

HEERF – Emergency Financial Aid Grants to Students Policy

Purpose & About

This document is prepared to detail the final policy relating to how to distribute the Emergency Financial Aid Grants to Students from the school's HEERF funds. Since institutions were given the discretion to develop their own system and process for determining how to allocate these funds consistent with all applicable laws including non-discrimination laws, this document serves to outline the system Alexander Paul Institute of Hair Design developed.

This document was prepared using prior internal school meeting notes on the topic and subsequent guidance delivered from the US Department of Education and other sources analyzing the guidance. Once prepared, the document is to be sent to the committee the institution established to review these policies for comment, then this document will be finalized based on their comment and signed by the members of the committee. If further guidance is issued, interpretation of current guidance changes, or unforeseen circumstances arise, the document will be amended as appropriate. The committee consists of the following members:

Alex Naoum, COO
Paul Naoum, CCO
Elizabeth Kinney, Campus Director/Financial Aid Director
Erica Janak, Associate Financial Aid Director

Note: In any public disclosure of this document, some parts of the document may be redacted in order to protect the privacy of students, specifically not to report information about a group of 10 or fewer students. An unredacted version will be maintained in the school's internal files.

Amount of and Nature of Funds

The Coronavirus Aid, Relief, and Economic Security (CARES) Act established a Higher Education Emergency Relief Fund that included allocations for Emergency Financial Aid Grants to Students. Alexander Paul Institute of Hair Design signed and returned to the Department of Education the "Recipient's Funding Certification and Agreement Emergency Financial Aid Grants to Students under the Coronavirus Aid, Relief, and Economic Security (CARES) Act" and the assurance that the institution has used, or intends to use, no less than 50 percent of the funds received under Section 18004(a)(1) of the CARES Act to provide Emergency Financial Aid Grants to students for expenses related to the disruption of campus operations due to coronavirus (including eligible expenses under a student's cost of attendance such as food, housing, course materials, technology, health care, and child care). These funds are **ONLY** to be used for the purposes stated in this paragraph and should in no circumstance be delivered back to the school for tuition or other amounts due to the school.

The total amount of funds that Alexander Paul Institute of Hair Design has received from the Department pursuant to the institution's Certification and Agreement [for] Emergency Financial Aid Grants to Students is \$43,451.

The estimated total number of students at the institution eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965 and thus eligible to receive Emergency Financial Aid Grants to students under Section 18004(a)(1) of the CARES Act is 42.

Institutional Strategy in Allocating Funds

The understood intention of the funds is to quickly stabilize education and from the April 9, 2020 Letter from The Secretary of Education: "provide the resources and flexibilities you need to continue educating your students." Further, in the letter, the Secretary stated the intention to "get money in the hands of students in need as quickly as possible".

Based on the intention of the funds, Alexander Paul Institute of Hair Design prioritized in this policy the quick delivery of funds directly to students. Practically, this means prioritizing simple and straightforward administration and delivery of the funds. A policy that requires robust and complex calculations, unnecessary planning and execution activities, and unnecessarily complex tracking and reporting would delay the delivery of funds to students. Additionally, in making decisions related to the allocation and distribution of these funds, Alexander Paul Institute of Hair Design took into consideration the intention of the Department to provide resources and flexibilities for the school to continue educating students.

Timing of Distributions

Although the school has one year to distribute funds, the school will distribute the funds in two roughly equal parts, with the first part occurring as soon as possible. The second part will occur a few weeks later with the goal of exhausting the funds and getting them in the hands of students quickly. The quicker these funds arrive in the hands of the students, the quicker the students can become financially stable as a result of the funds, which will give them the ability to continue participating in education offered, which is the intention of the funds. The institution believes students have the best knowledge of their own needs and are able to use/budget the funds according to their purpose to stabilize themselves financially in order to continue education rather than having the school budget for them by withholding funds over a prolonged period.

When utilizing the funds, students should also take into consideration that distance learning may continue to be a method used in our education in the future during their program, and there may be future waves of coronavirus that necessitate the return to distance learning in whole or in part. So, students should consider using the funds to invest in things such as stable or higher speed internet connections, better technology, etc.

Originally, the institution expected these funds to be available for distribution earlier (closer to the end of April) and planned distribution in 2 parts with the timing being a significant factor in that decision. The 2 part distribution remains necessary to first get funds in the hands of the earliest affected students and to retain a portion of the funds for a part 2 distribution that will allow for adjustments based on any opt outs, appeals, reallocations due to incomplete paperwork or ineligibility, or other reallocations. If a student not included in Part 1 has significant immediate need as described herein, they can file an appeal per the process outlined in this document. If a part 3 distribution is necessary to exhaust the funds because of reallocations, then that will occur soon after the second part.

Students Included in Allocations

The allocation calculation broadly includes students who were affected by the disruption of campus operations due to coronavirus that continue to actively engage in education at the institution, since the purpose is to allow for continued educational activities. These students must also have need that has arisen from the disruption of campus operations and coronavirus, which they will certify in a signed document described herein.

Students with statuses that include withdrawn, dropped, graduated, and on leaves of absence are not included in allocations as they are not continuing to actively engage in education. The understood purpose of the fund is to provide students and schools with the ability to continue education despite the disruption of campus operations and student need that has arisen due to Coronavirus.*

Although the school has the ability to distribute the funds over a one year period, the school did not decide to withhold an amount of funds to include future students starting in the fall. By the time those students start, the situation will be somewhat stabilized enough for students to make informed educational decisions on enrollment. Other students included in the allocation who were either already enrolled or in the final stages of their enrollment in the April class start did not have the same ability to plan, and their need arose in a more immediate “emergency” situation. Further, the school did not want to hold these funds for future students that may see the grants as incentives to enroll.

Students who enrolled during the period of distance education in the April 28, 2020 class start were included in allocations since they were also affected by the disruption and coronavirus. Although the school knew the funds were to be potentially received by the institution (although they had not been received) prior to the start of the class, the school did not announce the pending arrival of the funds so as not to create an incentive to enroll at the institution. While these students were included in the allocation, their allocation will be less than the students enrolled at the time of temporary closure as outlined herein. While this group of students did have their education disrupted, they did not have the abrupt, unpredictable disruption experienced by students currently attending at the time of temporary closure and resumption of education via distance education. They were more able to make a proactive decision regarding their education and prepare when they decided to continue with enrollment, and their period of disruption is anticipated to be less than the students who were enrolled previously. These students were considered for the purposes of this policy as a whole group regardless of when their decision to enroll or continue enrollment with the changed circumstances occurred.

Only students who are or could be eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965, as amended (HEA), may receive emergency financial aid grants. All programs at the school with currently enrolled students are Title IV Eligible Programs.

If a student has filed a Free Application for Federal Student Aid (FAFSA), then the student has demonstrated eligibility to participate in programs under Section 484 the HEA. Students who have not filed a FAFSA but who are eligible to file a FAFSA also may receive emergency financial aid grants. While they were included in allocation calculations, these students will need to take additional steps to confirm eligibility before receiving funds as outlined in this document. Alex Naoum and Erica Janak completed a preliminary review for these students to include them in allocations where the following criteria were reviewed:

- Student a U.S. Citizen or Eligible Non-Citizen
- Student Has Valid Social Security Number
- Registration for Selective Service (if the student is male)
- Has High School Diploma, GED, or Completion of High School in an Approved Home School Setting – Admissions requirements to the school are in line with the eligibility requirements, but files were re-reviewed
- Student Is Not in Default on Loans and Does Not Owe Money on a Federal Student Grant
- Student is Maintaining Satisfactory Academic Progress

Action Required to Receive Funds

In order to receive Emergency Financial Aid Grants, students will need to take action and fill out forms using their PERSONAL EMAIL ADDRESS NOT THEIR SCHOOL EMAIL ADDRESS.

- **Sign “Emergency Financial Aid Grant Certification”** acknowledging that you have need and that you understand the purpose and allowable uses of the funds. This form is available at www.alexanderpaul.edu/heerf. Use your personal email address and **NOT** your school email address.
- **Notify the School of How You Wish To Receive Funds** by either filling out the “Title IV Credit Balance & Refund EFT Consent” to receive funds by Zelle (www.zellepay.com) available at www.alexanderpaul.edu/heerf using your personal email address and **NOT** your school email address OR email financialaid@alexanderpaul.edu (from your personal email address and NOT YOUR STUDENT EMAIL) indicating which address you would like to have a paper check delivered to including apartment/unit numbers and Zip code. In absence of this, the school will send a paper check to your permanent address on file with the institution. If you want to receive these emergency grant funds via EFT, but not your regular Title IV credit balances from financial aid disbursements, please attest to that in an email to financialaid@alexanderpaul.edu after filling out the EFT Consent form.
- **Students Not Using Financial Aid: File a FAFSA Immediately** at <https://www.fafsa.gov>. The school will determine your eligibility to submit a FAFSA by reviewing a submitted FAFSA (even if you don’t intend on using it to seek other aid) and reviewing other factors stated in this document. Please contact the school’s financial aid staff if you have questions regarding the FAFSA.
- **Deposit Funds Immediately** - If you receive a paper check, please deposit your funds immediately.

Opting Out of Grants

If a student determines that they do not have financial need relating to the disruption of campus operation and coronavirus and would like to opt out of receiving all or a portion of the funds in favor of having the funds distributed to other students who may have more need, please notify financialaid@alexanderpaul.edu from your personal email address.

Methods of Distributing Funds

The school will distribute funds to students in the following ways:

- **EFT Transfer** through Zelle (www.zellepay.com) – The school recommends this method as it is more immediate and immediately traceable.
- **Paper Check** mailed to either an address specified by the student or address on file.

Order of Distributing Funds

Not all students will receive their distributions on the same day due to the burden of disbursing these funds to a large number of students. Distribution will occur in alphabetical order starting with Title IV Students then moving to

Non-Title IV Students who have been allocated funds in the calculation. If a student has not submitted complete paperwork, the school will continue down the list and return to the student later, moving through the list of students in the same manner at that time.

Recordkeeping

These grants will not appear on your student ledger (unless otherwise directed by future guidance from the Department of Education or other parties). They will be tracked in the schools accounting system and spreadsheets maintained for the purpose of tracking these funds in internal school documents. In addition, the school will maintain documentation of EFT or cashed check in internal school files to demonstrate that these funds were received by students.

Appeals for Emergency Financial Aid Grants

Although the school has not received a directive to provide for appeals, the school has chosen to review appeals (if applicable) in regard to the allocation and distribution of Emergency Financial Aid Grants. Appeals should be submitted by email to financialaid@alexanderpaul.edu. Appeals for consideration must be submitted within 10 calendar days of the date that the school notified students by email to their school email address (via the allstudentsandstaff email distribution list) of the availability of Emergency Financial Aid Grants. Appeals will be decided by a committee consisting of Elizabeth Kinney and Erica Janak with Alex Naoum casting any necessary tie breaker votes within 15 days of the submission of the appeal. Students will be notified of the appeal decision within 15 days of the submission of the appeal. Appeals will not be reviewed after this time frame and must be submitted timely since funds will begin to be distributed soon after the aforementioned notification.

METHODOLOGY FOR CALCULATING ALLOCATIONS

Distributing the Funds in Parts

Alexander Paul Institute of Hair Design will be distributing \$43,451 directly to students in 2 approximately equal parts. The calculation for Part 1 has been completed, and distribution of funds will begin the week of 5/18/2020. The calculation of Part 2 will occur during the week starting 6/1/2020 and funds will begin to be distributed thereafter. Part 1 (Approximately 50% of the amount of funds to be distributed) is exclusively reserved for students who were enrolled at the time of temporary closure due to coronavirus in order to prioritize that group as described previously herein. Part 2 (Approximately 50% of the amount of funds to be distributed) is to be distributed among all students identified below including students who started during the period of distance education.

Students Included in Part 1

Students included in Part 1 and who have received allocations for Part 1 are those who were currently enrolled and appeared on the school's roster of students on 3/18/2020, the day prior to the temporary closure due to COVID-19, who were still currently enrolled and attending at the time of the Part 1 allocation calculation and at the time of distribution of their respective funds. If a student was included in the calculation but dropped or was withdrawn prior to the distribution of their funds, the funds will roll over to Part 2 for distribution.

Students Included in Part 2

Students included in Part 2 and who will receive allocations for Part 2 are students who are currently enrolled and attending at the time of the allocation calculation and at the time of distribution of their respective funds. If a student was included in the calculation but dropped or was withdrawn prior to the distribution of their funds, the funds will roll over to a Part 3 for distribution.

Any adjustments due to appeals and/or unintended errors will be adjusted in the subsequent allocation calculation for the next part. If a student opts out of their allocation, is deemed otherwise ineligible due to change in status or another factor, fails to submit documents outlined herein in order to receive funds within a reasonable amount of time, the school will include the foregone allocation in the allocation calculation for the next part distribution.** A Part 3 calculation using the same methodology as Part 2 will be performed if funds have not been exhausted due to these factors after the Part 2 distribution.

Any amount the school needs to distribute to students that exceeds \$43,451 because of rounding in calculations of allocations will be paid from the amount the school received in the Institutional Portion of the HEERF so that the entire amount of \$43,451 designated for students will be exhausted in direct student payments. In other words, if the school needs to round numbers because of the calculation, it may result in more than \$43,451 being distributed directly to students to make sure the entire amount of \$43,451 is exhausted.

Allocations for Title IV Students and Non-Title IV Students

Alexander Paul Institute included Non-Title IV students in aid allocations if those students were eligible to file a FAFSA and eligible to participate in program under Section 484 in Title IV of the Higher Education Act of 1965, as amended (HEA).

To distribute the funds based on need as recommended to be a consideration by the Secretary of Education, the school separated students into 2 categories regardless of program or schedule, Title IV students and Non-Title IV students (Meaning those using financial aid and those not using financial aid). In the calculation, the school determined what a Title IV student would receive and determined that a Non-Title IV student would receive 50% of that amount.

Allocation Calculation Formula

The formula the school used for calculating allocations is: $a=(y*x)+(z*.5x)$

- a=Dollar amount of funds to be distributed in the Part
- x=Dollar amount to be allocated to Title IV students
- .5x=Dollar amount to be allocated to Non-Title IV students
- y=Number of Title IV students included in the Part
- z=Number of Non-Title IV students included in the Part

Part 1 Calculation

The calculation of Part 1 is contained in this section. Based on the information in this document, the institution determined the following inputs to the formula:

- **\$21,725.50**=a=Dollar amount of funds to be distributed in the Part 1 Allocation Calculation
- [REDACTED]=y=Number of Title IV students included in the Part 1 Allocation Calculation
- [REDACTED]=z=Number of Non-Title IV students included in the Part 1 Allocation Calculation

The school solved for x by inputting the above into the formula:

$$\begin{aligned}
 \$21,725.50 &= ([REDACTED]x) + ([REDACTED] * .5x) \\
 \$21,725.50 &= [REDACTED]x \\
 x &= \$[REDACTED] \\
 .5x &= \$[REDACTED]
 \end{aligned}$$

The result are as follows:

- \$ [REDACTED] has been allocated to [REDACTED] Title IV Students for a total amount of \$ [REDACTED]
- \$ [REDACTED] has been allocated to [REDACTED] Non-Title IV Students for a total amount of \$ [REDACTED]
- \$21,725.57 was the actual amount allocated after rounding, which was \$0.07 higher than the anticipated \$21,725.50 leaving \$21,725.43 to be allocated for Part 2

[REDACTED] student(s) that is/were included on the 3/18/2020 roster of students were excluded from the calculation because of their student status at the time of calculation.

Part 2 Calculation (Projected)

A final Part 2 Allocation Calculation will be posted publicly once performed. These numbers are based on current projections assuming all students currently enrolled stay enrolled. Here are the projected inputs to the formula:

- **\$21,725.43**=a=Dollar amount of funds to be distributed in the Part 1 Allocation Calculation
- [REDACTED]=y=Number of Title IV students included in the Part 1 Allocation Calculation
- [REDACTED]=z=Number of Non-Title IV students included in the Part 1 Allocation Calculation

The school solved for x by inputting the above into the formula:

$$\begin{aligned} \$21,725.43 &= (\text{█} x) + (\text{█} \cdot .5x) \\ \$21,725.43 &= \text{█} x \\ x &= \$\text{█} \\ .5x &= \$\text{█} \end{aligned}$$

The result are as follows:

- \$█ has been allocated to █ Title IV Students for a total amount of \$█
 - \$0.01 was added to x. Using \$█ (the true value of x), only \$21,725.36 was allocated, which is less than the amount needing to be allocated to exhaust the remaining funds.
- \$█ has been allocated to █ Non-Title IV Students for a total amount of \$█
- \$21,725.70 was the actual amount allocated after adjustments, which was \$0.27 higher than the anticipated \$21,725.43 leaving \$0.27 to be distributed directly to students from the Institutional Portion of HEERF.

█ student(s) is/were projected to be excluded from the calculation due to student status.

**The school has not received any official guidance as to whether students in these statuses could be included in allocations. In addition, while these Emergency Financial Aid Grants are not traditional Title IV funds according to the HEA as amended, student loan funds are generally not able to be disbursed to students in these statuses included students on leave. The primary reason of exclusion based on the intention of the HEERF is included in the paragraph.*

***School staff will work with students to collect these documents. If documents remain outstanding past a reasonable amount of time, then the school may make a determination that the student doesn't intend on receiving these funds and reallocate them.*