

2017-18

Engagement Guide

**Tuition Equalization Grant
(TEG)**



Student Financial Aid Programs
Texas Higher Education Coordinating Board

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Section A: Engagement Purpose and Information

The TEG Engagement Guide was developed by the Texas Higher Education Coordinating Board (THECB) to assist auditors during the TEG Program engagement process at Texas Private/Independent institutions. The purpose of the engagement is to confirm that awards are only given to eligible students and that the institution has an adequate system of internal controls to assure adherence to program laws and regulations.

Although all requirements outlined in this guide must be addressed by the auditor, the auditor should use his or her judgment to determine if further matters should be reviewed. This guide is not intended to be an exhaustive reference.

1. CONDUCTING AN AGREED UPON PROCEDURES ENGAGEMENT

The audit must be performed in accordance with [AT Section 201 Agreed-Upon Procedures Engagements](#).

2. ENGAGEMENT SAMPLE SIZE

Sample size for eligibility tests, should be 59 recipients. For small recipient populations of 59 or less, the auditor should test 100% of the population.

3. AUDIT CYCLE

Engagements must be completed on an annual basis. Each participating institution must have agreed upon procedures for engagements of its TEG Program operations performed on a regular basis by an independent auditor, or by an internal audit office that is independent of the financial aid and disbursing offices. Reports on findings and corrective action plans (if necessary) are due to the THECB by **April 15** of each year ([19 TAC, Section 22.23\(c\)\(3\)\(B\)](#)).

4. REPORTING RESULTS AND CORRECTIVE ACTION PLAN

The engagement report is due to the THECB by **April 15**, following the end of the award year that is covered by the engagement. The engagement report must be addressed to the Chief Executive Officer of the institution of higher education, and must include a corrective action plan for noted deficiencies, where applicable.

If necessary, campus visits by THECB staff will be made to assist the institution in determining the proper course of action.

5. SUBMISSION FOR REPORTING RESULTS

THECB requires an electronic copy be sent to DeCha.Reid@theccb.state.tx.us and mailed to:

Texas Higher Education Coordinating Board
Attention: DeChá Reid, Director, Financial Aid Services
1200 East Anderson Lane
Austin, TX 78752

For questions, please contact Financial Aid Services at 844-792-2640 or send a website inquiry through [CONTACT US](#) (Select the "Financial Aid Question" option in the drop-down selection under **Contact Reason**).

Section B: Agreed Upon Procedures

1. SUPERVISION BY A TEG PROGRAM OFFICER

Compliance Requirement ([19 TAC, Section 22.22 \(27\)](#)).

The TEG Program Officer is the individual named by each institution's Chief Executive Officer to serve as agent for the THECB. The TEG Program Officer is responsible for all administrative acts required by the program, including the selection of recipients, maintenance of all records and preparation, and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid **must** serve as TEG Program Officer.

Mandatory Procedure

Determine whether the designated TEG Program Officer has oversight over the institutional administration of the program. The person designated as the TEG Program Officer **must not** also oversee the disbursement of TEG funds.

2. DESIGNATION AND FISCAL OVERSIGHT BY A TEG DISBURSING OFFICER

Compliance Requirement

For each institution in the program, the Chief Fiscal Officer must designate a TEG Disbursing Officer (who cannot also be the TEG Program Officer) that is responsible for administering TEG funds on the institutional level in agreement with program guidelines.

Mandatory Procedure

Determine whether the designated TEG Disbursing Officer has oversight over the institutional administration of program funds. The person designated as TEG Disbursing Officer cannot also select nor award TEG recipients. There must be a segregation of duties between disbursing TEG funds and selecting/awarding funds.

3. TIMELY DISBURSEMENT OF FUNDS

Compliance Requirement

The TEG Disbursing Officer **must** disburse a TEG award to the recipient or apply it to the recipient's account based on timely disbursement rules. Timely disbursement is defined in [19 TAC, Section 22.2: Timely Distribution of Funds](#) as **3 business days** after receiving the funds, which became effective May 22, 2017. Undisbursed funds must be returned to the THECB no later than **6 business days** after the receipt of funds or the ineligible funds may be disbursed to a different eligible student in order to meet the timely disbursement requirement.

Mandatory Procedure

Review the institution's records to verify whether funds were released to students or applied to students' institutional accounts based on timely disbursement requirements.

4. INSTITUTION ELIGIBILITY

Compliance Requirement

The THECB must approve only those private or independent colleges that are located within the state of Texas, and which are either granted temporary approval by the THECB to participate ([19 TAC, Section 22.23 \(a\)\(5\)](#)), or are accredited by the Southern Association of Colleges and Schools, the Liaison Committee on Medical Education, or the American Bar Association.

Mandatory Procedure

Determine whether the school has proof of temporary THECB approval, or a current membership in good standing with the Southern Association of Colleges and Schools, the Liaison Committee on Medical Education or the American Bar Association. If the institution is on probation with the Southern Association of Colleges and Schools, the Liaison Committee on Medical Education, or the American Bar Association, determine whether students are being properly notified of that condition in keeping with TEG program rules.

5. STUDENT ELIGIBILITY

Compliance Requirement

To qualify for a TEG award, a student must meet the following general requirements:

- Enroll at least ¾-time in a degree plan leading to a first associate degree, first baccalaureate degree, first master's degree, first professional degree or first doctoral degree.
- Show financial need.
- Maintain satisfactory academic progress (see next paragraphs).
- Be classified as a resident of Texas as determined by the [THECB Core Residency Questions](#) and in keeping with [Title 19 of the TAC Chapter 21, Subchapter B](#) (relating to Determination of Resident Status).
- Be required to pay more tuition than is required at a comparable public college or university and be charged no less than the regular tuition required of all students enrolled at the institution.
- Be registered with Selective Service, or be exempt.
- Not be a recipient of any form of athletic scholarship during the semester(s) he or she is receiving TEG.
- Be enrolled in an approved institution in an individual degree, but not in a degree plan that is intended to lead to religious ministry.

To receive a subsequent award, a TEG Program recipient must meet the requirements listed above and as outlined in [Appendix 2: TEG Program Guidelines – Satisfactory Academic Progress \(SAP\)](#).

In the event of a hardship or for other good cause, an otherwise eligible award recipient may be allowed to receive an award ([Appendix 2: TEG Program Guidelines – Hardship Provisions](#)). Each institution must adopt a hardship policy and have it available for public review upon request. All hardship decisions must be documented in the recipient's records and be available for submission to the THECB, if requested. A recipient's award amount must be prorated if the recipient has an approved hardship and is enrolled less than three-quarter time.

Mandatory Procedure

Review the records for recipients in the sample to confirm that they meet program requirements. If a hardship was granted, have a documented hardship decision on file. Confirm that the institution has a hardship policy in place that is available for public review. Award recipients must be residents of Texas as determined based on data collected using the Core Residency Questions and in keeping with Chapter 21, Subchapter B, of THECB Rules (relating to Determination of Resident Status).

NOTE: Non-resident National Merit finalists are **not** eligible to receive TEG funding out of funds appropriated for FY 2018. There is no grandfathering provision available for prior non-resident National Merit TEG recipients.

6. AWARD AMOUNT LIMITS

Compliance Requirement

An institution must not disburse and award in a single term or semester that exceeds a student's financial need, tuition differential or program maximum for the academic year, whichever is least. The maximum annual TEG award amounts for 2017-18 are outlined in [Appendix 2: TEG Program Guidelines – Award Amounts](#).

Mandatory Procedure

Confirm the award amounts in the sample do not exceed each recipient's calculated financial need, tuition differential (using public tuition rates as listed in [Appendix 2: TEG Program Guidelines – Tuition Differential](#), or the maximum award limits, whichever is least, as specified in [Appendix 2: TEG Program Guidelines – Award Amounts](#)).

7. PRORATED AWARDS FOR RECIPIENTS

Compliance Requirement

Recipients receiving awards through the TEG Program are required to enroll on at least a three-quarter-time basis. However, if the recipient is granted a waiver of this requirement based on the hardship provisions, the award must be prorated in keeping with the hours taken. The proration schedule is outlined in [Appendix 2: TEG Program Guidelines - Proration](#).

Mandatory Procedure

Check to make sure awards were prorated for the sample of TEG award recipients, if applicable.

8. OVER-AWARDS

Compliance Requirement

If a recipient receives additional financial assistance after a TEG award has been disbursed to the recipient, the institution is not required to adjust the TEG award unless the resulting sum of financial assistance exceeds the recipient's financial need by more than \$300.

A recipient's TEG award may not exceed the recipient's documented financial need by more than \$300.

Mandatory Procedure

Check to make sure the sample of TEG awards did not exceed financial need, unless additional financial assistance has been received after the TEG award was disbursed. If so, check to make sure awards did not exceed financial need by more than \$300.

9. ADJUSTMENTS TO AWARDS AND REFUND POLICY

Compliance Requirement

Review a sample of recipient records to determine whether excessive over-awards were permitted. If a recipient officially withdraws from enrollment or drops courses (or for some other reason, the amount of a recipient's disbursement exceeds the amount the recipient is eligible to receive), the institution must follow its general institutional refund policy in determining the amount by which the award is to be reduced ([19 TAC, Section 22.27](#)).

Funds generated through such reductions should be re-awarded to other eligible students attending the institution. If funds cannot be re-awarded, they should be returned to the THECB based on timely disbursement rules ([19 TAC, Section 22.2](#)).

Mandatory Procedure

Review the institution's records to verify that the institution followed its own refund policies when determining a recipient's revised award amount.

10. MAXIMUM TIME FRAME FOR UNDERGRADUATES

Compliance Requirement

The maximum time frame that a TEG Program recipient is able to receive a TEG award indicated by [TEC, Section 61.2251\(d\)](#) is outlined in [Appendix 2: TEG Program Guidelines – Satisfactory Academic Progress \(SAP\)](#). Institutions may not award a TEG Program recipient who has exhausted his/her maximum award timeframe, unless the recipient has been granted a hardship extension of that timeframe.

Mandatory Procedure

Examine the school's method of tracking the offer date of the first award for TEG recipients to determine whether or not the institution has a satisfactory system in place preventing the awarding of grants after the end of each recipient's period of eligibility. The system, at a minimum, should include the following recipient information:

- When the first TEG award was offered; and
- The calendar year and term (or actual date) when first award was disbursed to the recipient.

The school must have a system in place to monitor that a recipient has NOT exceeded his/her period of eligibility and that any hardship decisions are documented in the recipient's records.

11. DISBURSEMENT PROCEDURES

a. Approval of Disbursements

Compliance Requirement

TEG funds cannot be disbursed or applied to a recipient's account without prior confirmation of the recipient's eligibility for the particular disbursement by the TEG Program Officer.

Institutions must be able to show that a recipient was eligible at the time of disbursement or when TEG funds were applied to the recipient's account.

Mandatory Procedure

Review the institution's procedures to determine whether or not a satisfactory system that confirms a recipient's eligibility, prior to award disbursement, is in place.

b. Late Disbursements

Compliance Requirement

The last day of the award period would be the last day of classes in a recipient's period of enrollment.

Documentation must be maintained in a recipient's file if the institution issues grant funds after the last day of the period of enrollment. Such disbursements must be made only in compliance with TEG under [19 TAC, Section 22.28](#).

TEG indicates that funds under [19 TAC, Section 22.28](#) which are disbursed after the end of the recipient's period of enrollment must be used to make a payment against the recipient's outstanding balance at the institution, or to make a payment against an outstanding student loan received during that period of enrollment. Under no circumstances are funds to be released to the recipient.

Mandatory Procedure

Review the sample of TEG award recipients, if the students received a late disbursement, check to ensure procedures were followed and documentation is on file.

c. Year-End Account Close-Out

Compliance Requirement

By the end of each state fiscal year (August 31), all TEG accounts should be closed, with all disbursements either applied to recipient accounts or returned to the THECB. The institution should return unused funds to the THECB by Electronic Funds Transfer (EFT). In no case can all or part of a TEG payment (i.e. EFT deposit) be held by the school beyond the end of the state fiscal year in which the funds were deposited.

Mandatory Procedure

Review an objectively determined sampling of recipient records to determine whether or not disbursements were either applied to recipient accounts or returned to the THECB.

Compliance Requirement

TEG payments should not be "held" in the institution's bank account. If funds cannot be re-awarded, they should be returned to the THECB based on timely disbursement rules ([19 TAC, Section 22.2](#)).

Mandatory Procedure

Review the institution's records to verify that TEG funds were not "held" in the institution's bank account. If excess or ineligible funds are identified during the audit process, the auditor should have the institution initiate a refund to the THECB, notifying Financial Aid Services by sending a website inquiry through [Contact Us](#) (Select "Financial Aid Question" as the **Contact Reason**).

12. RETAINING RECORDS

Compliance Requirement

Records proving recipient eligibility at the time of disbursement and that the money was received by the recipient, or applied to the recipient's account, should be maintained by the institution for **seven years** after the date of completion of the award period ([TEC, Section 441.1855](#) and [19 TAC, Section 22.4](#)).

Mandatory Procedure

Confirm that the institution records for recipient eligibility and award disbursement are maintained for the required amount of time.

13. REPORTS

Compliance Requirement

Institutions are required to complete multiple reports and submit them to the THECB. These reports are used to verify that an institution is adhering to program requirements in making awards, and to reconcile school records of the amount received with the amount on record as being issued by the THECB.

Mandatory Procedure

Confirm that Business Office records of TEG amounts issued, and number of awards made, agree with the amounts reported by the institution through the Financial Aid Database (FAD) Report.

14. PRIOR AUDIT FINDINGS

Compliance Requirement

Institutions are advised that repeat findings in reports, or failure to satisfactorily resolve the findings, may lead to an adverse administrative action per section 4.0 "Terms and Conditions" of the Memorandum of Understanding for State Financial Aid Programs.

Mandatory Procedure

Confirm that the institution satisfactorily resolve findings reported in any previous annual review.

Section C: Appendices

Appendix 1: Timely Disbursement of Financial Aid Funds and Tuition Refunds



Texas Higher Education
COORDINATING BOARD
Academic Planning and Policy

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MEMORANDUM

September 1, 2017

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To: Presidents, Chancellors, Reporting Officials, IR Officers, Liaisons (copied), Chief Academic Officers, Chief Instructional Officers, Chief Financial Aid Officers, and Registrars at Texas Public Institutions of Higher Education

From: David W. Gardner

RE: Timely Disbursement of Financial Aid Funds and Tuition Refunds

The information below pertains to the timely disbursement of financial aid and tuition refunds. Please don't hesitate to contact me at david.gardner@thehb.state.tx.us if the Coordinating Board can be of assistance on any other storm-related issues.

Timely Disbursement of Funds

The Timely Distribution of Funds section of the Administrative Code (Section 22.2) includes a Timely Disbursement expectation. This expectation requires institutions to disburse student financial aid funding (other than work-study) to a student recipient's account no later than three business days after receiving the funds. Undisbursed funds must be returned to the Coordinating Board no later than six business days after the receipt of funds.

For those institutions impacted by the storm (see list in attachment 1), the Timely Disbursement expectations will be adjusted as follows:

- Institutions impacted by the storm should disburse state student financial aid funding to a recipient's account as quickly as your operations will allow in light of the impact of Hurricane Harvey;
- Institutions impacted by the storm have 30 business days after the receipt of the funds to return undisbursed funds to the Coordinating Board.

This adjustment of the Timely Disbursement expectation will apply to all state financial aid funds disbursed to institutions by the Coordinating Board through September 30, 2017, after which, the current administrative code will apply.

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Timely Disbursement of Financial Aid Funds and Tuition Refunds
September 1, 2017
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Institutions on the attached list do not need to make a specific request to utilize the adjusted expectations. If your institution is not included on the list of schools located in affected areas, but did suffer disruption that will prevent you from meeting the standard timely disbursement expectations, please contact Charles Puls at Charles.Puls@theccb.state.tx.us or 512-427-6365.

Tuition Refunds at Two-Year Colleges

As per the memo sent on August 28, 2017, the Coordinating Board has allowed institutions affected by Hurricane Harvey and its aftermath to delay their Census Date and fall enrollment reporting for up to two weeks. Refund policies are tied to the Census Date for community/junior and technical colleges, which are required to collect minimum payments under Texas Administrative Code (TAC) 21.5 (see attachment 2). The Coordinating Board strongly encourages affected institutions to allow for more generous refund policies, as warranted. In addition, we hope that both affected and non-affected institutions will work individually with students who were directly impacted by the storm, should more flexibility be needed related to tuition refunds.

Note that, as related to TAC 21.4, regarding dates for reporting official enrollments to the Texas Higher Education Coordinating Board by community colleges and the collection of tuition from students who are counted for formula funding, fall 2017 is not part of a formula funding base year, which provides greater flexibility around reporting requirements for student enrollments. Institutions should contact Victor Reyna at Victor.Reyna@theccb.state.tx.us regarding reporting requirements should delays be anticipated as a result of students with special circumstances.

Tuition Refunds at General Academic Institutions (GAIs) - including Health-Related Institutions (HRIs)

As per the memo sent on August 28, 2017, the Coordinating Board has allowed institutions affected by Hurricane Harvey and its aftermath to delay their Census Date and fall enrollment reporting for up to two weeks and to adjust their 20th class days accordingly. Refund policies are tied to the 20th class day date for GAIs, which are required to collect minimum payments under Texas Education Code (TEC) 54.006 (see attachment 2). The Coordinating Board strongly encourages all institutions to consider more generous refund policies, as allowable by 54.006 (b-2) for students who were directly impacted by the storm.

Note that, regarding dates for reporting official enrollments to the Texas Higher Education Coordinating Board, fall 2017 is not part of a formula funding base year, which provides greater flexibility around reporting requirements for student enrollments. Institutions should contact Victor Reyna at Victor.Reyna@theccb.state.tx.us regarding reporting requirements should delays be anticipated as a result of students with special circumstances.

- [Attachment+1 +List+of+Institutions+in+Hurricane+Harvey+Impact+Area.pdf](#)
- [Attachment+2_TEC+and+TAC+excepts+related+to+refunds+9_1_17.docx.pdf](#)

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Appendix 2: 2017-18 TEG Program Guidelines

PROGRAM AUTHORITY AND PURPOSE ([19 TAC, SECTION 22.21](#))

The Tuition Equalization Grant (TEG) program was authorized by [TEC Chapter 61, Section 61.221](#). Rules establishing procedures to administer the subchapter can be found in [Title 19 of the TAC, Chapter 22, Subchapter B](#). The program is funded by appropriations by the Texas Legislature. The purpose of the TEG program is to promote the best use of existing educational resources and facilities within this state, both public and private, by providing need-based grants to Texas residents enrolled in approved private or independent Texas colleges or universities.

STATE PRIORITY DEADLINE ([TEC, SECTION 56.008](#) AND [19 TAC, SECTION 22.6](#) – FORMERLY 19 TAC, SECTION 21.10)

The THECB provides a uniform priority deadline for applications that qualify for financial assistance in an academic year. Institutions eligible to participate in the TEG program are *encouraged* to publicize and use the **March 15** state priority deadline for identifying eligible students to be given priority in receiving awards through the state financial aid programs. Institutions have the flexibility to define what it means to meet the priority deadline at their institution. Institutions are encouraged to adopt a policy and procedure to ensure students are awarded consistently for this program.

ELIGIBLE INSTITUTIONS ([19 TAC, SECTION 22.23](#))

Any college, university or branch campus, defined as a private or independent institution of higher education, is eligible to participate in the TEG program (See [TEC, Section 61.003](#)).

Each participating institution will have a single allocation in which initial year (IY), also known as first awards, and renewal year (RY), also known as subsequent awards, can be made.

ELIGIBILITY

TEG ELIGIBILITY REQUIREMENTS ([TAC, SECTION 22.24](#))

TO RECEIVE A FIRST AWARD, A STUDENT MUST:

- ✓ Be classified by the institution as a Texas resident
- ✓ Be registered with Selective Service or be exempt
- ✓ Have applied for financial aid assistance
- ✓ Have financial need
- ✓ Be enrolled at least 3/4 time
- ✓ Be an undergraduate **or** graduate student enrolled in degree plan leading to a **first** associate, baccalaureate, master's, professional, or doctoral degree (excluding degree plans that are intended to lead to religious ministry)
- ✓ Not have earned a degree for which they are currently enrolled
- ✓ Not be a recipient of an athletic scholarship (i.e. the student is obliged to play an intercollegiate sport as a result of receiving the scholarship) during the semester(s) TEG is awarded
- ✓ Be required to pay more tuition than is required at a comparable public college or university and be charged no less than the tuition required of all similarly situated enrolled at the institution

TO RECEIVE A CONTINUATION AWARD, A STUDENT MUST:

- ✓ Meet all the first award requirements
- ✓ Maintain satisfactory academic progress

DISCONTINUATION OF ELIGIBILITY ([19 TAC, SECTION 22.24](#))

Unless a hardship is granted, a student’s eligibility ends if any of the following maximums have been met:

DEGREE TYPE*	IF ENROLLED IN A DEGREE OR CERTIFICATE PROGRAM OF 4 YEARS OR LESS	IF ENROLLED IN A DEGREE OR CERTIFICATE PROGRAM OF MORE THAN 4 YEARS
RECIPIENT WORKING TOWARD AN ASSOCIATE OR BACCALAUREATE DEGREE	5 years from the first semester awarded	6 years from the first semester awarded
RECIPIENT WORKING TOWARD A MASTER'S, PROFESSIONAL, OR DOCTORAL DEGREE	No maximum time limit	

*An award cannot be granted to a student pursuing a second degree of one already earned.

HARDSHIP PROVISIONS ([19 TAC, SECTION 22.24](#))

A student who is ineligible for a TEG award based on the general requirements may be deemed eligible under a hardship provision. There are limitations on which eligibility requirements can be granted a hardship. Each institution must adopt a hardship policy and have the policy available for public review upon request. All hardship decisions must be documented in the student’s record and be available for submission to the Texas Higher Education Coordinating Board (THECB) if requested.

SATISFACTORY ACADEMIC PROGRESS (SAP) ([19 TAC, SECTION 22.24](#))

A student’s SAP eligibility is determined at the end of each academic year. At the end of the first academic year, a student must meet SAP requirements as set by the institution to be considered eligible for their first continuation award. At the end of the second academic year, and all years thereafter, all undergraduate students must complete 24 semester credit hours (SCH) with a 75% completion rate of the total attempted hours and have a minimum 2.5 cumulative grade point average (GPA) in the academic year. All graduate students must complete 18 SCH with a 75% completion rate of the total attempted hours and have a minimum 2.5 cumulative GPA at the end of the second academic year, and all years thereafter.

Each recipient’s GPA and completed hours must be monitored to ensure compliance as outlined below. Student award history information is available to assist institutions with monitoring this requirement via the [SFAP Information Webpage](#).

IMPORTANT NOTE: A student who is below the SAP requirements at the end of the spring semester can appeal to have transfer courses included in the SAP calculation. In this case, all transfer courses must be included when determining program eligibility. If the resulting grade point average exceeds the program's academic progress requirement, an otherwise eligible student may receive an award in the following semester.

Academic Year	Satisfactory Academic Progress (SAP) Requirements		
End of 1st academic year	Institutional SAP Policy		
End of 2nd academic year or later; recipient working toward their first associate or baccalaureate degree*	24 SCH in an academic year	75% completion rate in an academic year	2.5 cumulative GPA on a 4-point scale
End of 2nd academic year or later; recipient working toward their first master's, professional, or doctoral degree*	18 SCH in an academic year	75% completion rate in an academic year	2.5 cumulative GPA on a 4-point scale

AWARDING

In determining who should receive a TEG award, an institution must not disburse an award in a single term or semester that exceeds a student's financial need or tuition differential for that term or semester or the program maximum for the academic year, whichever is the least.

TEOG 2017 18 Award Amounts		
Institution Type	Award Max/Year	Exceptional Need
Private/Independent Institutions	\$3,364	\$5,046
TEG recipients with EFC's ≤ \$1,000 may receive up to the Exceptional Need award amount.		

Undergraduate students with **exceptional need** may receive up to 150% of the basic award, not to exceed the student's need or tuition differential. Exceptional need is defined as students with expected family contributions (EFCs) less than or equal to \$1,000.

OVER AWARDS [\(19 TAC, SECTION 22.26\)](#)

If an award has been disbursed and a student receives assistance that exceeds the student's financial need, the institution is not required to adjust the award unless the sum of the excess resources is greater than \$300.

TUITION DIFFERENTIAL [\(19 TAC, SECTION 22.22\)](#)

Tuition differential is defined as the difference between the tuition paid at a private or independent institution and the tuition the student would have to pay to attend a comparable public institution in Texas. Fees are not included in this calculation, only tuition rates.

The Southern Association of Colleges and Schools (SACS) identifies institutions by the highest levels of degrees they offer. These levels are being used by the THECB to identify "comparable" institutions for the purpose of calculating tuition differentials. The following table shows average resident undergraduate and graduate tuition rates per SCH for public institutions at various SACS levels for the 2017-18 academic year. These numbers should be used by the institution to derive tuition differentials by using the student's total SCH and multiplying the tuition rate provided.

SACS LEVEL	UNDERGRADUATE TUITION RATE PER SCH	GRADUATE TUITION RATE PER SCH
Associate Degree Level 1	\$57	n/a
Baccalaureate Degree Level 2	\$66	n/a
Master's Degree Level 3	\$194	\$268
Three or fewer Doctoral Degrees Level 5	\$182	\$239
Four or more Doctoral Degrees Level 6	\$232	\$329

The average public institution rates for law school students are as follows:

- Resident: \$918 per SCH

For Example:

1. Charges for an independent 2-year institution (e.g. Jacksonville College) should be compared to public community college charges (Level 1).
2. A Level 2 institution that **only** awards TEG to associate degree students (e.g. Southwestern Christian College) should compare its charges to those of public community colleges (Level 1).
3. Levels 2, 3, 5 and 6 independent institutions (other than Southwestern Christian College) should compare the charges to the average charges of public institutions at the same levels.

LATE DISBURSEMENTS ([19 TAC, SECTION 22.28](#))

Funds that are disbursed after the end of a student’s period of enrollment must either be used to pay the student’s outstanding balance from the period of enrollment, or to make a payment against an outstanding loan received during that period of enrollment. Under no circumstances should late disbursements be released directly to the student.

PRORATION ([19 TAC, SECTION 22.26](#))

Awards must be prorated if the student has been approved for an exception to the 3/4 time enrollment requirement based on hardship:

Undergraduate Hardship Proration Schedule	ENROLLED 6 8 HOURS	ENROLLED < 6 HOURS
	Maximum eligibility = 50% of a maximum award amount	Maximum eligibility = 25% of a maximum award amount
Graduate Hardship Proration Schedule	ENROLLED 5 6 HOURS	ENROLLED < 5 HOURS
	Maximum eligibility = 50% of a maximum award amount	Maximum eligibility = 25% of a maximum award amount

ADJUSTMENTS TO AWARDS ([19 TAC, SECTION 22.27](#))

If a student officially withdraws or the amount of a student's disbursement exceeds the amount the student is eligible to receive, the institution must follow its general institutional refund policy in determining the amount the award must be reduced by.

1. These funds should be re-awarded to other eligible students attending the institution. If funds cannot be re-awarded, they should be returned to the THECB no later than the end of the state fiscal year for which they were allocated to the institution.
2. If the student withdraws or drops classes after the end of the institution's refund period, no refunds are due to the program.

PROCESSING FUNDS

REQUESTING PROGRAM FUNDS

When requesting funds, eligible institutions must submit a Funds Request Form (FRF). The FRF is available through the secure Coordinating Board Pass System (CBPASS) portal on the [SFAP Information Webpage](#). Requests for funds may be made on an as-needed basis for current disbursements and must be applied to the student’s account within 5 business days.

RETURNING PROGRAM FUNDS

Before any funds are returned to the THECB, a [Return of Funds Form](#) must first be submitted and approved. This form is available on the [SFAP Information Webpage](#). Funds that have been disbursed to an ineligible student must be returned to the THECB, unless the funds can be awarded and disbursed to an eligible student during the current fiscal year.

AUTHORITY TO TRANSFER FUNDS ([19 TAC, SECTION 22.30](#))

Institutions participating in a combination of TEG and Texas College Work-Study (TCWS) may transfer up to 10% of the institution’s total annual program allocation or \$20,000 (whichever is less) between programs in a given fiscal year. The transfer for funds must be encumbered by the institution by **February 20th**.