

HVAC Technical Institute

Standard Operating Procedure – 700B
Administrative Capability – Fiscal and Cash Management
Date Implemented: 04-2015
Revised Date: 01-2020
Page 1 of 8

34 CFR 668.24, 34 CFR 668.24(a), 34 CFR 668.24(b), 34 CFR 685.102(b)

Fiscal Reports and Financial Statements

The Director is responsible for the monthly reconciliation procedures and completing the monthly reconciliation process.

On a monthly basis and with the assistance of FAS, the school is required to reconcile the funds that it has received from the G5 system to pay its students with the actual disbursement record that is forwarded to the COD system.

34 CFR 668.24(a)

Program Records

HVAC Technical Institute is responsible for establishing and maintaining, on a current basis, any application for Title IV, HEA program funds and program records that document its eligibility to participate in the Title IV, HEA programs, the eligibility of its educational programs for Title IV, HEA program funds, its administration of the Title IV, HEA programs in accordance with all applicable requirements.

34 CFR 668.23(a) (4)

Submission Deadline

In order to maintain accurate records, in-house reviews and audits are performed. The Chief Executive Officer/Director is responsible for reviewing that all records are kept up to date. In doing reviews the facilitation of submitting Financial Statements to the Secretary of Education will be completed no later than six months after the last day of the school's fiscal year.

34 CFR 668.23(a) (5)

Audit Submission Requirements

The Chief Executive Officer/Director will meet as needed with the Financial Aid Office and Business Office to review records and ensure compliance with all Title IV, HEA transactions that have occurred since the school's last compliance audit. In accordance to the standards and audit procedures of the U.S. General Accounting Office's (GAO's) Government Auditing Standards and the Department of Education's Office of Inspector General.

34 CFR 668.23(d)

Audited Financial Statements

To document financial stability, the institution submits annual audited financial statements prepared by an independent certified public accountant and completed COE financial forms. Financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The audit is performed in accordance with Generally Accepted Government Auditing Standards (GAGAS). A separate income statement must be provided for the main campus and each branch campus. (See definition of audited financial statements in Section VII Definitions, Standard Seven and the COE Handbook of Accreditation.) Restated (or revised) audited financial statements will not be accepted without third-party certification.

34 CFR 668.24(b)

Fiscal Records

HVAC Technical Institute accounts for the receipt and expenditure of Title IV, HEA program funds in accordance with generally accepted accounting principles. HVAC Technical Institute establishes and maintains on a current basis financial records that reflect each HEA, Title IV program transaction; and general ledger control accounts as well as related subsidiary accounts that identify each Title IV, HEA program transaction and separate those transactions from all other institutional financial activity.

HVAC Technical Institute

Standard Operating Procedure – 700B
Administrative Capability – Fiscal and Cash Management
Date Implemented: 04-2015
Revised Date: 01-2020
Page 2 of 8

34 CFR 668.24(b)

Accounting Requirements

Accounting is maintained using QuickBooks and ACT in order to identify the student's enrollment and monthly payments. In reference to Title IV aid disbursement amounts are sent to FAS for verification and approval. Once FAS has verified and submitted disbursement dates based on students enrollment notification is sent to G5. G5 in turn submits disbursements into designated bank accounts. The Business Office is then responsible for continuously disbursing payments based on scheduled disbursement dates.

34 CFR 668.163

Direct Loan Program Bank Account

HVAC Technical Institute maintains Title IV, HEA fund in a federally secured account. Upon disbursements FAS notifies G5 whom deposits Title IV, HEA fund into which one of the two accounts; the Federal Funded Account for Pell and the Federal Direct Plus. A monthly ledger is completed in reconciliation of all federal accounts.

34 CFR 668.24(f)

Examination of Records

All data is entered into three different programs based on their purpose:

- Student notes are kept current on the ACT! Database
- The use of Genesis to abide by Financial Aid regulations
- In QBooks to store financial information

Financial audits are completed on a yearly basis and then digitally stored along with a hard copy stored in the fireproof safety cabinet in the file room. Financial Aid Service (FAS) also provides support to ensure that all documents are handled appropriately.

34 CFR 668.164(a), 34 CFR 668.164(b), 34 CFR 668.164(f)

Disbursement

When awarding aid without exceeding need to a student the Financial Aid Officer must determine the program the student is interested in registering for, the aid the student is receiving from other sources, the students cost of attendance (COA), their expected family contribution (EFC), and the type of aid they qualify for. Before any of this can be done a student must apply for aid by filling out a FASFA form online. This will allow the school to use his EFC which will help determine everything the student will qualify for.

HVAC Technical Institute uses Formula 2. Amounts are determined by proration the school can award.

Students at HVAC Technical Institute qualify for the following aid:

Pell Grant	<i>Up to \$4,575.00 (HVAC) & \$4,583.00 (Electrical) For The 2020-2021 Award Year</i>	
Subsidized Loans	<i>Maximum of \$2,524.00 (HVAC)</i>	<i>Maximum of \$2,524.00 (Electrical)</i>
Un-Subsidized Loans	<i>HVAC Maximum of \$1,442.00 – Dependent</i>	<i>HVAC Maximum of \$4,327.00 – Independent</i>
	<i>Electrical Technician Maximum of \$1,444.00 – Dependent</i>	<i>Electrical Technician Maximum of \$4,333.00 – Independent</i>
Direct PLUS Loan	<i>Based On The Students COA (Only Available For The Parents Of An Undergraduate Dependant Student)</i>	

HVAC Technical Institute

Standard Operating Procedure – 700B
Administrative Capability – Fiscal and Cash Management
Date Implemented: 04-2015
Revised Date: 01-2020
Page 3 of 8

Other outside sources MUST also be taken into consideration to establish the students need and/or COA, with the exception of VA Benefits, a students estimated financial assistance (EFA) needs to include all sources of aid that a student is receiving because he/she is a student. Some examples are:

- Grants and/or Scholarships
- Tuition and Fee Waivers
- Employer Tuition Reimbursement

Federal VA Benefits are NOT to be treated as EFA. VA Benefits are also not counted as income, and therefore are not to be reported as income on the FASFA form. A full list of VA benefits is provided in the FSA Handbook, Volume 3; Chapter 7 or under Section 480(c) of the HEA.

To be eligible for Title IV financial aid, HVAC Technical Institute has defined its academic year as follows:

Academic Progress Measure By	Minimum Completion Requirement*	Minimum Instructional Time Requirement
Clock Hours	600 Clock Hours	33 Weeks

**Number of hours that a student enrolled full time is expected to complete in a full academic year.*

34 CFR 668.164(g)

Late Disbursements

HVAC Technical Institute ensures to not make late disbursements of any Title IV, HEA assistance unless a valid SAR or ISIR has been received for a student. All established deadlines by the Secretary of Education are met by HVAC Technical Institute.

34 CFR 690.63, 34 CFR 690.64

Packaging Federal Pell Grant

The amount of Federal Pell Grants can change annually (*See Disbursements above*). In order for a student to qualify for the Pell Grant, the student must register for an undergraduate program and must not have a bachelor's or professional degree.

Note: A student with a baccalaureate or professional degree is ineligible even if the degree is from an unaccredited school or is not recognized by your school. Because a foreign school degree doesn't always fill the criteria of a degree classification with the U.S. Department Of Education.

Other students that do not qualify for the Pell Grant are those who are receiving Pell Grant Money at two or more schools concurrently, incarcerated students, or students who are subject to involuntary civil commitment upon completion of a period of incarceration for a forcible or non-forcible sex offense.

HVAC Technical Institute uses the following formula (prorated) to determine the amount of Pell a student needs to be awarded:

$$\text{EFC \# FROM PELL CHART} \times \text{PROGRAM CLOCK HOURS} \div \text{MINIMUM COMPLETION HOURS} = \text{PELL AMOUNT}$$

Note: If a student will be considered a crossover student (when a student overlaps 2 award years), the Pell amount will need to be calculated twice due to the amounts changing annually.

HVAC Technical Institute

Standard Operating Procedure – 700B
Administrative Capability – Fiscal and Cash Management
Date Implemented: 04-2015
Revised Date: 01-2020
Page 4 of 8

H.R. 4137

Iraq and Afghanistan Service Grant

The Iraq and Afghanistan Service Grant is awarded to a student whose parent or guardian died as a result of performing military service in Iraq or Afghanistan and the student is not qualified to receive a Federal Grant. The Iraq and Afghanistan Service Grant is not based on an eligible student's financial need nor is it considered estimated financial assistance that reduces the amount of any other Federal student aid that the student may also qualify for.

For students with a Pell Eligible EFC, Title IV, HEA aid is awarded based on an EFC of zero. In the event that a student's EFC is not Pell Eligible the amount of the Iraq and Afghanistan Service Grant Program award is the same as the maximum Pell Grant for the award year. Students are eligible to receive an Iraq and Afghanistan Service Grant for a total of 12 semesters or its equivalence.

It is the policies of HVAC Technical Institutes Financial Assistance Office to ensure only eligible students receive the funds awarded by the Iraq and Afghanistan Service Grant.

Verification and Verification Forms

(See 702C General Provisions – Student Verifications)

Professional Judgment and Professional Judgment Forms

(See 702D General Provisions - Professional Judgment and Dependency Override)

Student Fraud

(See 700A Administrative Capability – Administration Guidelines)

Transfer Students

Due to the different teaching methods used at HVAC Technical Institute and the differences in hours for the program, HVAC Technical Institute does not transfer hours or credits from another institution. We do accept transfer students within our own program in which the proper equation is used to determine the remaining scheduled payment based primarily under the cross over student criteria. In the event that a student is transferring over to HVAC Technical Institute the percentage of Pell Grant award at the prior institution will be subtracted from the Pell Grant percentage the student was scheduled to receive at HVAC Technical Institute.

34 CFR 668.164(i)

Books and Supplies

HVAC Technical Institute provides for students some of the basic tools needed and the classroom textbooks. Any additional tools of the HVAC trade can be purchased as a package from HVAC Tech. Students may choose to purchase the package of tools through our institution or an outside vender. In the event that a student wishes to purchase the package of tools offered by this institute may do so upon registration and have up to thirty days from enrollment to place an order. Students also have the option of adding the tools to their financing plan. Refer to Current Price Index for prices.

34 CFR 690.80

EFC Change or Late Start

In the event that a student's EFC changes and/or does not begin attendance on the scheduled classes in which the award was based upon required recalculation may occur.

Students whose EFC changes due to corrections, updating, or an adjustment and the EFC would change the amount of the Pell award, HVAC Technical Institute will recalculate the Pell award. All recalculations must be done prior to the start of the first day of the program. Any changes that occur during the duration of the program will not be taken into consideration for recalculation purposes.

HVAC Technical Institute

Standard Operating Procedure – 700B

Administrative Capability – Fiscal and Cash Management

Date Implemented: 04-2015

Revised Date: 01-2020

Page 5 of 8

In the event that a student's enrollment status changes among the courses that HVAC Technical Institute, such as from our Part Time clock hours to our Full Time clock hours, recalculation may occur prior to the completion of the first day of the enrollment program.

The Business Office will remain in close contact with the Clerks Office to verify enrollment dates and continued student attendance. In the event that the Business Office receives a valid ISIR the Business Office forward the student's information to Financial Aid Services for proper disbursement. The Business Office remains in contact with FAS to monitor proper disbursements. In the event that a valid ISIR is received and no disbursement for the term has been made proper recalculation must be done to correspond students date of enrollment and attendance.

Students who do not begin attendance on their scheduled start date, resulting in a change in the student's enrollment status, HVAC Technical Institute must recalculate the student's award based on the new scheduled enrollment status. In the event that a student attends at least one day of class but does not continue with attendance, the student is still considered to have begun attendance. In such event, HVAC Technical Institute's Business Office will follow the schools Refund and Pell Grant Refund policy.

34 CFR 668.164(h), 34 CFR 690.81

References to maintaining Fiscal Control and Fund Accounting Procedures

It is the position of HVAC Technical Institute (HVAC Tech) to have a procedure to follow and maintain records and funds as outlined in 34 CFR 668.24(b) and 34 CFR 668.164.

Packaging Federal Loans (Subsidized & Un-Subsidized)

Students looking to obtain Federal Loans MUST enroll at least half time. Loans must be awarded after Pell, ONLY if the students need is less then the COA. As with Pell Grants, Subsidized and Un-Subsidized loans are prorated due to our academic year being less than 900 hours.

- **Subsidized Loans**
The federal government subsidizes the interest of the loan while the student is in school, in a grace period, or under deferment. Subsidized loans will always need to be awarded first before unsubsidized loans. A student can borrow (*See Disbursements above*) for the academic year.
- **Un-Subsidized Loans**
The student is responsible for the interest that accrues during any period. Dependant and Independent students have a different max amount of money they can borrow in unsubsidized loans; Dependant students can borrow (*See Disbursements above*) while Independent students can borrow (*See Disbursements above*) for the academic year.

Packaging Federal Loans (Direct Plus)

Only dependant student's parents can qualify for a Direct PLUS loan. If a parent wishes to borrow on the dependant students behalf he/she must go through the following procedure:

Sign the consent to obtain credit form. This form will be provided by the financial aid officer and must be done in order to process a direct plus application. Parents can apply for the loan on studentloans.gov or the financial aid office can apply for them on Common Origination Disbursements (COD's) website. The parent borrower is notified immediately if he/she has been approved or denied the loan. If the parent borrower is denied to adverse credit, they will be given 4 options: to obtain and endorser, provide documentation of extenuating circumstances, no longer pursue a direct plus loan, or undecided.

HVAC Technical Institute

Standard Operating Procedure – 700B

Administrative Capability – Fiscal and Cash Management

Date Implemented: 04-2015

Revised Date: 01-2020

Page 6 of 8

Note: Dependant undergraduate students whose parents are unable to obtain a plus loan are eligible to borrow up to the independent amount of unsubsidized loans. The financial aid officer must make sure to keep the parents denial letter in the students file as proof.

If a parent is approved for a direct plus loan, the parent has the option to take up to the amount of the COA minus the amount of Pell the student has been approved for. Keep in mind that the amount being borrowed needs to be used for educational purposes only.



HVAC Technical Institute

Standard Operating Procedure – 700B

Administrative Capability – Fiscal and Cash Management

Date Implemented: 04-2015

Revised Date: 01-2020

Page 7 of 8

Credit Balances

Whenever an institution disburses Title IV, HEA program funds by crediting a student's account and the total amount of all Title IV, HEA program funds credited exceeds the amount of tuition and fees, the institution must pay via check the resulting credit balance directly to the student or parent as soon as possible, but no later than 14 days after the balance occurred, if the credit balance occurred after the first day of class of a payment period

Determining a Payment Period

HVAC Technical Institute's payment period is used for:

- Pell Grant and disbursement calculations
- Direct Loan disbursements

A student must successfully complete the clock-hours and Weeks of instructional time in a payment period to progress to the next payment period. The following is the payment period we use:

0 to 324 Hours	325 to 649 Hours	1 Academic Year
Payment Period 1	Payment Period 2	

Award Letter

After the total amount of Pell Grant has been calculated, and what loans the student is eligible for have been identified, an award letter will be created in FASLine. The award letter will indicate the loan amount and information indicating the type of loan such as Subsidized, Unsubsidized, and Direct PLUS. A system provided by our third party servicer where all of this data needs to be submitted and presented to the student.

Due to all aid offered by HVAC Technical Institute being prorated, there will always be a remaining balance for the student which will need to be either paid before class starts or have the student agree to a school payment plan. Payment plans cannot exceed a maximum amount of months listed below to pay back their loan and can not exceed a maximum of the monthly interest rate listed below which may be adjusted per the discretion of the institution. At this time, students can also determine weather or not to add tools into their school financing or find other means to obtain their tools needed for training.

Months	60 months
Interest Rate	6%

34 CFR 668.164(c)

Direct Payment

In the event of overpayment a check is made payable to the student or parent. Notification is made by phone contact to the student and/or parent. Upon 21 days of notification, if student or parent has not picked up the check, the check will be mailed out to the student or parent or the use of their EFT in order to return the funds.

34 CFR 668.164(g)

Late Disbursements

In the event of ineligibility due to verification or C-Code error a late disbursement may occur. In such event the Business Office and Financial Aid Officer will be in communication to obtain proper documentation to clarify ineligibility prior to the deadline date. Once clarification has been made the Business Office along with the assistance of Financial Aid Service (FAS) will disburse payment accordingly.

HVAC Technical Institute

Standard Operating Procedure – 700B

Administrative Capability – Fiscal and Cash Management

Date Implemented: 04-2015

Revised Date: 01-2020

Page 8 of 8

668.164(h)

Refund Policy

(See 306 Policies – Refund Policy)

668.164(h)

Return of Title IV Funding

(See 702B General Provisions – Return of Title IV Funds)

