

Estimated Financial Assistance (EFA) Policy

Effective: July 2022

Per federal regulations (34 CFR § 685.102) financial aid awards are limited by other aid a student receives which is called Estimated Financial Assistance (EFA). A student's total financial aid award from all sources (e.g., federal, state, institutional, outside donors/agencies) may not exceed their financial need or Cost of Attendance. A student is considered over awarded if the total aid is greater than their financial need and/or Cost of Attendance.

Scholarships, grants, awards, prizes, gift cards, etc. are all considered EFA and must be reported to the Office of Financial Aid and Scholarships. The student's award will be added to their aid package and Financial Aid staff will review to make sure the student remains in compliance with federal regulations.

Most awards to students will be disbursed via the Banner Financial Aid Module. Gift cards and similar items given directly to students must still be recorded on the student's record in Banner.

Reimbursements to students are not allowed and will not be processed. Students should not be making purchases on behalf of departments or the University.

Procedures for Payments to Students

Any award sent to the Controller's Office or Accounts Payable will be sent to the Office of Financial Aid and Scholarships for review. It is important that students are not promised that they will receive any funds. Each student's financial aid eligibility is unique to them and there is no way to promise nor predict their eligibility until the student's record is reviewed.

If the payment is from a departmental/institutional fund...

1. Financial Aid and Scholarships will check to see if the fund has already been set up in Banner
2. If not, department will be contacted to set up a financial aid fund code in Banner
3. The fund will be reviewed to determine that it can be used for student funding. If allowed, a financial aid code will be created
4. The department will submit electronic Scholarship Receipt Form to Financial Aid and Scholarships
5. Financial Aid and Scholarships will review the student's financial aid package and will contact department if an award revision is required
6. Financial Aid and Scholarships will award the student and disburse funds to the student account in the Cashiers and Student Accounts Office

If the payment is for emergency assistance...

1. Financial Aid and Scholarships will check to see if the fund has already been set up in Banner
2. If not, department will be contacted to set up a financial aid fund code in Banner
3. Fund will be reviewed to determine that it can be used for student funding. If allowed, a financial aid code will be created
4. Department will submit electronic Scholarship Receipt Form to Financial Aid and Scholarships
5. Financial Aid and Scholarships will review student's financial aid package and will contact department if an award revision is required
6. Financial Aid and Scholarships will award the student and disburse funds to the student account in the Cashiers and Student Accounts Office

If the payment is a gift card or prize...

1. Financial Aid and Scholarships will review student's financial aid package and will contact department if an award revision is required
2. Financial Aid and Scholarships will award the student and disburse funds to the student account in the Cashiers and Student Accounts Office
3. If the payment is a gift card, the department will be responsible for providing the gift card to the student

If the payment is for travel where receipts are NOT required...

1. Financial Aid and Scholarships will check to see if the fund has already been set up in Banner
2. If not, department will be contacted to set up a financial aid fund code in Banner
3. Fund will be reviewed to determine that it can be used for student funding. If allowed, a financial aid code will be created
4. Department will submit electronic Scholarship Receipt Form to Financial Aid and Scholarships
5. Financial Aid and Scholarships will review the student's financial aid package and will contact department if an award revision is required
6. Financial Aid and Scholarships will award the student and disburse funds to the student account in the Cashiers and Student Accounts Office

If the payment is for travel where receipts are required...

1. The payment is NOT considered EFA and it will NOT be processed by Financial Aid and Scholarships
2. Department should follow normal [Travel Manual](#) procedures

If the payment is for work the student completed for your department...

1. The student is performing a service which is considered employment
2. The student will be paid via Payroll
3. Wages earned for work and paid to the student via the payroll process are not considered EFA

FAQs

- 1. Does the student need to be enrolled to receive scholarships, gifts, reimbursements, or other sources of funding?**
 - a. Yes. A student must be enrolled in at least 1 credit hour in a given semester in order to be eligible. Should a student receive any type of funding when not enrolled, but **before** the end of the fiscal year, then the funds may be considered EFA and applied to the spring semester. Should a student receive any type of funding when not enrolled, but **after** the end of the fiscal year, then the funds may be considered EFA and applied to the upcoming fall semester. If the latter is the case the funds would not be released until fall disbursement in August.

- 2. Will any of the listed funding sources have a negative impact on the student's existing financial aid?**
 - a. It depends. Because every student's aid package, EFC, and COA is unique to them, it is possible but not guaranteed that federal rules may force us to revise the existing award.

- 3. Will the student incur a balance as the result of a reduction of aid?**
 - a. It depends. In many cases student's awards are not affected by the introduction of new aid. However, this is not always the case, and the outcome is determined on a case-by-case basis. The potential for a balance on the student's account will depend on how much their award may need to be reduced and the source of funding being added.
 - i. For example, your department awards a student with an Apple Gift Card for the purchase of a computer in the amount of \$1,000. If this student is at their Cost of Attendance, we will have to make a reduction of their existing aid, usually a federal loan. Because the funds were paid directly to the student a balance of \$1,000 will be created when the OSFA reduces the loan. The student will need to pay that balance, and if they do not the University will place a financial hold on their account.

- 4. Does it matter that the awarded funds are a prize or an award or assistance or a gift card and not a scholarship?**
 - a. No. As stated above the **name/title** or **source** of the funding is not relevant. The federal government requires us to look at **intent**.

Glossary

Cost of Attendance (COA)

- The Cost of Attendance is an estimated budget of what a student may spend over the course of the academic year. This estimate is based on local cost of living calculations and surveys of the student body. Financial aid awards cannot exceed the Cost of Attendance. More information can be found on the Spartan Central website under [Financial Aid Basics](#).

Estimated Financial Assistance (EFA)

- 34 CFR § 685.102(b)(1)(iii) defines EFA as “Any educational benefits paid because of enrollment in a postsecondary education institution, or to cover postsecondary education expenses...”
- This is regardless of the source of funds, or the title given to the award.

Expected Family Contribution (EFC)

- An index used to help determine how much and what kinds of aid a student is eligible to receive. This number is determined by federal formulas using information from the student’s FAFSA.

Financial Need

- Financial need is determined by subtracting the student’s EFC from the Cost of Attendance. A student may not exceed their calculated financial need in almost all cases.

Honoraria and Services

- Honoraria and services are not considered EFA as the University is the primary beneficiary in this scenario.
- Typically, some type of substantive service is performed in which the University has an interest or stake in duties carried out.

Prizes, Awards, and Gift Cards

- Prizes and awards can be given for a variety of reasons. Whether the student receives these funds for outstanding research, or for winning a particular contest it must be counted as EFA if:
 - Eligibility to participate was restricted to UNCG students
 - The award is meant to benefit that student’s educational expenses
 - The award is related to the student’s pursuit of their courses and/or completing their degree
- The source of the funding and the title of the award are not factors in determining if this is EFA or not.
- The Office of the Controller has a policy for the use of discretionary funds when purchasing gift cards for students. Any gift card recipient lists must be sent to both of our offices before they will be processed. [Office of the Controller Policy 11 Use of Discretionary Funds \(uncg.edu\)](#)

Reimbursements

- Students cannot be reimbursed for any reason via a BanFin-32. Travel expenses are covered under the UNCG's Travel Manual.
- Students should not be required to purchase departmental items.

Scholarships

- Scholarships are funds that come from a variety of sources- endowments, annual gifts, outside organizations, etc.- that go towards a student's educational costs. They are always considered EFA no matter the funding source or title applied to it.

Travel

- Student travel that is funded or supported by an institutional funding source, such as scholarships, grants, departmental trust funds, etc., must be reported to the Office of Financial Aid and Scholarships as it meets the definition of EFA.
- Student travel that requires receipt-based proof of reimbursement for expenses paid should be processed through the normal travel reimbursement process. This type of payment is not considered EFA as the student must prove that all costs were related to travel expenses.

Office of Financial Aid and Scholarships

Estimated Financial Assistance (EFA) Decision Tree

