

# **| Tuition Equalization Grant (TEG)**



**Texas Higher  
Education**  
COORDINATING BOARD

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## Section A: Engagement Purpose and Information

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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** (or the first working day thereafter if April 15 falls on a weekend or holiday) of each year ([Texas Administrative Code \[TAC\], Title 19, Part 1, Chapter 22, Subchapter A, Section 22.9\(c\): Reporting Requirements/Deadlines](#)).

### 4. Reporting Results and Corrective Action Plan

The engagement report is due to the THECB by **April 15** (or the first working day thereafter if April 15 falls on a weekend or holiday), 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.

THECB staff is available to consult with or conduct a site visit, when deemed necessary, to determine the proper course of action.

### 5. **NEW!** - Submission for Reporting Results

The THECB requires an electronic copy of the report to be uploaded using the [TEG Engagement \(FY 2023\) Online Submission Form](#). The submitter should request a copy of their submission for the institution's records and the THECB will only respond if needed.

For questions, please contact Financial Aid Services at 844-792-2640 or through [CONTACT US](#) (Select "Financial Aid Question" as the **Contact Reason**).

## Section B: Agreed-Upon Procedures

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### 1. Designated Program Officer

#### Compliance Requirement

The Program Officer is the individual named by each institution's chief executive officer to serve as agent for the THECB. The 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 the Program Officer (See [TAC, Title 19, Part 1, Chapter 22, Subchapter A, Section 22.1\(20\): Program Officer](#)).

#### Mandatory Procedure

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

### 2. Designation and Fiscal Oversight By A Disbursing Officer

#### Compliance Requirement

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

#### Mandatory Procedure

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

### 3. Timely Disbursement of Funds

#### Compliance Requirement

The Disbursing Officer **must** disburse an award to the recipient or apply it to the recipient's account based on timely disbursement rules. Timely disbursement is defined in [TAC, Title 19, Part 1, Chapter 22, Subchapter A, Section 22.2\(1\): Timely Disbursement](#) as **three business days** after receiving the funds. Undisbursed funds must be returned to the THECB no later than **six business days** after the receipt of funds or the ineligible funds may be disbursed to a different eligible student to meet the timely disbursement requirement.

#### Mandatory Procedure

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

### 4. Institution Eligibility

#### Compliance Requirement

The THECB approves only those private/independent colleges or universities defined in [Texas Education Code \(TEC\), Section 61.003 \(15\)](#) and who meet the accreditation standards found in [TEC, Section 61.222](#).

## Mandatory Procedure

Determine whether the school is accredited based on provisions found in [TAC, Title 19, Part 1, Chapter 22, Subchapter B, Section 22.23 \(a\)\(5\): Eligible Institutions](#). If the institution is on probation, determine whether students are being properly notified of that condition in keeping with program rules found in [TAC, Title 19, Part 1, Chapter 22, Subchapter A, Section 22.9 \(a\): Probation Notice](#).

## 5. Student Eligibility

### Compliance Requirement

To qualify for a *first* award, a student must meet the following requirements:

- Be classified as a resident of Texas as determined by the [THECB Core Residency Questions](#) and in keeping with [TAC, Title 19, Part 1, Chapter 21, Subchapter B: Determination of Resident Status](#)
- Be registered with Selective Service or be exempt
- Show financial need
- Enroll at least 3/4 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
- Maintain satisfactory academic progress as determined by the institution
- Not be a recipient of any form of athletic scholarship during the semester(s) he or she is receiving TEG
- Be enrolled at an approved institution in an individual degree plan but not a degree plan that is intended to lead to religious ministry
- 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

To receive a *subsequent award*, a recipient must meet all the *first* award requirements listed above as well as the requirements for satisfactory academic progress, as outlined in [Appendix 1: TEG Program Guidelines – Satisfactory Academic Progress \(SAP\)](#).

A student who is ineligible for an award based on GPA, completion rate, number of completed hours for satisfactory academic progress, or enrollment less than three-quarter time may be deemed eligible under a hardship provision ([Appendix 1: 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.

**Note:** The rule found in [TAC, Title 19, Part 1, Chapter 22, Subchapter B: Hardship Provisions](#) is being updated to remove the language related to proration. While a recipient's award amount can be prorated with an approved hardship for enrollment of less than three-quarter time, it is no longer required as of November 2020.

## Mandatory Procedure

Inspect the records for recipients in the sample to confirm that they meet program requirements. If an extension of eligibility was granted, a documented hardship decision must be on file. Award recipients must be residents of Texas as determined based on data collected using the [THECB Core Residency Questions](#) and in keeping with [TAC, Title 19, Part 1, Chapter 21, Subchapter B: Determination of Resident Status](#).

## 6. Award Amount Limits

### Compliance Requirement

An institution must not disburse an 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 **2022-23** are outlined in [Appendix 1: TEG Program Guidelines – Annual Maximum](#).

## 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 1: TEG Program Guidelines – Tuition Differential](#), or the maximum award limits, whichever is least, as specified in Appendix 1: TEG Program Guidelines – Annual Maximums – Page 5.

## 7. Over-Awards

### Compliance Requirement

If a recipient receives additional financial assistance after the original TEG award has been disbursed, the institution is not required to adjust the award amount unless the resulting sum of total financial assistance exceeds the recipient's documented financial need by more than \$300 ([TAC, Title 19, Part 1, Chapter 22, Subchapter A, Section 22.11\(d\): Over Awards](#)).

### 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 award was disbursed. If so, check to make sure awards did not exceed financial need by more than \$300.

## 8. Adjustments To Awards And Refund Policy

### Compliance Requirement

Inspect the 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), and 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 ([TAC, Title 19, Part 1, Chapter 22, Subchapter A, Section 22.11\(e\): Grant Adjustments](#)).

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 ([TAC, Title 19, Part 1, Chapter 22, Subchapter A, Section 22.2\(1\): Timely Distribution of Funds](#)).

### Mandatory Procedure

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

## 9. Maximum Time Frame For Undergraduates

### Compliance Requirement

The maximum time frame a recipient is able to receive a TEG award as authorized by [TEC, Title 3, Subtitle B, Chapter 61, Subchapter F, Section 61.2251\(d\): Eligibility for Grant; Persons Initially Awarded Grants During or After 2005-2006 Academic Year](#) and is outlined in [Appendix: TEG Program Guidelines – Page 3 - Satisfactory Academic Progress \(SAP\)](#). Institutions may not award a recipient who has exhausted his/her maximum award time frame, unless the recipient has been granted an extension of that time frame under a hardship provision.

## Mandatory Procedure

Examine the school's method of tracking the offer date of the first award for recipients to determine if 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 award was offered
- The calendar year and term (or actual date) when the first award was disbursed to the recipient

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

## 10. Disbursement Procedures

### a. Approval of Disbursements

#### Compliance Requirement

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

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

#### Mandatory Procedure

Before award disbursement, inspect the institution's procedures to determine if a satisfactory system that confirms a recipient's eligibility 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 retained in a recipient's file if the institution issues grant funds after the last day of the period of enrollment. Late disbursements must be made in compliance with the provisions under [TAC, Title 19, Part 1, Chapter 22, Subchapter A, Section 22.11\(g\)\(3\): Late Disbursements](#).

The provisions under [TAC, Title 19, Part 1, Chapter 22, Subchapter A, Section 22.11\(g\)\(2\): Late Disbursements](#) indicate funds 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

Inspect the sample of award recipients, and 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 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**

Inspect an objectively determined sampling of recipient records to determine if disbursements were either applied to recipient accounts or returned to the THECB.

## **Compliance Requirement**

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 ([TAC, Title 19, Part 1, Chapter 22, Subchapter A, Section 22.2\(1\): Timely Disbursement](#)).

## **Mandatory Procedure**

Inspect the institution’s records to verify that 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 through [CONTACT US](#) (Select “Financial Aid Question” as the **Contact Reason**).

# **11. Retaining Records**

## **Compliance Requirement**

Records proving recipient eligibility at the time of disbursement, receiving of funds by the recipient, or application to the recipient’s account must be maintained by the institution for **seven years** after the date of completion of the award period (see [TAC, Title 19, Part 1, Chapter 22, Subchapter A, Section 22.4\(a\)\(1\)\(2\): Records Retention](#)).

## **Mandatory Procedure**

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

# **12. 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.

# **13. Prior Audit Findings**

## **Compliance Requirement**

Institutions that have repeat findings in reports or failure to satisfactorily resolve the findings may lead to an adverse administrative action for State Financial Aid Programs.

## **Mandatory Procedure**

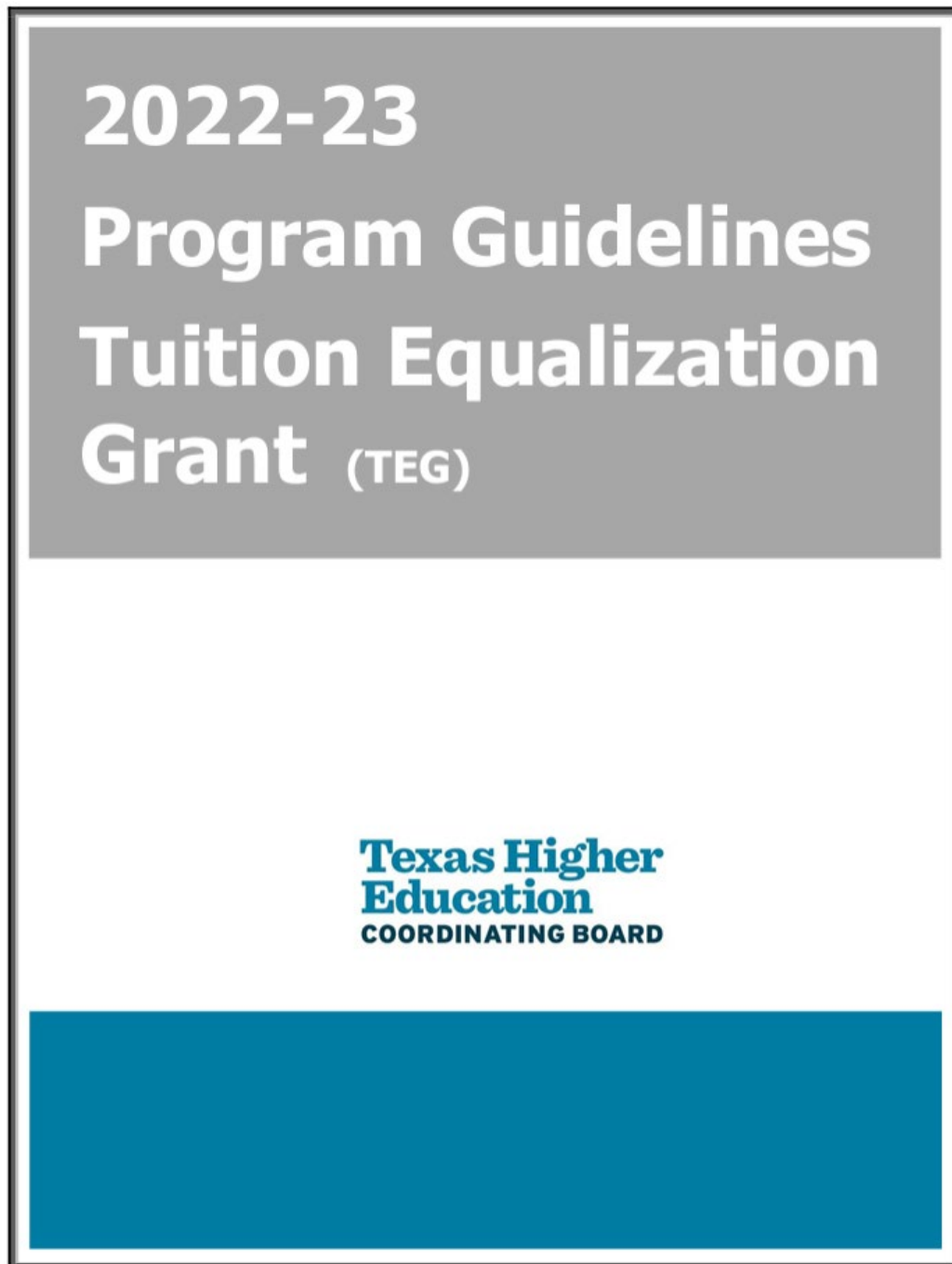
Confirm the institution satisfactorily resolves findings reported in any previous annual review.



## Section C: 2022-23 TEG Program Guidelines

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An [electronic version of the 2022-23 TEG Program Guidelines](#) can be found on the THECB website.



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# TUITION EQUALIZATION GRANT PROGRAM

The Texas Higher Education Coordinating Board (THECB) Program Guidelines are intended to support institutions by highlighting requirements that appear in the Texas Education Code (TEC) and Title 19 of the Texas Administrative Code (TAC). When administering this program, institutions should always refer to the relevant statutes and rules. The information in this document is to be used solely as a resource and does not override the statute or rules for this program.

Statutes (TEC) and rules (TAC) periodically change and may affect the links referenced in this document. Copies of statutes and rules used to create these guidelines are available in [Appendix 3](#).

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

The Tuition Equalization Grant (TEG) Program was authorized by [TEC, Chapter 61, Section 61.221](#). Rules for administering the subchapter can be found in [TAC, Title 19, Chapter 22, Subchapter B](#). The program is funded by appropriations from 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 attending approved private or independent Texas colleges or universities.

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## STATE PRIORITY DEADLINE ([TEC, Title 3, Section 56.008](#) AND [TAC, Title 19, Section 22.6](#))

The THECB sets the same priority deadline for applications that qualify for state-funded financial aid in an academic year. General Academic Teaching Institutions (*including* Lamar State College Orange and Lamar State College Port Arthur) in Texas, as defined in [TEC, Title 3, Section 61.003\(3\)](#), must publicize and use **January 15** as the state priority deadline for identifying eligible students to be given priority in receiving awards through the state financial aid programs. Institutions may define how their students must meet the priority deadline and are encouraged to adopt a policy describing the actions that students must take to meet the deadline.

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## ELIGIBLE INSTITUTIONS ([TAC, Title 19, Section 22.23](#))

Any college or university defined in [TEC, Title 3, Section 61.003\(15\)](#) as a private or independent institution of higher education is invited annually to participate in the TEG allocation process. Those choosing not to participate will not be considered in the allocation calculation for the applicable award year. Institutions that participate will have a single allocation from which to make first and subsequent awards.

## ELIGIBILITY

### ELIGIBILITY REQUIREMENTS ([TAC, Title 19, Section 22.24](#))

#### TO RECEIVE AN AWARD, A STUDENT MUST:

- ✓ be classified by the institution as a Texas resident;
- ✓ be registered with Selective Service, or be exempt (see [Selective Service Statement](#));
- ✓ have financial need;
- ✓ be enrolled at least 3/4 time;
- ✓ be an undergraduate **or** graduate student enrolled in a 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);
- ✓ maintain satisfactory academic progress as determined by the institution (see [SAP section](#));
- ✓ 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) a TEG is awarded; and
- ✓ 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.

#### **ALERT: Child Support Arrearages**

Per [Texas Family Code, Title 5, Section 231.006](#), a student who is obligated to pay child support and is more than 30 days delinquent is not eligible to receive a state-funded grant or loan.

Institutions determine how to best comply with this state requirement and should work with their legal counsel on questions related to this statutory mandate.

### DISCONTINUATION OF ELIGIBILITY ([TAC, Title 19, Section 22.26](#))

Unless an extension of eligibility (due to a hardship circumstance) 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 FOUR YEARS OR LESS	IF ENROLLED IN A DEGREE OR CERTIFICATE PROGRAM OF MORE THAN FOUR YEARS
RECIPIENT WORKING TOWARD AN ASSOCIATE OR BACCALAUREATE DEGREE	<b>5 years</b> from the first semester awarded	<b>6 years</b> from the first semester awarded
RECIPIENT WORKING TOWARD A MASTER'S, PROFESSIONAL, OR DOCTORAL DEGREE	<b>No maximum time limit</b>	

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

## HARDSHIP PROVISIONS ([TAC, Title 19, Section 22.27](#))

A student who is ineligible for a TEG may be eligible under a hardship provision based on one of the following provisions:

- If the student is enrolled in less than  $\frac{3}{4}$  time of full-time enrollment
- If the student's GPA falls below SAP requirements
- If the student's completion rate falls below SAP requirements
- If the student's number of completed hours falls below SAP requirements
- If the student requires an extension of the year limits to complete their certificate or degree

The institution will determine any acceptable reasons to grant a hardship decision. Each institution must adopt a hardship policy and have the policy available for public review. All hardship decisions must be documented in the student's record and be available for submission to the THECB, upon request.

## SATISFACTORY ACADEMIC PROGRESS ([TAC, Title 19, Section 22.25](#))

At the end of the first academic year, a student must meet the SAP requirements set by the institution to be eligible for a subsequent award.

At the end of the second academic year, and all years thereafter, undergraduates must have completed 24 semester credit hours (SCHs) in the most recent academic year with a 75% completion rate for hours attempted in that year, and they must have a minimum 2.5 cumulative GPA or its equivalent. Graduate students must have completed 18 SCHs in the most recent academic year with a 75% completion rate for hours attempted in that year, and they must have a minimum 2.5 cumulative GPA or its equivalent.

The chart below reflects these requirements, which must be monitored to ensure compliance.

ACADEMIC YEAR	SAP REQUIREMENTS		
END OF 1ST ACADEMIC YEAR	Institutional SAP policy		
END OF 2ND ACADEMIC YEAR OR LATER – UNDERGRADUATE STUDENTS	Completion of at least 24 SCHs in the most recent academic year	75% completion rate	2.5 cumulative GPA on a 4-point scale or its equivalent
END OF 2ND ACADEMIC YEAR OR LATER – GRADUATE STUDENTS	Completion of at least 18 SCHs in the most recent academic year		

### STOP: Summer Satisfactory Academic Progress (SAP) Requirements

If the student *receives* state grant funding for the summer term(s), institutions **must** include credits attempted for summer coursework when calculating the satisfactory academic progress (SAP).

If a student *does not receive* state grant funding for the summer term(s), a student could take summer coursework to re-establish eligibility if they failed to meet SAP requirements during the last term or semester. Summer coursework not funded using state grants should not be used to recalculate SAP if the attempted credits will result in the student losing their eligibility for the fall term.

## ADDITIONAL INFORMATION

### FIRST YEAR APPEALS

If a student completes the first year on academic warning, probation, or on an approved plan, the student can be considered meeting SAP if the institution's policy includes such provisions. However, at the end of the second year, the student must meet the program SAP requirements for continued eligibility, unless deemed eligible by the institution under a hardship provision.

### GPA REQUIREMENT

A student who does not meet the GPA requirement at the end of the academic year may appeal to have courses taken at other institutions included in the GPA calculation. In this case, all grade points previously earned must be included in the overall GPA calculation. If the resulting GPA meets or exceeds the program's academic progress requirement, an otherwise eligible student may receive an award in the following term.

### FAILING COURSES

The intent of the 24/18 SCH requirement is to encourage timely progression toward a degree. Since a grade of **F** is not earned toward a degree, it should not be considered when calculating the student's completed hours. However, failing grades are considered attempted hours and, therefore, must be counted in the calculation of a student's completion rate.



## ELIGIBILITY

**UPDATED**

### SELECTIVE SERVICE STATEMENT (TAC, Title 19, Section 22.3)

Under [TEC, Title 3, Section 51.9095](#), an individual must file a statement of their selective service status with the institution confirming registration or exemption.

This statute applies to all state-funded financial aid, as well as “federal funds or gifts and grants accepted by this state.” The statement is required from students receiving federal aid or private donations that pass through the state Treasury or Governor’s office (i.e., Governor’s Emergency Education Relief (GEER)), state-appropriated funds, or institutional funding, which includes programs funded by tuition set-asides, exemptions, and waivers.

#### **! ALERT: Proof of Selective Service Status No Longer Required**

Institutions are no longer required to collect “proof” of registration or exemption from students or to verify the accuracy of the statement against external databases or other resources if conflicting information does not exist (see [Updated Guidance on Statutory Requirements that Impact Financial Aid Memo](#)).

**Note:** The THECB approved an amendment to TAC, Title 19, Section 22.3 during their quarterly meeting held on April 28, 2022.

Any of the following can be used to meet the statutory statement requirement:

- THECB Selective Service Statement of Registration Status ([English Statement](#) or [Spanish Statement](#))
- Printout from [SSS.gov](#) website
- Institutional Student Information Record (ISIR) if status is available
- THECB Selective Service Statement of Registration Status imbedded in the Texas Application for State Financial Aid (TASFA)

### SELECTIVE SERVICE STATEMENT OF REGISTRATION STATUS

In accordance with [Texas Education Code, Section 51.9095](#), male students must file a Selective Service Statement of Registration Status with their institution or other entity granting financial assistance. For more information about the Selective Service System, visit [sss.gov](#).

Please mark **one** option below:

<input type="checkbox"/> I was born female and not required to register. <input type="checkbox"/> I was born male and am under the age of 18 and not currently required to register. <input type="checkbox"/> I was born male and am <b>REGISTERED</b> with the Selective Service. <input type="checkbox"/> I was born male and am over the age of 18. I am not registered with Selective Service and I am not exempt from registration with Selective Service.	<input type="checkbox"/> I was born male and am <b>EXEMPT</b> from registration because: (please briefly explain why you are exempt in the box below.) <div style="border: 1px solid black; height: 80px; margin-top: 5px;"></div>
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I, \_\_\_\_\_, hereby certify that the Selective Service status statement provided above is true and accurate.

Student ID: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Complete and return to the Financial Aid Office at your institution of higher education.

Selective Service Statement of Registration Status As of 09/26/2021

## ADDITIONAL INFORMATION

### COLLECTION METHOD

The institution has flexibility to create an online, paper, or alternate method to collect the statement as long as it uses the content developed and required by the THECB.

### FREQUENCY COLLECTING THE STATEMENT

If the student’s status will NOT change, the statement collected can be used for subsequent semesters at the same institution.

If the student is NOT registered for selective service, a statement must be collected each time they apply for financial aid or a student loan until the statement indicates registered or exempt.

### MALES AGE 26 OR OLDER

Individuals older than the maximum age at which an individual is required to be registered with the Selective Service System under federal law are not required to complete this status statement.

### RETENTION SCHEDULE

The status statement must be retained in the student’s record based on the retention schedule outlined in the institution’s Program Participation Agreement (PPA).

## AWARDING

A TEG award amount for a term or semester may not exceed a student's financial need or tuition differential for that term or semester, or the program maximum for the academic year, whichever is least. Undergraduate students with exceptional financial need may receive up to 150% of the program maximum award. Exceptional financial need is defined as the need an undergraduate student has if his or her expected family contribution (EFC) is less than or equal to \$1,000.

### **ALERT: Enrollment in Degree Programs Leading to Religious Ministry (TAC, Title 19, Section 22.22(8))**

Enrollment in a degree program *leading to religious ministry* makes a student ineligible for a TEG award. If a TEG recipient adds a degree *leading to religious ministry*, there is no uniform method or procedure available that gives institutions the capability to separate funds for an eligible program versus a religious ministry program. The institution must determine when the new program was added and either return TEG funds to the THECB or follow the procedure for timely distribution of funds for ineligible aid.

**Note:** The THECB does not approve degree plans for TEG award eligibility. Institutions will determine if the student's degree plan is intended to lead to religious ministry.

## SUMMER AWARDING

All basic eligibility requirements remain the same for summer terms, including the student's minimum enrollment status. Since summer terms vary in length and in the number of hours a student can enroll, summer terms or modules can be combined to establish the student's enrollment hours for eligibility purposes.

## ANNUAL MAXIMUM (TAC, Title 19, Section 22.28)

Students receiving a TEG cannot exceed the **annual** maximum amount.

- A student may receive up to the annual maximum amount of \$3,497 (undergraduates with exceptional need may receive up to \$5,246).
- Total awards for fall, spring, and summer terms cannot exceed the **annual** maximum.
- TEG does **NOT** have a semester maximum.

2022-23 AWARD MAXIMUMS		
Total awards for fall, spring, and summer terms cannot exceed the annual maximum.		
INSTITUTION TYPE	AWARD MAX PER YEAR	EXCEPTIONAL NEED AMOUNT PER YEAR
PRIVATE/INDEPENDENT INSTITUTIONS	\$3,497	\$5,246
Undergraduate students whose EFCs are ≤ \$1,000 may receive up to the Exceptional Need award amount.		



## TUITION DIFFERENTIAL ([TAC, Title 19, 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 used by the THECB to identify “comparable” institutions for the purpose of calculating tuition differentials, regardless of accreditation.

The following table shows average resident undergraduate and graduate tuition rates per SCH for public institutions at various SACS levels for the 2022-2023 academic year. These amounts should be used by the institution to derive tuition differentials by using the student’s total SCH and multiplying the tuition rate provided (see [Appendix 1](#) for individual institutional program levels).

SACS LEVEL	UNDERGRADUATE TUITION RATE PER SCH	GRADUATE TUITION RATE PER SCH
ASSOCIATE DEGREE - <b>LEVEL 1</b>	\$67	n/a
BACCALAUREATE DEGREE - <b>LEVEL 2</b>	\$66	n/a
MASTER’S DEGREE - <b>LEVEL 3</b>	\$212	\$305
THREE OR FEWER DOCTORAL DEGREES - <b>LEVEL 5</b>	\$201	\$253
FOUR OR MORE DOCTORAL DEGREES - <b>LEVEL 6</b>	\$266	\$343
PUBLIC INSTITUTION RATES FOR LAW SCHOOL STUDENTS = \$968 PER SCH		

## OVER AWARDS ([TAC, Title 19, Section 22.11](#))

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

## AWARD ADJUSTMENTS ([TAC, Title 19, Section 22.11](#))

Institutions may be required to make award adjustments in the following circumstances:

- Student officially withdraws from enrollment.
  - The institution will use the general refund policy to determine the amount of financial aid to be reduced.
  - A refund is not owed to the program if a student drops or withdraws after the end of an institution’s refund period.
- Student’s disbursement exceeds his/her eligibility amount.
  - Recalculate eligibility amount.

**Note:** If funds are available after an award has been adjusted, they can be re-awarded to other eligible students at the institution. If the funds cannot be re-awarded, they must be returned to the THECB based on the [Timely Distribution of Funds](#) requirements.

### **ALERT: Proration Requirements Removed**

The proration requirements found in the program rules (TAC) were removed in November 2020. Institutions have the discretion to determine grant amounts, up to the semester maximum.

## ADDITIONAL INFORMATION

### TUITION DIFFERENTIAL EXAMPLE

- Charges for an independent two year institution (e.g., Jacksonville College) should be compared to public community college charges (Level 1).
- 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).
- Levels 2, 3, 5, and 6 independent institutions (other than Southwestern Christian College) should compare their charges to the average charges of public institutions at the same levels.

### Tuition Differential Calculation

- Institution Current Tuition Rate per SCH 515
- Institution SACS Level 3 \$212
- Undergraduate student is enrolled in 12 SCH for fall and 15 SCH for spring

### To calculate tuition differential:

Institution Current Tuition Rate  
SACS Level Rate    Difference x  
Total SCH    Tuition Differential

### For Example:

\$515 - \$212 = \$303  
\$303 x 27 SCH = \$8,181

This student is eligible for a TEG award since the tuition differential (\$8,181) is more than the maximum award (\$3,497).

## PROCESSING FUNDS

Each biennium (the two-year state budget period), funds not requested in the first year will be carried forward by the THECB on behalf of the institution for use in the second year. Any funds not requested in the second year of the biennium become available for redistribution as determined by the THECB.

### REQUESTING AND RETURNING PROGRAM FUNDS

To complete an online form to request or return state grant funds, an administrator must create an account through [CBPass](#). Once the account is created, the administrator can request access in CBPass to the Grant Payment Portal (GPP) application.



#### CBPASS GRANT PAYMENT PORTAL INSTRUCTIONS

##### REGISTRATION PROCESS

Administrators must start the process of setting up a CBPASS account and requesting access to the GPP by following the steps below:

##### Step 1: Create CBPASS Profile.

- To access CBPass, navigate to the following website: <https://www1.highered.texas.gov/CBPass/default.cfm>.
- Click the **create one now!** link under the **Sign In** button to initiate a new account.
- Follow the steps in the [CBPASS Quick Start Guide](#)
- Make sure that when you create your profile, you affiliate to your correct school and FICE Code.

**CBPass Login**

Sign in with your CBPass Account

\*Username:

\*Password:

[Sign In](#)

[Forgot your Username or Password?](#)

don't have an account? [create one now!](#)

##### Step 2: Request GPP Access.

- Log into the CBPass portal.
- Click on **My Access**.
- Navigate to the **Click to Request Access to another application** hyperlink.
- Choose **Grant Payments** in the application drop-down listing.
- Click on the **Request Access** button.

**MY ACCESS**

Search for and view your current applications or request access to additional applications.

[Click to Request Access to another application](#)

Filters: App ID, App Status, App Name: All

Record Count = 4

App ID	App Name
140	Data Use Agreement
139	Financial Aid Data
130	Good Neighbor Program

**Request Access**

Select Application:

[Request Access](#) [Cancel](#)

**⚠️ ALERT:** Once an application has been requested, the THECB will email the institution's Director of Financial Aid to request approval. Once approved, the THECB will email the user confirming account access, and the user can log into CBPass to launch the Grant Payments application.

## REQUESTING FUNDS

Institutions can **begin submitting** requests for funding on **August 1, 2022**. The THECB will **begin processing** funds after **September 1, 2022**. Institutions have **through August 1, 2023**, to request program funds.

To request funds:

- Log into the [CBPass/Grant Payment Portal](#).
- Select **Request Funds** on the menu located on the top banner.
- Enter the **Amount** of funds being requested (do not include special characters).
- Enter the **Student Count** (this includes both initial and renewal students).
- Hit **Submit Request**.
- A pop-up message will confirm a successful submission.

**Request Funds**

Total Allocation: \$15,232,922.00 Total Allocation Amount Remaining: \$3,269,140.00

Appropriation Year: 2020

Program Type: TEG

\* Request Amount: \$

\* Student Count:

**Submit Request**

**Note:** Instructions are bulleted at the bottom on the webpage to clarify request options and adjustments.

**ALERT:** Only include a student one time in the **Student Count** during the applicable award year. For example, if a student has two disbursements (fall and spring), the institution will only submit the student once to THECB, not for each disbursement.

## CANCELING A REQUEST

Check the **Transaction Details** tab to see the status of your request in GPP. If the status is **Waiting Approval** or **Pending**, call Financial Aid Services at 844-792-2640 to cancel the transaction. If the status is **Disbursed**, the receiving institution will need to complete a refund for amount that is not needed once the funds are received at the institution.

**Transaction Details**

Year: 2020 Program Type: TEG Status: All

**Run**

ID	Year	Status	Amount	Student Count	Date
Request-20-00###-10012019-4	2020	Pending	\$150,000.00	60	10/01/2019 8:00:00 AM
Request-20-00###-09252019-3	2020	Waiting Approval	\$200,000.00	80	09/25/2019 8:00:00 AM
Request-20-00###-09202019-2	2020	Disbursed	\$1,800,000.00	720	09/20/2019 8:00:00 AM
Returned-20-00###-09152019-2	2020	CB Waiting for Funds	\$50,000.00	0	09/15/2019 8:00:00 AM
Returned-20-00###-09102019-1	2020	Returned	\$10,000.00	4	09/10/2019 8:00:00 AM
Request-20-00###-09052019-1	2020	Disbursed	\$1,000,000.00	380	09/05/2019 8:00:00 AM

## RETURNING FUNDS

To complete a return of funds form:

- Log into the [CBPass/Grant Payment Portal](#).
- Select **Return Funds** on the menu located on the top banner.
- Enter the **Amount** of funds being returned (do not include special characters).
- Enter the **Student Count** (this includes both initial and renewal students), if applicable.
- Enter **Comments** to explain the reason for the return.
- Hit **Submit** request.
- A confirmation will be displayed at the top of the screen to confirm a successful submission.

**Note:** Institutions that submit a return of funds form through the GPP should coordinate the refunds with their Business Office and use the [Electronic Funds Transfer](#) process. Funds returned to the THECB must align with the online form and should not include cents.

## STUDENT COUNT CHANGES

The **Student Count** can be increased or decreased at any point by the institution during the current award year.

- **To increase the Student Count:**
  - Enter the number of students being added (the difference) under the **Request Funds** tab.
  - Enter \$0 for the amount of funds being requested.

**Example:** The Student Count reported in GPP is 100 students, but the institution has actually paid 120 students grant funds for the award year. To add the additional 20 students into the GPP, enter 20 in the Student Count on the Request Funds tab and \$0 for the amount of funds being requested. This will increase the total Student Count from 100 to 120.

- **To decrease the Student Count:**
  - Enter the number of students being reduced (the difference) under the **Return Funds** tab.
  - Enter \$0 for the amount of funds being returned and a comment to clarify changes to the Student Count.

**Example:** The Student Count reported in GPP is 100 students, but the institution has only paid 80 students grant funds for the award year. To reduce the total reported in the GPP, enter 20 in the Student Count on the Request Funds tab and \$0 for the amount of funds being refunded. This will decrease the total Student Count from 100 to 80.

### TIMELY DISTRIBUTION OF FUNDS ([TAC, Title 19, Section 22.2](#))

Institutions **must** follow these requirements when processing program funds:

- Institutions have **3** business days after receiving the funds to apply the funds to a student's account.
- Institutions have **6** business days after receiving the funds to return undisbursed funds.
- Institutions have **45** calendar days from the date a student becomes ineligible to return disbursed funds.
- Institutions have **120** calendar days to return funds after a student has notified the institution of a decision to cancel the award.

### LATE DISBURSEMENTS ([TAC, Title 19, Section 22.11](#))

Funds that are disbursed after the end of a student's period of enrollment must only be used to pay the student's outstanding balance for the period of enrollment or to make a payment on an outstanding loan received during that period of enrollment. The institution must document the reason for a student's late disbursement. All late disbursements must be processed before the end of the state's fiscal year, unless granted an extension by the THECB. Under no circumstances should funds be released directly to the student in this situation.

### AUTHORITY TO TRANSFER FUNDS ([TAC, Title 19, Section 22.11](#))

Institutions participating in a combination of Texas College Work-Study (TCWS) or the Work-Study Student Mentorship Program (WSMP) and TEG may transfer up to **25%** of the institution's total annual program allocation or **\$60,000** (whichever is less) between programs within the relevant fiscal year.

Transfer requests are submitted by the institution to the THECB using an [Authority to Transfer form](#). The form will not be available until Fall 2022. The Financial Aid Services staff will respond to the institution to provide next steps for the process. Institutions requesting a transfer of funds must submit a request by **July 1, 2023**.

 **ALERT:** The allowable amounts for the Authority to Transfer Funds process have changed from 10% to 25% and from \$20,000 to \$60,000 as a result of legislation in the 87th Legislative Session.

**Note:** The THECB approved an amendment to [TAC, Title 19, Section 22.11](#) during their quarterly meeting held on April 28, 2022.



# APPENDIX 1: SACS PROGRAM LEVELS

INSTITUTION NAME	SACS LEVEL	UNDERGRADUATE TUITION RATE PER SCH	GRADUATE TUITION RATE PER SCH
Abilene Christian University	6	\$266	\$343
Austin College	3	\$212	\$305
Baylor University	6	\$266	\$343
Concordia University Texas	5	\$201	\$253
Criswell College	3	\$212	\$305
Dallas Baptist University	5	\$201	\$253
East Texas Baptist University	3	\$212	\$305
Hardin-Simmons University	5	\$201	\$253
Houston Baptist University	5	\$201	\$253
Howard Payne University	3	\$212	\$305
Huston-Tillotson University	3	\$212	\$305
Jacksonville College	1	\$67	n/a
Jarvis Christian College	3	\$212	\$305
LeTourneau University	3	\$212	\$305
Lubbock Christian University	3	\$212	\$305
McMurry University	3	\$212	\$305
Our Lady of the Lake University	5	\$201	\$253
Parker University	5	\$201	\$253
Paul Quinn College <small>Accredited by: Transnational Association of Christian Colleges and Schools (TRACS)</small>	2	\$66	n/a
Rice University	6	\$266	\$343
Schreiner University	3	\$212	\$305
Southern Methodist University	6	\$266	\$343
Southwestern Adventist University	3	\$212	\$305
Southwestern Assemblies of God University	5	\$201	\$253
Southwestern Christian College	2	\$66	n/a
Southwestern University	2	\$66	n/a
St. Edward's University	5	\$201	\$253
St. Mary's University	5	\$201	\$253
Texas Chiropractic College	5	\$201	\$253
Texas Christian University	5	\$201	\$253
Texas College	2	\$66	n/a
Texas Lutheran University	3	\$212	\$305
Texas Wesleyan University	6	\$266	\$343
The University of Dallas	5	\$201	\$253
Trinity University	3	\$212	\$305
University of Mary Hardin-Baylor	5	\$201	\$253
University of St. Thomas	5	\$201	\$253
University of the Incarnate Word	6	\$266	\$343
Wayland Baptist University	5	\$201	\$253
Wiley College	2	\$66	n/a

**For example:** Institution's Current Tuition Rate per SCH = \$620  
Institution's SACS Level = 5

In this example, the **graduate** student is enrolled in 9 SCHs in the fall and 9 SCHs in the spring. To calculate tuition differential, the institution would complete the following:

$$\begin{array}{rclclclclcl}
 \$620 & - & \$253 & = & \$367 & \times & 18 \text{ SCH} & = & \$6,606 \\
 \text{Institution Current Tuition} & - & \text{SACS Avg.} & = & \text{Difference} & \times & \text{Semester Credit Hours} & = & \text{Tuition Diff.}
 \end{array}$$

*See additional example on page 6, under Additional Information.*

## APPENDIX 2: FREQUENTLY ASKED QUESTIONS

### 1. Can TEG funds be awarded to a student in the same term/semester as an athletic scholarship?

No. A student who is obliged (contractually bound) to play an intercollegiate sport as a condition of the scholarship, regardless of the funding source or amount, is not eligible to receive a TEG award during the same term/semester for which the scholarship funds are being paid.

### 2. Are institutions required to verify that a student is a Texas resident to issue a TEG award?

Yes. Institutions are required to verify that all TEG recipients are Texas residents based on the data collected using the required [Core Residency Questions](#). The core questions are also collected and certified through the ApplyTexas application process, which is an additional resource an institution can use to determine a student's residency status.

### 3. How is the tuition differential calculated to determine TEG eligibility?

The 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.

To calculate the tuition differential, the institution must first identify its designated Southern Association of Colleges and Schools (SACS) level. SACS identifies institutions by the highest levels of degrees they offer. The THECB publishes average resident undergraduate and graduate tuition rates per semester credit hour for public institutions at various SACS levels each year in the TEG Program Guidelines. These amounts should be used by the institution to derive tuition differentials by using the following equation:

$$\text{Institution Hourly Tuition Rate} - \text{SACS Average Hourly Tuition} = \text{Difference} \times \# \text{ Total Hours Enrolled} = \text{Tuition Differential}$$

### 4. How long does an institution have to return TEG funds after determining a student is ineligible?

An institution must return funds to the THECB within 45 calendar days of a student becoming ineligible for the funding, except when the funds can be disbursed to a different eligible student (for whom funds have not yet been requested) within the 45-day period.

**Note:** If funds are disbursed after the end of a student's period of enrollment, the funds must be used to pay the student's outstanding balance at the institution or to make a payment on an outstanding student loan for that period. Under no circumstances are funds to be released to the student.

### 5. Can an institution continue to prorate awards now that the Texas Administrative Code provisions were removed?

Yes. Institutions can continue prorating awards, but it is **no longer required**. Institutions have the discretion to determine grant amounts (up to the annual maximum) if the student meets all eligibility criteria.



## APPENDIX 3: QUICK REFERENCES

CONTACT FINANCIAL AID SERVICES	
By phone: (844) 792-2640	
Contact us by completing an <a href="#">online inquiry form</a> and select "Financial Aid Question" as the Contact Reason.	
PROGRAM RULES AND STATUTES	
Texas Program Statutes	<a href="#">Texas Education Code TEC, Chapter 61, Subchapter F [PDF]</a>
Texas Program Rules	<a href="#">Texas Administrative Code TAC, Title 19, Chapter 22, Subchapter A [PDF]</a> <a href="#">TAC, Title 19, Chapter 22, Subchapter B [PDF]</a>
WEBSITES, PORTALS AND GUIDES	
General program information for institutions	<a href="#">Student Financial Aid Programs Information Webpage</a>
General college enrollment and financial aid information for students	<a href="#">College for All Texans</a>
Request and return funds, modify student count, and search student award history	<a href="#">CBPass Grant Payment Portal</a> <a href="#">CBPass Quick Start Guide [PDF]</a>
Secure file transfer and processing portal	<a href="#">MOVEit DMZ</a> <a href="#">MOVEit DMZ User Access Guide [PDF]</a>
FORMS AND INSTRUCTIONS	
Form for adding, updating, or removing a user's access for state financial aid web portals	<a href="#">User Access Form [PDF]</a>
Instructions for returning funds electronically	<a href="#">Electronic Funds Transfer Information [PDF]</a>