

STUDENT LOANS AND GRANTS DESK AID

Types of Educational Loans and Grants

Type of Funds	<u>Title IV of the Higher Education Act or Bureau of Indian Affairs Loans and Grants</u>	Other Student Loans and Grants	College Work Study
Treatment	Excluded	Excluded (except as noted)	Excluded
Examples (The list is not inclusive)	<ul style="list-style-type: none"> • Supplemental Educational Opportunity Grant Program; • Carl D. Perkins Loans (NOTE: Differs from the student financial assistance provided under the Carl D. Perkins Vocational Act – see next column); • Robert C. Byrd Honors Scholarship Program; • National Science Scholarship Program; • State Student Incentive Grants: Cal Grant Program; • Paul Douglas Teacher Scholarship Program; • Income Contingent Loan (ICL) Program; • Indian Health Services Scholarship Program; • Pell Grant; • Federal Family Education Loan (FFEL); • Program: Guaranteed Student Loan (GSL) program; • Stafford Direct Loan Demonstration Program; • Consolidation Loan Program; • Supplemental Loans for Students (SLS) Program; and • Parent Loans for Students (PLUS) Program. 	<ul style="list-style-type: none"> • <u>Title III of the Federal Economic Act Loans</u> (Special program to combat poverty in rural areas); • <u>Carl D. Perkins Vocational and Applied Technology Education Act</u> loans and grants excluded only to the extent to meet attendance costs for a student attending school on at least a half-time basis, as defined by the institution; • Any undergraduate student grant for educational purposes made or insured under any program administered by the <u>Federal Secretary of Education</u>; • Any undergraduate student loans or grants <u>awarded on the basis of the student's need</u>. Certification from the official at the student's school is required, <u>stating that the award is based on need and that the CalWORKs grant was considered in making the award</u>; • Other educational loans and grants to undergraduate students <u>used to meet educational expenses</u> such as fees, equipment, special clothing needs, transportation, etc. • Any other education grants, other than those specifically excluded, are considered unearned income after allowable educational expenses are deducted. For assistance in determining exclusion see next page. 	<p>Earned income from any college work study program including:</p> <ul style="list-style-type: none"> • <u>Work Study under Title IV of the Higher Education Act</u>, and • <u>CalWORKs Work Study</u>. Program created by community colleges for CalWORKs recipients using CalWORKs funds colleges receive. May also be called <u>Work Experience</u> or <u>CalWORKs @ Work 75/25</u>.
Fee Waiver Program	The Board of Governors Grant (BOGG) fee waiver is a program that provides assistance to cover community college enrollment fees. The student does not receive any money for a fee waiver. Therefore the fee waiver is not counted to calculate CalWORKs benefits.		

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Loans and Grants

To determine the status of a loan or grant not listed in the previous section, Human Services Specialist (HSS) must contact the Financial Aid Office of the student's school and ask the following questions. Is the loan or grant:

- Made under Title IV of the Higher Education Act or the Bureau of Indian Affairs student assistance programs?
- Made or insured under any program administered by the State Scholarship and Loan Commission or a college accredited by the Western Association of Schools and College and not available for current living costs?
- Made or insured under any program administered by the Federal Commissioner of Education?
- Made on the basis of the student's need and was the CalWORKs grant considered in making the award?

If the answer to any of the questions above is yes, then the loan/grant is excluded. Educational grants other than those determined excluded, are considered unearned income after allowable educational expenses are deducted.

Allowable Deductions

Allowable deductions for educational expenses include but are not limited to the following costs:

- Tuition
- Fees
- Rental or purchase of required equipment
- Materials or supplies
- Books
- Transportation to and from school
- Unsubsidized Dependent Care
- Miscellaneous personal education expenses

Non-Exempt Loans/Grants - HSS Actions

After obtaining verification of the type and amount of loan/grant received from the school Financial Aid Office, if the income is not exempt, take the following steps:

1. Determine the total amount of non-exempt grants received
2. Determine the amount used by the client to meet their educational expenses
The student must provide documentation and/or verification of these costs in order to be allowed
Subtract this amount from the figure in Step 1
3. The total benefit minus educational expenses is considered unearned income
Use this "net" amount as unearned income in the client's CalWORKs budget

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CalWIN Entries

Make sure to enter any **educational** loans and grants through the **DISPLAY STUDENT FINANCIAL AID DETAIL** window in CalWIN. Entering the income through the **DISPLAY UNEARNED INCOME SUMMARY/COLLECT UNEARNED INCOME SUMMARY** window might cause CalWIN to treat the income inappropriately.

Complete **all** appropriate fields in CalWIN. In particular please pay special attention on the following fields.

For all educational income:

- Go to the **DISPLAY STUDENT SUMMARY** window and select the appropriate person
- Add a record or select on the appropriate existing record, opening the **COLLECT STUDENT DETAIL** window
- Click the **FINANCIAL AID** button to open the **DISPLAY STUDENT FINANCIAL AID DETAIL** window
- Add a record or select the appropriate existing record. Depending on the type of loan/grant:

Title IV of the Higher Education Act or Bureau of Indian Affairs Loans and Grants	Other Student Loans and Grants	College Work Study
<ul style="list-style-type: none"> • From the drop-down menu in the TYPE field: <ul style="list-style-type: none"> ○ Select the appropriate record, depending on the loan or grant received, or ○ Select, TITLE IV EDUCATIONAL GRANT/LOAN if the grant/loan is funded under Title IV but the income is not found • Select the appropriate type from the drop-down menu in the FREQUENCY field <ul style="list-style-type: none"> ○ For BOGG (fee waiver) select ONE TIME ONLY. Also enter "Y" in the INCOME TERMINATED [Y/N] field under the COLLECT INCOME RECEIVED DETAIL window 	<ul style="list-style-type: none"> • From the drop-down menu in the TYPE field: <ul style="list-style-type: none"> ○ Select the appropriate record, depending on the loan or grant received, or ○ if the grant/loan is not found, select OTHER EDUCATION LOANS, GRANTS, SCHOLARSHIPS, FELLOWSHIPS EXEMPT or NON-EXEMPT depending on the income received 	<ul style="list-style-type: none"> • From the drop-down menu in the TYPE field select WORK STUDY CALWORKS and/or WORK STUDY STATE/FEDERAL, depending on the income received <p>Note: Use CSF 50 Student Income Verification Request form in CalWIN, instead of the 07-21 HHSA Employment Verification form</p>

- Click the **INCOME RECEIVED** and **INCOME EXPENSES** buttons to complete the appropriate fields in the respective **COLLECT INCOME RECEIVED DETEAIL** and **COLLECT INCOME EXPENSE DETAIL** windows