

**TUITION ASSISTANCE PROGRAM MANUAL FOR  
CHAPTER XXII SCHOOLS**

**Version 04**

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# Tuition Assistance Program Manual

## For Chapter XXII Schools

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# Chapter 1: Program Description

## 1.00 Tuition Assistance Program (TAP)

This program provides grant assistance to help eligible *full time, undergraduate* students enrolled in eligible postsecondary institutions meet tuition charges. Awards are calculated based on New York State net taxable income. This Manual applies only to those Tuition Assistance Program awards made pursuant to N.Y.S. Education Law Sections 661(4)(b) and 661(4)(b-1) and Chapter XXII of Title 8 of the New York Codes, Rules and Regulations (NYCRR).

Students who are enrolled in programs registered by the Commissioner of the State Education Department pursuant to Part 52 of Title 8 of the NYCRR shall not be eligible for awards under this program unless such program is ineligible for tuition assistance program awards under the regulations of the Commissioner.

This Manual provides guidance to schools whose programs of study have been approved and registered by HESC. All CEO Memos issued by HESC are included in the Appendices.

### a. Eligibility Criteria

To be eligible for an award the student must:

- meet one of the United States citizenship requirements;
- meet New York State residency requirements;
- enroll as a full-time undergraduate student;
- enroll in an approved program of study in an eligible New York State postsecondary institution;
- be matriculated;
- be in good academic standing; have at least a cumulative "C" average after receipt of two annual payments;
- not be in default on any Federal or State made student loan, or fail to comply with any service condition imposed by a State award program, or fail to make a required refund of any award;
- have a minimum tuition liability of at least \$200 per academic year (\$100 per semester);
- not exceed the income limitations established for the program (see Appendix A);
- not be incarcerated;
- have a U.S. high school diploma satisfactory to the president, the equivalent recognized by the U.S. Secretary of Education, or a passing score on a federally approved ability-to-benefit test.

More detailed information on eligibility is in Chapter 3.

## **b. Duration**

Undergraduate students can receive payments for a total of four academic years (eight semesters).

Undergraduate students can receive payments for a fifth academic year if they are currently enrolled in an approved five-year degree program.

HESC tracks the number of payments each student has received and will not approve further payment once the limits have been reached.

## **c. Award Calculation**

TAP awards are calculated as an annual entitlement based on New York State net taxable income for the preceding tax year and are prorated and paid on a term basis.

TAP awards are intended to meet part of a student's tuition charges and can never exceed 100% of the student's tuition liability.

In addition to income and tuition liability, the factors listed below also affect the calculation of a TAP award:

- other family members enrolled in postsecondary education;
- other educational benefits received;
- financial independence;
- level of study;
- type of institution; and
- prior payment.

More detailed information on each of the above factors is in Chapter 3.

HESC calculates the actual amount of a student TAP award using formulas from the TAP award schedules in Appendix A of this Manual. To determine the student's TAP award, the reduction figure, derived from the award schedules, is subtracted from student's tuition liability, or the maximum award listed for the schedule, whichever is less.

The statute governing the TAP program provides that a student's award must be reduced by \$100 per academic year when the student has received the equivalent of four or more semesters of TAP payments. Additional information on how to calculate an award is in Chapter 4.

## **d. Application Procedure**

Students must submit an application for payment to HESC by June 30 of the academic year for which an award is sought. See Chapter 4 for detailed information on application procedures.



## **1.1 Limitation of Amount of Awards**

The following educational aid shall be considered to duplicate the purposes of tuition assistance program awards and shall therefore serve to limit the amount of such awards:

- (1) **Federal assistance**  
An educational grant or scholarship by the Armed Forces of the United States or by a Federal agency which provides tuition assistance.
- (2) **State assistance**  
A tuition grant awarded by a New York State department or agency.
- (3) **Institutional assistance**  
Tuition remission or a tuition grant or waiver awarded by the institution on the basis of:
  - (a) the student's status as a faculty or staff member, or dependent;
  - (b) service related to the student's program; and
  - (c) the student's enrollment in a particular program of study.
- (4) **Other educational grants or scholarships** to the extent that the combination of such awards with other benefits would exceed the student's full cost of tuition and maintenance.

## **Chapter 2: Institutional Information**

### **2.1 Institutional Information**

Students attending postsecondary educational institutions approved to participate in the Tuition Assistance Program pursuant to N.Y.S. Education Law Sections 661(4)(b) and 661(4)(b-1) and Chapter XXII of Title 8 of the NYCRR are eligible to receive assistance through this program. HESC, however, does not make direct payment to students. All awards are paid through the participating institution. Accordingly, HESC must obtain certain information and assurances from institutions that have elected to participate in this Tuition Assistance Program.

Students who are enrolled in a program registered by the Commissioner of the State Education Department pursuant to Part 52 of Title 8 of the NYCRR shall not be eligible for awards under this program.

### **2.2 Program Participation Agreement**

To participate in the Tuition Assistance Program, the institution must sign a Program Participation Agreement. The Agreement shall continue in full force and effect until either party terminates the Agreement.

The Agreement is intended to assure institutions that the program will be administered consistently with the statutes and regulations governing them. It lists several institutional obligations and dictates that failure to comply with the terms of the Agreement can lead to the termination of the institution's participation in this Program.

### **2.3 Electronic Financial Aid Network (EFAN)**

To enhance the administration of financial aid through automation, HESC has established the Electronic Financial Aid Network (EFAN). The network consists of various electronic services including the ability to:

- inquire into the student TAP database;
- submit TAP college code and other information changes;
- receive and/or submit other data relating to student eligibility certification for TAP; and
- estimate TAP and Pell awards.

To use these services, however, the institution must first have submitted a completed EFAN Questionnaire, which is part of the Program Participation Agreement, kept on file with HESC.

Information on this Agreement can be obtained by contacting HESC Help Desk at 1-888-NYS-HESC.

### **2.03 Certifying Officer**

Postsecondary institutions participating in this program are responsible for ensuring that program funds entrusted to their care are used consistent with the legislative purpose in establishing the program. Institutions also must ensure the funds are used consistent with applicable regulations promulgated by HESC.

To fulfill this responsibility, the institution's chief executive officer designates a staff member to serve as certifying officer. The institution's chief executive officer may change who is designated as certifying officer at any time by notifying HESC's Information Protection Office and TAP Payments Office in writing.

#### **Responsibilities of the Certifying Officer**

As the designated representative of the educational institution, the certifying officer is specifically responsible for:

- attesting to the accuracy of information submitted to HESC on student eligibility or ineligibility for an award;
- training and monitoring the activities of other institutional personnel directly involved in certifying student awards;
- providing policy guidance to other institutional personnel in activities related to certifying student awards (for example, faculty or other academic personnel who are responsible for determining good academic standing, etc.);

- ensuring that certification activities are carried out in a prompt and timely manner to facilitate delivering awards to students and returning overpayments to HESC; and
- ensuring that the certification system is accurate and has been adequately tested as required by the EFAN provisions of the Program Participation Agreement, if the certification process at the school is automated.

## **2.04 Eligible Institutions**

To be eligible to participate an institution must:

- be exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code;
- have its headquarters and main campus located within the State;
- be eligible for funds under Title IV of the Higher Education Act of 1965, as amended;
- be accredited by an accrediting agency recognized by the U.S. Secretary of Education;
- certify that its students are eligible to receive federal Pell grants in accordance with section 1070 of Title 20 of the U.S. Code and the regulations promulgated thereunder;
- provide a postsecondary program of instruction in an approved program lasting at least three years, in which the student is enrolled; and
- enter into a participation agreement with HESC.

### **One-year Requirement**

Schools must be approved and be operating in New York State for at least one year to be eligible to participate in TAP.

## **2.05 Academic Year**

The academic year is from July 1 to the following June 30. Fall is considered the first term of the academic year for award payment purposes. Term sequence is fall followed by spring.

### **2.06 Term**

Term refers to the instruction period within the academic year, including any time allocated for examinations. It includes semesters only. All awards administered by HESC are payable on a term basis.

## **2.07 Academic Calendar**

The academic calendar is how terms are arranged in an academic year for providing instruction, evaluating good academic standing and calculating tuition liability and TAP awards. The following types of term arrangements are used in this program:

### **Semester**

The regular academic year consists of two terms, fall and spring, each lasting at least 13 weeks, provided the two terms total 30 weeks.

HESC will include the duration of a summer term to determine whether a school has satisfied the annual requirement of 30 weeks. For this program, HESC counts each week from the first day of the term to the last day of the term (the last examination) regardless of whether classes are in session. Notwithstanding, for payment purposes, only two term awards will be made; one for the fall term and one for the spring term.

## 2.08 Term Payments

The Tuition Assistance Program administered by HESC provides prorated annual awards that are paid on a term basis. Term payments are based on the institution's academic calendar and are calculated as follows:

<b>Term Payments</b>	
Academic Calendar	Term Payment
Semester	1/2 annual award

## 2.09 College Codes

The college code is a unique four-digit number that identifies a particular institution. HESC's TAP Payments assigns the code when an institution is approved for participation in the program. The code affects how HESC calculates the student's award, and it determines where HESC will send the student's award.

When the national processor processes student applications, the appropriate college code is derived from information provided on the Free Application for Federal Student Aid (FAFSA). The processor will use the code for the first New York State school listed on the FAFSA. A complete TAP college code list will be available on HESC's website for students who want to change their college code. Students will be able to make changes using the electronic change form within HESC's web pages. In the meantime, schools should provide their college code to their students in order to complete the TAP Application.

## 2.10 College File

HESC maintains an electronic record, viewable on HESC's web pages, for all institutions participating in the Tuition Assistance Program. These records constitute the college file, which HESC updates each academic year.

### a. Description

Information in the college file includes the following:

- college code,
- college name and address,
- certifying officer,
- academic calendar,
- the program for which the institution is approved, and
- tuition charges, indicated by term.

The information in the college file is used to:

- calculate student awards and generate award certificates;
- produce payment rosters for the institution; and
- produce institutional mailing lists.

#### **b. TAP Payment Survey on the Web**

The TAP Payment Survey on the Web displays the most recent school information contained in the college file. TAP Certifying Officers are required to view the data displayed and update information i.e.: tuition charges, academic calendars etc., for the coming academic year.

The TAP Payment Survey can be updated **only** by TAP Certifying Officers. Other authorized staff can view the College File but cannot update the information.

### **2.11 College Costs**

In many instances, college costs affect the award calculation under the Tuition Assistance Program. As a result, it is particularly important that the institution provide HESC with accurate cost information.

#### **a. Tuition**

HESC uses the institution's tuition charge, prorated by term, to calculate TAP awards. It is also an element in the student budget used to calculate cost of attendance.

For award payment purposes, HESC defines tuition as the charge levied by the institution for the instructional services provided to the student or for the evaluation and supervision of related academic activity, which is required as an integral part of the student's program of study. It does not include any educational or administrative fees.

#### **b. Calculating Term Tuition Charges**

HESC requires institutions participating in the Tuition Assistance Program to report term tuition charges. The methods institutions use to calculate term tuition charges are:

##### **Program Tuition.**

If a student contract specifies the tuition for an entire program of study and the total amount of study to be provided, the term tuition is the total tuition for the program divided by the number of terms required to complete the program of study.

##### **Annual Tuition.**

If the institution levies an annual tuition charge without regard to credits or terms, the term tuition charge is the annual tuition charge divided by the number of terms in the regular academic year for which attendance is normally expected or required.

**Term Tuition.**

If the institution levies a tuition charge per-term for a range of credits, the term tuition charge is this amount plus any additional charge for credits exceeding the specified range.

**Per Credit Tuition.**

If the institution charges tuition on a per-credit basis, the term tuition is the per-credit tuition charge multiplied by the number of credits for which the student has registered.

## **2.12 Good Academic Standing Requirements**

Students are required to maintain good academic standing to remain eligible for TAP awards. The regulations specify that good academic standing requires the student to pursue a program of study as defined in regulations and make satisfactory academic progress toward a degree according to a standard developed by each institution and approved by HESC. The institution must also develop a policy outlining the circumstances under which it may waive good academic standing requirements. A discussion of the good academic standing requirements to determine student eligibility for an award is discussed in Chapter 3.

## **2.13 Interinstitutional Study**

HESC may grant awards to students who enroll in interinstitutional programs of study in which they matriculate at one (home) TAP-eligible institution in New York State but attend courses at another (cooperating) TAP-eligible institution in New York State.

Award eligibility is subject to all of the following:

- the student matriculates in an approved program at the home institution;
- the home institution grants prior approval for such study; and
- all academic work successfully completed at the cooperating institution is creditable toward the student's degree program or program of study at the home institution.

Eligibility and award amounts are based on the tuition of both schools. When the student is taking courses at two institutions, the home school combines tuition and credit hours from both institutions when assessing eligibility. Certification is based on the total credit hours and tuition liability.

Certification is subject to the following conditions:

- Credit hours earned (transferred) at the cooperating institution must be creditable toward the student's program of study at the home institution.
- Only tuition charges for transferable and creditable hours may be aggregated to arrive at a total tuition charge. The total tuition charge may exceed the home institution's standard per-term tuition charge.
- If the cooperating institution is out-of-state, all tuition and instructional fees must be paid to the New York State institution as described in the next section.

The institution of matriculation shall certify to the Corporation the student's eligibility to receive an award.

## **2.14 Out-of-State Study**

Tuition Assistance Program awards for study at an out-of-state institution are prohibited. However, exceptions are made in the following circumstance:

If the cooperating institution is outside of New York State or outside the United States, the institution must meet all of the previously described criteria for interinstitutional programs of study. In addition, the out-of-state/study abroad program must be an integral part of the curriculum at the New York State institution. All tuition and instructional fees are to be paid to the New York State institution. The student is ineligible if the New York State institution merely performs the service of transmitting funds from the student to the out-of-state or foreign institution. Tuition must be payable to the New York State school and received by it in the same manner as tuition charged for any other program. If the student pays any tuition or educational fees to the out-of-state or foreign school, the presumption is that it is the institution of actual enrollment.

Notwithstanding, the corporation may establish additional standards for the approval of out-of-state and foreign study programs in order for students to qualify for awards. The New York institution must receive approval of its out-of-state or foreign study program from the corporation prior to certifying any student enrolled in such programs for an award. For more information see Appendix D.

## **Chapter 3: Student Information**

### **3.00 Student Information**

There are several specific requirements a student must satisfy to be eligible for TAP awards. A list of these requirements is in Chapter 1.

Initially, students are approved or rejected for an award based on information they submit on the application. Approval for an award is tentative and is based on an assumption that information on the application is correct and that the student will meet other required eligibility criteria. Final approval for an award is contingent upon institutional certification of student eligibility.

Additionally, students must provide other required information to enable HESC to identify students, calculate awards, and forward payment to the appropriate institution.

### **3.1 General Student Eligibility Criteria**

Following is a description of student eligibility criteria:

#### **a. Citizenship Requirements**

Students are required to meet certain requirements relating to U.S. citizenship. Students will be considered to have fulfilled the citizenship requirement if they are:

- A citizen of the United States;
- An alien lawfully admitted for permanent residence in the United States (holding an I-151 alien registration card); or
- A conditional entrant or a member of a class of refugees paroled by the attorney general of the United States under his parole authority pertaining to the admission of aliens to the United States.

Diplomatic, student or temporary visas do not constitute permanent resident alien status for the purpose of this program.

If the institution has any information that would cast doubt on an award recipient's ability to meet the citizenship requirement, HESC's TAP Payments should be notified at [payments@hesc.ny.gov](mailto:payments@hesc.ny.gov).

#### **b. New York State Residency Requirements**

Eligibility for TAP awards is limited to students who meet New York State residency requirements.

##### **Institutional Responsibility.**

In determining if a particular student meets New York State residency requirements, institutional personnel should know on-campus information that might reflect on a student's residency. A diploma from a non-New York State high school, an out of state address for parents or for billing purposes are examples of readily available information that would reflect negatively on a student's claim to New York State residency.

Institutions must review eligibility for TAP awards for any student whose New York State residency is questionable. In many cases, the review will be simple and the institution will need only to document the decision. Cases that cannot be determined by college officials should be forwarded to HESC. The institution should use the Student Record Maintenance page on HESC's website to request a Residency Questionnaire be sent to the student and refrain from taking any certification activity until the student's residency has been determined.

Institutions should develop procedures to record the state in which the student attended and graduated from high school. Students who are non-New York State high school graduates should not be certified until some review of their records, either by the school or HESC is complete. It is expected that schools will review residency eligibility and make appropriate determinations before forwarding to HESC for review.



**Legal Residence.**

To satisfy residency requirements, the student must be a legal resident of New York State. Legal residence means that the student currently resides in New York State and intends to make the state his/her permanent home. The act of living within the state's boundaries is, in itself, an insufficient demonstration of residency. The student must present evidence of having established a domicile or permanent place of abode in New York State. Living in New York State solely to attend a college or other postsecondary institution does not, in itself, establish legal residence. The residency requirements are waived for members of the armed forces (and their spouses and dependents) stationed on full-time active duty in New York State. See below for information regarding obtaining a waiver.

**Legal Residence of Financially Dependent Students.**

If the student is financially dependent upon his/her parents, HESC presumes the student's legal residence to be that of the parents. If the parents are separated or divorced, HESC presumes the legal residence to be that of the parent who has been awarded custody (or who would have been awarded custody if the student were a minor). If the student's parents reside out of state, as reported on the FASFA, HESC presumes the student resides out of state. However, if circumstances warrant, a student may apply to HESC for recognition of residence separate from either or both parents. In these cases, students are sent a New York State Residence Review Questionnaire which is submitted to HESC for review.

**Legal Residence Requirement for Members of the Armed Forces, their spouses and Dependents.**

- If the student was a legal resident of New York State when he/she entered into the service and has maintained that legal residence while in the service, HESC presumes the student meets the residency requirement.
- If the student is the spouse or dependent of a member of the armed forces who is a legal resident of New York State but is stationed out of state, HESC presumes the student meets the residency requirement regardless of how long the member of military has been absent from New York State while on active duty.
- If the student is a member of the armed forces who is not a legal resident of New York State but who is stationed on full-time active duty in New York State, the residency requirement is waived. To qualify for the waiver, the student must submit official documentation confirming full-time active duty status and duty station.
- If the student is the spouse or dependent of a member of the armed forces who is not a legal resident of New York State but who is stationed on full-time active duty in New York State, the residency requirement is waived. The student must submit official documentation confirming both the full-time active duty status and duty station of the member of the armed forces and the student's status as spouse or dependent of that person.

**Duration of Residency**

The student must be a legal resident of New York State for at least 12 months before the term for which assistance is sought. Undergraduate students who have not been legal residents of New York State for at least 12 months can satisfy this requirement if they are currently legal residents and were legal residents during the last two semesters of high school, regardless of any intervening time spent outside New York State. However, nonresidents who begin full-time study in New York State during their first year of residing in New York State are not generally eligible for TAP, even though they may have resided in New York State for 12 or more months. Veterans or former National Service Volunteers who were legal residents of New York State upon entry into the service can meet the 12-

month requirement if they re-establish legal residency within six months of release from active duty, regardless of how long they were absent from New York State and regardless of legal residencies established elsewhere. Students who were residents of New York State before meeting citizenship requirements are considered to meet New York State residency requirements for any term of study beginning after they have met citizenship requirements if they have been residents of the state for at least 12 months.

### **Loss of Residency**

New York State residency is lost when the student discontinues permanent legal residence in the state. The student is ineligible to receive a TAP award for any term of study beginning after residency is lost.

### **Disputed Residency.**

In most instances HESC will provide students whose residency it is questioning with a New York State Residence Review Questionnaire before a final residency determination is made. Students who need to document legal residence must complete this questionnaire and return it to HESC. Students who have been denied an award on grounds of residency before submitting a questionnaire may appeal by submitting the questionnaire. Dependent students who wish to apply for recognition of a residency separate from their parents should submit the questionnaire, which is available from HESC by request.

### **c. Programs of Study -- Approved and Nonapproved**

To be eligible for a TAP award, the student must be enrolled in an approved program of study. An approved program is one registered by HESC as of the start of the term for which assistance is sought. The program must be specifically approved as eligible for TAP awards. Inquiries concerning program registration should be directed to HESC.

Because students are required to be enrolled in an approved program of study to receive TAP awards, the institution must offer - and students must follow - the program as it was approved. Deviation from the program requirements as approved can lead to possible audit questions and jeopardize the student's eligibility.

Approved programs of study are those lasting at least three years at an eligible institution leading to a degree defined as that which is awarded to an undergraduate student by an eligible institution upon completion of an approved program of study that is acceptable for admission to a graduate or professional degree program and is approved for registration by HESC. Programs of study registered by the Commissioner of the State Education Department are not included.

### **d. Matriculated Status**

To be eligible for a TAP award, a student must be matriculated. A matriculated student is one:

- who has filed a written admissions application at an institution offering approved programs of study to earn a degree;
- whom the institution deems as being qualified to undertake the course of study for that degree;
- whom the institution recognizes as a candidate for that degree; and
- who has registered for courses or other academic activity the institution recognizes as contributing toward fulfilling the requirements for that degree.

### **Retroactive Matriculation**

Retroactive matriculation by the institution establishes a student's eligibility for TAP awards retroactively only if such action was necessary to correct administrative error or delay in reviewing the credentials of a student who was originally eligible for matriculation.

### **Conditional Matriculation**

Conditional matriculation does not satisfy matriculation requirements if a student was accepted into a program of study based on his/her satisfactory completion of any special requirements establishing qualification to pursue the program of study successfully.

However, any student required to complete certain courses to make up deficiencies in background or training may be considered matriculated, provided acceptance into the program was not conditional upon completing those requirements.

### **Non-matriculated Status**

Students are considered non-matriculated in the following circumstances:

- students enrolled in courses solely for teacher certification, licensure or other external requirements; or
- individuals enrolled in courses solely for personal or cultural enrichment.

### **e. Full-time Status Definition**

Regulations defines full-time status at collegiate institutions as enrollment for at least 12 semester hours for a term of at least 13 weeks, including exam periods, or the equivalent. A semester hour is defined as a credit, point or other unit granted for the satisfactory completion of a course that requires at least 15 hours of 50-minute instruction periods and at least 30 hours of supplementary assignments. "Equivalent" can also include independent study, practice teaching, thesis or dissertation research, and preparation for language or qualifying exams. These "equivalent" activities must be required as an integral part of the student's program of study.

#### ***NOTE:***

Credit-bearing courses in the student's minimum full-time course load (12 semester hours or the equivalent) must consist of courses applicable to the student's program of study as a general education requirement, major requirement, or elective. The only exception is in the student's final term of study: if the student needs fewer than 12 credits to complete the program, other courses may be included to determine full-time status even if not required to complete graduation requirements provided 12 credits are taken.

### **Repeated Courses**

Courses in which the student has already received a passing grade cannot be included in meeting full-time study requirements for TAP. Repeated courses may be counted toward full-time study requirements if a student repeats a failed course, if a student repeats the course for additional credit, or when a student has received a grade that is passing at the institution but is unacceptable in a particular curriculum.

All courses for which a student receives a letter grade (including a failing grade) must count toward their GPA when evaluating good academic standing. For more details see Section 3.01(g) of this Manual.

### **Time of Assessment**

Students can achieve full-time status for a particular term if they register for sufficient credits before the certification status date (date in the term when the student will be liable for full tuition for courses taken during that term-- normally the end of the drop/add period) and provided that the student has not withdrawn or dropped below full-time status before the first day of classes. Additionally, students must have accrued a tuition liability for each of the credits constituting the full-time study requirement.

### **Students Not Charged Full-time Tuition.**

If the following types of activities are required as integral to the student's program of study and contribute to the full-time study requirement and no tuition is charged for the activity, the student is exempted from the requirement of having a tuition liability for each of the full-time credits:

- independent study
- thesis or dissertation research
- preparation for language or qualifying examinations

However, awards based on tuition liability cannot exceed the actual tuition liability. Registration fees and other fees are not considered tuition.

### **Students Who Fail to Attend**

To receive TAP, New York State Education Law specifies that students attend school full time as defined by regulation. Full-time enrollment is defined as 12 or more credits per semester. Students who fail to attend class cannot be certified for awards. An educational institution is required to accurately report student full-time enrollment for the specified term. Effective for semesters commencing on or after July 1, 2012, and to all subsequent academic years, an educational institution shall establish an enrollment record, which shall be maintained by the educational institution and be available for inspection by HESC or the Office of the State Comptroller for each course or curriculum. Such enrollment record shall be retained for seven years. For information regarding the required content of such enrollment record, see Appendix F of this Manual.

### **Medical/Health Waiver**

The full-time study requirement can be waived if the student absolutely cannot engage in full-time study because of health or medical reasons. The student must present to the school for approval satisfactory medical evidence substantiating that serious illness or other adverse physical condition requires restricting the student's program of study. If approved, the work of two or more terms of study may be combined into a regular full term of study (12 credits or more). Situations like these require the institution to certify the student's eligibility for an award during the term when the student has accumulated enough credits for a term award.

### **Students With Disabilities.**

Students who are disabled, as defined by the 1990 federal Americans with Disabilities Act (ADA), do not have to attend school full time to be eligible for TAP awards. These students are eligible for a partial TAP award if they are attending part time (at least three credits per semester or the equivalent). The student must still meet all other TAP eligibility requirements. In addition, the TAP certifying officer must be able to document that the student is disabled as defined by the ADA. Those records can be obtained from the designated campus ADA representative. (See also Chapter 5, Section 5.08)

### **f. High School Graduation Requirement**

To be eligible for a TAP award, students must have: (i) a certificate or diploma of graduation from a school providing secondary education within the United States satisfactory to the president; or (ii) the equivalent of such certificate or diploma as recognized by the U.S. Secretary of Education; or (iii) have received a passing score on a federally approved ability-to-benefit test, as identified on a list published by the Commissioner of the State Education Department, and determined by HESC to be independently administered and evaluated. For more information see Appendix E.

### **g. Good Academic Standing**

To receive TAP, the student must be in good academic standing. For TAP, good academic standing consists of two components:

#### **1. Pursuit of Program**

A requirement that a student receive a passing or failing grade (A-F letter grade) in a certain percentage of courses each term, depending on the number of TAP payments the student has received. The percentage is determined according to the following schedule:

<b>Number of Payments Semester</b>	<b>Must Receive a Grade for</b>
1	50% of minimum full-time requirement (six credit hours on a semester calendar)
2, 3, 4	75% (nine credit hours)
5 or more	100% (12 credit hours)

#### **2. Satisfactory Academic Progress**

A requirement that students accumulate a specified number of credits and achieve a specified cumulative grade point average each term, depending on the number of TAP payments students have received.

**NOTE:** After students have received the equivalent of four semester payments, students must maintain a GPA of at least 2.0 on a 4.0 scale.

The current SAP chart applicable to this program appears below as set forth in Education Law §665.

<b>Program: Degree Program</b>										
<b>Calendar: Semester</b>										
Before Being Certified for This Payment	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
A Student Must Have Accrued at Least This Many Credits	0	6	15	27	39	51	66	81	96	111
With At Least This Grade Point Average	0	1.5	1.8	1.8	2.0	2.0	2.0	2.0	2.0	2.0

**Determining Number of Payments.**

HESC uses a payment point system to determine the number of TAP payments students have received. More information on payment points is in Chapter 5, Section 5.05.

**Time of Assessment.**

Good academic standing must be evaluated each term. Students must meet both Pursuit of Program and Satisfactory Academic Progress requirements for that term to be considered in good academic standing.

**Loss of Good Academic Standing**

Students who lose good academic standing in a term when they received a TAP award are not eligible for an award for the next term.

**Reinstatement of Good Academic Standing**

Students who have lost good academic standing may restore this standing in one of the following ways:

1. make up past academic deficiencies by completing one or more terms of study without receiving a TAP award;
2. be readmitted to school after an absence of at least one calendar year;
3. transfer to another eligible institution, or
4. be granted a waiver

**One-time Waiver**

Students are permitted to receive a one-time waiver of the good academic standing requirement. The institution issues the waiver if there are extenuating circumstances. The institution is required to publish and adhere to criteria under which it will grant a waiver. Institutional personnel are required to discuss the waiver with the student before granting one. The waiver is not automatic and must be done in accordance with the institution's published criteria. Improperly granting waivers can result in an audit disallowance against the institution.

The educational institution must certify, and maintain documentation, that such waiver is in the best interest of the student. Prior approval by the president of the criteria and procedures used by an institution to consider and grant waivers shall not be required. The president may review such criteria and procedures in use, and require an institution to revise those found to be not acceptable.

It is recommended that the institution appoint a waiver officer who will be responsible for reviewing waiver applications, making waiver decisions, and maintaining the necessary case record. Institutions are cautioned that not all students who fail to satisfy the good academic standing requirements are necessarily candidates for a waiver. For example, "difficulty adjusting to college life" is not a reasonable basis for a waiver, since that circumstance might apply to many students. Situations that caused a student to lose good academic standing should be beyond the student's control, not chronic circumstances that cannot be remedied. With the additional term that results from approval of the waiver, a student should be able to regain good standing.

HESC maintains a record of all good academic standing waivers granted and preprints a "W" on the payment roster for students previously granted a waiver. These students cannot be granted any additional waivers. The school grants a waiver by entering a "W" in the waiver column on the payment roster.

#### **h. C/Average Requirement Students Affected**

Students who in prior terms have received the equivalent of two or more full years of TAP awards must have and maintain a cumulative GPA of C (2.0 on a 4.0 grading scale) or better to be eligible for continued TAP awards. These students would have accumulated 24 or more payment points in prior terms.

#### **Readmitted Students**

Students who have received two or more years of TAP payments and who are readmitted to an institution they previously attended must have a cumulative GPA of C or better to receive any further TAP awards. If students return without any transfer credits from another institution, the cumulative GPA would be based on prior grades earned at the institution. If students return with transfer credits, prior grades earned at the institution may be combined with a presumed grade of C for transfer credits to determine students' cumulative GPA.

#### **Transfer Students**

Students who have previously received payment of TAP at one institution and are transferring to another institution may be presumed to have a grade of C for all transfer credits.

#### **Students Changing Programs of Study**

The C-average requirement cannot be circumvented by a change in the program of study. If a student, after receiving two years of state-funded student aid, did not achieve a C- average (2.0) in the last program of study, the student cannot regain eligibility by changing a program of study.

### **Repositioned Students on SAP Chart**

"Beneficial Placement" permits an institution to reposition a transfer student or a student in good academic standing who is changing programs within an institution based either on the number of payments received or credits accrued, whichever is to the student's benefit. Such students must still meet the 2.0 GPA requirement if they have received two or more years of payment, even if they are repositioned at a point on the chart where a GPA of less than 2.0 is required.

### **Regaining Eligibility**

Students who are denied an award for failing to achieve a cumulative GPA of C can regain award eligibility by completing appropriate coursework -- without state support -- to achieve a cumulative GPA of C. Students cannot regain eligibility by remaining out of school for a period of time.

### **Waiver of the C-Average Requirement**

The C-average requirement may be waived for undue hardship based on:

- the death of a student's relative;
- the student's personal illness or injury; or
- other extenuating circumstances.

A waiver must be documented and must relate to circumstances that have affected the student's ability to achieve a cumulative C average as of the end of a particular semester or term.

The C-average waiver is separate from the one-time good academic standing waiver and may be granted more than once if circumstances warrant.

Schools must maintain documentation of why waivers are granted but do not have to report the waiver in the certification process. Students lacking a C-average who are found to be ineligible for a waiver should be decertified for not being in good academic standing.

#### **i. Minimum Tuition Requirement**

To qualify for a TAP award, the student must incur a tuition liability of at least \$200 per academic year prorated by term, \$100 per semester.

Students with a term tuition liability less than those above are not eligible to receive a TAP award.

#### **j. Default Status**

Students who are: (i) in default on any federal or State student loan; or (ii) have failed to comply with the terms of any service condition imposed by another State award; or (iii) have failed to make a refund of any award are not eligible for a TAP award.

#### **Determining Default Status**

Student loans are those made by federal or State governments for post-secondary education. HESC's records can determine default status. A student is in loan default unless the student has cleared the default by paying the loan in full or bringing payment current (see Renewed Eligibility for Financial Aid below) or the loan has been discharged in bankruptcy.



In some instances, students may be approved for an award and placed on a payment roster but later enter default status. HESC will attempt to advise institutional personnel when situations like this occur and will process an in-house transaction to decertify the student. The institution should never certify students for an award if HESC has advised the institution of a loan default status. Similarly, institutions should contact HESC's TAP Payments Unit for instructions before certifying the student if they suspect a student may have defaulted on a loan.

### **Clearing Default Status**

For a student to receive an award for any term of a given academic year, HESC must clear the default by June 30 of that academic year. HESC will reprocess payment applications for students who were previously denied an award because of loan default status if the default is cleared by June 30. Students whose default is cleared after June 30 will not be eligible for an award for any term of that academic year when they were in loan default status.

### **Renewed Eligibility for Financial Aid (REFA)**

HESC will grant an award to students who are in default of a student loan. Students must apply for renewed eligibility and meet the following conditions:

- Students who have been in loan default status may renew their eligibility for further financial assistance and be approved for an award if they have voluntarily made six scheduled monthly loan repayments and continue to make scheduled monthly repayments. Students may also pay the loan in full or have the bank repurchase the loan.
- HESC will examine loan repayment records of students initially denied a TAP award because of loan default. HESC will approve and reprocess for an award students who meet the REFA eligibility criteria.
- Students approved for an award through REFA who later fail to continue making scheduled monthly repayments will be denied an award for any term after HESC determines the student has failed to make continued payments.
- HESC will retroactively approve and reprocess students approved through REFA by June 30 of the academic year for all terms of that academic year in which the student applied for an award.

Questions regarding disputed loan repayments or other REFA issues should be directed to 1-866-991-4372.

REFA provisions do not apply to loan defaults currently in bankruptcy proceedings or litigation. A lump-sum payment or other partial payments equal to six monthly payments do not satisfy the requirement that six scheduled monthly payments be made to be eligible for REFA.

### **3.02 Required Student Data** **(See also Chapter 4 -- Application and Award Procedures)**

To process student applications, determine eligibility and calculate awards, HESC requires students applying for TAP to furnish the following information:

#### **a. Social Security Number**

The Social Security number is a unique number that identifies a student and enables HESC to maintain a record of all payments a student receives. HESC also uses it to verify income information. All student records are accessed and maintained via the Social Security number. HESC cannot process an application for a TAP award without a valid Social Security number.

Students who do not have a valid Social Security number should obtain one before submitting an application. HESC will not extend application filing deadlines to enable a student to obtain a Social Security number.

#### **b. Marital Status**

Students applying for a TAP award must report their current marital status-- married or unmarried (single, divorced, widowed, or separated). Students who have been married, widowed or separated/divorced must also provide the date of this event.

Since student's marital status can be a factor in award calculation and in determining financial independence, HESC cannot process student applications for a TAP award unless students provide marital status information.

If separation/divorce occurs after the tax year on which an award is based (for example, 2011 for 2011-12 academic year), applicants must include the spouse's Social Security number on the application.

#### **c. Educational Plans**

TAP awards are paid through the participating institution. Accordingly, students must indicate the institution where the student will be enrolled for each term of the academic year. For award calculation purposes, HESC will presume the first New York State institution listed on the FAFSA to be the college the student will attend. This will be prefilled on the TAP on the Web (TOTW) electronic application. A school code list will be available on HescWeb, and students will be able to make any appropriate changes when submitting the TOTW application to HESC for processing. In the meantime, schools should provide their college code to their students in order to complete the TAP Application.

Students don't actually have to be accepted at a particular institution to submit an application for payment. However, since award funds will be sent to the institution on the application, students should be fairly certain of their education plans before applying. Students who change their plans after submitting an application can change their college code by submitting an electronic change form on HESC's Website.

A college may also submit a change on behalf of a student (see Chapter 4, Section 4.03).

#### **d. Level of Study**

Students applying for a TAP award must report their levels of study as undergraduate. The level of study indicated determines the TAP award payment schedule. The level of study also determines the conditions that must be met for financial independence claims for applicants younger than 22 years old.

##### **Concurrent Enrollment**

If a student is taking both undergraduate and graduate courses, the degree for which the student is matriculated determines whether the program of study is considered undergraduate.

##### **Combined Degree Programs**

The level of study for students enrolled in a program of study leading to both an undergraduate and a graduate degree will vary and will depend on the manner in which the institution(s) organizes the program.

HESC will consider students undergraduate for that segment of the program in which:

- the institution formally recognizes the student as being in undergraduate status; and
- the institution charges the student undergraduate tuition.

The student will be considered a graduate student for that segment of the program in which:

- the institution formally recognizes the student as being in graduate status; and
- the institution charges the student graduate tuition.

If the combined degree program requires more than four years to complete, the student cannot receive more than four years of undergraduate awards unless HESC formally approves the undergraduate segment of the program as a five-year degree program. If not so designated, the student can receive undergraduate awards for no more than four years of study. Awards will only be made at the undergraduate level.

Students' level of courses for which they are registered does not determine their level of study. Undergraduate students may be registered for graduate level courses provided the courses are required or recommended for their program of study.

Students can be considered enrolled at the graduate level even if the undergraduate degree has not yet been formally awarded.

#### **e. Five-year Programs**

Normally students may receive up to four years of assistance through TAP for undergraduate study. Under certain circumstances, however, students may receive a fifth year of payment for undergraduate study.

### **Five-year Degree Programs**

Students enrolled in a degree program that normally requires five years of study to complete and which HESC has specifically approved as a five-year undergraduate program can receive a fifth year of undergraduate payment.

### **f. Income Reporting**

HESC bases TAP awards on students' taxable income and, depending on circumstances, students' parents' and/or spouses' income. HESC ignores family assets such as savings and home equity, and liabilities such as medical expenses except as reflected in taxable income. Income from state, federal and local government pensions must be included when reporting income for State aid.

### **New York State Net Taxable Income**

State net taxable income as reported on New York State tax returns constitutes the basis for calculating a TAP award. Net taxable income includes wages, interest, dividends and other forms of taxable income after all appropriate deductions and exemptions have been taken into consideration.

Scholarship or fellowship income, including the value of contributed services and accommodations is not considered income for the purpose of TAP. Income from scholarships or fellowships reported on a federal or State tax return should be subtracted from taxable income.

### **Income verification**

HESC verifies income with the NYS Tax and Finance Department. HESC will make changes to income where applicable.

### **Nonfilers**

Applicants not required to file a federal or state tax return should indicate "did not file" on the application form.

If a person required to report income to HESC for award calculation did not file or was not required to file a tax return, the obligation to report income remains. Applicants must also report income exemptions and deductions as if a return had been filed.

Applicants who filed a federal tax return but did not file a New York State tax return must report income, exemptions and deductions filed on the federal tax return. Applicants must also report income earned outside of New York State.

### **Previous Year Income**

For TAP award purposes, applicants must report net taxable income from the previous tax year. This is used as a basis for calculating awards. For example, for the 2011-12 academic year, applicants use income reported for the 2010 tax year.

## **Family Income**

The following persons must report net taxable income when applying for a TAP award:

- applicant;
- applicant's parents, including stepparents and adoptive parents, if applicant is classified as being financially dependent on parental support. Foster parent's income or guardian's income should not be reported; and
- applicant's spouse, if married as of December 31 of the tax year for which income is being reported.

Separated/Divorced Individuals Filing Joint Tax Returns:

- Applicants and/or the parents of financially dependent students who were separated or divorced after December 31 should report the actual income data filed on the return on the application for payment. HESC will send an inquiry letter to determine applicant's or custodial parent's share of joint income. HESC will then calculate the award based on applicant's /custodial parent's income and a prorated amount of separated/divorced spouses' income.
- Applicants and/or the parents of financially dependent students who were separated or divorced *on or before* December 31 should report the applicant's and/or custodial parent's share of joint income on the application for payment. HESC will initially calculate the award on this income. To avoid the possibility that the award will later be recalculated based on joint income as a result of income verification, applicants who have submitted an application early in the year should, by July 1, submit a letter explaining the situation under separate cover. Applicants should include appropriate tax documentation -- W2s, returns, proof of separate residence, etc. with the letter. If applicants have applied later in the year and are therefore unable to provide documentation before income verification, HESC will have to adjust the award through the income verification appeal process.

HESC calculates TAP awards by adding the net taxable income of all family members whose income is required to be reported.

### **g. Income Adjustment**

HESC will allow an adjustment to the net taxable income used to calculate TAP awards if other family members are enrolled as full-time matriculated students in a postsecondary institution for at least one term of the same academic year for which an award is being sought.

For *undergraduate* students, HESC subtracts \$3,000 from net taxable income for enrollment by a second family member. HESC subtracts another \$2,000 for each additional family member enrolled. HESC then uses the lower taxable income resulting from this adjustment to calculate the student's award.

HESC considers another family member enrolled if he/she is attending a postsecondary institution approved for TAP, Pell Grants or Stafford Loans. The postsecondary institution does not have to be located in New York State.

## **h. Exclusion of Income**

The income of parents and spouse may be excluded in cases of death, divorce or separation occurring on or before December 31 of the tax year on which an award is based. The income may be excluded even if the applicant was claimed as tax dependent by parents or spouse. In calculating a student's TAP award, HESC does not consider income that has been excluded.

In situations involving parental separation or divorce, the incomes of both parents cannot be excluded. Only the income of the noncustodial parent may be excluded. However, applicants must report any support payments received from the noncustodial parent. Support payments will be added to family income for award calculation purposes.

For purposes of excluding income, separation means abandonment, a court injunction forbidding parental contact, or not living together for an extended period of time.

If, in situations involving divorce, a custodial parent remarries before the end of the tax year on which an award would be based, applicants must report the income of the custodial parent and his/her spouse.

## **i. Proration of Income**

In calculating a TAP award, the applicant's, parents' or spouse's income may be prorated (i.e., only a portion of the income is used to calculate an award) in case of death, separation or divorce, or permanent and total disability if any of these events occur after December 31 of the tax year on which the award is based.

Proration of income based on separation occurring after December 31 must be based on a legal separation- separation by judicial decree or pursuant to an agreement of separation filed with a court of competent jurisdiction.

In case of parental separation or divorce, the income of the noncustodial parent is prorated.

Parent's or spouse's income may be prorated for permanent and total disability occurring after the tax year on which the award is based. However, income cannot be prorated for disability occurring before the end of the relevant tax year.

Schools may submit supporting documentation to HESC on behalf of the applicant before or after income verification.

## **Formula for Proration**

Base Year Taxable Income	<b>x No. of Months Status Unchanged ÷ 18</b>	= Portion of Income Used to Calculate Award
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Base year taxable income refers to taxable income earned in the tax year being used to calculate the award.

Number of months status unchanged refers to the number of months beginning in January before the start of the academic year up to and including the month in which the event occurred. For example, for the 2011-12 academic year, the number of months from January 2011 to the month when the death, divorce, separation or disability occurred.

## **j. Financial Independence**

### **Description**

A student must apply for TAP as either a dependent student, which requires parental income information, or an independent student, which does not require parental income information. Applicants must report parental income unless the student meets certain conditions established in law and regulation that show the student to be financially independent of the parents. These conditions differ from the conditions used in defining "financial independence" for other aid programs such as Pell Grants or for public assistance.

### **Applicant Categories**

To determine financial independence applicants fall into one of the following categories:

- Applicants 35 years old or older as of June 30 preceding the academic year for which assistance is being sought (June 30, 2011, for 2011-12 academic year) are considered financially independent regardless of any other conditions.
- Applicants between 22 and 35 years old as of June 30 are considered independent if they meet all of the basic conditions (see basic conditions).
- Applicants who were married on or before December 31 of the preceding calendar year (December 31, 2010, for 2011-12 academic year) are considered independent if they meet all of the basic conditions (see basic conditions).
- Applicants who were previously approved as independent students are considered independent if they meet all of the basic conditions.
- Single undergraduates younger than 22 years old as of June 30 who are not in one of the above categories are considered independent if they meet both the basic and the special conditions.

### **Basic conditions**

Basic conditions applicants must meet to be considered financially independent are:

- During the preceding year and during both calendar years of the current academic year (for example, 2010, 2011, and 2012 for the 2011-12 academic year), the applicant has not and will not reside with parents (or in a building or apartment owned or leased by the parents) for more than six weeks, even if applicants have paid rent to the parents.
- Applicants who have served on active duty with the U.S. Armed Forces or other National Volunteer Service will satisfy this requirement if they lived with parents for no more than six months immediately after being discharged.
- During the preceding tax year-- on which an award is based-- and the following year (for example, 2010 and 2011 for awards made for 2011-12 academic year) neither parent has nor will claim the applicant as a dependent for federal or state income tax purposes.

- During the preceding year and during both calendar years of the current academic year, the applicant has not received and will not receive financial assistance or support from parents in excess of \$750, including gifts and loans.

For applicants who are veterans and have been honorably discharged from the United States Armed Forces, only the basic condition relating to tax dependency is relevant. The basic conditions regarding residency with the parents and receiving financial assistance from the parents are, by law, not applicable.

### **Special Conditions**

To be considered financially independent, certain applicants younger than 22 years old must satisfy at least one of the following conditions:

- Each parent is either deceased, totally or permanently disabled or has been declared incompetent by judicial action.
- Applicant currently receives public assistance. Public assistance does not include food stamps, unemployment insurance, or aid as a dependent child under the Aid to Families with Dependent Children (AFDC) program.
- Applicant is a ward of the court. Ward of the court does not include status as an inmate in a correctional facility.
- There has been an involuntary dissolution of the applicant's family, resulting in relinquishment of parental responsibility and control.
- Applicant is a veteran and has been honorably discharged from the armed forces.

In most of the above situations, documentation confirming the student's claim of financial independence will be readily available. However, in some instances, students encounter difficulty in documenting involuntary dissolution of the family. In these situations the applicant's condition must be authenticated (sworn statement) by a reputable third party who has direct knowledge of the applicant's circumstances. Such a person might be a clergyman, a legal aid representative or a social worker.

Claims of involuntary dissolution of the family are evaluated on a case by case basis. Following, however, are several circumstances that would indicate involuntary dissolution.

- Parents do not reside in the United States or any of its possessions or protectorates, and parents are not citizens and do not provide any support to the student.
- Abandonment by the parents (i.e. parents' whereabouts unknown and lack of parental contact can be authenticated).
- Evidence of parents mentally and/or physically abusing the applicant.

The following conditions do not in and of themselves satisfy the special conditions for financial independence:

- applicant is a veteran
- applicant's spouse older than 22 years
- applicant is incarcerated
- applicant is self-supporting



Students who are approved for financial independence will receive TAP awards based on their own income (and if married, spouse's income). Parental income need not be reported to calculate a TAP award. However, independent students receive TAP awards under separate payment schedules, and the amount of the TAP award will differ from those awards paid under the schedules established for dependent students.

### **Independence For Less Than A Full Year**

In some instances, students may not meet all of the basic conditions necessary to qualify for financial independence for the entire academic year. They may, however, qualify for financial independence for all terms beginning after January 1 of the academic year, if the following conditions are met:

- Student lived with parents for more than six weeks and/or student received more than \$750 in financial assistance during previous year but not during two subsequent years (for example, for 2011-12, the student lived with parents and/or received \$750 assistance in 2010, but not in 2011 or 2012).
- Parents claimed the student as a tax dependent for the previous year but not in the next year (for example, claimed in 2010 but not in 2011 for 2011-12).
- If the student was younger than 22 years old as of June 30, the student must also meet special conditions as of January 1.

If parental income is reported, the student can receive an award as a dependent student for all terms beginning before January 1 and as an independent student for all terms beginning on January 1 or thereafter. If parental income is not reported the student can only receive an award as an independent student for all terms beginning January 1 or thereafter.

## **Chapter 4: Application and Award Procedures**

### **4.1 Annual Application Requirement**

To receive a TAP award, students must submit an application to HESC by June 30 of the academic year for which assistance is sought.

### **4.2 Selecting TAP Recipients**

All students who meet the eligibility requirements established for a TAP award are assured assistance if they file the requisite application forms by June 30 of the academic year for which assistance is being sought.

#### **4.02 Methods of Application**

##### **a. TAP Application**

##### **1. Electronic Process - TAP on the Web (TOTW)**

NY residents can apply for both federal and state financial aid using a single online session. After filling out the FAFSA on the Web, New York state residents can link to TAP on the Web, which is prefilled with their FAFSA data and, if applicable, historical data from HESC's system.

NY residents who exit the FAFSA session and do not link directly to the TOTW can apply using Anytime TAP on the Web (ATOTW). Students must wait for HESC to receive the ISIR data before logging into the ATOTW system. A period of three days is advisable.

## **2. Paper Process**

Students initiate the TAP application process by filing a Free Application for Federal Student Aid (FAFSA).

Any New York State resident who lists at least one New York State institution on the FAFSA will be sent an email or postcard by HESC containing instructions on how to file an online application or how to request a paper - Express TAP Application (ETA). No paper applications will be mailed automatically. Information from the FAFSA and the family's calculated NYS income will be preprinted on the ETA. The applicant should review this information, make any necessary corrections, complete any missing items, and then sign and mail using the return envelope. Schools can request an ETA through the G&S Transaction Processing Web screens on HESC's Website. The *View Student Record* tasks include an option for *Request TAP Form*. The ETA can also be printed from the *Standard Reports* behind the *G&S Reports* tab. HESC will process returned ETAs and then issue an electronic award notification, denial, or requests for additional information.

### **b. Multi-year Application**

Students who have previously received payment of a TAP award may be selected for the multi-year application process. In these cases, current year FAFSA data is matched with historical data on HESC's system to generate an award notification. Students who are selected for multi-year will not receive an ETA. If a student's current year data does not match historical data on HESC's system, an ETA will be generated as described above. Income changes are expected from year to year and will not impact the determination of multi-year application.

## **4.03 Methods of Updating Application Data**

### **a. Student Change Forms**

Students can update information on the original application or report information previously not reported by submitting either a:

#### **Request for Information**

Students are sent an email directing them to HESC's Website to complete the Request for Information (RFI) electronic form. The RFI requests information not reported on the application. Students can use it to change any information reported on the application or to withdraw a financial independence claim.

*or*

## **Change Form**

Students can make changes to their application after it has been processed and they have received an award notification. Students can use the electronic change form to update information previously reported, to supply missing information, or to withdraw a financial independence claim.

### **b. Institutions Electronically Submitting Changes or Missing Data**

Schools that have elected to participate in HESC's Electronic Financial Aid Network (EFAN) can submit to HESC electronically either changes to previously reported information or missing information on behalf of students. Schools can submit electronic changes for all application data except:

- applicant's Social Security number,
- proof of New York State residency, and
- required signatures

HESC will attempt to process electronic changes on a daily basis and, as a rule, no later than three working days after the school submits the changes.

### **c. Effect of College Code Changes**

If HESC processes a college code change *before the student appears on a payment roster*, HESC places the student's name on a payment roster for the new school.

If HESC processes a college code change *after the student appears on a payment roster but before appearing on a Remittance Advice*, the student is automatically decertified on the initial roster and the notation "College Code Change" is indicated on the Remittance Advice. HESC then places the student on a payment roster for the new school.

If HESC processes a college code change *after the student appears on a payment roster and after being decertified on the Remittance Advice*, HESC places the student on a payment roster for the new school.

If HESC processes a college code change *after the student has been certified for payment and appears on a Remittance Advice*, HESC will deny the student's request for a college code change. (Students cannot be certified at two different schools for the same term.)

## **4.04 Award Notifications**

After HESC processes an application and determines the student to be eligible or ineligible for an award, HESC sends an award notification to the student.

The award notification contains basic identification information: the academic year for which assistance is approved and the school of attendance. The student can obtain the award amount by accessing their account on HESC's web site or by contacting his or her school's financial aid office.

### **a. Annual Index Number**

This figure is based on family New York State net taxable income as reported on the application for payment. The figure enables students to estimate what their TAP awards would be if they attended a school other than the one listed on the award notification. To estimate the TAP award, subtract this amount from the annual tuition charge or the maximum annual TAP award, whichever is less. HESC prorates the remaining amount by term to arrive at the term award.

### **b. Payment History Information**

The HESC G&S Web pages contain information on students' payment history coded as follows:

**Year**-The first academic year, for example, 11=2011-12, in which HESC awarded a student TAP award.

**Waiver**-The student's use of the one-time waiver of good academic standing, indicated by one of the following codes:

1- waiver has never been used

2- waiver used as an undergraduate

TU- The number of TAP payment points an undergraduate student has accumulated.

### **c. Student Status Information**

HESC's online inquiry screen "View Student Record" will display a variety of messages regarding the status of a student's award. Schools will also receive electronic reports called "Student Status Lists" which contain message codes.

## **4.5 Determining TAP Awards**

### **a. Calculating Awards**

The TAP program provides a range of annual award amounts. HESC considers each of the following factors in calculating a student's award:

- **Net taxable Income**

HESC bases TAP awards on the family net taxable income of the student. Net taxable income refers to the taxable balance as reported on appropriate New York State tax returns after relevant exemptions and deductions. The lower the net taxable income, the larger the award. For dependent students, HESC uses the income of the parents, the student, and the student's spouse, if married. For independent students, HESC uses only the income of the student and, if married, the student's spouse. Income from state, federal and local government pensions must be included when reporting income for State aid. Income from annuities, which were excluded on the NYS tax form, must be added back in to the income for purposes of calculating the TAP award.

- **Tuition**  
TAP awards can never exceed student's tuition liability or the applicable maximum award, whichever is less. When the student's tuition liability is less than the maximum TAP award, HESC uses the actual tuition liability as a basis for calculating the award.
- **Term Structure**  
HESC initially determines TAP awards on an annual basis and then prorates the award by the number of terms constituting the academic year. For institutions operating on a semester calendar, HESC divides the annual award by two to determine the term award.
- **Award Schedules**  
Statute provides different award schedules for dependent and independent students; students enrolled at degree or nondegree institutions; and students enrolled at the undergraduate or graduate level. Award schedules HESC uses currently for this program are in Appendix A. HESC uses the award schedule to determine a reduction factor based on net taxable income. HESC then subtracts the reduction factor from the maximum TAP award for that schedule or the tuition charge, whichever is less. The remainder is the student's annual TAP award.
- **Minimum Award**  
All TAP award schedules provide for a minimum award that is available to any student whose income does not exceed the maximum allowed for that student's schedule, without regard to the income reduction formula.

## **b. Adjustments**

Under the following circumstances, HESC will adjust a student's TAP award:

- **Statutory Reduction**  
The statute governing the TAP program provides that HESC must reduce a student's TAP award by \$100 per academic year (\$50 per semester) when the student has received the equivalent of four or more semesters of TAP payments.
- **Other Enrolled Family Members**  
For award calculation purposes, HESC adjusts net taxable income for other family members enrolled full-time in postsecondary education. For dependent students, HESC may adjust total net taxable income if the student's parents or other dependent children of the student's parents are enrolled in postsecondary education. For independent students, HESC adjusts the applicant's net taxable income if a spouse or the applicant's dependent children are enrolled in postsecondary education.
- **Undergraduate Students**  
HESC reduces the net taxable income used to calculate the award by \$3,000 if a second family member is enrolled in postsecondary education, and by \$2,000 for each additional family member enrolled in postsecondary education.

For HESC to consider other family members enrolled in postsecondary education, family members must be enrolled on a full-time basis for at least one term of the academic year for which they are seeking an award. They must be enrolled in an educational institution approved for TAP, Pell Grants, or any of the federal or New York State student loan programs. The educational institution where the other family member is enrolled does not have to be in New York State, but it must be approved for one of these programs.

If another family member is enrolled in postsecondary education for any term of the academic year, the applicant receives an adjustment for the entire year. The other family member does not have to be enrolled for a corresponding term.

- **Reductions Less Than Minimum Award**

Under the following circumstances, HESC may reduce a student's award below the minimum award established for the award schedule:

- If the student's tuition liability is less than the minimum award, the adjusted award will not exceed the student's actual tuition liability. However, if the student's tuition liability is less than the statutory minimum (\$50 per semester), HESC does not pay an award.
- If a student has less than a full term of TAP eligibility remaining, HESC will adjust the student's award accordingly. This adjustment can result in a student receiving an award less than the minimum term award.

- **Award Recalculations for Withdrawals**

When a student withdraws or drops below full-time study and this results in a decreased tuition liability, HESC recalculates the award. HESC bases recalculated awards on the student's actual tuition liability that the school certifies on the Payment Roster. The recalculated award appears on the Remittance Advice.

## 4.6 Calculating Term Awards

### Regular Academic Year

To determine the term award, divide the annual award by the number of terms in the regular academic year. There are two terms on a semester calendar, fall and spring.

### 4.07 Verification

HESC verifies certain types of information applicants submit for state student financial aid.

#### a. Income Verification (IVP)

HESC verifies with the New York State Department of Taxation and Finance income information students provided on a TAP application. HESC compares the net taxable income and, if applicable, the pension income that the applicant and, if applicable, the applicant's spouse and parents report on the form with records of the New York State Department of Taxation and Finance.

## **Verification Results**

### **Unchanged Awards**

If the income information on the application and the tax return are comparable, no action is required. Neither the school nor the applicants receive additional notification.

### **Increased Awards**

If the total net taxable income on applicants' tax returns is less than that reported on the application, HESC increases the award. HESC sends an award certificate to notify students of the increase.

### **Decreased Awards**

If the total net taxable income on applicants' tax returns is greater than that reported on the application, HESC decreases the award. In this instance HESC notifies students of the reduced award by letter. HESC also offers students the opportunity to appeal the determination.

### **Student Appeals**

Students may appeal HESC's decrease in award determination if they believe HESC made an error. Students wishing to appeal must return the notification letter to HESC within 45 days of issuance. The individual - student, spouse, or parent - whose income is being questioned must sign the letter. Applicants should provide additional supporting documentation with the appeal. Applicants may submit appeals to the New York State Department of Taxation and Finance for further review. After HESC completes the review process, HESC will notify the student of the result of the appeal. If HESC is adjusting an award as a result of the appeal, HESC will send a new award notification to the student.

### **Institutional Responsibilities**

Ordinarily, HESC will show an award adjusted as a result of income verification on the Payment Roster. The institution is responsible for promptly reviewing and taking appropriate action to recover any excess funds that may have been disbursed to students before HESC verified their income.

#### **b. Verification that Other Family Members Are Enrolled In Postsecondary Education**

If an applicant claims an income adjustment for having another family member (or members) in college, HESC will verify the enrollment of the family member. Beginning in the fall, and continuing throughout the academic year, HESC attempts to verify enrollment of other family members through a match with HESC processing records. In many instances, HESC is able to verify enrollment through this match process. However, if the match is unsuccessful, HESC sends a letter to the applicant requesting confirmation of full-time attendance (12 credits per semester, 8 credits per trimester, or the equivalent) and matriculation of the other family member(s). This letter must be signed and returned to HESC for the applicant to remain eligible for the income adjustment. If the applicant fails to return the letter by the designated deadline, HESC rescinds the income adjustment and recalculates the applicant's award. An applicant whose award has been recalculated can appeal the action by providing documentation confirming the other family member's full-time enrollment and matriculation. The documentation required for reinstatement of the income adjustment must come from the Registrar's Office of the other family member's institution. The applicant must arrange to have that office verify, through official certification or transcript of notification of grades, the full-time enrollment and matriculation of the other family member. NOTE: Any documentation submitted should be addressed to the HESC-VIAC Unit and include the applicant's name and Social Security number.

## **4.08 Use of Awards**

The TAP program is intended to help students meet educational costs. Accordingly, HESC expects institutions participating in this program to implement institutional policies and procedures to assist in delivering financial aid benefits to students.

### **a. Required Deferment of Tuition**

HESC requires schools to defer term tuition charges in an amount equal to the award when students present valid award notification for a TAP or other state award for that term, or if the student's award appears on an institution payment roster for that term.

#### **Exceptions:**

Schools are not required to defer tuition based on an award notification or payment roster when:

- the institution reasonably believes the student may be ineligible for the award or that the award amount may be reduced; or
- the institution is waiting for the student to complete or correct financial aid forms that could affect the student's eligibility for an award or the award amount; or the institution is waiting for income verification.

### **b. Suggested Deferment of Tuition**

In the absence of an award notification, schools are encouraged to defer term tuition charges:

- when the institution can determine that the student is eligible for an award for the term and the amount of the award by using HESC's School Inquiry Services, or
- by referring to a student status list.

### **c. Crediting of Awards**

HESC requires schools to credit student accounts with any TAP payments or prepayments within seven calendar days of when the student incurred a full tuition liability for the term; or within seven days of when the school receives such payment or prepayment check, whichever is later.

The method of crediting student accounts may vary depending on institutional accounting procedures. However, the crediting date, as described above, initiates a time frame for the institution to disburse any TAP funds due the student.

### **d. Disbursement of Funds**

The institution should disburse any TAP awards to the student as soon as possible, but not more than 45 days after the institution has credited the award to the student's account.



**Exceptions:**

Instead of disbursing funds, schools may credit them toward a future term if the student authorizes the credit in writing. Schools may also credit TAP payments toward charges the student has incurred for a future term. That term must already be underway when the school receives the payment, and the balance for that term must exceed the amount deferred for that term based on anticipated receipt of a TAP award.

**4.09 Refusal of Award**

By submitting an application for payment, HESC assumes students want to receive any TAP awards for which they have been approved.

Students may refuse an award for any reason provided they notify the school before being certified as eligible for the award. Students must also make appropriate financial arrangements with the school if the school deferred charges pending receipt of the award. Once the school certifies a student's eligibility for an award, HESC considers the student to have accepted the award for that term. Students may not refuse the award after they've been certified.

**4.10 Student Status Listings**

HESC makes these cumulative listings available on a monthly or weekly basis to all schools participating in the TAP program. The lists include all students for whom HESC has processed an award, HESC has denied an award, or whom HESC has placed in pending status awaiting additional information. The lists should aid school personnel in granting tuition deferments, advising students of their TAP application status, and counseling students who have failed to respond to HESC's requests for additional information.

**4.11 Filing Deadlines****a. Payment Applications**

To receive TAP, the student must submit an application postmarked on or before June 30 of the academic year for which assistance is sought.

**b. College Code Changes**

Changes to college codes, whether the student submits them on a change form or the institution submits them electronically, must be submitted by closeout for payments purposes of the academic year for which the change is being made.

**c. Other Changes**

Other changes, whether submitted on a change form or electronically, must be submitted by June 30 of the academic year for which assistance is being sought, or within 45 days of issuance of an award approval or denial notice by HESC, whichever is later. Students whose applications are denied for not responding within 45 days to HESC's request for additional information must respond by June 30 to have HESC review the application again. The 45-day provision does not apply to denials for failing to apply by June 30.

HESC will deny awards to students who fail to submit a timely application or response.

## **Chapter 5: Certification Procedures**

### **5.00 Definition of Certification**

Certification refers to the institution's responsibility for determining and reporting to HESC information on students' fulfilling eligibility criteria for awards for which HESC has approved students. Institutions are also responsible for reporting students who have failed to satisfy eligibility criteria. The institution discharges this responsibility by either certifying or decertifying students on payment rosters.

#### **5.01 Status of Student**

HESC places all students approved for an award on a payment roster. The school must then determine their eligibility. Once the school decides whether a student is eligible, the student's award status for the term will be one of the following:

##### **a. Certified**

The school has determined that the student satisfies the eligibility criteria for the award for that term.

##### **b. Decertified**

The school has determined that the student does not satisfy the eligibility criteria for the award for that term.

##### **c. Pending**

The school is temporarily unable to determine the student's eligibility for an award for that term. The school will not certify that student until the eligibility uncertainty is resolved.

#### **5.02 Certification Status Date**

The school cannot certify a student for a particular term until the certification status date, the date the student would have incurred full tuition liability for the term.

#### **5.03 Certification Codes**

The school uses a series of numeric codes, to be entered on the term payment roster, to certify or decertify students for awards for that term. Following is a list and explanation of each of the certification codes:

- Codes 1 through 3 are certification codes schools use to indicate that the student is eligible to receive an award.
- Codes 4 through 9 are decertification codes schools use to indicate that a student is not eligible to receive an award. If more than one decertification code applies, enter the most relevant code.

Code	Explanation
1	<b>Eligible.</b> The student satisfies all of the eligibility criteria for the award. A student who meets this criterion but then drops below full time is also certified using Code 1 as long as the student incurs tuition liability for each of the credits comprising full-time study.
2	<b>TAP-No Scholarship.</b> The student satisfies all eligibility criteria for a TAP award but does not meet the eligibility criteria for a scholarship for which he/she has also been approved. If an institution denies a scholarship because the scholarship holder would have received a concurrent benefit and the student is not eligible for TAP, use Code 9 to decertify the student for the scholarship. <b>This code is not applicable to this program.</b>
3	<b>Withdrawn with Tuition Liability.</b> The student has withdrawn from all courses or has been terminated from school after the first day of classes but has incurred a tuition liability for the term.
	(Schools should also report reduced term tuition liability under tuition field.) NOTE: Schools should carefully review good academic standing before certifying a student for an award for a later term if the school used a Code 3 in the preceding term.
4	<b>Not Registered.</b> The student was not registered for the term, has withdrawn without incurring a tuition liability or chooses to refuse the award.
5	<b>Not Full-time.</b> The student is not registered for sufficient credit hours (or the equivalent) for the term to meet full-time study requirements.
6	<b>Not Matriculated.</b> The student is not a recognized candidate for a degree or for a diploma or certificate creditable towards a degree.
7	<b>Does not meet the Accelerated Study requirements. This code is not applicable to this program.</b>
8	<b>Not in Good Academic Standing.</b> The student does not meet HESC's Program Pursuit requirements or the institution's approved standards of satisfactory academic progress or does not have a C average (2.0 GPA) after having received two years of TAP. NOTE: For students who are not in good academic standing but are granted the one-time waiver, certify Code 1 and enter a "W" in the waiver column.
9	<b>Miscellaneous.</b> This code is used to decertify a student who is not eligible for an award for reasons other than those in Codes 4 through 8.  Examples: Not an approved program, the student does not meet New York State residency or U.S. citizenship requirements, or the high school graduation requirement.

## 5.04 When Students' Eligibility Is Assessed

Students must meet citizenship, residency, high school graduation and good academic standing requirements as of the *first day of classes* for a particular term to be certified as eligible for an award for that term.

Students must meet matriculation requirements, approved program requirements, full-time study requirements and tuition liability requirements sometime between the first day of classes and the *certification status date* for a particular term to be certified for an award for that term.

## 5.05 Payment Points

### a. Description

By law, students are limited as to the number of payments they can receive through the TAP program. HESC uses a payment point system to monitor the number of payments students have received.

Points are charged to students' records for each term payment received as follows:

<b>Term Types</b>	<b>Number of Points</b>
Semester	6

Students who have received TAP awards for an entire academic year will accrue a total of 12 payment points. At a semester-based institution, students would accrue six points per term for each of two terms - fall and spring.

### b. Reporting Point Consumption

Unless otherwise noted (see Chapter 1), students can normally receive TAP awards for up to four years of study. Students are allowed to receive payment for a fifth year of study if enrolled in an approved five-year degree program.

Normally students will accumulate 48 payment points for four years of undergraduate study or 60 payment points for five years of study.

HESC reports payment point information on the payment roster. This information includes points associated with the current term. For example, a student being approved for a first award at a semester school will show six points for that term. Payment point information on the roster also includes any previously certified or pending terms. Pending terms for the same academic year are on the roster in the "Pend" field and is F=fall.

Additional information on payment point consumption is in Chapter 5, Section 5.07b, "Note on Point Summaries."

### c. \$100 Statutory Reduction

By law, undergraduate students' TAP awards are subject to a \$100 annual reduction after students have received the equivalent of two full years of TAP assistance. HESC reduces the award on a term basis. The reduction takes effect during the term the student will have accumulated more than 24 payment points. The amount of the reduction per term is as follows:

<b>Term Types</b>	<b>Amount of Reduction Per Term</b>
Semester	\$ 50.00

### d. Using Payment Points

- **HESC Use**

HESC uses payment points to track the number of payments it gives students. This enables HESC to make the \$100 statutory reduction for TAP awards at the appropriate time and to deny further TAP awards when the student has exhausted award eligibility.

- **Institutional Use**

Institutions use the number of payment points a student has received to evaluate good academic standing. By dividing the student's total number of payment points by the number of points assigned the student per term (six), institutions can determine the number of payments the student has received. NOTE: If, because the student received partial payments, the total points do not divide into an even number of payments, round the points down to the nearest number of full payments to evaluate good academic standing.

Additional information on using payment points is in Chapter 5, Section 5.07b under "Note on Points Summaries."

## 5.06 Payment Roster

### a. Description

The Payment Roster is produced periodically for each school code. It contains the names of all students who, at the time of production, have been approved for a TAP award for a particular term and have not previously appeared on a roster for that term.

### b. Production Schedule

HESC produces payment rosters based on application processing volume and the school's term structure-semester. HESC generally produces rosters by the start of each term and periodically thereafter.

## 5.07 Payment Roster Details

HESC formats the Payment Roster with three distinct sections: a heading at the top of the page, a student data section on the left side of the page, and a certification data section on the right side of the page. A description of the items in each section follows:

### a. Heading

This section contains basic school identification information.

- **College Name**  
Name of the school for which HESC produced the roster.
- **College Code**  
The school's assigned four-digit institutional identification code.
- **Term/Year**  
The academic term (fall and spring) and the academic year (2011-2012, etc.) for which the roster was produced. This may also be expressed as a five-digit entry (for example, 22011 for fall and 42011 for spring).
- **Roster No.**  
The three-digit sequential number assigned to the roster (001, 002, etc.)
- **Payment Type**  
The payment option the school has selected - prepayment or nonprepayment. HESC will also show a prepay percentage if the school has selected a prepay option.
- **Term Type**  
Reflects the term structure the school uses - semester.

### b. Student Data Section

This section contains, for each student, information derived from the student's payment application and from HESC's master file. The specific items in this section are:

- **Name, Date of Birth**  
The student's name and date of birth. The school cannot change this information. If there are errors in either field, but the school can otherwise identify the student with certainty, proceed with certification and advise the student to make corrections on a student change form. Do not make corrections on the roster. If the student's identification is uncertain, leave the student in pending status until discrepancies can be resolved. If the discrepancy is resolved, decertify the student using certification Code 9.
- **TAP Award**  
The amount of assistance HESC will grant the student for the term through the Tuition Assistance Program.

- **Other Award**

This section is not applicable to this program.

- **Total Award**

The total amount of assistance HESC will grant the student for the term.

- **Year Schedule**

This information appears directly below the student's last name. The two-digit numeric designation indicates the first academic year, in which the student received a TAP award. The alpha designation refers to the payment schedule on which HESC calculates the student's TAP award. RED, or reduced, will follow the alpha character to indicate that the student's TAP award for that term is subject to the statutory reduction that is mandated after the student has received the equivalent of four or more semesters of TAP.

- **Award Prog. Codes**

HESC uses the following alpha codes. If HESC has approved the student for an award for the term indicated on the roster, an asterisk will appear to the right of the alpha designation.

## **TU- TAP Undergraduate**

### **Pend**

This field indicates if a student is in pending status (on a roster but not yet certified or decertified) for a prior term of the same academic year. The following alpha code designates the prior term: F=fall. No code in this field indicates the student is not in pending status for any prior term of the academic year.

### **Point Summaries**

Directly beneath each of the award program codes on the roster will be a summary of the total payment points (including pending terms) the student has accumulated for the program.

### **NOTE on Point Summaries**

TAP points are only accumulated when the student receives or is pending receipt of a TAP award.

In reviewing point summaries to determine good academic standing, always use the highest point total. Schools that are uncertain about the point total should use one of the HESC inquiry services for specific payment information.

## **c. Certification Data Section**

This section contains information used to certify each student's eligibility for an award. Schools may make changes to all fields in this section except to the student's Social Security number. The specific fields contained in this section are:

- **Cert. Code**

To certify or decertify a student, the school enters one of the numeric certification codes in this field.

- **SSN & CD**

This field is for the student's Social Security number, followed by a single check digit (CD), which HESC uses for internal purposes. In case of error, only the student can change the Social Security number. The check digit, assigned by HESC, should never be changed. Schools can certify students with incorrect Social Security numbers if they can otherwise be identified with certainty. If discrepancies in the Social Security number cannot be resolved, schools should decertify the student using Code 9.

**NOTE:** To correct errors in the Social Security number, advise student to submit a student change form with the correct number and a photocopy of the Social Security card.

- **Five Yr**

This field is used to certify students who are enrolled in an approved five-year degree program for a fifth year of award payment.

When applying for an award, students who have previously received eight semesters of payment and who either indicate enrollment in a five-year degree program will be placed on a roster if their institution has been approved for such a program. HESC will preprint a "5" in this field.

**NOTE:** If the school has not been approved for a five-year degree program, HESC will deny the student an award, and the student will not appear on a roster.

To certify a student for a fifth year of payment, use certification Code 1, and enter a "5" in the five-year field. If the student is otherwise eligible for an award but is not enrolled in an approved five-year degree program, use certification Code 1, and enter the letter "N" in the five-year field. If the student is ineligible for an award for other reasons, ignore this field and use the appropriate code (Code 4 through Code 9) to decertify the student.

#### **d. Limitation of Amount of Award**

Receiving certain types of financial assistance from sources other than HESC may affect students' eligibility to receive TAP. Possible sources of other educational assistance include the Federal Government, other state agencies, school districts, fraternal organizations, businesses and foundations. Other benefits will affect students' eligibility for TAP awards if HESC has determined that they constitute either a duplicative or a concurrent benefit.

- **Duplicative Benefits**

Duplicative benefits are those that duplicate the purpose of a TAP award. Generally, this refers to funds that are specifically intended to cover tuition charges. The total of a TAP award and the duplicative benefit cannot exceed students' actual tuition liability. The TAP award would be reduced accordingly.



## **Examples of duplicative benefits:**

### **Federal**

Any educational grant or scholarship that provides assistance to cover tuition charges. ROTC scholarships are a fairly common type of duplicative federal benefit.

### **State**

Grants administered by other state agencies, such as the Office of Vocational Rehabilitation, that provide assistance to cover tuition charges are duplicative. However, grants that are limited to the difference between tuition and the TAP award are not duplicative.

### **Institutional Aid**

Any college-awarded grant or scholarship that is based on a general competition and that, when combined with other aid, would exceed the student's cost of attendance is duplicative. Tuition remission or tuition waivers that are not based on need are also duplicative. Typically this could include remission or waivers granted for status as a faculty dependent.

### **Other Private Aid**

Any grant or scholarship awarded through other or private sources that, when combined with other aid, would exceed the student's cost of attendance is duplicative.

The above list includes the types of other benefits that are duplicative. It is not a definitive list. The institution should contact HESC at 1-888-NYS-HESC with questions on the duplicative nature of other benefits students receive.

### **Benefits With No Effect**

The following types of assistance are not considered to be either duplicative or concurrent:

- loans of any type
- nonservice institutional grants, waivers or tuition remission that is based on need
- salary (or tuition credit in lieu of salary) for services performed
- academic, athletic or other prizes, except that portion exceeding the cost of maintenance
- New York State Native American Indian aid
- G.I. Bill benefits
- U.S. War Orphan benefits
- Social Security benefits
- subsistence allowance for ROTC students
- federally sponsored Pell Grants, SEOG Grants and awards through the College Work-Study Program
- grants made through a New York State-sponsored opportunity program (EOP, HEOP, CD, SEEK)
- New York City Mayor's Scholarship Program

If the student will receive duplicative benefits, the school should enter the amount of these benefits in this field when certifying the roster. This will result in an award recalculation when HESC processes the roster and may adjust the amount of a student's award.

## 5.8 Special Certification Procedures

### a. Certification of Medical-Health Waivers

Students who are precluded from meeting the full-time study requirement for TAP because of health or medical reasons can be certified for work completed over two or more terms of part-time study.

The following procedures are applicable when certifying students on this basis:

- A physician's statement must document each term of less than full-time attendance.
- A student payment application must be submitted for each academic year in which the student seeks to be credited with a term of less than full-time study.
- The student must meet all other eligibility criteria during any term of less than full-time study.
- Schools must decertify (using Code 5- not full time) for any term of less than full-time study until the student has accumulated enough credit hours for full-time study.
- The school may certify a student for an award in the term when the student has finally accumulated enough credit hours for full-time study.
- When the school certifies the student, the school must enter on the payment roster the actual tuition liability incurred over all terms of less than full-time study. HESC will base the term TAP award on this combined tuition liability.

### b. Students with Disabilities

Students who are disabled as defined by the Americans with Disabilities Act (ADA) and are attending part-time (at least three credits per semester or the equivalent) can be certified for a part-time TAP award for any approved term.

- Schools should be aware that the certification code used for an eligible student with disabilities should be Code 1; Eligible. Code 5, defined as "Not full-time," is a decertification code that HESC uses to indicate a "not eligible" status.
- HESC preprints the term tuition charge, as reported to HESC on the prepayment survey, in the tuition field. If the student's actual tuition liability differs from the preprinted amount, enter the actual tuition liability.
- Schools will certify a part-time award by entering "PT" in the "Enrollment Status" field of the payment roster. This can be done via Student Record Maintenance (SRM) on the Web, via View/Submit Pending Certification Transaction or via mainframe to mainframe transmission.
- HESC will periodically send TAP certifying officers lists of students who were certified part-time (PT). HESC requires the certifying officer to review this list and confirm that the students were eligible under the ADA.
- HESC will calculate the TAP award amount for part-time ADA students in the following manner:
  - If the actual tuition liability is less than half the maximum term award, HESC determines the award amount by subtracting half the term income reduction from the actual tuition liability.

- If the actual tuition liability is equal to or greater than half the maximum term award, the award is equal to half of the term award.
- As with other part-time awards, three semester points will be consumed for each part-time payment. (See also Chapter 3, Section 3.01e. Students with Disabilities.)

## 5.9 Certification Deadlines

### a. Payment Rosters

Schools must certify no later than 60 days from the date the roster was issued or 30 days from the end of the term, whichever is later.

### b. Student Certification Changes

HESC will accept at any time changes that will result in a student being decertified or in an award being reduced. Schools must submit to HESC other changes being made on this form within 90 days of the issuance of the Remittance Advice on which the student appears or by May 1 of the academic year, whichever is later.

## 5.10 Certification Post-Audit Reports

### Student Previously Certified as Withdrawn with Tuition Liability-HE8258

The Certifying Officer at the institution is responsible for the reporting of good academic standing as it applies to TAP eligibility. If a student withdrew from all courses and was certified as such (certification Code 3), the student would be ineligible for later TAP award until good academic standing was restored. A student can regain eligibility for TAP by making up past academic deficiencies by successfully completing one or more terms of study without TAP; being readmitted to school after an absence of at least one year; or transferring to another eligible institution.

HESC will no longer process a term award certified without a waiver after a term in which the student was certified as "withdrawn with tuition liability," as indicated by a certification Code 3. HESC will list the certification data and information concerning the term in which the student withdrew on form HE8258, "Students Previously Certified as Withdrawn with Tuition Liability." HESC will forward the list to the school with the Remittance Advice. This form will allow the school to decertify the student; certify the student using a waiver; or change the certification for the term in which the student withdrew. The report is a certification document, and as such, the certifying officer must sign the affirmation at the bottom.

**NOTE:** Although HESC produces this report on a routine basis, schools will receive this report infrequently, if at all. Schools can gauge the number of reports they will receive in the future by the number of post-audit reports received in the past.

HESC will include transmittal memos with detailed explanations and instructions with the reports when they are issued.

# Chapter 6: Payment Procedures

## 6.00 Payment Methods

HESC does not pay any TAP awards directly to students. All awards are paid through the school where the student is enrolled. Schools' Payment Options are as follows:

### a. Prepayment Option

HESC forwards to the school a percentage of the total value of all awards listed on the Payment Roster before the school certifies student eligibility. HESC will make prepayments no sooner than 30 days before the start of any term.

HESC makes prepayments in a single lump-sum payment to the school for each Payment Roster. If the prepayment amount is insufficient to cover the value of all certified awards, HESC forwards a supplemental payment to the school after HESC processes the certified roster. The supplemental lump-sum represents the difference between the value of certified awards and the prepayment amount. If the lump-sum prepayment exceeds the value of all certified awards after HESC processes the Payment Roster, the school must refund the excess prepayment amount to HESC.

### Prepayment Deadlines

For schools selecting the prepayment option, HESC will make prepayments for fall rosters issued before November 30; and spring rosters issued before April 30 of the applicable academic year. Rosters issued after these dates will be nonprepay.

Certification Rate	Prepayment Percentage
93% +	90%
88% - less than 93%	85
83 - " " 88	80
78 - " " 83	75
73 - " " 78	70
68 - " " 73	65
63 - " " 68	60
58 - " " 63	55
53 - " " 58	50
48 - " " 53	45
43 - " " 48	40
38 - " " 43	35
33 - " " 38	30
28 - " " 33	25
23 - " " 28	20
18 - " " 23	15
13 - " " 18	10
0 - " " 13	0

## **b. Nonprepayment Option**

Under this option no payment is sent to the school until the school certifies the Payment Roster and HESC processes it. HESC pays the school for the total value of all certified student awards for a payment roster, as indicated on the Remittance Advice.

## **6.01 Remittance Advice**

The Remittance Advice (RA) is produced weekly for the current academic year and lists all certification activity on a particular payment roster. RAs reflect student award status based on current transaction processing. The Remittance Advice is the official accounting document which records the students eligibility and the approval for payment. As such school officials must review the RAs to ensure that HESC accurately processed the school's certification data.

### **a. Groups**

For each payment roster, the RA lists the following groups of students: (Students are listed alphabetically within groups.)

- Students who have informed HESC that they are no longer in attendance. Students or schools submit this information on a college code change form. HESC has decertified these students from the payment roster.
- Students who have been decertified by their schools. Students appear in this group because the school determined that the student failed to meet one or more of the eligibility criteria for an award.
- Students whose awards have changed since being placed on the payment roster indicated. This category results from changes\* either the school or the student submits for students initially certified for an award. Awards, therefore, may increase or decrease.
- Students whose awards are the same as on the payment roster.
- Students are grouped by roster number or numbers if they appear on more than one roster.

### **\*Types of Changes**

#### **School-initiated**

Changes made as a result of school certification activity or by the school submitting certification changes.

#### **Student-initiated**

Changes to information in student application data resulting from the student submitting a Change Form.

#### **HESC-initiated**

Changes based on HESC's transaction processing which changes the student's payment history.

## b. Nonappearance

If a student who has been certified or decertified by the school fails to appear on the appropriate Remittance Advice, one of the following situations has probably occurred:

- The school did not certify or decertify the student according to required procedures.
- HESC did not process some certified roster information.
- A problem occurred with the student's payment history. HESC must review and correct the problem.

HESC will notify the school if it needs to take specific further action. If the school does not receive instruction from HESC, the school can recertify the student.

HESC considers students to be in pending status until they appear on an RA.

## c. Production Schedule

HESC will produce an RA only if there are processed transactions for a particular payment roster. HESC produces RAs once a week during the current academic year.

## d. Fields

The following entries are provided for each student listed on an RA. An asterisk (\*) before a student's name indicates that the student was on a previous RA pertaining to the same payment roster.

<b>Field</b>	<b>Description</b>
STUDENT NAME, SSN/CD & DOB	Basic student identification information.
SCHOL ID	Program code (TU-Undergraduate TAP).
FIRST YEAR	The first year in which the student received a TAP award.
TERM TUITION EDUC EXPENSES	The term tuition charge and/or the term charge for educational expenses, as certified on the roster or on a certification change form (the original roster tuition remains for a decertified student).
OTHER BENEFITS	The term other benefits as certified on the roster or certification change form.
PREV TAP AWARD	If there is an asterisk before the student's name, the previous award is the student's TAP award as indicated on a prior RA for the same payment roster. If there is no asterisk before the student's name, the previous award corresponds to the TAP award listed on the payment roster.
CURR TAP AWARD	The current TAP award is the student's TAP award as listed on the payment roster unless it has been adjusted based on changes initiated by the school, the student, or HESC.

TOTAL CURR AWARD	The total award the student will receive.
NET DIFF	The result of subtracting the previous award from the current award.
REASON CODE	A short explanation of the current award. Following is a list of the messages and the related certification code:
<b>Reason</b> Certified Award recalculation TAP - but no scholarship Award recalculation - TAP only Withdrew - tuition liability Award recalculation - tuition liability Not registered Not full-time Not matriculated Accelerated Study Not in good academic standing Miscellaneous denial College Code change	<b>Code</b> 1 1 2 (not applicable to this program) 2 2 3 3 4 5 6 7 (not applicable to this program) 8 9 *
*A college code change results in HESC automatically decertifying the student if the change is processed before certification.	
GAS INF	The total payment points the student has accumulated for good academic standing purposes through the current term. Pay points are listed under the term associated with the roster.
WAIVER	A "W" is preprinted in this field if the student has used the one-time waiver of good academic standing.
TOTAL COLLEGE CODE CHANGES	The number of students for whom a college code change was submitted before certification.
TOTAL STUDENTS DECERTIFIED	Total number of students who were decertified on the payment roster. The previous, current, and net difference of all decertified awards is also listed.
TOTAL ROSTER AWARD CHANGES	The total number of students whose award changed since being placed on a payment roster. The previous, current, and net differences of all awards in this category are also listed.
TOTAL CERTIFIED NO AWARD CHANGE	Total number of students whose previous awards remain unchanged after certification.
GRAND TOTAL ALL GROUPS	The total number of students on the RA. Previous awards, current awards, and the net

	difference of the awards for all students on the RA are also indicated.
ROSTER TOTALS NET NUMBER OF STUDENTS	The number of students on the RA excluding students with an asterisk preceding their names (who appeared on a previous RA for the same roster).
DOLLAR TOTAL OF CERTIFICATIONS	Total value of certified awards. Includes current award for all students without an asterisk before their names and the net difference of students with an asterisk before their names.
TOTAL NET DIFFERENCE	The sum of all the net difference entries on the RA. It can be either a positive or negative amount.
TOT PREV AWD	The sum of all the previous award entries on the RA.
TOT CURR AWD	The sum of all the current award entries on the RA.

## 6.02 Pending List

The Pending List is a list of all students on a particular payment roster who are neither certified nor decertified, according to HESC records. Students remain in pending status because either the school has not yet submitted a certification transaction, or HESC has not yet processed the transaction, or the transaction resulted in an error during processing. Regardless of the cause, the Pending List enables the school to identify students who are listed as pending on Accounting Reports. HESC produces a pending list for each Accounting Report for which there are pending students.

## 6.3 Institution Accounting Report

### a. Description

The Institution Accounting Report (IAR) is a cumulative accounting document that accompanies each RA and details all financial transactions affiliated with each special TAP payment roster.



**b. Fields**

HESC provides the following entries in the IAR headings:

<b>Entry</b>	<b>Description</b>
DATE	The date HESC produced the report.
INSTITUTION	The college code number and name of the school.
PREPAYMENT PERCENTAGE	The amount of funds advanced to the school, expressed as a percentage of the total value of the Payment Roster.
TERM	The term for which HESC is producing the IAR, expressed in a three-digit numerical format, for example, 211=fall 11/12 and 411=spring 11/12
ROSTER	The number of the payment roster for which HESC is producing this IAR. The entries in the activity section of the IAR are:
ACTIVITY DATE	<p>The processing date for each of the following activities:</p> <p><b>Payment Roster</b> - date produced by HESC</p> <p><b>Remittance Advice</b> - date produced by HESC</p> <p><b>Returned Checks</b> - date processed by HESC</p> <p><b>Supplemental Payment</b> - date HESC produced the voucher requesting a supplemental payment from the State Comptroller</p> <p><b>Adjustments</b> - date processed by HESC</p>
ACT. TYPE	<p>The particular activity that generated the line of data:</p> <p><b>PR</b> - Payment Roster</p> <p><b>R</b> - Returned Checks and Refunds</p> <p><b>RA</b> - Remittance Advice</p> <p><b>S</b> - Supplemental Payment (or initial payment for nonprepay schools)</p> <p><b>A</b> - Adjustments for HESC relating to a transfer of liability</p>
REFERENCE NUMBER	<p>This number is associated with each activity type in the following way:</p> <p><b>PR</b> - voucher number used to request a prepayment</p>

	<p>check from the State Comptroller (entry is blank for rosters that are not prepaid and for all rosters at nonprepay schools)</p> <p><b>R</b> - no reference number listed</p> <p><b>RA</b> - the sequential number of the Remittance Advice</p> <p><b>S</b> - voucher number used to request a supplemental payment check from the State Comptroller (or an initial payment check for nonprepay schools)</p>
STUDENTS	<p>A number will be indicated only across from PR and RA entries.</p> <p><b>PR</b> - total students on the payment roster</p> <p><b>RA</b> - students decertified on the RA. If no decertification, field is blank. Number always has a negative sign associated with it, as it represents decertified students</p>
CERT STUDENTS	<p>Number in this field will only appear across from an RA entry and represents the number of students certified on that RA. If a Change Form decertifies a previously certified student, a negative entry can appear in this field.</p>
FACE VALUE	<p>This number is associated with the following activity types:</p> <p><b>PR</b> - total value of a roster upon certification, taken from the last page of the roster.</p> <p><b>RA</b> - total net difference on the RA for a particular payment roster.</p>
PAYMENT TRANSACTIONS	<p>The dollar figure is associated with the activity types listed in the following manner:</p> <p><b>PR</b> - the prepayment amount for schools selecting this payment option (entry is blank for rosters that are not prepaid and for all rosters at nonprepay schools)</p> <p><b>R</b> - the dollar value of refunds returned to and processed by HESC (entered as a negative)</p> <p><b>RA</b> - the dollar value of certifications on the RA (entered as a negative)</p>

	<p><b>S</b> - the dollar value of supplemental payments HESC sends to schools selecting a prepayment option, or the dollar value of the initial payment to nonprepay schools.</p>
BALANCE	<p>The cash balance from each transaction. A positive balance indicates that the institution has funds in excess of the certified value of the roster. A negative balance indicates money is due the school.</p>
TOTAL	<p>Totals are provided for each of the following fields:</p> <p><b>STUDENTS</b> - total number of students on the payment roster, less any decertified students</p> <p><b>CERTIFIED STUDENTS</b> - total number of students certified to date; when this figure equals total under STUDENTS, the entire roster is certified.</p> <p><b>FACE VALUE</b> - the new Value of the payment roster after award changes from decertification and reductions are taken into consideration.</p> <p><b>PAYMENT TRASNCTIONS</b> - the balance of payments as of the last activity listed. A positive figure indicates funds unaccounted for (pending students, etc.).</p> <p><b>BALANCE</b> - the cash balance as of the last activity indicated. A positive balance indicates funds due HESC.</p> <p><b>TOTAL STUDENTS PENDING</b> - the number of students on the Payment Roster still in pending status. It represents the difference between STUDENTS and CERTIFIED STUDENTS.</p> <p><b>TOTAL NET PAYMENTS</b> - the total of all payments (prepayments and supplemental payments) made to the school for the particular payment roster, less any checks returned to HESC. Adjustments are also reflected in this total.</p> <p><b>TOTAL DOLLARS PENDING</b> - the total value of awards for students in pending status.</p> <p><b>TOTAL LIABILITY TRANSFERS</b> - the total amount of dollars affected by a transfer of liability from the school to students for a particular payment.</p>

	<p><b>TOTAL L.T. AFFECTED STUDENTS</b> - the total number of students on the Payment Roster for whom a transfer of liability has been processed.</p> <p><b>REFUND DUE</b> - the amount due HESC when the TOTAL NET PAYMENTS exceeds the FACE VALUE of the payment roster. An entry in this field represents a refund request by HESC to the school that must be paid within 45 days after HESC issues the IAR. HESC does not send a separate refund request.</p> <p><b>REFUNDS IN DISPUTE</b> - the dollar value of any individual student refunds due HESC that the school has disputed and HESC has agreed to review. HESC temporarily reduces the REFUND DUE field by this amount until the matter is resolved.</p>
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**6.04 Accounting Reports**

The following Accounting reports are used to reconcile student payments by term. Supplemental payments and refunds are associated to term. All accounting reports are available for viewing and printing at HESC Web.

**a. Eligibility Roster Accounting Report**

This report contains a listing of the number of students by roster and identifies changes in certified value.

Decertified students are identified as a negative number under the "students" field.

Net face value is increased by positive amounts or decreased by negative amounts.

Certified value reflects positive amounts for students that were certified eligible.

Negative amounts represent either decertified students or students who were certified eligible but their awards were decreased.

**b. Summary Accounting Report**

A standard accounting report which lists all payment activity for a term.

Remittance advice entries will not be broken out by roster on this report.

Balance represents the schools running total for the term. Positive value indicates money the school has to work with; negative values indicate a supplemental payment is needed.

Certified value reflects positive amounts for students that were certified eligible and are subtracted from the balance. Negative amounts represent either decertified students or students who were certified eligible but their awards were decreased, this amount will be added to the balance.

Refunds will be calculated and displayed **only** when they are due.

### c. Term Payment Accounting Report

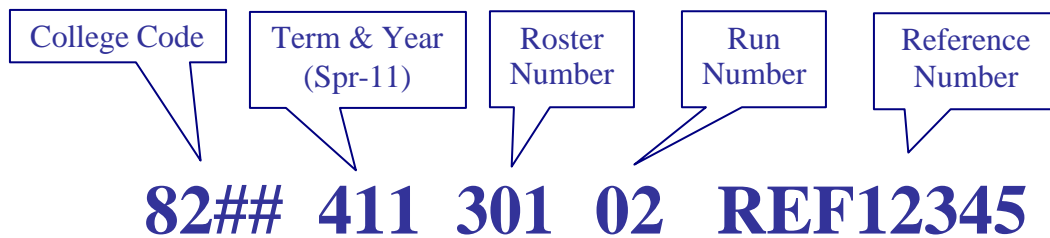
This report is similar to the Summary Accounting Report but also lists all rosters included in a particular Remittance Advise.

## 6.05 Electronic Payment Program

Electronic transfer of grants and scholarships payments is available through the Office of the State Comptroller. Funds are transferred directly to the institutions bank account. Schools wishing to participate in OSC's electronic payments program (epayments) can obtain instructions about applying by clicking on the Vendor Support button on the SFS website. Instructions are also available at: <http://www.osc.state.ny.us/epay/index.htm>.

School officials must log onto OSC's Statewide Financial System's (SFS) Vendor Self-Service Portal to retrieve their payment information; both epayments and state checks. SFS can be accessed using this web address: <http://www.sfs.ny.gov>. Payments are identified by using HESC's invoice number and can be reconciled with HESC's College Accounting reports. Below is a breakdown of the invoice number:

### Anatomy of an Invoice Number



Please contact HESC's Grants and Scholarships Payments at [payments@hesc.ny.gov](mailto:payments@hesc.ny.gov) if you have any questions about reconciling payments. Be sure to provide a phone number where you can be reached during the day.

## 6.06 State Checks

### a. Coding

OSC codes state checks issued for student awards (whether lump-sum prepayment or supplemental payment) using HESC's invoice number. Schools can reconcile both epayments and state check payments using the SFS website and HESC's College Accounting reports.

## **b. Security**

Each school participating in the TAP program is responsible for exercising due care when handling state funds. Certification of student eligibility for awards and the actual disbursement of awards must be separate responsibilities. To facilitate this, schools must ensure that only TAP certifying officers or their designees can certify student award eligibility. Bursars or their staff must never be allowed to certify student awards; bursars are responsible for crediting awards to student accounts.

## **c. Lost Checks**

If a State check (either a prepayment check or a supplemental payment check) is lost, the school should contact HESC's Payment Unit at [payments@hesc.ny.gov](mailto:payments@hesc.ny.gov) for instructions. Once OSC confirms HESC's stop-payment order has processed, HESC will ask OSC to issue a replacement check.

## **6.07 Refunds**

### **a. Term Accounting**

Schools must pay HESC refunds if the value of the school's total payments for a term is greater than the certified value for that term. Schools will be notified 45 days after the term end date of refunds due.

Failure to remit refunds can result in HESC suspending future payments to the school. HESC will notify the school if this action is to be taken. Schools **must not** forward refunds to HESC prior to notification of refunds due.

### **b. Processing**

HESC deposits refund checks as they are received. The canceled check will serve as a receipt. Once HESC processes and credits the refund to the proper term, it will be reflected on subsequent Term Accounting Reports. The school should verify the amount of the refund being credited and notify HESC's Refund Unit at [payments@hesc.ny.gov](mailto:payments@hesc.ny.gov) of any discrepancy.

### **c. Recovering Overpayments**

HESC determines liability for repayment according to the following guidelines:

- When HESC pays an incorrect award because of an administrative error by the school, the student, or HESC, or because a student failed to fulfill eligibility requirements for an award, HESC, or the school - acting as an agent for the State - may recover any overpayment from the student.
- When HESC pays an incorrect award because the school failed to fulfill certification requirements, HESC may recover any overpayment from the school.

- The method of recovering overpayments is as follows:
  - When a school fails to refund overpayments within the specified period, HESC may reduce future payments for eligible students by the amount overpaid. These are called offsets. HESC will continue to offset payments to the school until the refund is satisfied. Schools are still required to credit eligible student accounts for amounts offset to satisfy prior refunds owed.
  - When HESC reduces a student's award to less than the amount on the roster, the reduction is shown on the RA. The school should exercise due diligence in contacting the student and arranging for the student to pay the refund to the school. If, after a diligent effort, the school is unsuccessful in collecting the refund from the student, the school may transfer liability to HESC by means of a Transfer of Liability Affidavit (see Chapter 6, Section 6.08).

## **6.08 Transfer of Liability**

### **a. Description**

When a student receives an award overpayment, HESC first seeks recovery from the school. If, however, the school properly certified the student and disbursed the award in accordance with HESC policies and has made a diligent effort to recover the overpayment, the school may transfer liability to the student. The school cannot transfer liability if it decertified the student or took action that caused the student's award to be reduced but then disbursed the award in error.

### **b. Procedure**

To transfer liability for a refund to the student, the school must request and submit to HESC a Transfer of Liability Affidavit. The affidavit provides the following:

- Section I - indicates the school's actions to recover the overpayment
- Section II - provides detailed identification information on the student's award and the amount to be transferred
- Affirmation - must be signed by the school's certifying officer

### **c. Determinations**

HESC evaluates and approves or denies each student's account submitted for a Transfer of Liability based on the due diligence criteria outlined on the affidavit. HESC notifies the school whether the request for transfer of liability is approved or denied. The request must be submitted within one year from the date of the reduction.

### **d. Amount**

The amount of liability that may be transferred is limited to:

- the difference between the award listed on the payment roster and the award listed on the RA
- if the student appears on a later RA with a reduced award, the difference between this award and the award listed on the previous RA.

## **6.09 Unclaimed Awards**

If the school is unable to disburse an award, the award must be returned to HESC under the following circumstances:

- the student is eligible for the award; and
- the student's outstanding liability to the school for that term is less than the amount of the award; and
- the student cannot be located; and
- the school has tried and failed to locate the student over a reasonable length of time (the end of the term for which the award was made, or 90 days from receipt of the award funds, whichever is later).
- If the student has an outstanding liability to the school that is less than the amount of the award, the surplus, which normally would be disbursed to the student, can be returned to HESC under the conditions listed above.

The school must provide the following information for all unclaimed awards being returned to HESC:

- student's name
- student's Social Security number
- student's last known address and telephone number
- the school code, term, and roster number to which the award pertains
- an explanation of the amount refunded if it is less than the total award

## **6.10 Audits**

The New York State Comptroller's Office periodically conducts audits. Audits will evaluate the school's procedures and record keeping with respect to the certification of student eligibility for State awards. They are intended to ensure compliance with the New York State Education Law, HESC regulations and policies and procedures outlined in this Manual. The Comptroller's Office issues a draft audit report, based on its review of school records and discussions with school officials. The school then may comment on this report before the Comptroller's Office issues a final report. HESC will take appropriate action based on findings and recommendations contained in the final audit report.



## Appendix A:

### TAP Award Schedules through the 2015-16 Academic Year

NOTE: Effective with the 2010-11 academic year and thereafter, TAP at the graduate level is no longer funded.

#### Undergraduate Award Schedule

For students who are dependent on their parents, or who qualify as an orphan, foster child or ward of the court, or who are financially independent and are married and have tax dependents, or who are financially independent, are single and have tax dependents:

<b>At Degree-Granting Institutions or Not-For-Profit Registered Business Schools</b>	
<b>Schedule A</b> - Applicable to students who received awards in 1993-94 school year or earlier.	
<b>MAXIMUM AWARD</b> \$3,740 or tuition whichever is less Note: Annual Award is reduced by \$100 after 4 payments	
<b>MINIMUM AWARD</b> \$500	
<b>NTB</b>	<b>REDUCTION</b>
\$7,000 or less	
7,001 - 11,000	7% of excess over \$7,000
11,001 - 18,000	\$280 + 10% of excess over \$11,000
18,001 - 80,000	\$980 + 12% of excess over \$18,000
80,001 or more	NO AWARD

<b>Schedule D</b> - Applicable to first-time recipients in the 1994-1995 through 1999-2000 school years.	
<b>MAXIMUM AWARD</b> \$4,290 or tuition whichever is less (\$4,000 or tuition, whichever is less, at certain schools only offering programs of 2 years or less in duration.) Note: Annual award is reduced by \$100 after 4 payments.	
<b>MINIMUM AWARD</b> \$500	
<b>NTB</b>	<b>REDUCTION</b>
\$7,000 or less	
7,001 - 11,000	7% of excess over \$7,000
11,001 - 18,000	\$280 + 10% of excess over \$11,000
18,001 - 80,000	\$980 + 12% of excess over \$18,000
80,001 or more	NO AWARD

**Schedule E** - Applicable to first-time recipients in the 2000-2001 school years and thereafter.

**MAXIMUM AWARD**

\$5,165 or tuition whichever is less (\$4,000 or tuition, whichever is less, at certain schools only offering programs of 2 years or less in duration.)

Note: Annual award is reduced by \$100 after 4 payments.

**MINIMUM AWARD**

\$500

<b>NTB</b>	<b>REDUCTION</b>
\$7,000 or less	
7,001 - 11,000	7% of excess over \$7,000
11,001 - 18,000	\$280 + 10% of excess over \$11,000
18,001 - 80,000	\$980 + 12% of excess over \$18,000
80,001 or more	NO AWARD

**At Non-Degree Institutions and For Profit Registered Business Schools**

**Schedule F** - Applicable to students who received awards in 1988-89 school year or earlier

**MAXIMUM AWARD**

\$800 or tuition whichever is less

Note: Annual Award is reduced by \$100 after 4 payments

**MINIMUM AWARD**

\$100

<b>NTB</b>	<b>REDUCTION</b>
\$7,000 or less	
7,001 - 11,000	7% of excess over \$7,000
11,001 - 34,250	\$280 + 10% of excess over \$11,000
34,251 or more	NO AWARD

**Schedule G** - Applicable to first-time recipients in the 1989-90, 1992-93 and the 1993-94 school years.

**MAXIMUM AWARD**

\$800 or tuition whichever is less

Note: Annual Award is reduced by \$100 after 4 payments

**MINIMUM AWARD**

\$100

<b>NTB</b>	<b>REDUCTION</b>
\$7,000 or less	
7,001 - 11,000	7% of excess over \$7,000
11,001 - 42,500	\$280 + 10% of excess over \$11,000
42,501 or more	NO AWARD

**Schedule H** - Applicable to first-time recipients in the 1990-91, 1991-92, 1994-95 school years and thereafter.

**MAXIMUM AWARD**

\$800 or tuition whichever is less Note: Annual Award is reduced by \$100 after 4 payments	
<b>MINIMUM AWARD</b> \$100	
<b>NTB</b>	<b>REDUCTION</b>
\$7,000 or less	
7,001 - 11,000	7% of excess over \$7,000
11,001 - 50,500	\$280 + 10% of excess over \$11,000
50,501 or more	NO AWARD

#### Undergraduate Award Schedule

For students who are independent and are married with no tax dependents:

<b>At Degree Granting Institutions or Not-For-Profit Registered Business Schools</b>	
<b>Schedule C</b> - Applicable to students who received awards in any school year.	
<b>MAXIMUM AWARD</b> \$3,025 or tuition whichever is less Note: Annual Award is reduced by \$100 after 4 payments	
<b>MINIMUM AWARD</b> \$500	
<b>NTB</b>	<b>REDUCTION</b>
\$7,000 or less	
7,001 - 11,000	7% of excess over \$ 7,000
11,001 - 18,000	\$280 + 10% of excess over \$11,000
18,001 - 39,999	\$980 + 12% of excess over \$18,000
40,000 or more	NO AWARD

<b>At Non -Degree Institutions and For-Profit Registered Schools</b>	
<b>Schedule F</b> - Applicable to students who received awards in 1988-89 school year or earlier	
<b>MAXIMUM AWARD</b> \$800 or tuition whichever is less Note: Annual Award is reduced by \$100 after 4 payments	
<b>MINIMUM AWARD</b> \$100	
<b>NTB</b>	<b>REDUCTION</b>
\$7,000 or less	
7,001 - 11,000	7% of excess over \$7,000
11,001 - 34,250	\$280 + 10% of excess over \$11,000
34,251 or more	NO AWARD

<b>Schedule G</b> - Applicable to first-time recipients in the 1989-90, 1992-93 and the 1993-94 school years.
<b>MAXIMUM AWARD</b>

\$800 or tuition whichever is less Note: Annual Award is reduced by \$100 after 4 payments	
<b>MINIMUM AWARD</b> \$100	
<b>NTB</b>	<b>REDUCTION</b>
\$7,000 or less	
7,001 - 11,000	7% of excess over \$7,000
11,001 - 42,500	\$280 + 10% of excess over \$11,000
42,501 or more	NO AWARD

<b>Schedule H-</b> Applicable to first-time recipients in the 1990-91, 1991-92, 1994-95 school years and thereafter.	
<b>MAXIMUM AWARD</b> \$800 or tuition whichever is less Note: Annual Award is reduced by \$100 after 4 payments	
<b>MINIMUM AWARD</b> \$100	
<b>NTB</b>	<b>REDUCTION</b>
\$7,000 or less	
7,001 - 11,000	7% of excess over \$7,000
11,001 - 50,500	\$280 + 10% of excess over \$11,000
50,501 or more	NO AWARD

## Undergraduate Award Schedule

For students who are independent and single without dependents:

<b>At Degree-Granting Institutions or Not-For-Profit Registered Business Schools</b>	
<b>Schedule K</b> - Applicable to students who received awards the 1991-92 school year or earlier.	
<b>MAXIMUM AWARD</b> \$2,450 or tuition whichever is less Note: Annual Award is reduced by \$100 after 4 payments	
<b>MINIMUM AWARD</b> \$500	
<b>NTB</b>	<b>REDUCTION</b>
\$3,000 or less	
3,001 - 10,000	31% of excess over \$3,000
10,001 or more	NO AWARD

<b>Schedule L</b> - Applicable to students who received awards the 1992-93 and 1993-94 school years.	
<b>MAXIMUM AWARD</b> \$2,575 or tuition whichever is less	

Note: Annual Award is reduced by \$100 after 4 payments	
<b>MINIMUM AWARD</b>	
\$500	
<b>NTB</b>	<b>REDUCTION</b>
\$3,000 or less	
3,001 - 10,000	31% of excess over \$3,000
10,001 or more	NO AWARD

<b>Schedule M</b> - Applicable to first-time recipients in the 1994-95 school year and thereafter.	
<b>MAXIMUM AWARD</b>	
\$3,025 or tuition whichever is less	
Note: Annual Award is reduced by \$100 after 4 payments	
<b>MINIMUM AWARD</b>	
\$500	
<b>NTB</b>	<b>REDUCTION</b>
\$3,000 or less	
3,001 - 10,000	31% of excess over \$3,000
10,001 or more	NO AWARD

<b>At Non-Degree Institutions and For Profit Registered Business Schools</b>	
<b>Schedule P</b> - Applicable to undergraduate students who are financially independent and are single and have no tax dependents.	
<b>MAXIMUM AWARD</b>	
\$640 or tuition whichever is less	
Note: Annual Award is reduced by \$100 after 4 payments	
<b>MINIMUM AWARD</b>	
\$100	
<b>NTB</b>	<b>REDUCTION</b>
\$3,000 or less	
3,001 - 10,000	31% of excess over \$3,000
10,001 or more	NO AWARD

## Appendix B:

### Amended Guidance Regarding Registration of Postsecondary Curricula

**CEO:** 12-01A (supersedes CEO memo 12-01)  
**To:** Chief Executive Officers/Presidents of Institutions of Higher Education  
**From:** Barbara Hochberg, Director of Grants and Scholarships Programs  
**Date:** August 3, 2015  
**Subject:** Amended Guidance Regarding Registration of Postsecondary Curricula

Part Z of Chapter 58 of the Laws of 2011 (the “Program”) authorizes the Higher Education Services Corporation (HESC) to make tuition assistance program awards available to certain students not currently eligible for such awards in accordance with Chapter XXII of Title 8 of the New York Codes, Rules and Regulations (NYCRR). Students attending your institution may be eligible for such awards pursuant to this law.

This Memorandum supersedes CEO Memo 12-01 issued on January 11, 2012. This Memorandum provides the requirements for the registration of postsecondary curricula as required by 8 NYCRR §2408.8 and only applies to those programs of study at your institution subject to registration pursuant to this section implementing the Program. All terms herein shall have the same meaning as set forth in 8 NYCRR §2400.2.

- (a) Registration is required for every curriculum creditable towards a degree, as defined in 8 NYCRR section 2400.2(j), offered by institutions of higher education and every curriculum for which registration is required by statute, regulation, or the rules of the Corporation.
- (b) To be registered in accordance with 8 NYCRR §2408.8, each curriculum shall:
  - (1) be submitted to the president, together with such information as the president may require, in a form acceptable to the president;
  - (2) conform to all applicable provisions of 8 NYCRR Chapter XXII; and
  - (3) show evidence of careful planning. Institutional goals and the objectives of each curriculum and of all courses shall be clearly defined in writing, and a reviewing system shall be devised to estimate the success of students and faculty in achieving such goals and objectives. The content and duration of curricula shall be designed to implement their purposes.

- (c) Registration shall be granted only to individual curricula.
- (d) Each course offered for credit by an institution shall be part of a registered curriculum offered by that institution as a general education course, a major requirement, or an elective.
- (e) Each existing curriculum for which registration is required shall be registered before the institution may publicize its availability or recruit or enroll students in the existing curriculum, except for the spring term of the 2011-12 academic year.
- (f) New registration shall be required for any existing curriculum in which major changes are made that affect its title, focus, design, requirements for completion, or mode of delivery.
- (g) The length of the term of registration of each curriculum shall be determined by the president.
- (h) Each curriculum shall be subject to reregistration at times and in a manner prescribed by the president. Application for reregistration of each curriculum may be presumed at the discretion of the corporation and, in such event, no actual application for reregistration will be required.
- (i) Each institution shall notify the Corporation in writing of the discontinuance of any registered curriculum.
- (j) Registration or reregistration of a curriculum may be denied if the president finds that curriculum, or any part thereof, not to be in compliance with statute or regulation.
  - (1) Notice of the denial of registration or reregistration shall be given in writing by the Corporation to the chief executive officer of the institution and shall state the specific reasons for denial. When an initial registration of a proposed curriculum is denied, such notice shall also advise the institution of its right to appeal such denial pursuant to 8 NYCRR section 2408.11. When reregistration of a curriculum is denied, such notice shall also advise the institution of its rights to appeal such denial pursuant to 8 NYCRR section 2408.10.
  - (2) Reregistration of a curriculum shall be denied only upon a finding that a curriculum fails to comply with any applicable provision of statute, regulation, or rules of the Corporation. Such findings shall be based on an inspection followed by a written statement specifying failures to comply. The institution shall have an opportunity to respond in writing to such statement, and an opportunity to submit a plan, acceptable to the president, to achieve compliance.
  - (3) If a plan acceptable to the president is submitted, the curriculum will be registered during the period in which such plan is being implemented. At the end of such period, an inspection shall be made to determine the extent to which compliance has been achieved, and registration shall be denied or renewed based on such determination. Such denial of registration shall conform to the requirements of paragraph (j)(1) of this Memo.
  - (4) Upon notification by the institution of its termination of a curriculum, the curriculum shall not be reregistered beyond the date on which there are any students enrolled in it.

## Appendix C:

### Standards for the Registration of Curricula

**CEO:** 12-02

**To:** Chief Executive Officers/Presidents of Institutions of Higher Education

**From:** Christine Konsistorum, Senior Vice President of Corporate Operations

**Date:** January 11, 2012

**Subject:** Standards for the Registration of Curricula

Part Z of Chapter 58 of the Laws of 2011 (the “Program”) authorized the Higher Education Services Corporation (HESC) to make tuition assistance program awards available to certain students not currently eligible for such awards in accordance with regulations promulgated by HESC. Students attending your institution may be eligible for such awards pursuant to this new law.

This Memorandum provides the standards for the registration of postsecondary curricula as required by 8 NYCRR §2408.9 and only applies to those programs of study at your institution subject to registration pursuant to this section implementing the Program. All terms herein shall have the same meaning as set forth in 8 NYCRR §2400.2.

**Resources.** The institution shall:

- (1) possess the financial resources necessary to accomplish its mission and the purposes of each registered curriculum;
- (2) provide classrooms, faculty offices, auditoria, laboratories, libraries, audiovisual and computer facilities, clinical facilities, studios, practice rooms, and other instructional resources sufficient in number, design, condition, and accessibility to support the curricular objectives dependent on their use;
- (3) provide equipment sufficient in quantity and quality to support instruction, research, and student performance; and
- (4) provide libraries that possess and maintain collections sufficient in depth and breadth to support the mission of the institution and each registered curriculum. Libraries shall be administered by professionally trained staff supported by sufficient personnel. Library services and resources shall be available for student and faculty use with sufficient regularity and at appropriate hours to support the mission of the institution and the curricula it offers.



**Faculty.**

- (1) All members of the faculty shall have demonstrated by training, earned degrees or academic credentials, scholarship, experience, and by classroom performance or other evidence of teaching potential, their competence to offer the courses and discharge the other academic responsibilities which are assigned to them.
- (2) To foster and maintain continuity and stability in academic programs and policies, there shall be in the institution a sufficient number of faculty members who serve full-time at the institution.
- (3) For each curriculum the institution shall designate a body of faculty who, with the academic officers of the institution, shall be responsible for setting curricular objectives, for determining the means by which achievement of objectives is measured, for evaluating the achievement of curricular objectives and for providing academic advice to students. The faculty shall be sufficient in number to assure breadth and depth of instruction and the proper discharge of all other faculty responsibilities. The ratio of faculty to students in each course shall be sufficient to assure effective instruction.
- (4) At least one faculty member teaching in each curriculum culminating in an undergraduate degree, as defined in 8 NYCRR §2400.2(j), shall hold an earned doctorate or demonstrate special competence in an appropriate field, unless the president determines that the curriculum is in a field of study in which other standards are appropriate.
- (5) The teaching and research of each faculty member, in accordance with faculty member's responsibilities, shall be evaluated periodically by the institution. The teaching of each inexperienced faculty member shall receive special supervision during the initial period of appointment.
- (6) Each member of the faculty shall be allowed adequate time, in accordance with the faculty member's responsibilities, to broaden professional knowledge, prepare course materials, advise students, direct independent study and research, supervise teaching, participate in institutional governance and carry out other academic responsibilities appropriate to his or her position, in addition to performing assigned teaching and administrative duties.

**Curricula and awards.**

- (1) In addition to the requirements of 8 NYCRR section 2408.12, the objectives of each curriculum and its courses shall be well defined in writing. Course descriptions shall clearly state the subject matter and requirements of each course.
- (2) For each curriculum, the institution shall assure that courses will be offered with sufficient frequency to enable students to complete the program within the minimum time for completion, in accordance with paragraph (6) below.

- (3) Credit toward an undergraduate degree shall be earned only for college level work. Enrollment of secondary school students in undergraduate courses, of undergraduates in graduate courses, and of graduate students in undergraduate courses shall be strictly controlled by the institution.
- (4) A semester hour of credit may be granted by an institution for fewer hours of instruction and study than those specified in 8 NYCRR section 2400.2(x) only:
  - (i) when approved by the president as part of a registered curriculum;
  - (ii) when the president has granted prior approval for the institution to maintain a statement of academic standards that defines the considerations which establish equivalency of instruction and study and such statement has been adopted by the institution; or
  - (iii) in the event of a temporary closure of an institution by the state or local government as a result of a disaster, as defined in 8 NYCRR section 2400.2(1), when the president has granted approval for the institution to maintain a statement of academic standards that defines the considerations which establish equivalency of instruction and study and such statement has been adopted by the institution.
- (5) The institution shall assure that credit is granted only to students who have achieved the stated objectives of each credit-bearing learning activity.
- (6) Degree programs, as defined in 8 NYCRR 2400.2(j), shall normally be capable of completion in at least three academic years of full-time study with an accumulation of not less than 120 semester hours.

**Admissions.**

- (1) The admission of students shall be determined through an orderly process using published criteria which shall be uniformly applied. Educational institutions shall not discriminate against any student applicant in accordance with applicable federal and New York State law.
- (2) Admissions shall take into account the capacity of the student to undertake a course of study and the capacity of the institution to provide the instructional and other support the student needs to complete the program.

**Administration.**

- (1) Responsibility for the administration of institutional policies and programs shall be clearly established.
- (2) Within the authority of its governing board, the institution shall provide that overall educational policy and its implementation are the responsibility of the institution's faculty and academic officers. Other appropriate segments of the institutional community may share in this responsibility in accordance with the norms developed by each institution.

- (3) The institution shall establish, publish and enforce explicit policies with respect to:
- (i) academic freedom;
  - (ii) the rights and privileges of full-time and part-time faculty and other staff members, working conditions, opportunity for professional development, workload, appointment and reappointment, affirmative action, evaluation of teaching and research, termination of appointment, redress of grievances and faculty responsibility to the institution; and
  - (iii) requirements for admission of students to the institution and to specific curricula, requirements for residence, graduation, awarding of credit, degrees or other credentials, grading, standards of progress, payment of fees of any nature, refunds, withdrawals, standards of conduct, disciplinary measures and redress of grievances.
- (4) Academic policies applicable to each course, including learning objectives and methods of assessing student achievement, shall be made explicit by the instructor at the beginning of each term.
- (5) The institution shall provide academic advice to students through faculty or appropriately qualified persons. The institution shall assure that students are informed at stated intervals of their progress and remaining obligations in the completion of the program.
- (6) The institution shall maintain for each student a permanent, complete, accurate, and up-to-date transcript of student achievement at the institution. This document will be the official cumulative record of the student's cumulative achievement. Copies shall be made available at the student's request, in accordance with the institution's stated policies, or to agencies or individuals authorized by law to review such records.

**Other requirements.**

The institution shall assure:

- (1) that all educational activities offered as part of a registered curriculum meet the requirements established by statute, regulation, or the rules of the Corporation; and
- (2) that whenever and wherever the institution offers courses as part of a registered curriculum it shall provide adequate academic support services.

**Exceptions.**

To achieve particular objectives, an institution may depart from these standards with the prior approval of the president.

# Appendix D:

## Out-of-State Study

CEO:12-03

**To:** Chief Executive Officers/Presidents of Institutions of Higher Education

**From:** Barbara Hochberg, Director of Grant and Scholarship Programs  
New York State Higher Education Services Corporation (HESC)

**Date:** June 11, 2012

**Subject:** Out-of-State Study

The enacted 2011-12 New York State Budget amended the New York State Education Law to expand participation in the Tuition Assistance Program (“TAP”) to certain full-time resident undergraduate students not formerly eligible for awards. As a result, previously ineligible students attending your institution may now be eligible for TAP awards.

This Memorandum provides the additional standards for out-of-state study and for foreign study programs as authorized by 8 NYCRR §2408.15. All terms herein shall have the same meaning as set forth in 8 NYCRR §2400.2.

An educational institution’s out-of-state study program or foreign study program (the “program”) must meet the following additional criteria in order to be eligible for Tuition Assistance Program award payments pursuant to Education Law sections 661(4)(b) and 661(4)(b-1):

1. The out-of-state study program or foreign study program must have been an integral part of the curriculum of the educational institution for each approved program for at least one year before any student enrolled in such a program can be eligible for an award. Students who participate in such programs must follow and satisfy the same program requirements as their counterparts learning at the educational institution in New York.
2. Out-of-state study in the United States must be at an accredited institution. Foreign study programs must be specifically authorized and formally approved by the same accrediting agency, or agencies, which provided the current accreditation(s) to your educational institution. Such authorization and approval must include the name of the foreign or out-of-state institution providing the approved program and all addresses at which educational instruction will be provided.
3. The foreign or out-of-state institution must have a written agreement with the educational institution.

4. The written agreement between the foreign or out-of-state institution and the educational institution must include, but is not limited to, the educational institution's requirements, and the foreign or out-of-state institution's reasonable translation of those requirements, regarding:
  - a. awarding of credit
  - b. grading
  - c. standards of progress
  - d. standards of conduct
  - e. full-time status

Alternatively, the educational institution must provide a certified statement describing its process for verifying and documenting the foreign or out-of-state institution's compliance with its requirements regarding 4(a) through 4(e). All such requirements may not be less than those required of a student studying at the New York location of the educational institution.

## Appendix E:

### High School Diploma

**CEO:** 12-04

**To:** Chief Executive Officers/Presidents of Institutions of Higher Education

**From:** Barbara Hochberg, Director of Grant and Scholarship Programs  
New York State Higher Education Services Corporation (HESC)

**Date:** May 24, 2012

**Subject:** High School Diploma

The enacted 2011-12 New York State Budget amended the New York State Education Law to expand participation in the Tuition Assistance Program (“TAP”) to certain full-time resident undergraduate students not currently eligible for awards. As a result, previously ineligible students attending your institution may now be eligible for TAP awards.

This Memorandum provides guidance regarding satisfactory high school diplomas for students pursuing approved programs of study in accordance with 8 NYCRR §§2407.1(a)(7), 2408.18(c)(1), and 2408.18(c)(2). All terms herein shall have the same meaning as set forth in 8 NYCRR §2400.2.

In order for a student to be eligible for Tuition Assistance Program awards pursuant to sections 661(4)(b) and 661(4)(b-1) of the Education Law, he or she must have a high school certificate or diploma of graduation from a school providing secondary education within the United States satisfactory to the President of the Corporation, or the equivalent of such certificate or diploma as recognized by the United States Secretary of Education, or have received a passing score on a federally approved ability-to-benefit test.

To be satisfactory to the President, a certificate of graduation or high school diploma must be from a secondary school that is recognized, authorized or approved: (i) by the state educational entity having jurisdiction, or (ii) by an established national association of nonpublic schools, as approved by the Corporation, which has a school academic review process as part of its recognition protocol for member schools. Such recognition, authorization or approval must have been in effect or deemed to have been in effect as of the date the certificate of graduation or high school diploma was issued.

Upon request, HESC may grant the student a TAP award subject to the satisfaction of the above requirements within a specified period of time not to exceed one year from the academic semester in which such student first applied for the TAP award. If such requirements are not satisfied within the prescribed time frame, any funds paid on behalf of such student must be refunded by the educational institution. A student shall not be held liable for any disallowed funds awarded on his or her behalf as a result of the educational institution’s improper certification.

Note: The elimination of the federal ability-to-benefit (ATB) alternatives to a high school diploma, effective July 1, 2012, is for purposes of determining Federal student aid (Title IV) eligibility only. The change does not withdraw the existing federal approval of those tests nor does it eliminate federally approved ATB tests for the purposes of admissions. Consequently, there is no current impact on student eligibility for TAP. HESC will continue to update you as we receive further guidance from the U.S. Department of Education.

## Appendix F:

### Enrollment Records

**CEO:** 12-05

**To:** Chief Executive Officers/Presidents of Institutions of Higher Education

**From:** Barbara Hochberg, Director of Grant and Scholarship Programs  
New York State Higher Education Services Corporation (HESC)

**Date:** May 24, 2012

**Subject:** Enrollment Records

The enacted 2011-12 New York State Budget amended the New York State Education Law to expand participation in the Tuition Assistance Program (“TAP”) to certain full-time resident undergraduate students not currently eligible for awards. As a result, previously ineligible students attending your institution may now be eligible for TAP awards.

This Memorandum provides guidance regarding an educational institution’s responsibility to accurately report student full-time enrollment for the specified term as required by 8 NYRCRR §§2410.3(b), 2410.3(d), and 2410.3(g).

Effective for semesters commencing on and after July 1, 2012, and to all subsequent academic years, an educational institution shall establish an enrollment record, which shall be maintained by the educational institution and be available for inspection by HESC or the Office of the State Comptroller for each course or curriculum. Such enrollment record shall contain the following:

- (i) the approved name of the course or curriculum;
- (ii) the start and completion dates of the course or curriculum;
- (iii) a record for each student, which shall be updated at least twice during the semester, which shall identify whether the student has unofficially withdrawn or stopped attending;
- (iv) the name of the instructor for each class or session;
- (v) verification of the registrar or faculty member by oath or affirmation of the accuracy of the enrollment record;
- (vi) any leaves of absence;
- (vii) last date of attendance or withdrawal date for any student who drops out or is discontinued;
- (viii) the marking period and grades for each student for each marking period, unless otherwise approved by HESC; and
- (ix) any other information required by HESC.

Such enrollment record shall be retained for seven years.



## Appendix G

### Amended Guidance Regarding Audited Financial Statements

**CEO:** 12-06A (supersedes CEO Memo 12-06)

**To:** Chief Executive Officers/Presidents of Institutions of Higher Education

**From:** Barbara Hochberg, Director of Grant and Scholarship Programs  
New York State Higher Education Services Corporation (HESC)

**Date:** December 3, 2012

**Subject:** Amended Guidance Regarding Audited Financial Statements

The enacted 2011-12 New York State Budget amended the New York State Education Law to expand participation in the Tuition Assistance Program (“TAP”) to certain full-time resident undergraduate students not previously eligible for such awards. As a result, formerly ineligible students attending your institution may now be eligible for TAP awards.

This Memorandum supersedes CEO Memo 12-06 issued on May 24, 2012. The purpose of this Memorandum is to provide guidance with respect to the submission of financial statements related to those programs of study at your institution subject to registration pursuant to 8 NYCRR §2408.8 and §2408.9 (Program). All terms herein shall have the same meaning as set forth in 8 NYCRR §2400.2.

CEO Memo 12-02 provided the standards for the registration of postsecondary curricula as required by 8 NYCRR §2408.9. Pursuant to this Memo, educational institutions must demonstrate that they possess the financial resources necessary to accomplish their mission and the purposes of each Program.

In order to evaluate whether an educational institution satisfies this standard, HESC requires that educational institutions provide a set of audited financial statements for its latest complete fiscal year, as well as any other documentation HESC deems necessary to make a determination, at the time of registration, or re-registration, of its Program.

The standard which HESC utilizes to measure the financial resources of an educational institution is a composite of three ratios HESC derives from the educational institution’s audited financial statements, which gauge the fundamental elements of its financial health. Based on an educational institution’s composite score, HESC may require the institution to submit audited financial statements on an annual basis. For more details, refer to CEO Memo 12-07.

Audited financial statements submitted to HESC must be prepared on an accrual basis in accordance with generally accepted accounting principles, and audited by an independent auditor in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States and other guidance contained in the Office of Management and Budget Circular A-133,

Audits of States, Local Governments, and Non-Profit Organizations or in audit guides developed by, and available from, the U.S. Department of Education's Office of Inspector General, whichever is applicable. Educational institutions which are not subject to the OMB Circular A-133 requirements must submit an exemption letter from the U.S. Department of Education to HESC with the audited financial statements.

As part of these financial statements, the educational institution must include a detailed description of related entities based on the definition of related entity as set forth in the Statement of Financial Accounting Standards (SFAS) 57 and include all related parties for such fiscal year at a level of detail that would enable HESC to readily identify each related party. Such information may include, but is not limited to, the name, location and a description of the related entity including the nature and amount of any transactions between the related party and the educational institution, financial or otherwise, regardless of when such transaction occurred.

Based on such disclosure, HESC may also require the submission of audited consolidated financial statements, audited full consolidating financial statements, audited combined financial statements or the audited financial statements of one or more related parties that have the ability, either individually or collectively, to significantly influence or control the educational institution, as determined by HESC. If HESC determines that a combined financial statement is required, HESC may require the other parties to sign the Program Participation Agreement.

Failure to provide audited financial statements with the application for registration, or re-registration, may result in a conditional approval or the denial of the application. Conditional approval will be based on HESC's review of the financial statements submitted by the educational institution in accordance with the standards set forth in CEO Memo 12-07. If conditional approval is granted, educational institutions may have up to six months from the date of such approval to provide the required audited financial statements. After that time, if audited statements have not been provided, the conditional approval will expire and any funds paid will need to be refunded by the educational institution. Additionally, conditional approval will be rescinded if an audited financial statement fails to demonstrate that the educational institution possesses the financial resources necessary to accomplish the mission and purpose of the applicable Program in accordance with the standards set forth in CEO Memo 12-07. A student shall not be held liable for any disallowed funds awarded on his or her behalf as a result of the educational institution's ineligibility due to either the expiration or rescission of such conditional approval.

# Appendix H

## Financial Resources

**CEO:** 12-07

**To:** Chief Executive Officers/Presidents of Institutions of Higher Education

**From:** Barbara Hochberg, Director of Grant and Scholarship Programs  
New York State Higher Education Services Corporation (HESC)

**Date:** December 3, 2012

**Subject:** Financial Resources

The enacted 2011-12 New York State Budget amended the New York State Education Law to expand participation in the Tuition Assistance Program (“TAP”) to certain full-time resident undergraduate students not previously eligible for awards. As a result, formerly ineligible students attending your institution may now be eligible for TAP awards.

This Memorandum describes the standards used to determine whether an educational institution possesses the financial resources necessary to accomplish its mission and the purposes of each program subject to registration pursuant to 8 NYCRR §2408.8 (Program) in order to participate in the TAP program. All terms herein shall have the same meaning as set forth in 8 NYCRR §2400.2. However, any reference to an educational institution in this Memo shall also include any related party contained in the educational institution’s audited financial statement as required in CEO Memo 12-06A.

CEO Memo 12-02 provided the standards for the registration of postsecondary curricula as required by 8 NYCRR §2408.9. Pursuant to this Memo, educational institutions must demonstrate that they possess the financial resources necessary to accomplish their mission and the purposes of each Program.

CEO Memo 12-06A, issued on December 3, 2012, contains the requirement that educational institutions provide audited financial statements in order for HESC to evaluate whether an educational institution has satisfied this standard.

This Memo describes the requirements applied to all audited financial statements.

Standards. (a) General Standard. An educational institution possesses the financial resources necessary to accomplish its mission and the purposes of the Program if HESC determines that:

1. The educational institution’s Equity, Primary Reserve, and Net Income ratios yield a composite score of 1.5 through 3.0, as provided under 34 C.F.R. §668.172 and appendix B to Title 34, Part 668, Subpart L; and

2. The educational institution is current in its debt payments. An educational institution is not in its debt payments if:
  - (i) It is in violation of any existing loan agreement at its fiscal year end, as disclosed in a note to its audited financial statements or audit opinion; or
  - (ii) It fails to make payment in accordance with existing debt obligations for more than 120 days, and at least one creditor has filed suit to recover funds under those obligations.

If an educational institution's composite score is 1.5 through 2.0, or if HESC determines that a particular event may have inflated the score above 2.0, HESC may require such institution to submit audited financial statements on an annual basis. In the event a participating educational institution's audited financial statement fails to demonstrate that the educational institution possesses the financial resources necessary to accomplish the mission and purpose of the applicable Program, the educational institution may be subject to suspension or termination from program participation or other action taken by HESC as described in Section (c) below. HESC may take any action it deems appropriate, including suspension or termination, for an institution's failure to provide any required annual audited financial statements. A student shall not be held liable for any disallowed funds awarded on his or her behalf as a result of the educational institution's suspension or termination from the program or other action taken by HESC.

- (b) Alternative Standard. Notwithstanding the general standard set forth in Section (a) above, for participating educational institutions with a composite score of 1.0 or above, but below 1.5, HESC will consider the institution to have the minimal financial resources necessary to accomplish their mission and the purpose of the Program and will allow the educational institution to continue to participate in the TAP program for no more than three consecutive years under this alternative standard. As a result, the educational institution will be subject to additional monitoring and closer scrutiny to protect the interests of the students and the taxpayers as follows:
  1. An educational institution continues to qualify under this alternative standard if, based on the educational institution's audited financial statements for each of its subsequent two fiscal years, the educational institution's composite score is 1.0 or above, but below 1.5.
  2. Under this alternative standard, the President:
    - (i) Requires the educational institution to make disbursements to eligible students under the lump sum payment method described in 8 NYCRR §2411.3(c) and shall be disqualified from the prepayment method described in 8 NYCRR §2411.3(b);
    - (ii) Requires the educational institution to provide timely information regarding any of the following oversight and financial events:
      - (A) Any adverse action, including a probation, or similar action, taken against the educational institution by its accrediting agency or the Secretary;
      - (B) Any event that causes the educational institution, or related entity as defined in the Statement of Financial Accounting Standards (SFAS) 57, to realize any liability that was noted as a contingent liability in the educational institution's or related entity's most recent audited financial statement;

- (C) Any violation by the educational institution of any loan agreement;
- (D) Any failure of the educational institution to make a payment in accordance with its debt obligations that results in a creditor filing suit to recover the funds under those obligations; or
- (E) Any extraordinary losses, as defined in accordance with Accounting Principles Board (APB) Opinion No. 30;

(iii) Requires the educational institution to submit its audited financial statements prior to re-registering its Program;

(iv) May conduct periodic audits, program reviews, and/or site visit reviews of the educational institution, which may include mandatory training of appropriate staff;

(v) May notify the Office of the State Comptroller and/or request the Comptroller conduct an audit; and

(vi) May require the educational institution to provide information about its current operations and future plans.

3. Under this alternative standard, the educational institution must, for any oversight or financial event described under Section 2(ii) above, provide the information to the President by certified mail or electronic or facsimile transmission no later than 10 days after that event occurs. An educational institution that provides this information electronically or by facsimile transmission is responsible for confirming that the President received a complete and legible copy of that transmission.

4. If the educational institution fails to comply with the requirements under Sections 2 and 3 above, the President may determine that the educational institution no longer qualifies under this alternative standard.

(c) Administrative Actions. If the President determines that an educational institution does not possess adequate financial resources under the general or alternative standards, or the educational institution does not submit its audited financial statements as required in this CEO Memo or in CEO Memo 12-06A, the President may:

1. Deny any registration or re-registration of a Program;
2. Initiate an action under Part 2404 of Chapter XXII of Title 8 of the New York Codes, Rules, and Regulations to fine the educational institution, or limit, suspend, or terminate the educational institution's participation in the TAP program;
3. Notify the Office of the State Comptroller and/or request the Comptroller conduct an audit;
4. Rescind any conditional approval granted to an institution that has received conditional approval to participate in the TAP program; or

Take any other action deemed appropriate based upon the circumstance.

# Appendix I

## Guidance Regarding Registration Deadlines

**CEO:** 12-08

**To:** Chief Executive Officers/Presidents of Institutions of Higher Education

**From:** Barbara Hochberg, Director of Grant and Scholarship Programs  
New York State Higher Education Services Corporation (HESC)

**Date:** January 8, 2014

**Subject:** Registration Deadlines

The enacted 2011-12 New York State Budget amended the New York State Education Law to expand participation in the Tuition Assistance Program (“TAP”) to certain full- time resident undergraduate students not previously eligible for awards. As a result, formerly ineligible students attending your institution may now be eligible for TAP awards.

This Memorandum establishes the deadlines for institutions to submit applications for registration and re-registration of curriculum pursuant to 8 NYCRR §2408.8 in order to participate in the TAP program. All terms herein shall have the same meaning as set forth in 8 NYCRR §2400.2.

Effective for semesters commencing on and after July 1, 2014, an educational institution shall submit each curriculum to be registered or re-registered to the president, together with such information as the president may require, in a form acceptable to the president, and received by the corporation no later than March 1 to participate in the award program for the fall term and no later than September 1 to participate in the award program for the spring term or as otherwise directed by the corporation.