

2020-2021

Engagement Guide

Tuition Equalization Grant (TEG)



Student Financial Aid Programs
Texas Higher Education Coordinating Board

Table of Contents

SECTION A: ENGAGEMENT PURPOSE AND INFORMATION	1
1. CONDUCTING AN AGREED-UPON PROCEDURES ENGAGEMENT	1
2. ENGAGEMENT SAMPLE SIZE	1
3. AUDIT CYCLE	1
4. REPORTING RESULTS AND CORRECTIVE ACTION PLAN	1
5. SUBMISSION FOR REPORTING RESULTS	1
SECTION B: AGREED-UPON PROCEDURES	2
1. SUPERVISION BY A TEG PROGRAM OFFICER	2
Compliance Requirement (19 TAC, Part 1, Chapter 22, Subchapter A, Section 22.1(20): Program Officer).....	2
Mandatory Procedure	2
2. DESIGNATION AND FISCAL OVERSIGHT BY A DISBURSING OFFICER	2
Compliance Requirement.....	2
Mandatory Procedure	2
3. TIMELY DISBURSEMENT OF FUNDS	2
Compliance Requirement.....	2
Mandatory Procedure	2
4. INSTITUTION ELIGIBILITY	2
Compliance Requirement.....	2
Mandatory Procedure	2
5. STUDENT ELIGIBILITY	3
Compliance Requirement.....	3
Mandatory Procedure	3
6. AWARD AMOUNT LIMITS	3
Compliance Requirement.....	3
Mandatory Procedure	3
7. PRORATED AWARDS FOR RECIPIENTS	3
Compliance Requirement.....	3
Mandatory Procedure	4
8. OVER-AWARDS	4
Compliance Requirement.....	4
Mandatory Procedure	4
9. ADJUSTMENTS TO AWARDS AND REFUND POLICY	4
Compliance Requirement.....	4
Mandatory Procedure	4
10. MAXIMUM TIME FRAME FOR UNDERGRADUATES	4
Compliance Requirement.....	4
Mandatory Procedure	4
11. DISBURSEMENT PROCEDURES	5
a. Approval of Disbursements.....	5
b. Late Disbursements.....	5
c. Year-End Account Close-Out	5
12. RETAINING RECORDS	6
Compliance Requirement.....	6
Mandatory Procedure	6
13. REPORTS	6
Compliance Requirement.....	6
14. PRIOR AUDIT FINDINGS	6
Compliance Requirement.....	6
Mandatory Procedure	6
SECTION C: APPENDICES	
APPENDIX 1: 2020-21 TEG PROGRAM GUIDELINES	7

PROGRAM AUTHORITY AND PURPOSE.....	7
STATE PRIORITY DEADLINE (TEC, Section 56.008 AND 19 TAC, Section 22.6)	7
ELIGIBLE INSTITUTIONS	7
ELIGIBILITY.....	7
ELIGIBILITY REQUIREMENTS	7
DISCONTINUATION OF ELIGIBILITY.....	8
HARDSHIP PROVISIONS	8
SATISFACTORY ACADEMIC PROGRESS (SAP).....	8
AWARDING.....	9
OVER AWARDS.....	9
TUITION DIFFERENTIAL.....	10
LATE DISBURSEMENTS	10
PRORATION.....	10
ADJUSTMENTS TO AWARDS	11
PROCESSING FUNDS	11
REQUESTING AND RETURNING PROGRAM FUNDS	11
AUTHORITY TO TRANSFER FUNDS.....	12
APPENDIX 1: SACS PROGRAM LEVELS	13

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, 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**, 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. SUBMISSION FOR REPORTING RESULTS

THECB requires an electronic copy be sent to DeCha.Reid@highered.texas.gov.

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

1. SUPERVISION BY A TEG PROGRAM OFFICER

Compliance Requirement ([19 TAC, Part 1, Chapter 22, Subchapter A, Section 22.1\(20\): Program Officer](#))

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 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 **must not** also 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 cannot also 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 [19 TAC, Part 1, Chapter 22, Subchapter A, Section 22.2\(1\): Timely Disbursement](#) as **3 business days** after receiving the funds. 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 to meet the timely disbursement requirement.

Mandatory Procedure

Review 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 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, Part 1, Chapter 22, Subchapter B, Section 22.23 \(a\)\(5\): Eligible Institutions](#)), 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 *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 [19 TAC, 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 in an approved institution in an individual degree, but not in 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 and as outlined in [Appendix 1: TEG Program Guidelines – Satisfactory Academic Progress \(SAP\)](#).

A student who is ineligible for an award based on grade point average (GPA), completion rate, or 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. 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 an extension of eligibility was granted, a documented hardship decision must be on file. Confirm the institution's hardship policy is in place and 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 [19 TAC, Part 1, Chapter 21, Subchapter B: Determination of Resident Status](#), of THECB Rules (relating to 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 **2020-21** are outlined in [Appendix 1: TEG Program Guidelines – Annual Maximums](#).

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](#).

7. PRORATED AWARDS FOR RECIPIENTS

Compliance Requirement

Recipients receiving awards through this 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 a hardship provision, the award must be prorated in keeping with the hours taken. The proration schedule is outlined in [Appendix 1: TEG Program Guidelines – Proration](#).

Mandatory Procedure

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

8. 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.

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.

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, 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 ([19 TAC, Part 1, Chapter 22, Subchapter A, Section 22.11\(f\): Re-offering of Funds](#)).

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 a recipient is able to receive a TEG award as authorized by [TEC, Title 3, Subtitle B., Chapter 61, Sub Chapter F, Section 61.2251\(d\): Eligibility for Grant; Persons Initially Awarded Grants During or After 2005-2006 Academic Year](#) is outlined in [Appendix 1: TEG Program Guidelines – 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; and
- 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.

11. 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

Review the institution's procedures to determine if 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 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 [19 TAC, Part 1, Chapter 22, Subchapter A, Section 22.11\(g\)\(3\): Late Disbursements](#).

The provisions under [19 TAC, 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

Review 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

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

Mandatory Procedure

Review 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**).

12. 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 [19 TAC, 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.

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

Section C: Appendices

Appendix 1: 2020-21 TEG Program Guidelines

PROGRAM AUTHORITY AND PURPOSE

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 attending approved private or independent Texas colleges or universities.

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

The THECB provides a uniform priority deadline for applications that qualify for state-funded financial assistance in an academic year. General Academic Teaching Institutions (GATIs) (*including Lamar State College-Orange and Lamar State College-Port Arthur*) in Texas, as defined in [TEC, 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.

ELIGIBLE INSTITUTIONS

Any college or university, defined in [TEC, Section 61.003\(15\)](#) as a private or independent institution of higher education, will have a single allocation in which first and subsequent awards can be made.

ELIGIBILITY

ELIGIBILITY REQUIREMENTS

TO RECEIVE A FIRST AWARD, A STUDENT MUST:
<ul style="list-style-type: none"> ✓ Be classified by the institution as a Texas resident ✓ Be registered with Selective Service, or be exempt ✓ 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) ✓ Maintain satisfactory academic progress as determined by the institution ✓ 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 SUBSEQUENT AWARD, A STUDENT MUST:
<ul style="list-style-type: none"> ✓ Meet all the first award requirements ✓ Maintain satisfactory academic progress (SAP) <ul style="list-style-type: none"> ▪ See SAP section, pg. 3

DISCONTINUATION OF ELIGIBILITY

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 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	

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

HARDSHIP PROVISIONS

A student who is ineligible for a TEG award based on grade point average (GPA), completion rate, or number of completed hours for satisfactory academic progress, or enrollment less than three-quarter time may be deemed eligible under a hardship provision. 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 (SAP)

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 (SCH) 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 SCH 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 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 SCH 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 SCH in the most recent academic year		

NOTE: A student who does not meet the program GPA requirement at the end of a spring term 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 fall term.

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.

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.

Enrollment in Programs Related to Religious Ministry

Any enrollment in a religious ministry degree program, whether the program is the student's sole major, an additional major, or a minor, makes the student ineligible for a TEG award. If a TEG recipient adds a religious ministry major or minor, 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.

TEG Annual Maximum

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

- A student may receive up to the annual maximum amount of \$3,420 (Undergraduates with Exceptional need may receive up to \$5,130).
- Total awards for fall, spring and summer terms cannot exceed the annual maximum.
- TEG does NOT have a semester maximum.

TEG 2020-21 AWARD MAXIMUMS		
Institution Type	Award Max/Year	Exceptional Need
Private/Independent Institutions	\$3,420	\$5,130
Undergraduate students whose EFC's are ≤ \$1,000 may receive up to the Exceptional Need award amount.		

OVER AWARDS

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 resources is greater than \$300 (see [NEW 19 TAC, Section 22.11\(d\)](#)).

TUITION DIFFERENTIAL

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, 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 2020-21 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 LEVEL 1	\$68	n/a
BACCALAUREATE DEGREE LEVEL 2	\$58	n/a
MASTER’S DEGREE LEVEL 3	\$200	\$282
THREE OR FEWER DOCTORAL DEGREES LEVEL 5	\$207	\$260
FOUR OR MORE DOCTORAL DEGREES LEVEL 6	\$257	\$343
PUBLIC INSTITUTION RATES FOR LAW SCHOOL STUDENTS = \$959 PER SCH		

For example:

- Charges for an independent 2-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.

LATE DISBURSEMENTS

Funds that are disbursed after the end of a student’s period of enrollment must be used either 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 is required to document the reason for a student’s late disbursement. All late disbursements must be processed prior to 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 (see [NEW 19 TAC, Section 22.11\(g\)](#)).

PRORATION

Awards must be prorated if the student has been approved for an exception to the 3/4-time enrollment requirement due to a hardship circumstance.

UNDERGRADUATE HARDSHIP PRORATION SCHEDULE	ENROLLED 6-8 HOURS	ENROLLED < 6 HOURS
	50% of the maximum award amount	25% of the maximum award amount
GRADUATE HARDSHIP PRORATION SCHEDULE	ENROLLED 5-6 HOURS	ENROLLED < 5 HOURS
	50% of the maximum award amount	25% of the maximum award amount

ADJUSTMENTS TO AWARDS

Institutions may be required to make award adjustments in the following circumstances (see ^{NEW} [19 TAC, Section 22.11](#)).

- 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.

PROCESSING FUNDS

REQUESTING AND RETURNING PROGRAM FUNDS

Institutions must submit a form online through the [Grant Payment System](#) software application (app) to request or return funds. The app can be accessed through the secure Coordinating Board Pass System (CBPass) portal on the Student Financial Aid Programs (SFAP) Information Webpage.

- **Requesting Funds:** Institutions can begin submitting requests for funding on **August 3, 2020**. The THECB will begin processing funds *after* **September 1, 2020**. Institutions have *until* the close of business on **August 1, 2021** (or the first working day thereafter if it falls on a weekend or holiday) to request program funds (see [19 TAC, Section 22.29](#)).
- **Returning Funds:** Institutions that submit a return of funds through the Grant Payment System should use the [Electronic Funds Transfer](#) process.

NOTE: Each biennium (the two-year state budget period), funds not requested in the first year can be carried forward 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.

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

- 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.

AUTHORITY TO TRANSFER FUNDS

Institutions participating in a combination of TCWS, TEXAS Grant, TEOG, and TEG may transfer up to 10 percent of the institution's total annual program allocation or **\$20,000** (whichever is less) between programs within the relevant fiscal year. Transfer requests are submitted online through [CONTACT US](#) (select "Financial Aid Question" under Contact Reason). Institutions requesting a transfer of funds must submit a request by **July 1, 2021**. The Financial Aid Services staff will respond to the institution to provide next steps for the process.

Appendix 1: SACS Program Levels

Institution Name	SACS Level	UNDERGRADUATE TUITION RATE PER SCH	GRADUATE TUITION RATE PER SCH
Abilene Christian University	5	\$207	\$260
Austin College	3	\$200	\$282
Baylor University	6	\$257	\$343
Concordia University Texas	5	\$207	\$260
Dallas Baptist University	5	\$207	\$260
East Texas Baptist University	3	\$200	\$282
Hardin-Simmons University	5	\$207	\$260
Houston Baptist University	5	\$207	\$260
Howard Payne University	3	\$200	\$282
Huston-Tillotson University	3	\$200	\$282
Jacksonville College	1	\$68	n/a
Jarvis Christian College	2	\$58	n/a
LeTourneau University	3	\$200	\$282
Lubbock Christian University	3	\$200	\$282
McMurry University	3	\$200	\$282
Our Lady of the Lake University	5	\$207	\$260
Parker University	5	\$207	\$260
Paul Quinn College	2	\$58	n/a
Rice University	6	\$257	\$343
Schreiner University	3	\$200	\$282
Southern Methodist University	6	\$257	\$343
Southwestern Adventist University	3	\$200	\$282
Southwestern Assemblies of God University	5	\$207	\$260
Southwestern Christian College	2	\$58	n/a
Southwestern University	2	\$58	n/a
St. Edward's University	5	\$207	\$260
St. Mary's University	5	\$207	\$260
Texas Chiropractic College	5	\$207	\$260
Texas Christian University	6	\$257	\$343
Texas College	2	\$58	n/a
Texas Lutheran University	3	\$200	\$282
Texas Wesleyan University	6	\$257	\$343
The University of Dallas	5	\$207	\$260
Trinity University	3	\$200	\$282
University of Mary Hardin-Baylor	5	\$207	\$260
University of St. Thomas	5	\$207	\$260
University of the Incarnate Word	6	\$257	\$343
Wayland Baptist University	5	\$207	\$260
Wiley College	2	\$58	n/a

For example: I Institution Current Tuition Rate per SCH = \$550; Institution SACS Level = 3

To calculate tuition differential for an undergraduate student who enrolled in 12 SCH in the fall and 12 SCH in the spring, the institution would report the following:

$$\$550 - \$200 = \$350 \times 26 \text{ SCH} = \$9,100$$

Institution Current Tuition – SACS Avg. = Difference x Semester Credit Hours = Tuition Diff.

See additional example on page 6, under Additional Information.