



State Financial Aid Manual State Work Study Program

2026 - 2027

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About the 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 more than \$243 million annually in need-based grants to Minnesota residents attending eligible colleges, universities and career schools in Minnesota. The agency oversees other state scholarship programs, tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Plan, licensing and early college awareness programs for youth.

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Manual Authority and Updates

This manual is written for institutions eligible to participate in the State Work Study program and is subject to all subsequent changes in both federal and Minnesota state laws, regulations, and official guidance governing the program. This manual is updated regularly.

Program changes may occur between manual updates. To ensure timely implementation, the Minnesota Office of Higher Education (OHE) issues interim guidance through official notices, including email communications, training materials, webinars, technical guidance, or updates posted on the OHE website.

Institutions are expected to review and implement this guidance promptly. Interim guidance issued by OHE carries the same authority as the State Work Study Manual until incorporated into a future published version.

For current program information and resources, visit the [Minnesota State Work Study website](#).

Program Objective

The State Work Study Program helps Minnesota students with financial need pay for college by providing part-time employment opportunities that complement their academic and career goals. The program also benefits nonprofit organizations, individuals with disabilities, and persons over age 65 by offering affordable student assistance.

Through this program, institutions support student success by:

- Reducing financial barriers to postsecondary education;
- Offering meaningful work experiences that build skills and career readiness; and
- Strengthening community partnerships through service-oriented employment.

Program Overview

The Minnesota State Work Study Program provides part-time employment to eligible students with financial need, helping them meet educational expenses while gaining valuable work experience. Students may work:

- On campus at their institution;
- Off campus for non-profit organizations, individuals with disabilities, or persons over age 65;
- As interns in the for-profit sector in positions directly related to their field of study.

Key Program Features

Funds are appropriated by the Minnesota Legislature and administered by OHE.

Once a year in MNAid, institutions must request their estimated funding needs for the upcoming fiscal year (July 1–June 30).

Allocations are based on a formula considering enrollment and prior-year utilization.

Estimated Disbursement Schedule:

- July: 15% of estimated allocation
- September: 35% of actual allocation (after prior year reports are complete)
- December: Remaining 50% (must actively request in November)

Additional reallocations may occur in November, January, March, May, and June.

Student Eligibility

Minnesota resident student enrolled at least half-time (6+ credits for undergraduates; graduate level defined by institution).

Must meet all program requirements and cannot receive tuition reciprocity benefits.

Institutional Responsibilities

Select eligible students, arrange employment, and ensure compliance with state law and OHE rules.

Maintain accurate records for audit purposes.

Contact OHE for guidance on situations not addressed in this manual.

For a comparison of State and Federal Work Study Programs, see Appendix 3.

Eligibility to Participate

Postsecondary Institutions

Any postsecondary institution eligible to participate in the Minnesota State Grant Program may participate in the State Work Study Program.

Employers

Eligible employers under the Minnesota State Work Study Program include:

- Minnesota postsecondary institutions as defined above;
- Nonprofit, nonsectarian agencies located in Minnesota;

- Private, for-profit employers offering internships directly related to the student's field of study that enhance the student's skills;
- Individuals with disabilities who have a physical or mental impairment substantially limiting one or more life activities and who could benefit from student assistance in or around their home (including disabled students needing assistance on campus);
- Persons over age 65 who could benefit from student assistance in or around their home (including students over 65 needing assistance on campus).

Student Eligibility

Enrollment Status

The student must be enrolled or accepted for enrollment on at least a half-time basis in a degree, diploma or certificate program at an eligible Minnesota institution of postsecondary education. Half-time for undergraduate students is defined in Section 136A.101, Subd. 7.b. as a minimum of six credits per quarter or semester or the equivalent. Half-time for graduate students is defined by the institution. Students cannot drop below half-time enrollment.

Interim term credits should be allocated to adjoining terms in the same manner described under 'Use of Interim Credits' in the 'State Grant' chapter of this manual.

Students may be employed in State Work Study positions during one term of non-enrollment or less than half-time enrollment per aid year provided they meet the conditions specified in the 'Work Performed During Term of Non-Enrollment or Less Than Half-Time Enrollment' section of this chapter.

There is no requirement that a student be accepted into a program or course of study leading to a degree, diploma or certificate at the eligible Minnesota institution awarding State Work Study funds as long as the school can confirm that the student is accepted into a program or course of study leading to these credentials at an eligible Minnesota postsecondary institution.

Credit equivalencies assigned by the institution that are applicable for the Federal Pell Grant award calculations shall be counted as part of the student's credit load.

Credits for remedial 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 remedial 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 amount of remedial course work that can be counted towards the student's enrollment level.

The school may have a policy allowing repeated classes to be counted towards the student's enrollment level.

Transfer credits earned during a previous enrollment period at another institution or courses the student audited must not be counted for enrollment status.

Each institution must have written definitions of “full-time” and “half-time” to aid in program administration, avoid confusion and satisfy state audit requirements.

Students may be required to produce evidence such as a fee statement or registration form to verify half-time status.

Undergraduate, Graduate/Professional Degree

Schools may award State Work Study funds to students enrolled in undergraduate or graduate programs. A graduate student is a student enrolled in a graduate program of study even if some of the student’s courses are at the undergraduate level.

Minnesota Resident

The student must meet the definition of a [Minnesota resident student](#) ¹ as defined in the [Common Definitions manual](#) ².

A student is considered a Minnesota resident student if the student meets one or more of the following conditions:

- Graduated from a Minnesota high school while residing in Minnesota and, if currently residing in another state, is physically attending a Minnesota college or university;
- Received a GED in Minnesota after residing in Minnesota for at least one year;
- Resided in Minnesota for at least 12 consecutive months, and during that time was not enrolled for more than 5 credits in any term, at any institution. This does not need to be the initial 12 months the student lived in Minnesota;
- Is a member (or spouse, or dependent) of the U.S. armed forces stationed in Minnesota for active federal military service;
- Is a spouse or dependent of a veteran who is a Minnesota resident;
- Is an active member, or a spouse or dependent of that member, of the state's National Guard who resides in Minnesota or an active member, or a spouse or dependent of that member, of the reserve component of the United States armed forces whose duty station is located in Minnesota and who resides in Minnesota.
- Relocated to Minnesota within 12 months of a presidential disaster area declaration if the disaster disrupted the student's postsecondary education.
- Is a refugee who immediately settled in Minnesota and has continued to reside in Minnesota.

¹ <https://ohe.mn.gov/paying-college/how-apply-financial-aid/are-you-eligible>

² [https://ohe.mn.gov/sites/default/files/2025-09/State Financial Aid Mannual_Common Definitions_ADA.pdf](https://ohe.mn.gov/sites/default/files/2025-09/State%20Financial%20Aid%20Manual_Common%20Definitions_ADA.pdf)

- For **dependent student** ³: The applicant's parent(s) legal state of residence on the current FAFSA was Minnesota at the time when the financial aid application was submitted.
- For **independent student**: The student originally met the resident definition as a dependent applicant and has not moved from the state since that time.
- Undocumented students, and others who are ineligible to file the FAFSA, but who meet the criteria in the Prosperity Act are also considered Minnesota resident students eligible for state financial aid. Students who do not meet the Prosperity Act criteria but are lawfully present or legally residing when they meet ONE of the above criteria for Minnesota resident student status, are considered resident students and should apply for state aid via the MN Alternative State Financial Aid Application. For example, students granted Deferred Action for Childhood Arrivals (DACA), Temporary Protective Status (TPS), certain types of Visas, or who have Asylum Pending status will be eligible for state financial aid.

Financial aid administrators are responsible for resolving conflicting or questionable residency information before awarding funds. Schools must request documentation sufficient to support the student's Minnesota resident student status when residency is unclear or inconsistent. Documentation collected must clearly show which Minnesota resident student requirement the student meets.

Documentation may include, but is not limited to:

- Minnesota State Grant Questionnaire;
- Minnesota tax documents;
- Lease agreements;
- Military orders;
- High school transcripts or GED records;
- Other documentation supporting Minnesota residency.

Tuition Reciprocity Restriction

A student cannot receive State Work Study funds if the student receives tuition reciprocity benefits from another state to attend a Minnesota postsecondary institution.

Satisfactory Academic Progress/Good Academic Standing

The student must be making satisfactory academic progress as defined in the Common Definitions manual.

Monitoring Student Eligibility

The financial aid administrator must monitor each State Work Study recipient's continued program eligibility and communicate with appropriate employers regarding changes in status as necessary.

³ <https://studentaid.gov/apply-for-aid/fafsa/filling-out/dependency>

Setting Up Employment Positions

I-9 and W-4 Forms

Under the Immigration Reform and Control Act of 1986, all new employees must complete and sign the verification form designated by the Department of Homeland Security and provide the employer with the documentation required by this form. This law applies to State Work Study employers and employees. The school administrator must verify that all State Work Study recipients have completed the I-9 and W-4 forms before they are allowed to work.

Child Support Reporting Requirement

Minnesota Department of Human Services (DHS) requires all employers doing business in Minnesota to report to the Human Services Department the hiring or re-hiring of any employee who resides or works in Minnesota to whom the employer anticipates paying earnings within 20 days of the date of hiring the employee. Employers are required to report all employees who reside or work in the State of Minnesota to whom they anticipate paying earnings. Employees must be reported even if they only work one day and are terminated prior to the employer fulfilling the new hire reporting requirement. If the employee filled out a W-4 form, the employee must be reported even if they only worked for a few hours. Employers are responsible for honoring court orders for child support or spousal maintenance withholding.

Eligible Employment Positions

Each position offered by the employer should be reviewed by the school administrator. To the extent possible, State Work Study positions should relate to the student's educational plans and career interests. In determining allowable positions, schools must rely on the state's definition of eligible employer (refer to 'Employers' section in this chapter). The financial aid administrator must also rely on Federal Work Study guidelines for determining allowable positions for work on campus, work for proprietary schools, and work off campus for non-profit or government agencies (refer to the ['Federal Work Study' program chapter of the Federal Student Aid Handbook](#) ⁴ for further information).

Internship Positions

Internship positions are allowed in both the non-profit and for-profit sectors. There is no requirement that a student earn credit for an internship. However, the student must meet the requirements shown under the 'Enrollment Status' section of this chapter unless the student meets the requirements shown under the 'Work Performed During Periods of Non-Enrollment' section. A State Work Study position with a private, for-profit employer must be an internship in a position directly related to the student's field of study that will enhance the

⁴ <https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2026-2027/vol6/ch2-federal-work-study-program>

student's knowledge and skills in that field. The direct relationship of the internship position to the student's field of study must be documented in the employment contract as well as how the position will enhance the student's skills in that field.

Tutoring Positions with Local K-12 Schools

Each campus using the State Work Study program is encouraged (but not required) to cooperate with its local public elementary and secondary schools to place State Work Study students in activities in the schools such as tutoring. Students must be placed in meaningful activities that directly assist students in kindergarten through grade 12 in meeting graduation standards. College students shall work under direct supervision of K-12 instructional or administrative personnel; therefore, school hiring authorities are not required to request criminal background checks on these students under Section 123B.03.

Rate of Compensation

Student earnings are determined by the hourly wage and the number of hours worked. There is no predetermined minimum or maximum number of hours which a student may work. Students are paid only for hours actually worked from the State Work Study allocation. State Work Study funds may never be paid in a lump sum or as a salary.

Colleges are employers that are subject to federal, state and local hourly minimum wage requirements. With respect to both Federal and State Work Study employees, the college must pay the employee the higher of the federal, state or local minimum wage, just as it would any other employee. The minimum wage is the lowest wage you can legally pay an employee. It does not mean that employers cannot pay a higher wage. For current minimum wage rates, refer to the [Minnesota Department of Labor and Industry](https://www.dli.mn.gov/minwage) ⁵.

State Work Study wages are subject to federal and state income tax withholding and, in some cases, FICA withholding.

Minnesota Paid Leave

Under the Minnesota Paid Leave (MPL) program, students employed under State Work Study may be eligible for medical or family paid leave. They are generally ineligible for unemployment compensation, vacation pay or holiday pay. More information can be found on DEED's [Minnesota Paid Leave website](https://pl.mn.gov/) ⁶.

MPL premiums cannot be paid from State Work Study funds. Institutions are encouraged to pay premiums from the institutional wage share. School administrators should speak with their institution's Human Resources Department regarding any questions about the laws surrounding paid leave.

⁵ <https://www.dli.mn.gov/minwage>

⁶ <https://pl.mn.gov/>

State Share of Student Compensation

The state share of compensation paid to students employed under the State Work Study program is determined by OHE. The current maximum state share is 75 percent for all State Work Study positions, including internships within the for-profit sector. The state share of the State Work Study award cannot exceed the established percentage amount. However, the employer can provide more than its established percent of the student's compensation thus reducing the state share.

Employer Share of Student Compensation

The employer share of compensation paid to students employed under the State Work Study program is a minimum of 25 percent of the student's gross compensation. In addition, the employer is responsible, when applicable, for paying its share of FICA taxes, worker's compensation, and any other insurance programs. An employer may choose to pay more than the minimum 25% share of State Work Study compensation.

Hours of Employment

Students may be employed for 20 hours per week during the academic year and 40 hours per week during breaks. Students may be paid overtime with State Work Study funds. Students are not allowed to volunteer for hours without receiving compensation. Students can be paid for a reasonable number of training hours. Students in community service positions can also be paid for a reasonable amount of travel time to and from community service jobs.

Hours Worked and Corresponding Budget Cycle

Hours worked through June 30, 2027 MUST be paid from 2026-2027 State Work Study funds. Hours worked beginning on July 1, 2027 MUST be paid from 2027-2028 State Work Study funds.

Supervision of Employment

The school and the employer must develop a program of supervision consistent with the nature of the assignment and the needs of the individual student. Students employed at local public K-12 schools must work under direct supervision of K-12 instructional or administrative personnel.

Off-Campus Employer Contract

When a school determines that an employer is eligible to participate and before a student begins work, a written contract must be executed between the school and the prospective eligible off-campus employer. In the contract, the employer agrees to abide by the rules and regulations of the State Work Study program and affirms its eligibility as a State Work Study program employer. The work contract documents the nature of the work (description of the position), the hourly wage, the percentage of earnings which the employer will pay and the maximum payment to be paid by the employer. Also, the work contract must incorporate provisions for work supervision, time records, payroll and worker's compensation. A work contract for an internship position in

the for-profit sector must also document the direct relationship between the position and the student’s field of study as well as how the position will enhance the student’s skills in that field of study.

Each school is responsible for designing its own State Work Study employer contract. Work contracts must be kept on file in the financial aid office and are subject to state audit reviews.

On-Campus Employer Contract

OHE strongly recommends, but does not require, that a contract be used for on-campus employment. The work contract should be signed by the student and the school before the student begins work. If used, a copy of the work contract must be kept in the student’s financial aid file and is subject to state audit reviews. A sample on-campus employment contract is provided in ‘Appendix 1’.

Amount of State Work Study Award

Need-Based Packaging Model

The State Work Study award amount is derived by subtracting the Student Aid Index (SAI) and other financial aid and resources (excluding federal veterans’ benefits) the student is receiving from the cost of attendance as defined in Title IV, Section 472 of the Higher Education Act. When determining the amount of financial aid and resources to subtract from the cost of attendance, only that portion of non-need-based loans which exceeds the SAI must be subtracted. The school must also subtract any State Work Study earnings the student earns during a term of non-enrollment. (See ‘Work Performed During Term of Non-Enrollment.’)

The following is an example of a State Work Study award using the need-based packaging model.

Cost of Attendance
– Student Aid Index (SAI)
-- Grants, Scholarships, Need-Based Loans
– Portion of Non-Need-Based Loans Exceeding SAI
– Other Resources as Defined in Title IV Guidelines (excludes federal veterans’ benefits)
– <u>Earnings from Term of Non-Enrollment (minus allowable work-related expenses)</u>
= Maximum State Work Study Award for Aid Year

This is the same need-based packaging model used by the Federal Work Study program. Therefore, the school is expected to follow all applicable federal campus-based packaging guidelines. There is a \$300 annual over-award

tolerance for INADVERTENT over-awards. The financial aid administrator cannot include the \$300 tolerance when initially packaging the student's State Work Study award. It is extremely important that the financial aid administrator monitor the student's earnings and make any adjustments in order to avoid an over-award situation.

The SAI used in the calculation of the State Work Study award must be the Federal Methodology (FM) SAI and must be documented by a valid FAFSA Submission Summary (FSS) or ISIR, or a FM need analysis worksheet used to manually calculate the FM SAI, or the results of financial aid software used by the school to calculate the FM SAI on campus. The school may use professional judgment to adjust the cost of attendance or any of the data elements used to calculate the Federal Methodology SAI. (See 'Professional Judgment' in the 'Common Definitions' chapter.)

Work Performed During Term of Non-Enrollment or Less Than Half-Time Enrollment

A student may work during a term of non-enrollment (zero credits) or less than half-time enrollment (one to five credits for undergraduate – graduate defines their own half-time status) once per aid year if the student signs a statement of intent to enroll as at least a half-time student the next academic term or provides proof of registration for the next academic term. However, students are not allowed to earn State Work Study funds during a leave of absence. The financial aid administrator is expected to take earnings during a term of non-enrollment into consideration when determining State Work Study eligibility for subsequent award periods. However, the financial aid administrator may subtract allowable work-related expenses as outlined for the Federal Work Study program when determining the amount of earnings available during the subsequent enrollment period.

When the school calculates State Work Study eligibility for the current aid year, the school should subtract any earnings from a term of non-enrollment (minus allowable work-related expenses) as financial aid or a resource in the award calculation. For example, if the student worked during the summer term of non-enrollment, the amount the student earned would be subtracted as a resource in the award calculation for the subsequent aid year.

Work Performed During Summer Term

The school must have a written statement from the student attesting they plan to enroll for fall and/or a screenshot of the student's upcoming fall enrollment checked at the time the student is authorized to work for summer, as well as a valid FAFSA on file for the new aid year beginning July 1. If a FAFSA has been received but there is not an SAI, the student should not be allowed to work. Verification of FAFSA and intended enrollment must be received before the student is allowed to work.

Disbursement

Disbursing Funds to Students

It is preferable that there is a segregation of duties among staff and/or departments responsible for the disbursement of funds to students. The person approving the timesheet should not be the party responsible for issuing paychecks. Each check or transaction should be identified as originating from the State Work Study program if a separate checking account is not maintained. The check is to be made payable to the student and must reflect the amount indicated on the payroll voucher. The sum of all payroll vouchers must be reconcilable with the general ledger control account.

If the student provides written authorization to do so, the school may apply all or a portion of the student's State Work Study earnings to the student's account via payroll deduction or to the student's bank account via electronic funds transfer (EFT). The school must be able to document the date, amount, and funding source of each transaction.

Student Account Balances

This section applies only to credit balances created by Minnesota state financial aid funds. Federal Title IV credit balance requirements and institutional refund policies must be followed separately and are not governed by this section.

Unless the student has authorized otherwise, if state financial aid disbursements (including State Work Study payments) applied to a student's account exceed allowable institutional charges, the excess must be paid directly to the student as soon as possible, but no later than 14 days after the later of:

- the date the balance occurs,
- the first day of classes for the payment period, or
- the date the student rescinds their authorization.

This rule also applies when a school credits State Work Study payments to a student's account before receiving program funds from OHE.

If a school has authorization to hold excess funds, it must record the student or parent and the amount held in a designated subsidiary ledger account. The school also must maintain at all times, cash in its bank account equal to the total amount held for students.

Because state financial aid is intended to cover current-year charges, schools must pay out any remaining:

- State loan funds by the end of the loan period, and
- Other state aid funds by the end of the last payment period in the award year for which they were awarded.

If an institution attempts to disburse a State Work Study payroll 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. If the payroll check or EFT transaction is not claimed by the student within one year of the date it was issued, it can be presumed to be abandoned and must be reported and transmitted as abandoned property to the [Minnesota Department of Commerce](https://mn.gov/commerce)⁷ in compliance with Minnesota Statutes [345.39 Subd. 3](https://www.revisor.mn.gov/statutes/cite/345.39)⁸ and [345.41](https://www.revisor.mn.gov/statutes/cite/345.41)⁹.

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 program at OHE except in the case of State Work Study funds (see above). OHE does not specify how a school should determine which financial aid funds created the credit balance. However, when possible, OHE 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.

Required Payroll Records

Each payment to a student must be supported by time sheets signed by the student's employment supervisor. An electronic signature is acceptable if it meets the electronic certification requirements in place for the Federal Work Study program. Time sheets should record the actual number of hours worked on a specific date, the starting and ending times, whether the hours took place in the morning (a.m.) or afternoon/evening (p.m.), the department number and the student's ID number. The supervisor should personally sign each time sheet. (A facsimile or signature stamp should not be used on time sheets.) By signing these time sheets, the student's supervisor is attesting that the hours indicated on the time sheet reflect the actual hours worked by the student. The student is not to be compensated for sick leave, vacation pay, or holiday pay using funds from the State Work Study allocation. The student's individual payment record must agree with the amounts on the student's Form W-2.

Withholding Tax and Student Compensation

Payments made to students under the State Work Study program are subject to withholding for both federal and state income taxes. The employer must also pay, when applicable, the employer's share of FICA taxes, worker's compensation, or any other insurance programs.

⁷ <https://mn.gov/commerce>

⁸ <https://www.revisor.mn.gov/statutes/cite/345.39>

⁹ <https://www.revisor.mn.gov/statutes/2021/cite/345.41>

Garnishment of State Work Study Wages

State Work Study wages are considered income and, therefore, are subject to garnishment. Court ordered child support that is withheld from the student's wages cannot be reduced because of garnishment from other creditors.

Work Prohibited During Leave of Absence

Because schools cannot disburse state financial aid during a leave of absence, a student cannot earn State Work Study funds during a leave of absence.

Student Refunds

If a student withdraws or reduces enrollment status below half-time enrollment after disbursement of State Work Study earnings, there is no refund due to the State Work Study program. However, the school must cancel any future State Work Study earnings for the remainder of the term.

Allocation of Funds to Institution

Calculation and Distribution of Initial Allocation

State Work Study funds appropriated to OHE by the state legislature are allocated to participating institutions based on the resident full-time equivalent enrollment of all eligible postsecondary institutions that apply to participate in the program, and the amount of the allocation that an institution spent during the previous academic year. Each institution wishing to participate in the State Work Study program must submit, in accordance with policies and procedures established by the office, an estimate of the amount of funds needed by the institution. Any funds allocated to an institution that exceed the actual need of the institution shall be reallocated by the office to other institutions. An institution may carry forward or backward the same percentage of its initial allocation that is authorized under federal work-study provisions.

During spring term of the preceding academic year, each institution is requested to submit their total Minnesota resident full-time equivalent enrollment figures in MNAid for the prior year. Institutions will also request their initial allocation amount in MNAid at this time.

In March, the list of participating schools for the coming academic year will be finalized. Each campus's estimated initial allocation will be calculated based on that campus's share of the total resident full-year equivalent (FYE) students for all participating campuses. Any campus requesting less than the allocated amount will have its initial allocation reduced to the requested amount and excess funds will be available for reallocation to other campuses in September. In July, 15 percent of each school's initial allocation will be disbursed to the campus to cover funding for the summer term.

In September, after final reports for the previous aid year have been submitted, the initial allocations calculated in March are reduced for campuses with prior year utilization rates less than 100 percent. For example, if a school utilized only 90 percent of available funds in the previous aid year, its initial allocation for the coming year is reduced by 10 percent. Once initial allocations are adjusted, an additional installment is disbursed to campuses for fall term. The amount of the fall term disbursement is 50 percent of the adjusted initial allocation minus the 15 percent of the initial allocation disbursed in July. The remaining 50 percent installment of the adjusted initial allocation takes place in December. Entering the FYE and the requested initial allocation amount in MNAid will serve as notice that the school intends to participate in the State Work Study program for the upcoming academic year. If the school did not participate in State Work Study the previous year, the campus administrator should contact OHE directly to inquire about participation.

In November, schools must actively request their December disbursement. This is the second half of the initial allocation. Failure to request the second half of their initial allocation will result in **forfeiture** of those funds. Schools may request the full scheduled amount, a reduced amount, or an increased amount. Requests for increases will be considered, but disbursement of additional funds depends on overall program availability. Funds released through reductions will be reallocated to schools demonstrating additional need. See 'Reallocation Process'.

The allocation and utilization formulas are provided below.

Allocation Formula:

- a. $\frac{\text{School MN Resident FYE}}{\text{Total MN Resident FYE (FYE = Full Year Equivalent) for all participating schools}} = \text{School's \% of Total MN Resident FYE}$
- b. $\text{School's FYE \%} \times \text{Total Work Study FY Appropriation} = \text{School's Possible Allocation}$
- c. $\frac{\text{Prior Year Total Expenditures}}{\text{Prior Year Total Funds Available}} = \text{Utilization Rate \%}$
- d. $\text{School's Possible Allocation (result in item b)} \times \text{Utilization Rate (result in item c)} = \text{Schools Adjusted Allocation/Initial Allocation. (If the school's estimate is less than this amount, the school receives its estimated amount.)}$

Utilization Rate

Total State Work Study Expenditures for Student Awards Current Fiscal Year

= **Total Expenditures**

Current Year Initial Allocation (funds disbursed in July, September and December)

- + Current Year Reallocated Funds
- + Funds Carried Forward from Previous Fiscal Year
- + Funds Carried Back from Next Fiscal Year*
- Funds Carried Forward to Next Fiscal Year
- Funds Carried Back to Previous Fiscal Year*
- Refunds Returned to OHE Before March 1

Total Funds Available

Total Expenditures = **Utilization Rate**
Total Funds Available

*In certain years, carry back is not allowed. See 'Carry Forward, Carry Back' section.

Reallocation Process

Throughout the academic year, unused State Work Study funds are requested by OHE from participating institutions and reallocated to other institutions. Any time additional funds are needed, the campus administrator may enter the amount of additional funds requested for the corresponding reallocation in MNAid. In November, schools also have the option of reducing their scheduled December installment amount if it exceeds the school's need for funds. If schools reduce the scheduled December disbursement, those funds will be reallocated to schools requesting additional funding. Note: If OHE at any time during an aid year determines that an institution is holding excess cash that is unlikely to be used to fund State Work Study payments during the remainder of the aid year, OHE may require an institution to return funds within 30 days of issuing a notice to the institution.

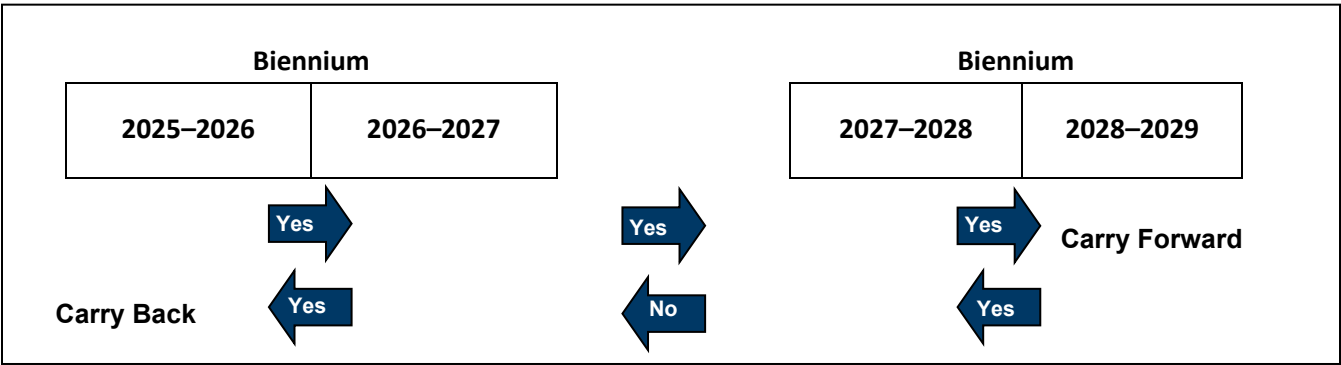
A school's utilization rate will not be adversely affected if unused funds are returned to and received by OHE by March 1. This ensures that the funds can be reallocated to schools in need of additional funding. In no case should unused funds be returned to OHE later than July 31. Each school's final student data must be uploaded in MNAid to generate the final end of year report no later than the first working day after August 9. OHE will send an email out reminding schools of these deadlines. Failure to follow the deadlines is considered an audit finding.

Use 30 Percent of Allocation for Internships in For-Profit Sector

A school may use up to 30 percent of its initial State Work Study allocation for student internships with eligible, for-profit employers as defined under the 'Employers' section of this chapter.

Carry Forward, Carry Back of Funds

An institution is allowed to carry forward to the next fiscal year or carry back to the previous fiscal year up to 10 percent of the current year’s initial allocation (i.e., July, September and December allocation disbursements). As shown in the chart below, schools may NOT carry back funds from the first year of one biennium to the last year of the previous biennium but may always carry forward funds across bienniums. Schools may always carry forward and back between the two fiscal years within a biennium. Funds carried forward or back to another fiscal year will not adversely impact the current fiscal year’s utilization rate. However, they will be considered funds available in the other fiscal year and impact its utilization rate. (See ‘Calculation and Distribution of Institutional Allocation.’)



Administrative Expense Allowance

There is no administrative expense allowance for the State Work Study program that allows institutions to use a portion of their annual allocation to cover administrative costs incurred by the institution.

Monitoring Spending Throughout Aid Year

Each school must monitor individual student award amounts and actual earnings after the payroll for each pay period has been processed for two reasons. First, the school must determine if an individual student’s earnings are approaching the amount of their State Work Study award and/or financial need. Second, the school must determine if the total amount of all students’ earnings to date does not exceed the amount of the school’s State Work Study allocation plus the employer match. Schools must use historical spending data to project total State Work Study earnings for the aid year to ensure it will have adequate State Work Study funds plus the employer match to cover the projected earnings. If it is necessary to reclassify one or more student’s earnings between federal and state sources, the school must be sure that it properly records the earnings and hours worked on the state’s year-end report and on its FISAP.

The school is strongly encouraged to notify the student and/or the student’s supervisor when the student is close to earning their approved award amount.

Funds Management and Reporting Requirement

Accountability for Funds

Each participating school is accountable for all State Work Study funds allocated by OHE and for implementing acceptable procedures and controls to ensure proper accountability. Funds may be used only during the fiscal year of allocation except for amounts carried forward or back (see Carry Forward, Carry Back of Funds). It is preferable that State Work Study funds be deposited in a separate general ledger account. If the State Work Study funds are mingled with other State aid program(s) funds, a fund source number must be traceable to all activity involving the State Work Study funds, thus ensuring that State Work Study funds are used only for State Work Study awards.

Refunds of Excess Funds

Excess funds are those funds that will not be expended on State Work Study awards or carried forward/back to a contiguous fiscal year.

The school's business/finance office must keep the financial aid office regularly informed (monthly reports are recommended) of the balance in the account so the financial aid administrator can determine whether the State Work Study allocation will be used during the current aid year. OHE will periodically send refund/reallocation requests to schools regarding the use of funds during the fiscal year. Excess funds must be returned to OHE by the date shown on a reallocation/refund request or other notice from OHE

Refunds received after March 1 will have an adverse impact on the school's utilization rate used to determine the allocation for the next aid year. At the end of the fiscal year, any remaining excess funds must be returned to the OHE no later than July 31.

To ensure proper credit to the school's records at OHE, the State Work Study Program Administrator should be informed in writing that the refund is coming and the dollar amount of the refund. The refund check or funds transfer must indicate that the refund belongs to the State Work Study program and the fiscal year for which the refund should be credited. The school should return the refund with a completed [MN Office of Higher Education Refund Return Form](#) ¹⁰.

Returns of excess funds are due and reallocations to schools requesting additional funds are typically completed in November, January, March, May and June.

¹⁰ <https://ohe.mn.gov/refund-form>

State Reports/Forms

Schools participating in the State Work Study program must correctly complete and submit the following forms and reports on a timely basis in MNAid. Failure to meet a deadline may result in the institution not being able to participate in State Work Study for an academic year. If a school wishes to participate but did not participate the previous year, the school administrator should first contact the State Work Study Program Administrator at OHE.

- FYE Reporting and Initial Allocation funds request
- Reallocation/Refund Requests
- Final Report including student specific data
- Other supporting documentation upon request from OHE

OHE uses the student data collected in MNAid uploaded from schools to create aggregate reports which are provided to the Minnesota Legislature as well as used internally for future planning and audit reports. Thus, it is extremely important that the data provided by schools to OHE is accurate.

State Audits

OHE auditors will periodically conduct compliance audits of each school that participates in one or more OHE programs.

The school also has the option of hiring an outside auditing firm to conduct its state audits in conjunction with its audits of federal aid programs. (See 'Audits' in the 'Common Definitions manual' for further information.)

Each institution must maintain and make available to auditors all documentation related to State Work Study as detailed in the sections below.

Historical records and documentation must be kept on file for three years after the last day of the fiscal year or until all audit exceptions for the period are resolved.

Documents Required by OHE Auditors

Student Eligibility

The school must have documentation to support each student's eligibility to provide to OHE auditors upon request. The following list is not all inclusive; auditors may request any additional program-specific and other information needed to confirm a student's program eligibility:

- current cumulative academic transcript
- financial aid award for the year under audit including documentation of how the State Work Study award was calculated
- Initial and subsequent aid offers with item labeled as "State Work Study" or similar

- a current cumulative student account record
- proof of Minnesota student residency
- cost of attendance calculation
- copy of student's signed notice attesting to intent to enroll on at least a half-time basis in the following term OR proof of pre-registration on at least a half-time basis for the following term if the student wants to be employed under State Work Study for a term in which they are either not enrolled or are enrolled on a less than half-time basis
- satisfactory academic progress (SAP) records including the school's SAP policy
- notifications to students of failure to make SAP including warnings and suspensions
- student appeals and their resolutions,
- academic plans
- documentation of any professional judgements performed

Payroll Records

The school must be able to produce the following documentation:

- Paper or electronic timesheets for each pay period and evidence of approval by both student and supervisor
- Paper or electronic pay stubs or similar showing each payroll disbursement including hours worked, department wages charged, hourly wage rate(s), etc.
- Policy regarding how students and supervisors are informed when a student's earnings are close to their maximum award/financial need
- General ledger records to show how State Work Study funds were recorded and managed

Matching of State Work Study Funds

The school must be able to show that the school or off-campus employer paid at least 25 percent of State Work Study wages in addition to any applicable FICA taxes and amounts due to other programs such as worker's compensation.

Appendix 1: MN State Work Study On-Campus Employment Contract

Student and Award Information

Student Name: _____ Student ID: _____
Total SWS Award Amount: \$ _____ Period of Employment: From _____ To _____
Position Name: _____ Department Location: _____
Supervisor Name: _____ Hourly Wage Rate: \$ _____ / hour
Hours Per Week: _____ hours I-9 Form on File: ☐ Yes ☐ No
Wage Split Share: Employer: _____% / SWS: _____%

Student Responsibilities

1. I will give my supervisor two weeks' notice if I wish to resign.
2. I will report to work on time.
3. I will ask my supervisor to be excused in advance if I am unable to work my assigned hours.
4. I will be placed on work probation or dropped from the program if my GPA falls below 2.0.
5. I will be dismissed if I violate work regulations.
6. I will not work beyond my assigned hours without explicit permission from my supervisor.
7. I will complete mandatory I-9 and W-4 forms before beginning any work.
8. I will inform the school if I am subject to court-ordered child support withholdings.
9. (For position during term of non-enrollment) I certify I was enrolled last term and plan to enroll for _____ credits during the upcoming term.

Supervisor Responsibilities

1. The supervisor will verify accuracy and sign student timesheets in a timely manner.
2. The supervisor will submit completed timesheets to payroll on a tight schedule.
3. The supervisor and financial aid office will actively monitor student hours and earnings so total earnings never exceed the student's total State Work Study award allotment.
4. The supervisor will ensure adequate supervision commensurate with job duties and provide all training necessary for successful performance of the job.

Certification and Signatures

The information on this contract form is accurate. I have read, understood, and agree to the explicit employment conditions of this contract.

Student's Signature: _____ Date: ____/____/____
Supervisor's Signature: _____ Date: ____/____/____

Appendix 2: MN State Work Study Off-Campus Employment Contract

This Agreement is entered into between **[Insert Institution Name]** (hereafter called **Institution**) and **[Insert Employer Name]** (hereafter called **Employer**) for the purpose of providing work to students eligible to participate in the Minnesota State Work-Study Program (hereafter called **Program**).

I. Legal Framework and Authority

All terms used in this Agreement shall be interpreted in accordance with any definitions contained in:

- **Minnesota Statutes:** Sections 136A.231 – 136A.233
- **Agency Rules:** Rules 4830.2000 – 4830.2600 governing the State Work-Study Program

II. Responsibilities of the Institution

The Institution maintains the exclusive right to control and direct this Program. The Institution shall:

1. **Establish Policies:** Create appropriate written policies regarding project and Employer eligibility.
2. **Determine Staffing:** Control the total number of students employed by the Employer at any given time.
3. **Approve Compensation and Hours:** Set the approved rate of pay and specify the total number of weekly hours a student may work.
4. **Define Employment Terms:** Establish specific starting and ending dates for employment, alongside termination standards.
5. **Set Earnings Limits:** Determine individual student work awards, which serve as the maximum gross earnings limit.

III. Employer Certification and Compliance

The Employer certifies that it is a ☐ **Public** / ☐ **Private** (*check one*) organization eligible to participate in this Program. The Employer guarantees that work performed by students shall:

- **Maintain Fair Conditions:** Be governed by equitable employment conditions considering the type of work, location, student proficiency, and legislation.
- **Remain Non-Sectarian:** Not involve the construction, operation, or maintenance of any facility used for sectarian instruction or religious worship.
- **Remain Non-Partisan:** Not involve any partisan or nonpartisan political activity associated with a candidate, faction, or group in an election.
- **Prohibit Lobbying:** Not involve lobbying at the federal, state, or local government levels.
- **Serve the Public Interest:** Not be primarily for the benefit of a limited-membership organization (e.g., credit unions, fraternal orders).
- **Avoid Conflicts:** Not represent a conflict of interest for any party to this agreement or any level of government.
- **Ensure Neutrality:** Not require or consider a student's political support, affinity, or affiliation as a prerequisite for employment.
- **Govern Public Office Roles:** Not include work performed for an elected official, unless it is part of the regular administration of government.

IV. Operational Duties of the Employer

The Employer agrees to fulfill the following operational duties:

1. **Onboarding:** Provide orientations covering hours, location, safety, conduct, and internal operational procedures.
2. **Training:** Explain duties, performance standards (quality, quantity, priorities), and provide progressive training.
3. **Direct Supervision:** Provide on-site supervision. Students placed in public K-12 schools assisting with graduation requirements **must work under direct supervision at all times**.
4. **Time Tracking:** Maintain precise time records and submit completed payroll timesheets by the Institution's deadlines. No compensation will be disbursed without authenticated timesheets.
5. **Overtime Restrictions:** Restrict student labor to a maximum of **40 hours per week**. The Employer assumes full financial responsibility for wages exceeding this limit, and the student's program eligibility will be reduced.
6. **Earning Caps:** Ensure students do not work past their designated end date or exceed their gross earnings limit. The Employer is solely liable for compensation beyond these limits.

V. Student Placement and Non-Discrimination

Students will be made available to the Employer by the Institution for specific assignments. The Institution may remove a student from an assignment or from the Employer at its own discretion or upon the Employer's request.

The Employer certifies that no student shall be denied work or treated differently on the basis of **race, national origin, religion, sex, age, color, disability, veteran status, genetic information, citizenship**. The Employer will strictly comply with:

- The Civil Rights Act of 1964 and its Amendments
- Department of Health, Education, and Welfare implementing regulations
- The Minnesota Human Rights Act

VI. Employer Status and Liability

The Employer is deemed the employer for all operational performance purposes under this Agreement.

Exception: The **Institution** shall be deemed the employer solely for compliance with **federal social security (FICA)** and **workers' compensation** laws.

The Employer retains the right to control and direct student services regarding both the final results and the methods used to achieve them. The Institution's oversight is limited to verifying student eligibility and confirming that work is actively performed.

VII. Financial Contributions and Share

The Employer agrees to pay the Institution an amount covering the employer share, which is **25% of the student's gross earnings**. Failure to remit payment within **60 days of billing** may result in immediate cancellation of this Agreement.

VIII. Statutory Contributions

All payments due as an employer's contribution under any applicable laws (**excluding** Federal Social Security) must be paid directly by the Employer. The Employer must provide evidence of these payments to the Institution upon request.

IX. Payroll Documentation Requirements

For every payroll period, the Employer must submit a detailed time report for institutional review and archiving. Reports must include:

- Student name and hourly pay rate
- Total hours worked during the pay period
- Calendar dates with precise starting and ending times (**explicitly indicating AM or PM**)
- Supervisor's signed certification of hours accuracy and satisfactory student performance

X. Disbursement of Compensation

All financial compensation for work performed under this Agreement will be disbursed directly to the student by the **Institution**.

XI. Funding Depletion and Termination

Because State resources fund this program, the Institution reserves the right to terminate positions if funds are depleted. If funding is exhausted, the Institution may offer the Employer the option to retain the student worker with the Employer paying 100% of the student worker's wages.

Verbal notification of fund depletion by the Institution, followed by written confirmation, constitutes formal termination of the student's program position effective as of the date of the verbal notice.

XII. Cancellation

Either party may terminate the agreement with 30 days written notice or by mutual consent.

XIII. Internship Duties

The Employer agrees that Students employed in for-profit sector internships shall perform duties directly related to the student's field of study, supported by documented job descriptions.

1. Institution Information

- Institution Name: _____
- Street Address: _____
- City, State, Zip: _____
- Phone Number: _____
- SWS Contact: _____
- SWS Contact Signature: _____
- Date: _____

2. Employer Details

- Employer Name: _____
- Street Address: _____
- City, State, Zip: _____
- Phone Number: _____
- Employer Contact: _____
- Employer Title: _____
- Employer Signature: _____
- Date: _____

Appendix 3: Comparison of Federal and Minnesota State Work Study Programs

*Federal regulations are accurate at the time of publishing and are subject to change.

Table 1: Student Eligibility Requirements

Program Component	Federal Work Study	Minnesota State Work Study
Citizenship & Residency	U.S. citizen or eligible non-citizen. No state residency requirement.	Minnesota resident (as defined for State Grant) with work authorization.
Academic Progress	Making satisfactory academic progress.	Adopts Title IV SAP policy.
Enrollment Level	No required enrollment level.	Enrolled half-time (6 credits for undergraduates, school defines for graduate students).
Student Level	Undergraduate or graduate students.	Undergraduate or graduate students.
Program Goal	Enrolled in program leading to credential.	Enrolled in program leading to credential.
Institutional Eligibility	Any eligible Title IV college.	Enrolled at MN college.
Periods of Non-Enrollment	Eligible during period of non-enrollment.	Eligible during one term of non-enrollment or less than half-time enrollment per aid year.
Reciprocity	No reciprocity restriction.	Reciprocity students not eligible.
High School Credentials	HS diploma or GED required.	No HS diploma or GED required.
Loan Default Status	Ineligible if loan default exists.	No loan default restriction.
Over-Award Tolerance	\$300 annual over-award tolerance for going over need for inadvertent awards.	\$300 annual over-award tolerance for going over need for inadvertent SWS awards. See page 14.
Selective Service	No Selective Service requirement applies.	Selective Service requirement applies only to males ages 18–25 whose only way of establishing MN residency is through the Prosperity Act.

Table 2: Eligible Employers & Employment Types

Program Component	Federal Work Study	Minnesota State Work Study
Eligible Employer Types	Title IV eligible institution. Non-profit, non-sectarian agency or school. For-profit organization (if academically	MN postsecondary institution. Non-profit, non-sectarian agency or school. For-profit organization (if internship related to student's area of study). Individual with

Program Component	Federal Work Study	Minnesota State Work Study
	relevant). Services for students with disabilities.	substantial disability. Individual over 65 requiring assistance.
Off-Campus Contracts	Off-campus employment contract required.	Off-campus employment contract required (on-campus encouraged).
General Position Goals	To extent possible, positions should be related to student's educational goals.	To extent possible, positions should be related to student's educational goals.
On-Campus Rules	Cannot displace employees or contractor employees. No constructing, operating, or maintaining areas used for religious worship or instruction. If for-profit school, positions must provide student services, not involve recruiting, and complement educational goals.	No displacement restriction. Adopts FWS policies for religious areas and for-profit school settings.
Off-Campus Non-Profit Rules	Must be in public interest. Cannot be with an organization with membership limits or involve political activity. Prohibits displacement of employees.	Adopts FWS policies.
For-Profit Rules	Must be academically relevant to student's area of study. Prohibits displacement of employees.	Must be an internship in student's area of study. No similar displacement restriction.
Earning Academic Credit	Allowed if: Not paid less because credit is awarded, not paid for receiving instruction, and the position is one that is normally paid.	Adopts FWS policies.

Table 3: Employment Conditions

Program Component	Federal Work Study	Minnesota State Work Study
Minimum Wage	Must pay at least federal, state, or local minimum wage (whichever is higher).	Must pay at least federal, state, or local minimum wage (whichever is higher). See page 12.
Tax Withholding	Subject to federal and state tax withholding.	Adopts FWS policies.
Prior to Verification	Allowed to start working prior to verification at school's discretion up to 60 consecutive days after enrollment. If found ineligible, school must repay earnings and convert funding source.	Adopts FWS policies.
Volunteer Hours	Cannot volunteer hours.	Adopts FWS policies.
Paid Training & Travel	Can be paid for required training up to 20 hours. Can be paid for travel to community service jobs.	Adopts FWS policies for training. Adopts FWS travel policies if the job

Program Component	Federal Work Study	Minnesota State Work Study
		meets the FWS definition of community service.
Weekly Hour Limits	No limits on hours per week (but there may be FICA withholding considerations).	Limited to 20 hours per week.
Wage Garnishment	No garnishment of wages except to satisfy a debt owed to the Dept. of Education.	Garnishment allowed. Cannot reduce garnishment for court-ordered child support due to garnishment from other creditors.
Homeland Security Forms	Must complete required forms for Department of Homeland Security.	Adopts FWS policies.
Leave Benefits	No compensation for sick leave, vacation, or holidays.	MN Paid Leave may apply, see page 12. Must be paid for with institutional dollars, not SWS funding.
Disaster Payments	Schools may make payments to disaster-affected students prevented from fulfilling obligations during a major disaster.	No similar provision.
Civics Projects	Funds can be used to compensate students in projects that teach civics, raise awareness of government, or increase civic participation.	No similar provision.

Table 4: Award Calculation & Disbursement

Program Component	Federal Work Study	Minnesota State Work Study
Need Formula	COA – SAI – OFA = remaining need. Certain non-need-based loans can replace SAI.	COA – SAI – OFA = remaining need. Certain non-need-based loans can replace SAI.
Exclusions	Optional exclusion of Subsidized Direct Loan up to amount of Chapter 30 veterans benefits and/or AmeriCorps funds.	Adopts FWS policies.
Non-Enrollment Earnings	Earnings (minus job-related expenses) during periods of non-enrollment are considered a resource.	Adopts FWS policies.
Disbursement Frequency	Must pay student at least monthly.	Adopts FWS policies.
Disbursement Methods	May issue a check, or with authorization, credit student's account or use EFT.	Adopts FWS policies.
Institutional Share Match	May pay school share of student's wages with non-cash contributions (tuition, fees, services, or equipment).	No similar provision.

Program Component	Federal Work Study	Minnesota State Work Study
Fiscal Year Deadlines	Must pay students out of the fiscal year hours were performed (e.g., FY27 for hours on or before June 30, 2027).	Adopts FWS policies.
Refund Calculations	FWS is not included in refund calculations since the student earned the funds.	Adopts FWS policies.

Table 5: Institutional Use of Allocations

Program Component	Federal Work Study	Minnesota State Work Study
Administrative Costs	Provides administrative cost allowance to administer program.	No administrative cost allowance provided.
Community Service Mandate	Must use at least 7% of allocation on community service jobs; 1+ students must be a reading tutor or literacy project worker. Waivers available.	No similar provision, but community service and tutoring positions are strongly encouraged.
For-Profit Sector Limits	School can only use 25% of allocation for positions in private for-profit organizations.	School can only use 30% of allocation for positions in private for-profit sector if directly related to field of study.
Institutional Share Caps	School can only fund 10% of total FWS students at a non-profit/government agency with a 90% FWS / 10% employer split.	No similar provision.
Job Location & Development	Lesser of 10% of allocation or \$75k can be used to create or expand JLD programs.	No similar provision.
Fund Transfers	25% of funds can be transferred to the FSEOG program.	No similar provision.
Carry Forward / Carry Back	Similar to SWS except no restriction against carrying back across a biennium.	School can carry forward/back up to 10% of initial allocation to/from next fiscal year, except CANNOT carry back across a biennium.
Year-End Reallocation	Reallocation at end of year only to schools using at least 5% of allocation for students employed as tutors/literacy projects. School must request, have fair-share shortfall, and use for community service jobs.	Refunds requested and reallocations performed throughout aid year by OHE.
Excess Funds and Penalties	Excess funds returned at end of year. School penalized dollar for dollar if amount returned exceeds 10% of allocation.	Excess funds returned after March 1 reduce allocation for next year by percentage of allocation returned.

Table 6: Work Study / Employer Share

Program Component	Federal Work Study	Minnesota State Work Study
Standard Funding Share	Standard shares are 75% FWS / 25% employer.	Standard shares are 75% SWS / 25% employer.
Tutoring & Literacy Positions	FWS can fund 100% of student's wages.	No similar provision. Standard 75/25 SWS / employer share.
Title III or Title V Schools	FWS can fund 100% of student's wages.	No similar provision. Standard 75/25 SWS / employer share.
Non-Profit / Government Agency Exception	FWS can fund up to 90% of wages if the employer cannot afford the 25% share (limited to 10% of FWS recipients).	No similar provision. Standard 75/25 SWS / employer share.
Private For-Profit Sector	FWS covers only 50% of student's wages.	No similar provision. Standard 75/25 SWS / employer share.
JLD Program Development	FWS covers up to 80% of wages for JLD positions.	No similar provision. Standard 75/25 SWS / employer share.

Table 7: Payroll Records & Supervision

Program Component	Federal Work Study	Minnesota State Work Study
General Supervision	School/employer must develop program of supervision consistent with the nature of the job and student needs.	Adopts FWS policies.
K-12 School Settings	Not specifically addressed in FWS law, but local school districts may require this.	Students employed in K-12 schools must work under direct supervision of school district personnel.
Timesheet Requirements	Timesheet must be signed by supervisor. Electronic signature is acceptable if it meets guidelines for electronic certification.	Adopts FWS policies.

Appendix 4: Minnesota Statute Governing State Work Study

*It is important to note State Statute supersedes State Rules.

Minnesota Office of The Revisor of Statutes website: <https://www.revisor.mn.gov/>

136A.231 Education; Postsecondary Students; Work-Study Programs.

The legislature has found and hereby declares that a state work-study program is in the best interests of the state in that such a program can

- (1) assist in meeting the financial needs of students
- (2) provide the opportunity for students to obtain valuable learning service experiences and
- (3) assist governmental and nonprofit service agencies by providing student assistance at low cost.

History: 1973 c 682 s 1; 1975 c 430 s 1

136A.232 Administration; Agreements with Educational Facilities.

The office shall develop and administer a work-study program. The office shall enter into agreements with institutions of postsecondary education.

History: 1973 c 682 s 2; 1975 c 271 s 6; 1975 c 430 s 2; 1995 c 212 art 3 s 59; 2005 c 107 art 2 s 60; 2014 c 149 s 36

136A.233 Work-Study Grants.

Subdivision 1. Allocation to institutions. The office shall allocate work-study money to eligible postsecondary institutions according to the resident full-time equivalent enrollment of all eligible postsecondary institutions that apply to participate in the program, and the amount of the allocation that an institution spent during the previous academic year. Each institution wishing to participate in the work-study program must submit, in accordance with policies and procedures established by the office, an estimate of the amount of funds needed by the institution. Any funds allocated to an institution that exceed the actual need of the institution shall be reallocated by the office to other institutions. An institution may carry forward or backward the same percentage of its initial allocation that is authorized under federal work-study provisions.

Subd. 2. Definitions. For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at least half time in a degree, diploma, or certificate program in a Minnesota postsecondary institution.

(b) “Minnesota resident” means a student who meets the conditions in section 136A.101, subdivision 8.

(c) “Financial need” means the need for financial assistance in order to attend a postsecondary institution as determined by a postsecondary institution according to guidelines established by the office.

(d) “Eligible employer” means any eligible postsecondary institution, any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, a disabled person or a person over 65 who employs a student to provide personal services in or about the person's residence, or a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field.

(e) “Eligible postsecondary institution” means any postsecondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.

(f) “Independent student” has the meaning given under title IV of the Higher Education Act of 1965, as amended, and applicable regulations.

(g) “Half-time” for undergraduates has the meaning given in section 136A.101, subdivision 7b, and for graduate students is defined by the institution.

Subd. 3. Payments. Work-study payments shall be made to eligible students by postsecondary institutions as provided in this subdivision.

(a) Students shall be selected for participation in the program by the postsecondary institution on the basis of student financial need.

(b) In each academic year, a student may be awarded work-study payments for one period of nonenrollment or less than half-time enrollment if the student will enroll on at least a half-time basis during the following academic term.

(c) Students will be paid for hours worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.

(f) An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.

Subd. 4. Cooperation with local schools. Each campus using the state work study program is encouraged to cooperate with its local public elementary and secondary schools to place college work study students in activities in the schools, such as tutoring. Students must be placed in meaningful activities that directly assist students in kindergarten through grade 12 in meeting graduation standards. College students shall work under

direct supervision; therefore, school hiring authorities are not required to request criminal background checks on these students under section 123B.03.

History: 1973 c 682 s 3; 1975 c 271 s 6; 1975 c 430 s 3; 1976 c 239 s 50; 1977 c 384 s 16; 1981 c 65 s 1; 1Sp1985 c 11 s 49; 1986 c 444; 1987 c 384 art 2 s 1; 1987 c 401 s 22,23; 1989 c 293 s 55; 1991 c 356 art 8 s 21; 1Sp1993 c 2 art 2 s 17; 1994 c 532 art 2 s 11,12; 1995 c 212 art 3 s 35,59; 1997 c 183 art 2 s 9-11; 1998 c 397 art 11 s 3; 2005 c 56 s 1; 2005 c 107 art 2 s 60; 2007 c 144 art 2 s 30; 2013 c 99 art 2 s 10; 2014 c 149 s 37-39

Appendix 5: Minnesota Administrative Rules

*It is important to note State Statute supersedes State Rules. Rules may be affected by law enacted during the 2026 Regular Session.

Minnesota Office of The Revisor of Statutes website: <https://www.revisor.mn.gov/>

4830.2000 Scope.

Parts 4830.2000 to 4830.2600 govern state work-study grants.

Statutory Authority: *MSs 136A.111; 136A.121; 136A.132; 136A.141; 136A.233; 136A.70*

History: 8 SR 196

Published Electronically: *June 11, 2008*

4830.2100 Eligible Schools.

Schools eligible for work-study grants are the same schools eligible for state grants under part 4830.0300.

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; 15 SR 1780

Published Electronically: June 11, 2008

4830.2200 Application and Distribution of Funds for Grants.

Subpart 1. Application by schools.

A school desiring funds for work-study grants must request funds by June 30 each year. The school must submit its estimate of the amount needed to meet eligible student needs for the following school year.

Subp. 2. Allocation formula.

Funds shall be allocated to each school according to the following formula:

A. resident full-time equivalent enrollment of each school, divided by the total resident full-time equivalent enrollment of all participating eligible schools;

B. multiplied by the current fiscal year's appropriation for work-study grants; and

C. multiplied by the percent of funds for work-study grants actually used by that school during the prior school year.

"Resident full-time equivalent enrollment" means the Minnesota resident full-year enrollment for the year prior to the academic year for which work-study funds are allocated.

Subp. 3. Modification of allocations.

The commissioner shall allocate funds equal to a school's estimated need if the estimated need is less than the amount determined by the allocation formula.

Subp. 4. Accountability.

Each participating school shall be accountable for any funds disbursed to students for work-study grants. Funds may be used only during the fiscal year of disbursement. The school must document its efforts to place students with off-campus employers. The percent of the school's allocation provided to graduate students shall not exceed the percent of graduate students in the total enrollment at the participating school.

Subp. 5. Unused funds.

The school must return funds which the school determines will not be used within 30 days from the date of a request by the commissioner. The commissioner shall reallocate the funds to other participating schools requesting additional funds.

Subp. 6. Reallocation.

The commissioner shall reallocate funds using the formula specified in subpart 2, items A and B.

Statutory Authority:

MS s 136A.01; 136A.04; 136A.111; 136A.16; 136A.234; 136A.70; 147.30

History: 8 SR 196; 10 SR 2319; 15 SR 1780; 18 SR 1849; 20 SR 2572; L 2013 c 99 art 2 s 29

Published Electronically: July 1, 2013

4830.2300 Work-Study Grants.

A school shall determine if a student is eligible for a work-study grant. To be eligible a student must meet the requirements of part 4830.0100, subpart 5, items B, C, D (as defined in Minnesota Statutes, section 136A.101, subdivision 7b), and E. Priority must be given to students enrolled for at least 12 credits. A student employed during periods of nonenrollment must sign a statement of intent to enroll at least half-time for the next term or provide proof of registration for the next term.

Statutory Authority:

MS s 136A.01; 136A.04; 136A.111; 136A.16; 136A.234; 136A.70; 147.30

History: 8 SR 196; 10 SR 2319; 15 SR 1780; 16 SR 1822; 18 SR 1849; 20 SR 2572

Published Electronically: July 1, 2013

4830.2400 Employment Terms; Amount of Grants.

Subpart 1. Eligible employers.

A work-study grant recipient may be employed on-campus by the school or off-campus by any of the following:

- A. a nonprofit, nonsectarian agency located in Minnesota;
- B. a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field;
- C. a person who has a physical or mental impairment which substantially limits at least one life activity and who could benefit from student assistance in or about the home; or
- D. a person over 65 years old who could benefit from student assistance in or about the home.

Subp. 2.Amount.

The maximum a student may earn through a work-study grant is the amount of the student's financial need.

Subp. 3.Hourly wages.

Beginning July 1, 1993, not less than 25 percent of the amount earned by a student shall be paid by the employer, with the actual percentage determined by the school in consultation with the employer. A student shall be paid for hours actually worked at an hourly rate agreed to by the employer and the student, with the approval of the school. However, the student must be paid at least the state minimum wage, if the federal minimum wage is not applicable. Student earnings must be paid according to federal regulations governing payment of student earnings under the federal work-study program.

Subp. 4.Replacement of permanent employee.

A public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee to hire a work-study student, or replace a permanent employee who is laid off from the same or substantially the same job by hiring a work-study student.

Statutory Authority:

MS s 136A.01; 136A.04; 136A.111; 136A.16; 136A.121; 136A.132; 136A.141; 136A.233; 136A.70

History: 8 SR 196; 16 SR 1822; 18 SR 1849; 23 SR 594

Published Electronically: *June 11, 2008*

4830.2500 Contracts with Employers.

Subpart 1.Off-campus employer contract.

Before a student begins work, the school and off-campus employer shall sign a contract affirming the eligibility of the employer and agreeing to abide by applicable law and rules.

Subp. 2. Contents of work contract.

The student, school, and employer shall sign a contract setting forth the nature of the work, number of hours of employment, hourly rate of pay, percentage of earnings to be paid by the employer, maximum payment by the employer, pay and time records, payroll, and workers' compensation. Time records must be signed by the student and the employment supervisor.

Subp. 3. Review and comment.

All contracts signed by the school and employers are subject to review and comment by the commissioner.

Subp. 4. Supervision.

The school, with the employer, must develop for each work-study assignment a program of supervision consistent with the nature of the assignment and the needs of the individual student. Upon request, the school must submit the program of supervision to the commissioner for review and comment.

Subp. 5. Reasonable effort.

An institution must make a reasonable effort to place a student in eligible off-campus employment. The institution must document its efforts with documents such as:

- A. Copies of correspondence with eligible employers; and
- B. Notes of telephone contact with eligible employers. This shall include name of person contacted and date.

Statutory Authority:

MS s 136A.01; 136A.04; 136A.111; 136A.16; 136A.234; 136A.70; 147.30

History: 8 SR 196; 10 SR 2319; 15 SR 1780; 20 SR 2572; L 2013 c 99 art 2 s 29

Published Electronically: July 1, 2013

4830.2600 Reports by School.

The school must collect demographic and program activity data as specified by the commissioner. The school shall provide the commissioner with individual student data upon request.

End of year program activity and student data reports are required by the commissioner. The school must correctly complete and submit these reports and any applicable refunds to the commissioner by the first working day after August 9. The commissioner shall withhold the school's subsequent year's allocation if the above deadline date is not met.

Statutory Authority:

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

History: 8 SR 196; 10 SR 2319; 13 SR 128; 15 SR 1780; 20 SR 2572; L 2013 c 99 art 2 s 29

Published Electronically: July 1, 2013

References: State Work Study Website URLs

- 2025 Minnesota Statutes: <https://www.revisor.mn.gov/statutes/cite/136A.233>
- Campus Financial Aid Administrator Resources: <https://ohe.mn.gov/outreach-professional-resources/campus-resources/campus-financial-aid-administrator-resources-2>
- State Financial Aid Manuals: <https://ohe.mn.gov/outreach-professional-resources/campus-resources/campus-financial-aid-administrator-resources-8>
- State Financial Aid Manual Common Definitions 2025-2026: https://ohe.mn.gov/sites/default/files/2025-09/State%20Financial%20Aid%20Manual_Common%20Definitions_ADA.pdf
- Historical Program Data: <https://ohe.mn.gov/reports/state-work-study-data>
- Financial Aid Administrator MNAid Portal: <https://mnaid.guarantorsolutions.com/ApplicationSignon/SignOn.aspx>
- MNAid Training Documents: <https://ohe.mn.gov/outreach-professional-resources/campus-resources/campus-financial-aid-administrator-resources/mnaid>