds within a reasonable amount of time and returning funds to the State Grant account in a timely manner. Any remaining balance in the account must be returned to the Agency by the end of year deadline or within 10 working days of a written request from the Agency. Failure to meet this deadline will result in the Agency delaying funds advances for the next academic year. After the school has returned the end of year account balance to the Agency, any student refunds discovered after that point should be sent directly to the Agency along with the [Refund Return Form](#)¹³.

Refunds for Students Who Do Not Attend

If a student fails to attend any classes for a term or payment period, any State Grant funds disbursed to the student or credited to the student's account must be fully refunded to the school's State Grant account on campus.

Calculating Refunds for Students Who Change Enrollment Level or Withdraw After State Grant Disbursement

If, according to the refund policy the school is required to use, there is a refund of institutional charges for a student who withdrew from school or had a change in enrollment, all or a portion of that student's refund may be due to the State Grant program. (See '[Common Definitions](#)' manual.)

Each institution is responsible for refunds of unused institutional charges when a student changes enrollment status or withdraws from school.

The appropriate Office of Higher Education Refund Calculation Worksheet or spreadsheet ([Appendix I](#)) or similar form must be used to document the calculation of refunds to the State Grant program. The appropriate worksheet is for the school's use and is not intended to be sent to the Agency. This worksheet is also available in

¹³ <https://ohe.mn.gov/outreach-professional-resources/campus-resources/campus-financial-aid-administrator-resources>

spreadsheet format on the Agency's web page under Campus Financial Aid Administrator Resources, Program Forms, Spreadsheets & Instructions.

Change in Enrollment Level

Term-Based Credit-Hour Schools

If, according to the policies described under 'Adjustments to Awards Based on Change in Enrollment Level,' the school is required to complete the Agency's Refund Calculation Worksheet ([Appendix I](#)) or spreadsheet for students who withdrew from a class but were still enrolled for three or more credits for the term, the amount of the refund due the State Grant program will be the lesser of: the difference between the State Grant term award for the original and current enrollment level or a proportional amount of the school's refund of institutional charges based on the refund policy the school is required to use. If there is no refund of institutional charges based on the institution's refund policy, the school is not required to return funds to the State Grant program.

The following example illustrates the difference between a case where the Agency's Refund Calculation Worksheet or spreadsheet would be used (Case A) and a case of award recalculation (Case B) which, while requiring a refund, does not necessitate use of the Agency's Refund Calculation Worksheet. (The Refund Calculation Worksheet is used when a student attends and then withdraws from a class or classes before the school's award adjustment end date. Recalculation of the award occurs when a student drops a class or classes without having attended the class.)

Examples of Adjustments Due to Reduced Enrollment

| State Grant Term Awards | Refund Case A | Recalculation Case B |
|---|--|--|
| Level 15 \$800 Level 14 \$746 Level 13 \$694 Level 12 \$640 Level 11 \$586 Level 10 \$534 Level 9 \$480 Level 8 \$426 Level 7 \$374 Level 6 \$320 Level 5 \$300 Level 4 \$287 Level 3 \$250 | <p>The student initially received a Level 15 State Grant of \$800 for fall quarter after starting classes. The student then withdrew from a two-credit class the student had attended before the school's award adjustment end date and the enrollment status changed to Level 13. The difference between Level 15 and Level 13 term awards is \$106. Therefore, up to \$106 of the refund is due the State Grant program. The school's refund calculation (Appendix O) results in a refund to the State Grant program of \$90.</p> <p>Therefore, only \$90 would be returned to the State Grant program. The school would not have to bill the student for the remainder.</p> <p>The school would continue to report 15 credits for the student's term enrollment level on the State Grant File record.</p> | <p>The student initially received a Level 15 State Grant of \$800 for fall quarter but did not begin a two-credit course and dropped those two credits, resulting in an enrollment status change to Level 13. The State Grant must be recalculated and the difference between Level 15 and Level 13 term awards (\$106) must be returned to the State Grant program.</p> <p>The school would report 13 credits for the student's term enrollment level on the State Grant File record.</p> |

Non-Term-Based Credit-Hour Schools

Non-term-based credit-hour schools that combine sequential course modules into a term are not subject to refund calculations for partial withdrawals. Since courses are offered sequentially, student withdrawals are subject to refunds for total withdrawals and/or refunds for award recalculations. (See 'Enrollment Level at Non-Term-Based Credit-Hour Schools,' 'Adjustment of Awards for Students Attending Non-Term-Based Credit-Hour Schools' and 'Total Withdrawal – Non-Term-Based Credit-Hour Schools' sections in this manual for further guidance.)

Total Withdrawal

Term-Based Credit-Hour Schools

This policy refers to students who withdraw from school (or below three credits) after attending classes. If a student withdraws without attending classes, the State Grant term award must be recalculated to zero and the State Grant term award disbursement must be returned to the State Grant program. This also applies if the student attends classes but is granted a withdrawal date retroactively to the first day of the term. (See 'Backdated Withdrawal Date' in this section.)

Schools should refer to the definition of "withdrawal date" contained in the ['Common Definitions'](#) manual to determine the date of withdrawal. If the refund policy the school is required to use results in a refund of institutional charges and, after the institution's share of any required refund to Title IV programs has been refunded (Unearned Title IV Aid Due from the School, Step 5.O. of Title IV Refund Worksheet), a proportional share of any remaining refund (Line E of Office of Higher Education Refund Calculation Worksheet or spreadsheet), not to exceed the amount of the State Grant payment the student initially received for the term (if the school charges by the term) or aid year (if the school charges upfront for the entire program), must be returned to the State Grant program. Schools should use the appropriate Office of Higher Education Refund Calculation Worksheet ([Appendix I](#)) for a full withdrawal to calculate the amount of funds to return to state financial aid programs. The worksheet is also available in spreadsheet format on the Agency's web site under Campus Financial Aid Administrator Resources, Program Forms, Spreadsheets & Instructions.

If a school disburses a State Grant to a student who is later determined to have a withdrawal date set prior to the disbursement, the school must complete the appropriate OHE Refund Calculation Worksheet ([Appendix I](#)) or spreadsheet to determine if a refund is due the State Grant program. This can occur in cases where a school is not required to take attendance and becomes aware of the withdrawal after the date of disbursement.

On line A of the Refund Calculation Worksheet/spreadsheet, the school would enter the total amount of all (federal, state, institutional, private) financial aid and cash applied to the original institutional charges for the term or payment period (if the school charges by the term or payment period) or program (if the school charges upfront for the entire program), not to exceed the amount of original institutional charges. In other words, if a student received \$4,000 in financial aid and original institutional charges were only \$3,500, the excess \$500 disbursed to the student for non-institutional expenses would not be reported on line A.

On line B of the refund worksheet, the school would report the amount of institutional charges it is allowed to retain for the term or payment period (if the school charges by term or payment period) or program (if the school charges upfront for the entire program) per its institutional or state-mandated refund policy. Most schools rely on their institutional or accrediting agency's refund policy, but certain proprietary schools are required to use a state-mandated policy, such as cosmetology schools (Minnesota Board of Cosmetologist Examiners) and for-profit institutions not offering degrees (Minnesota Statutes Chapter 141).

In the case where a school is first performing an award recalculation prior to a refund for a total withdrawal, the amounts on lines A and B should only include amounts for the revised enrollment level. For example, if the school disbursed a Level 15 State Grant to a student who first dropped or withdrew from a three-credit class without attending the class, and later fully withdrew from school, the school would first refund the difference between the Level 15 and Level 12 State Grants and then perform the total withdrawal refund calculation using the Level 12 State Grant amount.

Line C of the refund worksheet is the gross refund calculated by subtracting Line B from Line A. If the amount on line C is not greater than zero, there is no refund required for state financial aid programs. If Line C is greater than zero, the school would report the amount of the school's share of any required refund to federal financial aid programs on line D (from Step 5.O. of the federal refund worksheet), with Line E representing Line C minus Line D.

If the amount on line E is not greater than zero, no refund to state financial aid programs is required. If the amount on line E is greater than zero, it must be distributed on a proportional basis to non-Title IV aid programs requiring refunds, not to exceed the actual amount the student received from each program. All Minnesota aid programs (excluding State Work Study) from which the student received funds must receive their proportional share of the remaining refund before the student may receive any portion of the amount listed on line E.

To determine the proportional share of the refund due each non-federal financial aid program, the school would first list all non-federal financial aid programs in Part Two of the Refund Calculation Worksheet (Title IV aid, State Work Study earnings, and payments made by the student should not be included) that require a portion of any refund of institutional charges. For non-Title IV loans disbursed by institutions that charge by the term or payment period, use the total loan divided by the number of attendance periods in the loan period. Institutional aid may also be included if the program requires a refund upon withdrawal. Once the amount of the total non-Title IV aid package is known, divide the student's State Grant by the amount of the term's total non-Title IV aid package to determine what percentage of the total non-Title IV aid package is comprised of State Grant funds. In cases where the original State Grant payment is first recalculated to exclude credits for a course the student didn't attend, if the student subsequently withdraws from school, the revised (i.e., recalculated) State Grant should be listed in Part Two of the Refund Calculation Worksheet. The same would apply to the other state financial aid programs listed in Part Two of the worksheet.

Example of Proportional Distribution of Refund to Non-Federal Aid Programs

Institution Charges by Term

Non-Title IV Aid Package for Fall Term:

| | |
|------------------|-----------------|
| State Grant | \$1,000 (23.8%) |
| SELF Loan | \$2,000 (47.6%) |
| YMCA Scholarship | \$800 (19.1%) |
| Inst Scholarship | \$400 (9.5%) |
| TOTAL | \$4,200 |

Case A

Refund of institutional charges = \$1,000

Remaining refund after subtracting institutional share of Title IV refund = \$700

Amount of remaining refund due State Grant = $\$700 \times .238 = \$166.60 = \$167$

Amount of remaining refund due SELF Loan = $\$700 \times .476 = \$333.20 = \$333$

Case B

Refund of institutional charges = \$6,000

Remaining refund after subtracting institutional share of Title IV refund = \$5,700

$\$5,700 \times .238 = \$1,357$ which exceeds State Grant term award of \$1,000

\$1,000 would be refunded to State Grant

$\$5,700 \times .476 = \$2,713$ which exceeds SELF Loan term award of \$2,000

\$2,000 would be refunded to SELF Loan

Non-Term-Based Credit-Hour Schools

When a student withdraws from a non-term-based credit-hour school, the point of withdrawal will determine whether the school must perform an award recalculation or total withdrawal refund, or both. In general, if a student withdraws *between* a completed course and the next course, an award recalculation is performed. If a student withdraws *during* the *last* course of the term after beginning attendance in that course, the school would perform a refund for a total withdrawal using the appropriate OHE Refund Calculation Worksheet (Appendix O) or spreadsheet. If a student withdraws *during* a course, and there are remaining courses in the term that will not be attended, the school must first recalculate the State Grant award to exclude credits for the remaining courses, and then perform a total withdrawal refund using the appropriate OHE Refund Calculation Worksheet ([Appendix I](#)) or spreadsheet listing the State Grant award amount for the classes the student did attend during the term. For further guidance, see sections 'Enrollment Level at Non-Term-Based Credit-Hour Schools' and 'Adjustment of Awards for Students Attending Non-Term-Based Credit-Hour Schools' in this manual.

- Post-Withdrawal Disbursement for Returning Students at Non-Term-Based Credit-Hour Schools

If a student at a non-term-based credit-hour school withdraws from school and subsequently reenrolls in the same program during the same aid year, any refunds for award recalculations and withdrawals can be reversed and the original term award reinstated, provided the student still meets all program eligibility requirements. The length of the term would typically be extended and the student's enrollment level increased to compensate for the additional class. If the student reenrolls in the next aid year, different guidelines apply. For further guidance on both of these scenarios, refer to the sections on 'Enrollment Level at Non-Term-Based Credit-Hour Schools,' 'Adjustment of Awards for Students Attending Non-Term-Based Credit-Hour Schools,' and 'Awards for Summer or Non-Standard Terms' in this manual.

Progressive Clock Hour Schools

This policy refers to students who withdraw from school (or below six clock hours per week) after attending classes. If a student withdraws without attending classes, the State Grant award must be recalculated to zero and funds must be returned to the State Grant program.

If a student withdraws and the refund policy used by the school results in a refund of institutional charges, after the institution's share of any required refund to Title IV programs has been refunded (Unearned Title IV Aid Due from the School, Step 5.O. of Title IV Refund Worksheet), a proportional share of the remaining refund must be returned to the State Grant program. The proportional share is based on a percentage determined by dividing the amount of State Grant funds received by the total non-Title IV aid received.

Once the percentage is calculated, the refund remaining (Line E of the Office of Higher Education Refund Calculation Worksheet) after federal aid programs have been repaid is multiplied by the percentage and the result, not to exceed the amount of the State Grant payment the student initially received for the State Grant program payment period (if school charges by the payment period) or aid year (if school charges upfront for the entire program), is returned to the State Grant program.

For progressive clock hour schools with institutional refund policies based on the amount of institutional charges that can be retained for a payment period, lines A and B on Part One of the OHE Refund Calculation Worksheet ([Appendix I](#)) should be based on the funds applied and charges retained for the payment period. Otherwise, schools charging upfront for the entire program should use the OHE Refund Calculation Worksheet, [Appendix I](#), with lines A and B representing the funds applied and charges retained for the entire program.

Determining the percentage of the payment period financial aid package covered by the State Grant can be difficult because the payment period used for State Grant may be different from the payment period used for other non-Title IV financial aid programs. For purposes of calculating what percentage of the total payment period non-Title IV aid package is comprised of State Grant funds, an hourly rate must be calculated. Divide the State Grant payment for the payment period by the number of hours in the State Grant payment period to determine the amount of State Grant per clock hour. Divide any other non-Title IV aid by the number of hours in the award period, which may consist of more hours than a payment period, as shown in the chart that follows.

Example of Refund Distribution at Clock Hour Institution

Where Refund Period Based on Payment Period

Academic year = 900 hours (450 Clock Hours in Level 15 Semester Payment Period)

State Grant Level 14 Payment \$500

State Grant Level 14 Payment Period 420 clock hours = \$1.19 (26.3%)

SELF Loan \$2,000

SELF Loan Award Period 900 clock hours = \$2.22 (49.1%)

Institutional Scholarship \$1,000

Scholarship Award Period 900 clock hours = \$1.11 (24.6%)

\$4.52 (100%)

Total Non-Title IV
Aid Per Clock Hour

Total Refund of Institutional Charges \$1,500

Institutional Share of Title IV Refund - 767

Remaining Refund \$ 733

\$733 x 26.3% = \$193 State Grant Portion of Remaining Refund

\$733 x 49.1% = \$360 SELF Loan Portion of Remaining Refund

\$733 x 24.6% = \$180 Institutional Scholarship Portion of Remaining Refund

- **Post-Withdrawal Disbursement for Returning Students at Progressive Clock Hour Schools**

If a student attending a progressive clock hour school withdraws from school but re-enrolls at the school within 180 days of the withdrawal date, the student is eligible to receive a State Grant for the payment period during which the student withdrew. The school may not impose additional fees for the student to re-enroll or require the student to re-enroll in the same program. If the school performed a refund calculation for the withdrawal, the school may reverse the refunds to financial aid programs as if the student never withdrew. In these cases, the State Grant award is not revised from the award amount at the time of the initial disbursement. If the State Grant for the payment period was not disbursed prior to the withdrawal, it can be disbursed after the student re-enrolls based on the student's enrollment level from the beginning of the previous payment period to the current date of disbursement. For students who re-enroll in this manner, the State Grant award for the next payment period cannot be disbursed until the student completes the hours in the payment period during which the student withdrew.

If a student attending a progressive clock hour school withdraws from school but re-enrolls at the same school more than 180 days *after* the withdrawal date, the timing of the next State Grant disbursement to the student will be based on the terms of the contract under which the student re-enrolls. If the student re-enrolls under the previous contract without incurring additional charges, the school may not disburse additional State Grant funds to the student until the hours in the payment period during which the student withdrew have been completed. If the student re-enrolls under a new contract subject to additional charges, the student is eligible to receive a

State Grant disbursement at the onset of the new period of enrollment as would any other new or transfer student. When students re-enroll more than 180 days after the date of withdrawal, any refunds to state financial aid programs for the student's withdrawal cannot be reversed.

Total Withdrawal When School's Mandatory Refund Policy Applies to Program Length

If the institutional refund policy the school is required to use applies to charges assessed and retained for the student's entire program as opposed to a term or payment period, Line A in Part One of the Refund Calculation Worksheet ([Appendix I](#)) or spreadsheet should reflect all financial aid and cash applied to institutional charges to date for the aid year, not to exceed the amount of institutional charges. Line B of the worksheet should reflect the amount of institutional charges the institution is allowed to retain for the student's program. Part Two of the worksheet should reflect non-Title IV financial aid disbursed to date for the entire program.

Sample of Withdrawal Refund Calculation

For Clock Hour School Charging Upfront for Entire Program

Institutional Charges = \$20,000 for 1,550-hour cosmetology program charged upfront
School defines aid year as 900 clock hours, with two 450-hour full-time payment periods

Financial aid and cash applied to institutional charges to date for program:

| | | |
|------------------|--------------------|---|
| MN State Grant = | Aid Year 1: | \$2,700 first payment period |
| | | \$2,700 second payment period |
| | <u>Aid Year 2:</u> | <u>\$1,542</u> for third payment period |
| | | \$6,942 Total to date for program |
| SELF Loan = | Aid Year 1: | \$2,000 first payment period |
| | | \$2,000 second payment period |
| | <u>Aid Year 2:</u> | <u>\$2,000</u> third payment period |
| | | \$6,000 Total to date for program |
| Cash payment = | Aid Year 1: | \$4,000 |
| | <u>Aid Year 2:</u> | <u>\$3,058</u> |
| | | \$7,058 Total to date for program |

\$20,000 TOTAL

Student has been enrolled full-time but withdraws from school during second aid year at hour 1,040.
Student has completed 45.2% of program ($1040/1550 = 67.1\%$).
School's mandated refund policy allows school to retain 67.1% of institutional charges for the program.

Part One of Refund Calculation Worksheet ([Appendix I](#)) or spreadsheet

Line (A) = \$20,000 (all financial aid and cash applied to institutional charges to date for program)
Line (B) – \$13,420 (\$20,000 program charges x 67.1% institution can retain)
Line (C) = \$ 6,580 (\$20,000 - \$13,420)

Line (D) – \$ 0 (no Title IV financial aid disbursed)

Line (E) = \$ 6,580 (to be distributed proportionally to non-Title IV financial aid programs)

Part Two of Worksheet – Proportional Share of Non-Title IV aid disbursed to date for program

\$6,942 State Grant (53.6%)

\$6,000 SELF Loan (46.4%)

\$12,942 Total Non-Title IV Financial Aid Disbursed (100%)

Distribution of Remaining Refund as shown online (E) Part One

\$6,580 x 53.6% = \$3,216 to MN State Grant - Refund capped at \$1,542 (amount received during current aid year)

\$6,000 x 46.4% = \$2,784 to SELF Loan - Refund capped at \$2,000 (amount received during current aid year)

Backdated Withdrawal Date

A student who withdraws from a class or classes and is granted a retroactive withdrawal date back to the start date of the term will be treated as if the student never attended the class or classes. The award must be recalculated to exclude credits granted a retroactive withdrawal and the overpayment returned to the State Grant program.

Award Adjustment and Refunds for All Non-Passing Grades

If a student receives a non-passing grade in all classes taken during the term, the applicable federal financial aid guidelines requiring schools to document attendance in these cases also apply to the Minnesota State Grant program. If the school determines that the student never attended a class or classes, the State Grant award for the term must be recalculated to exclude the credits for the classes the student never attended and the overpayment refunded to the State Grant program prior to any refund taking place for other classes the student did attend but did not complete.

For example, a student enrolls and receives a State Grant disbursement for 15 credits at the onset of the term. The student then receives a grade of F in all courses for the term. The school determines the student never attended one 3-credit class, did attend and complete three 3-credit classes that extended the length of the term and did attend but stopped attending another 3-credit class. In this case, a refund would not be required for the Pell Grant program since the student attended at least one class that extended the length of the term and, therefore, earned the F grade. However, for Minnesota State Grant, the award must first be recalculated to exclude the 3-credit class the student never attended with the difference refunded to the program. If the unofficial withdrawal for the 3-credit class the student stopped attending took place prior to the school's award adjustment end date, the school must perform a partial withdrawal refund for the Level 12 State Grant using the Refund Calculation Worksheet ([Appendix I](#)) or spreadsheet.

The state does not impose any stricter requirements upon schools to document attendance in these cases beyond those already in place for federal financial aid programs. In other words, if the school first documents the student did attend at least one class offered over the entire term or payment period and is, therefore,

eligible for the Federal Pell Grant, the state does not require the school to document attendance in all classes for the term.

Withdrawal for Military Service or Service-Related Medical Condition

When a student must withdraw from school for military service, the standard refund policy for withdrawals is used. However, state law provides special options for students whose postsecondary education at a Minnesota school is affected due to military service or a service-related disability. The applicable law can be accessed at www.leg.state.mn.us by retrieving [Statute 192.502](#).

Refunds for Overpayments

If a revision to the student's State Grant award for the current aid year results in an overpayment, the overpayment must be returned to the school's State Grant account for the current aid year. In cases where the cause of an overpayment may affect State Grant eligibility for previous aid years, the school is required to review the student's records for the three most recent previous aid years and return any overpayments to the Office using the [Refund Return Form](#). However, in cases where an auditor or school suspects fraudulent activity, student records must be reviewed for all previous aid years for which they are available and any resulting overpayments must be returned to the Office.

Accounting and Audit Requirements

General

Each institution must designate an employee(s) as the institutional representative to perform or supervise all financial and accounting activities related to the Minnesota State Grant program.

Auditors from the Office of Higher Education will periodically perform audits with each participating schools. The audits are performed remotely by audit staff rather than on site at institutions. Schools have the option of hiring a private auditing firm to conduct the audit of state aid programs in conjunction with an audit of federal financial aid programs. (See also 'Audits' under '[Common Definitions](#)' manual for criteria for hiring an independent auditing firm.)

The school must make available all pertinent books, documents, papers and records for audit and examination for three years after the last day of a fiscal year or until all audit exceptions for the period are resolved. These documents can be collected in paper form, but are most commonly collected electronically through a secure transfer.

Upon request by the school, the Agency will supply an updated State Grant Program Audit Guide.

Documentation of Student Eligibility

All schools must have written documentation that the student meets all of the program eligibility requirements described in the 'Student Eligibility' section in this chapter.

With respect to written documentation of enrollment status, the actual documentation, such as a fee statement or transcript, need not be kept at the financial aid office but must be readily available at the registrar's office or other responsible department within the school.

Documentation of State Grant Receipts, Disbursements and Refunds

General Ledger

All schools must maintain an audit trail in the form of a general ledger (see [Appendix J](#) for example) by state fiscal year that tracks the following transactions:

- the date and amount of State Grant funds sent by the Agency to the institution;
- the date and amount of State Grant funds disbursed by the institution to students. The institution should keep supporting documentation for disbursement entries that identifies the amount of State Grant funds disbursed to the student by check or deposited in the student's institutional or bank account by student name and social security number. The institution must reconcile financial aid records to business office records regarding the amount of State Grant paid to each student;
- the date and amount of State Grant refunds or repayments from students deposited back into the institution's State Grant account on campus. The institution should keep supporting documentation for refund entries that identifies the amount of State Grant funds deposited back into the institution's State Grant account for each student by student name and social security number. The school must also keep a copy of the refund calculation worksheet, or the school's facsimile, used to calculate the State Grant refund; and
- the date and amount of State Grant funds returned to the Agency by the institution at the end of each fiscal year.

Reconciliation

Reconciling State Grant Disbursement Records

At the end of each state fiscal year, the financial aid office must reconcile its record of State Grant disbursements with:

- the Agency's records of State Grant disbursements, and
- the college business office's records of State Grant disbursements.

The financial aid office must verify that financial aid records reflect the same disbursement amount for each student as the business office and the Agency. This process includes, but is not always limited to, the following steps:

STEP 1. The institution selects their official record of State Grant disbursements. This must be the record used to submit batches to the Agency and can be maintained by the financial aid office or the business office.

STEP 2. The institution determines that its official record and the Agency records agree by verifying:

- all disbursements of State Grant funds have been submitted to the Agency,
- that there are no outstanding rejected payments, and
- the total amounts disbursed by the institution and the total amount of payments accepted by the Agency agree.

[Note: If the institution is not able to transmit payment data to the Agency due to software errors, the Agency will not grant the school credit for those payments.]

STEP 3. The institution determines that the records of the business office and the financial aid office are in agreement. If appropriate, any differences should be corrected by adjusting the non-official State Grant disbursement record. If the school needs to adjust its official record, the institution must repeat Step 2.

The student must be eligible to receive any increased award payments made to him or her as part of the reconciliation process.

This part of the reconciliation must establish that:

- the business office and the financial aid office recorded the same total disbursements, and
- for each student, the business office and the financial aid office recorded the same disbursements.

Reconciliation Summary Report

Reconciliation between the school and the Agency occurs each time the school submits a batch of student records reflecting payments to date. The Reconciliation Summary Report generated during batch processing reflects the amount of funds advanced to the school, the amount of payments in the current batch accepted by the Agency, and the remaining balance due the Agency at the end of the academic year.

Return of Excess Funds

The school must return all excess funds to the Agency no later than August 31. Schools must also honor any requests for return of excess cash balances sent by the Agency throughout the aid year and return the requested amount within 10 days of receiving the request.

Utilization of State Grant Fund Interest Earnings

Schools are allowed to utilize any interest earnings on State Grant funds advanced to the institution to offset administrative costs incurred by the financial aid office from administering the State Grant program on a decentralized basis.

Prohibition against Charging Student Fees

The school shall not, under any circumstances, collect from State Grant applicants or recipients any special fees for charges to directly cover the cost of administering the State Grant program.

Student Account Requirement

A school must maintain a student account for each student. The school must provide the student with an itemized statement of the account at least annually and upon termination of enrollment. (See also 'Student Authorization' under 'Disbursement Process' section of this chapter.)

Summary of State Audit Requirements: Institutional Documentation for the Minnesota State Grant Program

At a minimum, each school must be able to produce the following for auditors:

- individual student financial aid files for State Grant recipients;
- documentation that students meet program eligibility requirements as outlined under 'Student Eligibility' in this chapter;
- documentation of the need analysis results used to calculate the student's State Grant award;
- documentation of the student's enrollment level at the time of State Grant disbursement;
- documentation of the disbursement dates of payments to individual award recipients;
- written documentation of refund calculations for individual award recipients (e.g., copy of Refund Calculation Worksheet or Spreadsheet (Appendix));
- written documentation of individual student refund amounts and the date these State Grant funds were returned to the school's State Grant account;
- written definition of "satisfactory academic progress" and a policy which conforms to both federal and state requirements;
- written definitions of "full-time student," "three-quarter time student," "half-time student," and "less than half-time student" for purposes of Federal Title IV programs;
- documentation of the unusual circumstances requiring a professional judgment change of dependency status or adjustment of SAI or cost of attendance; and
- for private schools not participating in the Federal Pell Grant program, a signed student disclosure statement ([Appendix Y](#)) for all enrolled students.

Appendices

Appendix A: Minnesota Status Governing State Grant Program

136A.121 STATE GRANT PROGRAM.

Subdivision 1. [Repealed, [1989 c 293 s 85](#)]

Subd. 2. Eligibility for grants.

- (a) An applicant is eligible to be considered for a grant, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections [136A.095](#) to [136A.131](#) if the office finds that the applicant:
- (1) is a resident of the state of Minnesota;
 - (2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a student to an eligible college or technical college of choice as defined in sections [136A.095](#) to [136A.131](#);
 - (3) has met the financial need criteria established in Minnesota Rules;
 - (4) is not in default, as defined by the office, of any federal or state student educational loan; and
 - (5) is not more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, but is complying with a written payment agreement under section [518A.69](#) or order for arrearages.
- (b) A student who withdraws from enrollment for active military service after December 31, 2002, because the student was ordered to active military service as defined in section [190.05, subdivision 5b](#) or 5c, or who withdraws from enrollment for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term is entitled to an additional semester or the equivalent of grant eligibility.

Subd. 3. Allocation.

Grants must be awarded on a funds available basis to those applicants who meet the office's requirements.

Subd. 4. [Repealed, [1989 c 293 s 85](#)]

Subd. 5. Grant stipends.

The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

- (a) the assigned student responsibility of at least 50 percent of the cost of attending the institution of the applicant's choosing;
- (b) the assigned family responsibility as defined in section 136A.101; and
- (c) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is \$100 per academic year.

Subd. 6. Cost of attendance.

(a) The recognized cost of attendance consists of:

1. an allowance specified in law for living and miscellaneous expenses, and
 - (a) an allowance for tuition and fees equal to the lesser of the average tuition and fees charged by the institution, or a tuition and fee maximum if one is established in law. If no living and miscellaneous expense allowance is established in law, the allowance is equal to 101 percent of the federal poverty guidelines for a one-person household in Minnesota for nine months. If no tuition and fee maximum is established in law, the allowance for tuition and fees is equal to the lesser of:
 1. the average tuition and fees charged by the institution, and
 - (b) for two-year programs, an amount equal to the highest tuition and fees charged at a public two-year institution, or for four-year programs, an amount equal to the highest tuition and fees charged at a public university.

(b) For a student registering for less than full time, the office shall prorate the cost of attendance to the actual number of credits for which the student is enrolled.

(c) The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

(d) For the purpose of this subdivision, "fees" include only those fees that are mandatory and charged to full-time resident students attending the institution. Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership. Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees.

Subd. 7. Insufficient appropriation.

If the amount appropriated is determined by the office to be insufficient to make full awards to applicants under subdivision 5, awards must be reduced by:

- (a) adding a surcharge to the applicant's assigned family responsibility, as defined in section 136A.101, subdivision 5a; and
- (b) a percentage increase in the applicant's assigned student responsibility, as defined in subdivision 5.

The reduction under clauses (1) and (2) must be equal dollar amounts.

Subd. 7a. Surplus appropriation. If the amount appropriated is determined by the office to be more than sufficient to fund projected grant demand in the second year of the biennium, the office may increase the living and miscellaneous expense allowance in the second year of the biennium by up to an amount that retains sufficient appropriations to fund the projected grant demand. The adjustment may be made one or more times. In making the determination that there are more than sufficient funds, the office shall balance the need for sufficient resources to meet the projected demand for grants with the goal of fully allocating the appropriation

for state grants. An increase in the living and miscellaneous expense allowance under this subdivision does not carry forward into a subsequent biennium.

Subd. 8. [Repealed, [1Sp1985 c 11 s 81](#)]

Subd. 9.Awards.

An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for eight semesters or the equivalent, excluding courses taken from a Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

Subd. 9a.Full-year grants. Students may receive state grants for four consecutive quarters or three consecutive semesters during the course of a single fiscal year. In calculating a state grant for the fourth quarter or third semester, the office must use the same calculation as it would for any other term, except that the calculation must subtract any federal Pell grant for which a student would be eligible even if the student has exhausted the Pell grant for that fiscal year.

Subd. 9b. [Repealed, [2013 c 99 art 2 s 30](#)]

Subd. 10. [Repealed, [1Sp1993 c 2 art 2 s 26](#)]

Subd. 11.Renewal conditions.

Each grant is renewable, contingent on continued residency in Minnesota, satisfactory academic progress, recommendation of the eligible institution currently attended, and evidence of continued need.

Subd. 12.Annual application.

To continue to receive a grant, the student must apply for renewal each year.

Subd. 12a.Free Application for Federal Student Aid (FAFSA) compliance. All eligible institutions must implement policies and procedures that ensure that applicants are aware that they must annually complete the FAFSA to be eligible for financial aid.

Subd. 13.Deadline.

The deadline for the office to accept applications for state grants for a term is 30 days after the start of that term.

Subd. 14. [Repealed, [1Sp1985 c 11 s 81](#)]

Subd. 15. [Repealed, [1989 c 293 s 85](#)]

Subd. 16.How applied; order.

Grants awarded under this section must be applied to educational costs in the following order: tuition, fees, books, supplies, and other expenses. Unpaid portions of the awards revert to the grant account.

Subd. 17.Independent student information.

The office shall inform students in its financial aid publications about the definition of independent student status and appeals to the financial aid administrator relating to the declaration of the status.

Subd. 18.Data.

- (a) An eligible institution must provide to the office data on student enrollment and federal and state financial aid.
- (b) An institution or its agent must provide to the office aggregate and distributional financial or other data as determined by the commissioner that is directly related to the responsibilities of the office under this chapter. The commissioner may only request aggregate and distributional data after establishing and consulting with a data advisory task force to determine the need, content, and detail of the information.
Data provided by nonpublic institutions under this paragraph is considered nonpublic data under chapter 13.

Subd. 19.Reporting.

By November 1 and February 15, the office must provide, to the committees of the legislature with jurisdiction over higher education finance and policy, updated state grant spending projections taking into account the most current and projected enrollment and tuition and fee information, economic conditions, and other relevant factors. Before submitting state grant spending projections, the office must meet and consult with representatives of public and private postsecondary institutions, the Department of Management and Budget, the Governor's Office, legislative staff, and financial aid administrators.

Subd. 20.Institution reporting.

- (a) Each institution receiving financial aid under this section must annually report to the office the following for each award level:
 - 1. enrollment and graduation data for all students, including subgroup information on state and federal Pell grant recipients; and
 - 2. the aggregate awarded financial aid information for all students, and cumulative debt of all graduates by race and ethnicity, gender, and income.
- (b) Using the data submitted to the office by institutions pursuant to paragraph (a), as well as other data available to the office, the office shall provide the following on its Internet website by placing a prominent link on its website home page:
 - 1. information including, but not limited to, persistence and completion, debt of graduates, employment and wage information, and other relevant data for each institution subject to paragraph (a), which shall be made available in a searchable database; and
 - 2. other information and links that are useful to students and parents who are in the process of selecting a college or university. This information may include, but is not limited to, local occupational profiles.
- (c) The office shall provide a standard format and instructions for institutions supplying the information required under paragraph (a).

- (d) The office shall provide an electronic copy of the information provided on its Internet website under paragraph (b) to each public and private high school in the state and each workforce center operated by the Department of Employment and Economic Development. The copy must contain information formatted by institution so that comparison can be easily made between institutions. High schools are encouraged to make the information available to students, including through individual counseling sessions with students. Workforce centers shall make the information available to job seekers, those seeking career counseling, and others as determined by the centers.

History:

[1971 c 862 s 4](#); [1975 c 271 s 6](#); [1975 c 390 s 5](#); [1977 c 384 s 2](#); [1977 c 449 s 16](#); [1979 c 238 s 1-4](#); [1981 c 359 s 15,16](#); [1983 c 258 s 42](#); [1984 c 654 art 4 s 21](#); [1Sp1985 c 11 s 30-42](#); [1987 c 258 s 12](#); [1987 c 401 s 17,18](#); [1989 c 246 s 2](#); [1989 c 293 s 27](#); [1991 c 292 art 5 s 2](#); [1991 c 356 art 8 s 6-8](#); [1992 c 513 art 1 s 13](#); [1993 c 340 s 1](#); [1Sp1993 c 2 art 2 s 9,10](#); [1994 c 532 art 2 s 5](#); [1995 c 212 art 3 s 22-26,59](#); [1997 c 183 art 2 s 4,5](#); [1998 c 384 s 8](#); [1999 c 214 art 2 s 5](#); [1Sp2001 c 1 art 2 s 10,11](#); [2002 c 220 art 5 s 5](#); [2002 c 374 art 5 s 1](#); [2003 c 133 art 2 s 9-13](#); [2005 c 107 art 2 s 17-22](#); [2005 c 164 s 29](#); [1Sp2005 c 7 s 28](#); [2007 c 144 art 2 s 19,20](#); [2008 c 298 s 4](#); [2008 c 363 art 4 s 7](#); [2009 c 95 art 2 s 12-14](#); [2009 c 101 art 2 s 109](#); [2010 c 215 art 2 s 6](#); [1Sp2011 c 5 art 2 s 2](#); [2013 c 99 art 2 s 7,29](#); [art 3 s 2](#); [2014 c 149 s 14,15,74](#); [2015 c 69 art 2 s 46](#); [art 3 s 9](#); [art 5 s 1,2](#); [2016 c 189 art 1 s 10](#); [2017 c 89 art 2 s 7](#)

Appendix B: Minnesota Agency Rules Governing State Grant Program

4830.0200 SCOPE.

Parts [4830.0200](#) to [4830.0700](#) govern state grants.

Statutory Authority: *MS s* [136A.04](#); [136A.111](#); [136A.121](#); [136A.132](#); [136A.141](#); [136A.16](#); [136A.233](#); [136A.234](#); [136A.70](#)

History: 8 SR 196; 8 SR 2335; 9 SR 991; 15 SR 1780

Published Electronically: *June 11, 2008*

4830.0300 ELIGIBLE SCHOOLS.

Subpart 1. Annual list. Annually the commissioner shall approve a list of schools at which a state grant may be used. Schools may be added to the list by the commissioner anytime during the school year.

Subp. 2. Requirements. To be eligible a school must:

A. be located in Minnesota;

B. offer at least one program that:

- I. is vocational or academic in nature;
 - (c) leads to a certificate or degree;
 - (d) is at least eight weeks long; and
 - (e) involves at least 12 academic credits or 300 clock hours;

C. be:

- II. accredited by a federally recognized accrediting agency or association;
 - (f) approved to offer degrees or use terms in its name according to Minnesota Statutes, section [136A.65](#); or
 - (g) licensed by an appropriate state agency;

D. sign an institutional agreement with the commissioner; and

E. have the necessary administrative computing capability to administer the program on campus and electronically report student data records to the office.

Statutory Authority: *MS s* [14.388](#); [136A.01](#); [136A.04](#); [136A.111](#); [136A.121](#); [136A.132](#); [136A.141](#); [136A.16](#); [136A.233](#); [136A.234](#); [136A.70](#)

History: 8 SR 196; 8 SR 2335; 9 SR 991; 9 SR 2341; 15 SR 1780; 18 SR 1141; 20 SR 2284; 24 SR 518; 34 SR 903; L 2013 c 99 art 2 s 29

4830.0400 APPLICATION DATES AND STUDENT ELIGIBILITY.

Subpart 1. Date. Annually the office shall adopt by resolution a date after February 14, by which all applications must be filed to receive an award.

Subp. 2. [Repealed, 15 SR 1780]

Subp. 2a. Out-of-state housing. A student's Minnesota residence is not lost if the student or parent must live outside of Minnesota for purposes of postsecondary education, military service, or missionary work, provided the student or parent continues to claim Minnesota as the state of legal residence for income tax purposes.

Subp. 3. [Repealed, 15 SR 1780]

Subp. 4. Eligibility for initial grant. To be eligible for an initial grant a student must be an eligible student, as defined in part [4830.0100](#), subpart 5, except item D, and:

- A. demonstrate financial need;
 - B. if under 17 years old, hold a high school diploma or the equivalent;
 - C. pursuing a program or course of study that applies to a degree, diploma, or certificate;
 - D. must not have received a previous Minnesota state grant; and
 - E. is not more than 30 days in arrears for any child support payments owed to a public agency responsible for child support enforcement or, if the student is more than 30 days in arrears, is complying with a payment plan for arrearages.
- Subp. 5. Renewal awards. A grant is renewable for a maximum of six semesters, nine quarters, or the equivalent, but must not continue after the first of the following occurrences:

- A. the recipient has obtained a baccalaureate degree; or
- B. the recipient has been enrolled on a full-time basis for eight semesters, 12 quarters, or the equivalent, taking into account the exclusions specified in Minnesota Statutes, section [136A.121](#), subdivision 9.

To be eligible to renew a grant a student must apply each year and continue to meet the requirements for an initial grant, except for subpart 4, item D. A student must have made satisfactory academic progress as defined in Minnesota Statutes, section [136A.101](#), subdivision 10.

Subp. 5a. Child support arrearages. A grant is not renewable if the recipient is more than 30 days in arrears for any child support payment owed to a public agency responsible for child support enforcement and not subject to a payment plan for arrearages or not in compliance with a payment plan for the arrearages.

Subp. 6. [Repealed, 18 SR 1141]

Subp. 7. Minnesota correctional institution. "Minnesota correctional institution" means a federal or state penal institution located in Minnesota in which students are eligible for grants under this rule pursuant to Minnesota Statutes, section [136A.121](#), subdivision 6.

Statutory Authority: MS s [136A.01](#); [136A.04](#); [136A.111](#); [136A.134](#); [136A.16](#); [136A.234](#); [136A.70](#); [147.30](#)

History: 8 SR 196; 8 SR 2335; 9 SR 991; 10 SR 2319; 13 SR 128; 15 SR 1780; 16 SR 1822; 18 SR 1141; L 1995 c 212 art 3 s 59; 20 SR 2284

Published Electronically: *June 11, 2008*

4830.0600 AWARDS.

Subpart 1. [Repealed, 23 SR 594]

Subp. 1a. [Repealed, 23 SR 594]

Subp. 1b. [Repealed, 13 SR 128]

Subp. 1c. [Repealed, 13 SR 128]

Subp. 1d. [Repealed, 13 SR 128]

Subp. 1e. Awards for fourth quarter or third semester. In calculating a state grant for the fourth quarter or third semester within a fiscal year, the award shall be calculated as specified in [Minnesota Statutes, section 136A.121, subdivisions 5 and 9a](#).

Subp. 2. [Repealed, 28 SR 889]

Subp. 3. [Repealed, 10 SR 2319]

Stat Auth: MS s 14.388; 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 8 SR 2335; 9 SR 991; 10 SR 2319; 13 SR 128; 15 SR 1780; 20 SR 2284; 23 SR 594; 28 SR 889

4830.0700 METHOD OF PAYMENT.

Subpart 1. Payments to schools. After a grant award is determined, the award amount shall be sent by the director to the school chosen by the recipient or the school shall withdraw the award amount from its state grant account. The school shall apply the award to the recipient's educational costs in the following order: tuition, fees, books, supplies, and other expenses. The costs must be prorated for each term of the academic year. The school shall notify each recipient that the award is ready for disbursement.

Subp. 2. Refunds. A grant is awarded for full-time attendance at a specified school for up to four quarters or three semesters within the state fiscal year. If a recipient fails to enroll or reduces enrollment, the school must refund the unused portion of the award. If the director determines that a school has fraudulently handled grant money, the refund of the unused portion of the award is immediately due, and the office may institute a civil action for recovery if necessary. Refunds to the office are determined as follows:

- A. calculate the percentage the state grant award represents of the student's total financial aid package for the applicable term, excluding funds received from federal Title IV programs, United States Code, title 20, sections 1070-1099;
- B. calculate the total tuition refund amount using the refund calculation required of schools participating in federal Title IV programs;
- C. subtract the federal aid programs' refund amount from item B to determine the remaining tuition refund amount; and
- D. multiply the percentage in item A by the amount calculated in item C to determine the amount to be refunded to the state grant program.

Refunded money to the state grant program is available for awards to eligible students.

Subp. 3. School accounting requirements. Schools shall maintain separate accounts for grant funds. Refunds to the state grant program must be accompanied with a list stating the social security number, name, award type, amount of refund, term, and refund code for each student included in the refund. The refund must be made to the program within 30 days from the end of the academic term, or 30 days from the date the school is notified of a student's withdrawal, whichever is less. Schools must provide evidence, prepared according to generally accepted accounting principles, that all awards have either been distributed or refunded to the program.

Subp. 4. Recovery of overpayments. An overpayment occurs when a grant recipient receives more money than the recipient is eligible to receive under the award calculation. A grant recipient shall reimburse the state grant program for overpayment regardless of the cause. The overpayment amount is the difference between the amount received and the calculated award eligibility. The reimbursement amount includes any costs or expenses incurred by the office in collecting the debt, including reasonable attorney fees. The reimbursement is recoverable from the recipient or the recipient's estate. The office may institute a civil action for recovery if necessary.

The recipient must not receive additional awards until the overpayment is recovered or the recipient is making payments under an approved plan. Additional awards for which the recipient is eligible may be used to recover an unreimbursed overpayment.

Stat Auth: MS s 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 9 SR 991; 10 SR 2319; 13 SR 128; 15 SR 1780; 18 SR 2482; L 1995 c 212 art 3 s 59; 20 SR 2284

4830.1000 [Repealed, 10 SR 2417]

4830.1100 [Repealed, 10 SR 2417]

4830.1200 [Repealed, 10 SR 2417]

4830.1300 [Repealed, 10 SR 2417]

4830.1400 [Repealed, 10 SR 2417]

4830.1500 [Repealed, 10 SR 2417]

4830.1550 [Repealed, 18 SR 1141]

4830.1551 [Repealed, 18 SR 1141]

4830.1552 [Repealed, 18 SR 1141]
4830.1553 [Repealed, 18 SR 1141]
4830.1554 [Repealed, 18 SR 1141]
4830.1555 [Repealed, 18 SR 1141]
4830.1560 [Repealed, 18 SR 1141]
4830.1561 [Repealed, 18 SR 1141]
4830.1562 [Repealed, 18 SR 1141]
4830.1563 [Repealed, 18 SR 1141]
4830.1564 [Repealed, 18 SR 1141]
4830.1565 [Repealed, 18 SR 1141]

Appendix C: Institutional Participation Agreement

Minnesota State Financial Aid Programs, Excluding SELF Loan Program

WHEREAS, The Minnesota Office of Higher Education (hereinafter “the Agency”) has been designated as the agency to administer the Minnesota State Grant program, Minnesota Indian Scholarship program, State Work Study program, Postsecondary Child Care Grant program, and Safety Officer’s Survivor Grant program (hereinafter “Programs”); and

WHEREAS, Program recipients must attend an eligible institution pursuant to Minnesota Statutes 136A.101, Subdivision 4, 136A.121, Subdivision 18, and Agency Rules 4830.0300, Subpart 2, unless Minnesota Statutes and/or Agency Rules governing Programs dictate otherwise; and

WHEREAS, _____ (hereinafter “Institution”) desires to be recognized as an eligible institution for one or more of the above mentioned Programs administered by the Agency; and

WHEREAS, the Agency, upon review of the Institution’s application for eligibility as evidenced by the completion of Section XV of this Agreement and by providing the required signatures in this section, the Agency does recognize the Institution as an eligible institution pursuant to Minnesota Statutes 136A.101, Subdivision 4, and Agency Rules 4830.0300, Subpart 2, but does not recognize such eligibility with respect to Programs where Minnesota Statutes and/or Agency Rules governing the Programs dictate otherwise;

THEREFORE, the parties agree to the following terms and conditions:

- I. Designation of Institutional Employee(s) - The Institution must designate an employee(s) as the Institutional Representative(s) to perform or supervise all financial aid and accounting activities.
- II. Limitation of Institutional Participation - An Institution is eligible to participate in the Programs subject to program eligibility limitations specified in Minnesota Statutes and Agency Rules governing the Programs.
- III. Program Administration - Both parties to this agreement agree to administer the Programs in accordance with all Federal and Minnesota State Statutes and Agency Rules governing the Programs and the Program policies and procedures contained in the most current version of the Agency’s *Minnesota Financial Aid Manual*.

This agreement is subject to all subsequent changes in both Federal and Minnesota State Statutes and Agency Rules governing the Programs, and Program policies and procedures contained in the most current version of the Agency’s *Minnesota Financial Aid Manual*.

Both parties acknowledge that the pertinent Program chapters of the Agency’s *Minnesota Financial Aid Manual* will be updated on an annual basis and that written directives concerning Program policies and procedures issued by the Agency in the interim will have the full force and effect of the Agency’s *Minnesota Financial Aid Manual*, until they are so incorporated.

IV. Terms of the Agreement - This Agreement shall be effective July 1, 2005, or upon final execution, whichever is later, and shall remain in force until modified by mutual consent by both parties or terminated as hereafter provided.

V. Modification or Termination of Agreement - The Agreement may be modified at any time upon mutual agreement of both the Agency and the Institution.

The Agency or the Institution may terminate this Agreement at any time with or without cause upon thirty (30) days written advance notice to the other party. Termination shall be effective on the termination date given in the written notice. All requirements of the agreement related to monies received shall remain in effect until resolved.

VI. Assignment - The Institution shall neither assign nor transfer any rights or obligations under this Agreement without the prior written consent of the Agency.

VII. Amendments - Any amendments to this Agreement shall be in writing.

VIII. Audits - The books, records, documents, and accounting procedures, and practices of an outside party, if applicable and relevant to this Agreement, shall be subject to examination by the Agency and the Legislative auditors.

IX. Affirmative Action - When applicable, the Institution must certify that it has received a certificate of compliance from the Commission of Human Rights pursuant to Minnesota Statutes, Section 363.073.

X. Workers' Compensation - In accordance with the provisions of Minnesota Statutes 176.182, the Agency affirms that the Institution has provided acceptable evidence of compliance with the workers' compensation insurance coverage requirement of Minnesota Statutes 176.181, Subdivision 2.

XI. Antitrust - The Institution hereby assigns to the State of Minnesota any and all claims for overcharges as to goods and/or services provided in connection with this Agreement resulting from antitrust violations which arise under the antitrust laws of the United States and the antitrust laws of the State of Minnesota.

XII. Voter registration - If the Institution is a state agency or a community based public agency or a non-profit corporation, it shall provide non-partisan voter registration services and assistance, using forms provided by the state, to employees of the institution and the public as required by Minnesota Statutes Section 201.162.

XIII. Sexual Harassment and Violence Policy - All eligible institutions, as defined in Minnesota Statutes 136A.101, Subdivision 4, must adopt a Sexual Harassment and Violence Policy, as outlined in Minnesota Statutes 135A.15.

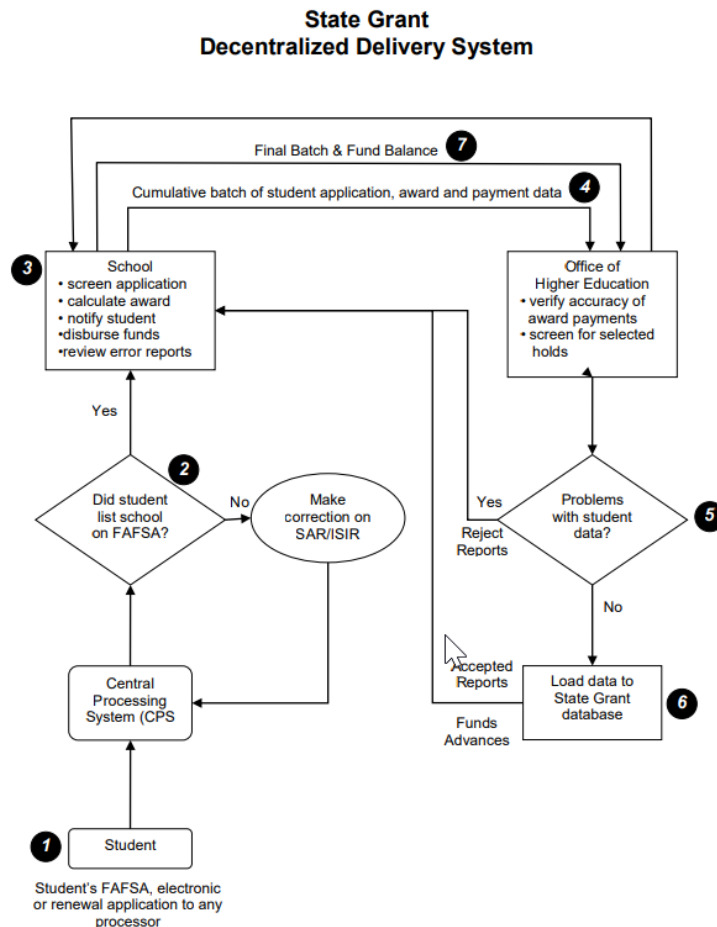
XIV. Data Practices - The Institution, whether public or private, and the Agency, will maintain and handle all confidential, private and non-public data pursuant to the Minnesota Data Practices ACT ("Act") (Minn. Stat. Chapter 13) in the administration of the Programs. The Institution and the Agency agree that each will be responsible for its own acts or omissions relative to compliance with the Act, and the results of such acts or omissions, to the extent authorized by law and shall not be responsible for the acts of the other party and the results thereof.

Appendix D: Minnesota State Grant Program Delivery System

MNAid System

- Schools receive student's FAFSA data from federal processor.
- Schools screen applications for program eligibility requirements.
- Schools calculate awards and notify students.
- Schools report State Grant File to Office of Higher Education (OHE) via the MNAid system each month enrollment, ISIR transaction, and payment data. .
- The Agency edits for certain eligibility criteria and checks schools' awards and payments for accuracy, generating output reports.
- Schools can request MN State Grant Advances via the MNAid system to cover awards submitted in their State Grant file.
- Schools resolve errors on output reports prior to disbursement.
- Schools disburse funds to students and return excess funds to OHE at close of aid year.
- Communication is between student and school.

All participating schools are now participating on the MNAid System for the Minnesota State Grant program



Appendix E: Guidelines for Verifying State Grant Eligibility Requirements

| Eligibility Requirement | Data Triggering Eligibility Verification* and Suggested Documentation |
|---|---|
| Undergraduate Program No Baccalaureate Degree | FAFSA degree and grade level questions, school's records. Transcripts or other academic records must prove student does not have a baccalaureate degree and is enrolled in an undergraduate program. |
| Minnesota Residency (Schools using State Grant online student eligibility questionnaire can rely on those responses absent missing or conflicting information.) | FAFSA parent and student state of legal residence, date of legal residence, high school state, address state; admissions records may possibly hold state of high school graduation or GED and whether student is paying resident tuition other than through a reciprocity agreement; institutional form should be used to obtain data not on FAFSA (state of GED, whether family resided in Minnesota during high school attendance, date student last moved to Minnesota, when student started postsecondary education in Minnesota, purpose for residing in Minnesota). Documentation must verify that student graduated from a Minnesota high school while residing in Minnesota <u>or</u> student earned a GED in Minnesota after living here 12 months <u>or</u> dependent students' parents resided in Minnesota when FAFSA was completed <u>or</u> student lived in Minnesota 12 months without attending college on a half-time basis or more. Twelve month requirement is waived for certain cases such as military service, natural disasters, refugee status, etc. (see 'Resident Student' definition in Common Definitions manual.) |
| Minnesota Residency Under MN Dream Act | Documentation collected by OHE. Documentation must prove student attending MN high school for at least three years, graduated from a MN high school or earned a MN GED, and complied with Selective Service registration requirements (if male). Undocumented students who do not meet MN Dream Act criteria can be considered a MN resident if they were granted Deferred Action for Childhood Arrivals (DACA) status prior to meeting one of the state residency criteria above. |
| Not Receiving Tuition Reciprocity Benefits from Another State | Admissions, business office and registration records. |
| Limit on Receipt of MN State Grant (6 full-time years of receipt) (Schools using State Grant online student eligibility questionnaire can use those responses absent missing or conflicting information.) | Student becomes ineligible once they've received the equivalent of 6 full-time years of MN State Grant. This total can be found in the MNAid system. |
| 17 Years Old or High School Diploma/GED | FAFSA date of birth and high school graduation/GED responses are sufficient unless there is conflicting information. Documentation must prove student will be 17 or older at the time of disbursement or have |

| Eligibility Requirement | Data Triggering Eligibility Verification* and Suggested Documentation |
|---|---|
| (High school students taking college courses are not eligible for State Grant) | high school diploma/GED. Suggested documentation would be high school diploma or GED certificate or birth certificate. (See information regarding alternate GED tests under 'High School Diploma, GED or 17 Years of Age' in this chapter.) |
| Enrolled 1 Credit or More in Program Leading to Degree, Diploma or Certificate | School's registration records. School must verify coursework is applicable towards degree, diploma or certificate. Pell Grant eligible credit equivalencies should be counted towards enrollment status. |
| Satisfactory Academic Progress | State adopts federal satisfactory academic progress policy used for Title IV financial aid programs. |
| State Grant Overpayment | The Agency stores data on its database about students who owe a State Grant overpayment and controls this eligibility criteria by informing schools about students on hold. Students must repay the Agency in full or enter into a repayment plan. School can also access data using MNAid System (Appendix 4) or State Grant Online Hold Report (Appendix 3). |
| Federal Loan Default | FPS interface with federal loan default data base (NSLDS). Verification documentation the same as for Title IV programs. Schools not participating in federal financial aid programs must rely on the student's FSS. |
| SELF Loan Default | The Agency stores this data on its database and controls this eligibility criteria by informing schools about students on hold. Student must repay loan in full or enter into a repayment plan. School can also access data using MNAid System (Appendix 4) or State Grant Online Hold Report (Appendix 3). |
| Child Support Arrears | The Agency loads data from Human Services Department onto its database and controls this eligibility requirement by informing schools about students on hold. School can also access data using MNAid System (Appendix 4) or State Grant Online Hold Report (Appendix 3). DHS must send electronic notification to the Agency that student has repaid past due amount or entered into repayment plan. |

Appendix F: MN State Grant Program Transcript Review Spreadsheet

[illegible]

Postsecondary Education Units Calculator for Progressive Clock Hour Transcripts

(Enter data in orange cells)

| | |
|---|-----|
| Was course work taken after July 1, 1992? | YES |
| Total Hours in Student's Period of Enrollment | 0 |
| Total Weeks in Student's Period of Enrollment | 1 |
| Average Clock Hours per Week | 0 |
| Enrollment Level (in credits) | 0 |
| Units for Enrollment Level | 0 |
| Total Units for Period of Enrollment | 0.0 |

Clear This Sheet

Appendix G: 2024-2025 State Grant Shared Responsibility Term Award Calculation Official Parameters

The 2024-2025 State Grant term award calculation is shown below. When prorating/multiplying, results should be rounded up or down to the nearest dollar. (Round up if .50 or higher; down if .49 or lower.) **Changes from 2023-2024 shown in red.**

| Calculation | Description |
|---|--|
| + Average tuition and fees (The average tuition and fees for the term is a uniform amount used for all students at an institution and consists of tuition and mandatory fees charged to all full-time students) | Use the lesser of the school's average tuition and fees for 15 credits or the full-time tuition and fee maximum for the term. The four-year full-time tuition and maximum is \$17,370 for a year. The two-year full-time tuition and fee maximum is \$6,679 for a year. The full-time average tuition and fees or the full-time tuition and fee maximum are NOT increased if the student enrolls for more than 15 credits. The tuition and fee maximum used for each student is based on the student's program of study. If the student is enrolled in a four-year degree program, the four-year college tuition and fee maximum is used. If the student is enrolled in a two-year or less program/degree, then the two-year college tuition and fee maximum is used. If the student is paid a State Grant at multiple schools for the same term, the student cannot be paid for more than a total of 15 credits per term. Students enrolled for fewer than three credits per term are not eligible for State Grants. OHE has the authority to increase the maximums during the second year of the biennium to use up any projected surplus of funds. |
| + (plus) Living and Misc Expense Allowance (LME) | The 9-month annual full-time LME of \$12,990 . LME is NOT increased if the student is enrolled for more than 15 credits. If a student is paid a State Grant at multiple schools for the same term, the total amount of LME used in all the award calculations cannot exceed the LME amount for 15 credits. OHE has the authority to increase the LME during the second year of the biennium) to use up any projected surplus of funds. |
| = (equals) State Grant Budget | Derived by adding the term tuition and fees to the term LME. |
| - (minus) Student Share 50% | 52.8 percent of the State Grant Budget for Term OHE has authority to adjust this percentage during the year to address funding shortfalls. |
| - (minus) Parent Contribution for Term | Subtract only for dependent students. 100 percent of the 9-month annual Federal Methodology need analysis Parent Contribution. Do NOT prorate for less than full-time enrollment. Subtract the result within the award calculation. OHE has the authority to place a percentage surcharge on the PC due to projected funding shortfalls. |

| Calculation | Description |
|---|---|
| - (minus) Student Contribution/ SAI for Term | Subtract only for independent students. 100 percent of the 9-month annual Federal Methodology need analysis Student Aid Index (SAI). Multiply the amount by 1.00 for independent students with dependents other than a spouse or by 1.00 for independent students without dependents other than a spouse. Do NOT prorate for less than full-time enrollment. OHE has the authority to place a percentage surcharge on the SAI due to projected funding shortfalls. |
| = Annual Assigned Taxpayer Responsibility (ATR) | This Annual Assigned Taxpayer Responsibility is <u>where pro-ration occurs</u> , if a student is enrolled in less than 15 credits. |
| ATR prorated by enrollment level. | Pro-rated ATR = ATR * (# of Enrolled Credits / 15 credits) |
| - (minus) Federal Pell Grant Term Award | Subtract Federal Pell Grant award for term based on student's enrollment level used for the State Grant program. Prorate annual Pell Grant award for student's enrollment level. |
| = State Grant Term Award | If less than the minimum award of \$50 per semester or \$33 per quarter, set to zero. |

Appendix H: Sample 2024-2025 State Grant Term Calculations

Example 1

State Grant award for dependent student enrolled in 4-year degree program taking 17 credits at 4-year state university on semester system. Student has 9-month annual Federal Methodology Parent Contribution of \$1,500 and 9-Month Federal Methodology SAI of \$2,000. School's annual tuition and fees for 30 semester credits is \$13,000.

| Example 1 | Values |
|---------------------|----------|
| SAI | \$2,000 |
| Parent Contribution | \$1,500 |
| Pell Grant Award | \$ 5,395 |
| # of Credits | 17 |
| Max 4year T/F | \$17,370 |

| Calculation | Amounts |
|--|-----------------|
| Annual Tuition and Fees (lessor of actual T/F or Maximum T/F): | \$13,000 |
| Living and Misc. Expenses (LME) used in award calculation | \$12,990 |
| Annual State Grant Budget for Term: | \$25,990 |
| <i>Minus</i> 52.8% Student Share (.528 * State Grant Budget) | \$13,723 |
| <i>Minus</i> FM Parent Contribution (1.00*PC) | \$1,500 |
| Annual Assigned Taxpayer Responsibility (ATR) | \$10,767 |
| Enrollment pro-rated ATR (no enrollment pro-ration needed) | \$10,767 |
| <i>Minus</i> Full-Time Pell Grant | \$5,395 |
| Annual State Grant Award | \$5,372 |
| Semester Term Award (annual award *.50) | \$2,686 |

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are required. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

Example 2

State Grant award for married independent student without dependents enrolled in 2-year degree program taking 13 credits at 2-year public college with tuition banding on semester system. Student has 9-month annual Federal SAI of \$2,145. School's annual tuition and fees for 30 semester credits is \$6,500.

| Example 2 | Values |
|---------------------|----------|
| SAI | \$2,145 |
| Parent Contribution | |
| Pell Grant Award | \$5,250 |
| # of Credits | 13 |
| Max 4year T/F | \$17,370 |

| Calculation | Amounts |
|---|----------------|
| Annual Tuition and Fees (lessor of actual T/F or Maximum T/F): | \$6,500 |
| Living and Misc. Expenses (LME) used in award calculation | \$12,990 |
| Annual State Grant Budget for Term: | \$19,490 |
| <i>Minus</i> 52.8% Student Share (.528 * State Grant Budget) | \$10,291 |
| <i>Minus</i> FM Student Contribution (1.00*SAI) | \$2,145 |
| Annual Assigned Taxpayer Responsibility (ATR) | \$7,054 |
| Enrollment pro-rated ATR (ATR*(13/15)) | \$6,114 |
| <i>Minus</i> Annual Pell Grant (<i>no enrollment pro-ration needed at FT</i>) | \$5,250 |
| Annual State Grant Award at 13 credits | \$864 |
| Semester Term Award (annual award *.50) | \$432 |

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are required. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

Example 3

State Grant award for dependent student enrolled in 4-year degree program taking 18 credits at private 4-year college on semester system. Student has 9-month annual Federal Methodology Parent Contribution of \$1,755 and 9-Month Federal SAI of \$2,235. School's annual tuition and fees are \$25,000.

| Example 3 | Values |
|---------------------|----------|
| SAI | \$2,235 |
| Parent Contribution | \$1,755 |
| Pell Grant Award | \$5,160 |
| # of Credits | 18 |
| Max 4year T/F | \$17,370 |

| Calculation | Amounts |
|--|-----------------|
| Annual Tuition and Fees (lessor of actual T/F or Maximum T/F): | \$17,370 |
| Living and Misc. Expenses (LME) used in award calculation | \$12,990 |
| Annual State Grant Budget for Term: | \$30,360 |
| <i>Minus</i> 52.8% Student Share (.528 * State Grant Budget) | \$16,030 |
| <i>Minus</i> FM Parent Contribution (1.00*PC) | \$1,755 |
| Annual Assigned Taxpayer Responsibility (ATR) | \$12,575 |
| Enrollment pro-rated ATR (no enrollment pro-ration needed) | \$12,575 |
| <i>Minus</i> Annual Pell Grant | \$5,160 |
| Annual State Grant Award | \$7,415 |
| Semester Term Award (annual award *.50) | \$3,707 |

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are required. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

Example 4

State Grant award for single independent student with dependents enrolled in 4-year degree program taking 12 credits at private 4-year college on semester system. Student has 9-month annual Federal Methodology SAI of \$2,241. School's annual tuition and fees are \$25,000.

| Example 4 | Values |
|---------------------|----------|
| SAI | \$2,241 |
| Parent Contribution | |
| Pell Grant Award | \$5,155 |
| # of Credits | 12 |
| Max 4year T/F | \$17,370 |

| Calculation | Amounts |
|--|-----------------|
| Annual Tuition and Fees (lessor of actual T/F or Maximum T/F): | \$17,370 |
| Living and Misc. Expenses (LME) used in award calculation | \$12,990 |
| Annual State Grant Budget for Term: | \$30,360 |
| <i>Minus</i> 52.8% Student Share (.528 * State Grant Budget) | \$16,030 |
| <i>Minus</i> FM Student Contribution (1.00*SAI) | \$2,241 |
| Annual Assigned Taxpayer Responsibility (ATR) | \$12,089 |

| Calculation | Amounts |
|---|----------------|
| Enrollment pro-rated ATR (no enrollment pro-ratio needed) | \$9,671 |
| <i>Minus</i> Annual Pell Grant | \$5,155 |
| Annual State Grant Award | \$4,516 |
| Semester Term Award (annual award *.50) | \$2,258 |

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies, but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are charged to all students. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

Example 5

State Grant award for dependent student enrolled in 2-year degree program taking 11 credits at private 2-year college with tuition banding on semester system. Student has 9-month annual FM Parent Contribution of -1,500 and 9-Month Federal SAI of 500. School's tuition and fees are \$11,000.

| Example 5 | Values |
|---------------------|----------|
| SAI | \$500 |
| Parent Contribution | -\$1,500 |
| Pell Grant Award | \$6,895 |
| # of Credits | 11 |
| Max 4year T/F | \$6,679 |

| Calculation | Amounts |
|---|-----------------|
| Annual Tuition and Fees (lessor of actual T/F or Maximum T/F): | \$6,679 |
| Living and Misc.Expenses (LME) used in award calculation | \$12,990 |
| Annual State Grant Budget for Term: | \$19,669 |
| <i>Minus</i> 52.8% Student Share (.528 * State Grant Budget) | \$10,385 |
| <i>Minus</i> FM Parent Contribution (1.00*PC) | (\$1,500) |
| Annual Assigned Taxpayer Responsibility (ATR) (note negative PC increased ATR) | \$10,784 |
| Enrollment pro-rated ATR (ATR*(13/15)) | \$7,908 |
| <i>Minus</i> Annual Pell Grant (<i>pro-rated for enrollment intensity - (Annual Pell * .92%)</i>) | \$6,343 |
| Annual State Grant Award | \$1,565 |
| Semester Term Award (annual award *.50) | \$782 |

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies, but may include charges for rental of required equipment or supplies if the

school retains ownership and the fees are charged to all students. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

Example 6

State Grant award for dependent student solely enrolled in short-term program that is 12 credits in length. This program is not Federal Pell Grant eligible, as a result when reported in the State Grant file, the tuition cap should be coded as a 01. This program is eligible for MN State Grant, but not Pell Grant, so Pell is omitted from the formula. Student has 9-month annual FM Parent Contribution of -1500 and 9-Month Federal SAI of 0. School's tuition and fees are \$5,000.

| Example 5 | Values |
|---------------------|----------|
| SAI | \$0 |
| Parent Contribution | -\$1,500 |
| Pell Grant Award | \$ 0.00 |
| # of Credits | 6 |
| Max 4year T/F | \$6,679 |

| Calculation | Amounts |
|---|----------------|
| Annual Tuition and Fees (lessor of actual T/F or Maximum T/F): | \$5,000 |
| Living and Misc.Expenses (LME) used in award calculation | \$12,990 |
| Annual State Grant Budget for Term: | \$17,990 |
| <i>Minus</i> 52.8% Student Share (.528 * State Grant Budget) | \$9,499 |
| <i>Minus</i> FM Parent Contribution (1.00*PC) | (\$1,500) |
| Annual Assigned Taxpayer Responsibility (ATR) (note negative PC increased ATR) | \$9,991 |
| Enrollment pro-rated ATR (ATR*(13/15)) | \$3,996 |
| <i>Minus</i> Annual Pell Grant (program not Pell Eligible- omitted from calculation) | \$0.00 |
| Annual State Grant Award | \$3,996 |
| Semester Term Award (annual award *.50) | \$1,998 |

* Fees can only include mandatory fees charged to all students enrolled at the institution. Fees cannot include fees for the purchase of required equipment or supplies, but may include charges for rental of required equipment or supplies if the school retains ownership and the fees are charged to all students. Fees cannot cover rental or purchase charges for books. Fees cannot include fees that can be waived for certain students, even if required for other students.

Appendix I: MN OHE Refund Calculation Spreadsheet

| MN Office of Higher Education Refund Calculation Spreadsheet for Use by Schools Charging by Term or Clock Hour Payment Period | |
|--|------------------|
| Last Revised July 1, 2016 | |
| TO RESET SPREADSHEET, PRESS CTRL+SHIFT+Z | |
| This form should be used to calculate refunds for state financial aid programs when a student completely withdraws from school or, for the MN State Grant and SELF Loan programs, if the student drops below minimum enrollment level for those programs. This form should only be used by schools charging students by term or payment period and whose refund policies are based on the percentage of the term or payment period completed. (Note: Refunds are never required for the State Work Study program.) | |
| Student Name: | SSN: |
| Choose Y for full withdrawal, N for partial withdrawal | |
| Date of student withdrawal or change in enrollment level: | |
| PART I - DETERMINING AMOUNT OF NET REFUND | |
| This section is always completed. | |
| A. Amount of financial aid and cash received to date for the term or payment period, including any post-withdrawal disbursements of Title IV financial aid applied to institutional charges.* Include cents. If funds applied exceed the original institutional charges, enter the amount of original institutional charges only. | |
| | A |
| B. Amount of original institutional charges for the term the school can retain per its institutional or state-mandated refund policy. Include cents. | B |
| C. GROSS REFUND | C \$0.00 |
| | STOP, No Refund! |
| D. Amount of institutional share of any required refund for Title IV financial aid programs from Step 5, Box O of Return of Title IV Funds Refund Worksheet. If there is no refund required for Title IV programs, enter 0. Include cents. | D |
| E. NET REFUND | E \$0.00 |
| | STOP, No Refund! |
| *The state adopts the definition of institutional charges used for federal Title IV aid programs under 484B of the Higher Education Act of 1965 as amended, and 34 CFR 668.22. | |

PART II - DIFFERENCE BETWEEN ORIGINAL AND REVISED STATE FINANCIAL AID AWARDS

This section is used if the student's enrollment status changed due to a partial withdrawal and is only required for the programs shown. Not used for Occupational Grant, State Work Study, SELF Loan, MN GI Bill or MN Indian Scholarship.

If the student totally withdrew from school, skip this section and go directly to PART III.

| | | State Grant | Child Care Grant | Safety Officer's Survivor |
|----------------------------|---|-------------|------------------|---------------------------|
| Original Enrollment Level: | | | | |
| Revised Enrollment Level: | | | | |
| AWARD DIFFERENCE | 0 | \$0 | \$0 | \$0 |

Continue to PART III

PART III - DETERMINING PROPORTIONAL SHARE OF NET REFUND FOR DISTRIBUTION TO NON-TITLE IV AID PROGRAMS

List all non-Title IV financial aid disbursed to the student for the term/payment period. Include only programs requiring refunds when a student changes enrollment level or totally withdraws from school. Do NOT include work study awards. For SELF loans, use the total loan divided by the number of attendance periods in the loan period. Clock hour schools should refer to example at right to determine the proportional financial aid per clock hour and apply those percentages to the net refund in Line E above.

| | Program Name | Amount | % of Non-Title IV Package | Share of Box E Refund | Final Amount of Refund Due Program |
|----|---------------------------------|--------|---------------------------|-----------------------|------------------------------------|
| 1 | State Grant | | #DIV/0! | #DIV/0! | #DIV/0! |
| 2 | Child Care Grant | | #DIV/0! | #DIV/0! | #DIV/0! |
| 3 | Safety Officer's Survivor Grant | | #DIV/0! | #DIV/0! | #DIV/0! |
| 4 | SELF Loan** | | #DIV/0! | #DIV/0! | #DIV/0! |
| 5 | MN Indian Scholarship*** | | #DIV/0! | #DIV/0! | #DIV/0! |
| 6 | MN GI Bill | | #DIV/0! | #DIV/0! | #DIV/0! |
| 7 | MnSCU Occupational Grant | | #DIV/0! | #DIV/0! | #DIV/0! |
| 8 | | | #DIV/0! | #DIV/0! | #DIV/0! |
| 9 | | | #DIV/0! | #DIV/0! | #DIV/0! |
| 10 | | | #DIV/0! | #DIV/0! | #DIV/0! |
| | TOTAL | \$0 | #DIV/0! | #DIV/0! | #DIV/0! |

Please be absolutely sure you entered a "Y" or "N" in "Did Student Totally Withdraw from School?" above.

** The SELF loan program should only be included if the student totally withdrew from school or a dropped below half-time status.

*** Should only be included if the student totally withdrew from school.

TO RESET SPREADSHEET, PRESS CTRL+SHIFT+Z**WHERE TO RETURN REFUNDS:**

SELF loan refunds should be returned to: Firstmark Services, PO Box 82522, Lincoln, NE, 68501

State Grant, Child Care Grant and MnSCU Occupational Grant refunds occurring before the school closes out its activity for the aid year should be placed back in the school's accounts on campus. End of year balances for these programs should be returned to the MN Office of Higher Education using the top portion of the Refund Return Form on the next page of this spreadsheet.

Post-closure student refunds for these programs should be returned to OHE using the bottom portion of the Refund Return Form.

Individual student refunds for the MN GI Bill, MN Indian Scholarship and Safety Officer's Survivor Grant should always be sent directly to OHE using the bottom portion of the Refund Return Form on the next page of this worksheet.

Refund for Schools Charging Upfront for Program

| MN Office of Higher Education Refund Calculation Spreadsheet for Use by Schools Charging Upfront for Program | |
|---|--|
| Last Revised August 8, 2015 | |
| TO RESET SPREADSHEET, PRESS CTRL+SHIFT+Z | |
| This form should be used to calculate refunds for state financial aid programs when a student completely withdraws from school or, for the MN State Grant and SELF Loan programs, if the student drops below minimum enrollment level for those programs. This form should only be used by schools charging students upfront for the entire program and whose refund policies are based on the percentage of the program completed. (Note: Refunds are never required for the State Work Study program.) | |
| Student Name: | SSN: |
| Did student totally withdraw? Yes | Date of withdrawal/enrollment change: |
| PART I - DETERMINING AMOUNT OF NET REFUND | |
| A. Amount of financial aid and cash received to date for the entire program, including any funds disbursed to the student for living expenses and any post-withdrawal disbursements of Title IV financial aid and funds disbursed to the student for living expenses. Exclude federal or state work study funds. If funds received to date for the program exceed the original institutional charges* for the program, cap Line A at the amount of the original institutional charges for the program. Include cents. | |
| A | |
| B. Amount of original institutional charges for the program the school can retain per its institutional or state-mandated refund policy. Include cents. | |
| B | |
| C. GROSS REFUND | |
| C | \$0.00 |
| STOP, No Refund! | |
| D. Amount of institutional share of any required refund for Title IV financial aid programs from Step 5, Box O of Return of Title IV Funds Refund Worksheet. If there is no refund required for Title IV programs, enter 0. | |
| D | |
| E. NET REFUND | |
| E | \$0.00 |
| STOP, No Refund! | |
| *The state adopts the definition of institutional charges used for federal Title IV aid programs under 484B of the Higher Education Act of 1965 as amended, and 34 CFR 668.22. | |

| PART II - DETERMINING PROPORTIONAL SHARE OF NET REFUND FOR DISTRIBUTION TO NON-TITLE IV AID PROGRAMS | | | | | |
|--|---------------------------------|-----------------------------------|---------------------------|-----------------------|------------------------------------|
| List all non-Title IV financial aid received to date during the student's program and for the current aid year including any funds disbursed to the student for living expenses. Include only programs requiring refunds when a student withdraws from school which can include institutional and private scholarships or other forms of non-Title IV aid. Do NOT include work study awards. | | | | | |
| Program Name | Amount Disbursed During Program | Amount Disbursed Current Aid Year | % of Non-Title IV Package | Share of Box E Refund | Final Amount of Refund Due Program |
| 1 State Grant | | | #DIV/0! | #DIV/0! | #DIV/0! |
| 2 Child Care Grant | | | #DIV/0! | #DIV/0! | #DIV/0! |
| 3 Safety Officer's Survivor Grant | | | #DIV/0! | #DIV/0! | #DIV/0! |
| 4 SELF Loan | | | #DIV/0! | #DIV/0! | #DIV/0! |
| 5 MN Indian Scholarship | | | #DIV/0! | #DIV/0! | #DIV/0! |
| 6 MN GI Bill | | | #DIV/0! | #DIV/0! | #DIV/0! |
| 7 | | | #DIV/0! | #DIV/0! | #DIV/0! |
| 8 | | | #DIV/0! | #DIV/0! | #DIV/0! |
| 9 | | | #DIV/0! | #DIV/0! | #DIV/0! |
| 10 | | | #DIV/0! | #DIV/0! | #DIV/0! |
| TOTAL | \$0 | \$0 | #DIV/0! | #DIV/0! | #DIV/0! |

+

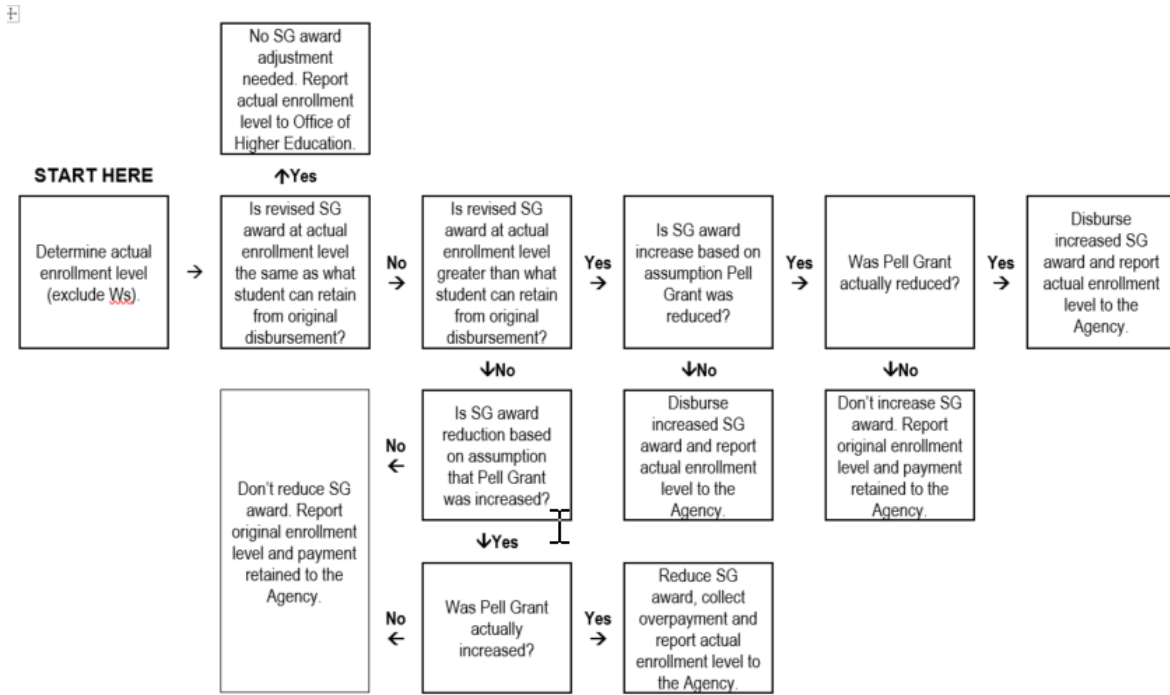
** The SELF loan program should only be included if the student totally withdrew from school or a dropped below half-time status.
 *** These programs should only be included if the student totally withdrew from school.

| TO RESET SPREADSHEET, PRESS CTRL+SHIFT+Z | |
|--|--|
| WHERE TO RETURN REFUNDS: | |
| SELF loan refunds should be returned to: Firstmark Services, PO Box 82522, Lincoln, NE, 68501 | |
| State Grant and Child Care Grant refunds occurring before the school closes out its activity for the aid year should be placed back in the school's State Grant or Child Care Grant account on campus. End of year balances for these programs should be returned to the MN Office of Higher Education using the top portion of the Refund Return Form on the next page of this spreadsheet. Post-closure student refunds for these programs should be returned to OHE using the bottom portion of the Refund Return Form. Individual student refunds for the MN GI Bill, MN Indian Scholarship and Safety Officer's Survivor Grant should always be sent directly to OHE using the bottom portion of the Refund Return Form on the next page of this worksheet. | |

Appendix J: Sample General Ledger for MN State

| Date | Description | Debits | Credits | Balance |
|------------|--|-----------|-----------|-----------|
| 9/1/2020 | From State Grant Program Fall Semester 2020 Advance | | \$950,000 | \$950,000 |
| 9/10/2020 | Disbursed to Student Accounts (Invoice #395) | \$800,000 | | \$150,000 |
| 10/02/2020 | Refunds from 9/21/2020 disbursements (Invoice #493) | | \$100,000 | \$250,000 |
| 01/05/2021 | From State Grant Program for Spring Semester 2021 Advance | | \$700,000 | \$950,000 |
| 01/11/2021 | Disbursed to Student Accounts (Invoice #654) | \$800,000 | | \$150,000 |
| 02/14/2021 | Refunds from 12/21/2013 | | \$40,000 | \$190,000 |
| 6/30/2021 | Returned 2020-2021 Balance to Office of Higher Education | \$190,000 | | 0 |

Appendix L: Logic State Grant Adjustment after Initial Disbursement (when enrollment change occurs before school's award adjustment end-date)



Examples of State Grant Award Adjustments After Initial Disbursement
(when enrollment change occurs after student begins attendance but before school's award adjustment end date)

| Credit at Initial Payment | Credits Later Withdrawn (B) | State Grant Award Difference Fully Refunded for W Credits?* | Credits Later Added (+) | Actual Enrollment Level (=) | Revised Award Higher or Lower Than Original Payment Retained | Increase or Decrease Due to Change in Parent Conf or EFC? | Increase or Decrease Due to Change in Pell Enrollment Level? | Was Pell Actually Adjusted? | Credits Reported to Office of Higher Education on DDS Record | State Grant Action |
|---------------------------|-----------------------------|---|-------------------------|-----------------------------|--|---|--|-----------------------------|--|---|
| 15 | 3 | Yes | 0 | 12 | Lower | No | No | No | 12 | Report 12 credits and Level 12 payment amount |
| 15 | 3 | No | 0 | 12 | Lower | No | No | No | 15 | Report 15 credits and up to Level 15 payment amount |
| 15 | 3 | No | 0 | 12 | Lower | Yes | No | No | 15 | School would need to recapture difference between original and revised Level 15 award prior to doing refund calculation for withdrawn credits |
| 15 | 3 | Yes | 3 | 15 | Same | No | No | No | 15 | Report 15 credits and Level 15 payment |
| 15 | 3 | No | 3 | 15 | Same | No | No | No | 15 | Report 15 credits and Level 15 payment |
| 12 | 3 | Yes | 4 | 13 | Higher | No | No | No | 13 | Pay increased amount for Level 13 |
| 12 | 3 | No | 4 | 13 | Higher | No | No | No | 13 | Pay increased amount for Level 13 |
| 12 | 3 | No | 4 | 13 | Higher | Yes | No | No | 13 | Pay increased amount for revised Level 13 award |
| 12 | 3 | No | 2 | 11 | Lower | No | No | No | 12 | Report 12 credits and up to Level 12 payment amount |
| 12 | 3 | No | 2 | 11 | Lower | Yes | No | No | 12 | School would need to recapture difference between original and revised Level 12 award prior to doing refund calculation for withdrawn credits |
| 12 | 3 | No | 2 | 11 | Higher | No | Yes | No | 12 | Cannot award higher Level 11 State Grant since Pell award not reduced. |
| 12 | 3 | No | 2 | 11 | Higher | Yes | No | No | 11 | Pay increased amount of revised Level 11 award |
| 11 | 0 | N/A | 1 | 12 | Higher | Yes | No | No | 12 | Pay increased amount for Level 12 award |
| 11 | 0 | N/A | 1 | 12 | Lower | No | Yes | No | 11 | Not required to reduce award to Level 12 since Pell award not increased |
| 12 | 1 | Yes | 0 | 11 | Lower | No | No | No | 11 | Report 11 credits since difference between 12 and 11 credit awards was fully refunded |
| 12 | 1 | No | 0 | 11 | Higher | No | Yes | No | 12 | Cannot award higher Level 11 State Grant since Pell award not reduced |
| 12 | 1 | No | 0 | 11 | Higher | Yes | No | No | 11 | Pay increased amount for new Level 11 award |
| 12 | 1 | No | 0 | 11 | Higher | Yes | Yes | No | 12 | If Pell not decreased, additional funds can only be disbursed for the difference between the original and revised Level 12 State Grant award |

*Indicates whether difference between the State Grant at the original enrollment level and the State Grant for the revised (original minus W credits) enrollment level was fully refunded to the State Grant program.

Appendix M: Comparison of State Grant and Pell Grant

Disbursement and Award Adjustment Policies

| Scenario | Current SG Policy | Pell Grant Policy |
|--|--|---|
| Award first paid at beginning of term | Based on enrollment level at beginning of term. | Based on enrollment level at beginning of term. |
| Award first paid on school's award adjustment end date | Based on enrollment level at time of disbursement. Exclude dropped or withdrawn credits. | Based on enrollment level at time of disbursement. Exclude dropped or withdrawn credits. |
| Award first paid after school's award adjustment end date | Based on enrollment level at time of disbursement. Exclude W credits. | Based on enrollment level at time of disbursement. Exclude W credits. |
| Award first paid after end of term | Based on enrollment level at end of term. Exclude W, FN or FW credits or their equivalent. Subject to Pell Grant requirement to verify attendance if student receives all F grades. Subject to award recalculation if school determines student never attended class. Subject to refund for total or partial withdrawal if school determines student attended but did not complete class(es). | Based on enrollment level at end of term. W credits excluded. Verify attendance if student receives all non-passing grades. Subject to refund for total withdrawal if school cannot document attendance in at least one class covering the entire length of the term. |
| Student withdraws from course after initial State Grant disbursement | Award recalculation required if student never attended class. Otherwise, partial withdrawal refund calculation required if award at new enrollment level is less and student withdrew from course before school's award adjustment end date. If award at new enrollment level is higher, no refund required but award can only be increased if Pell Grant is reduced (based on change in enrollment level) and enrollment level changed before school's award adjustment end date or if award increase is based on change in parent contribution or SAI. | In general, no award recalculation takes place after school's Pell Grant award adjustment end date unless student never attended class. Refunds not required for partial withdrawals. |
| Student adds credits after initial State Grant disbursement | If enrollment change occurs before school's award adjustment end date, disburse additional funds if award at new enrollment level is higher. School may also have policy | In general, no award recalculation takes place after school's award adjustment end date. |

| Scenario | Current SG Policy | Pell Grant Policy |
|---|---|--|
| | to add credits that were not originally included due to school error or interim term credits assigned to fall term. If award at new enrollment level is less, State Grant is only reduced if the Pell Grant is actually increased (based on change in enrollment level) or award decrease is based on change in parent contribution or SAI. | |
| Total withdrawal from school prior to disbursement | Not eligible for State Grant. | Eligible for percentage earned during period of enrollment. |
| Total withdrawal after initial disbursement | Subject to refund calculation for total withdrawal (based on each school's institutional refund policy – certain proprietary schools subject to prorata policy in MS 141). | Subject to refund calculation for total withdrawal (based on percentage earned for period of enrollment under R2T4 policy). |
| Retroactive withdrawal backdated to first day of term | If total withdrawal, entire State Grant must be repaid. If partial withdrawal, award recalculated to exclude backdated withdrawal credits. | Subject to refund calculation for total withdrawal (based on percentage earned for period of enrollment). No award recalculation for partial withdrawal after school's Pell Grant award adjustment end date. |