

SUPPLEMENTAL MATERIALS

Committee on Innovation, Data, and Educational Analytics

AGENDA ITEM V-D (5)

Consideration and possible action to adopt proposed amendments to Board Rules, Chapter 22, Subchapter A, Sections 22.1, 22.2, 22.4, and 22.9-22.11, and new sections 22.7 and 22.8, concerning General Provisions

RECOMMENDATION: Approval

Background Information:

The amendments and new sections update terminology and definitions used throughout the chapter, restructure rules within the subchapter for greater clarity, and provide greater detail in how and to which programs the general provisions should be applied.

Included throughout the subchapter are a number of nonsubstantive updates to rule language. References to the Texas Higher Education Coordinating Board (Coordinating Board) as an agency, for example, previously written as “Board” or “Board staff,” are revised to “Coordinating Board” to ensure the distinction is clear between the agency and its governing board. Similarly, the word “award” is changed to refer more precisely to a particular kind(s) of financial assistance.

Rule 22.1, Definitions, is amended by adding and removing several definitions, as well as amending definitions to more closely align with other defined terms. Several of the additions are commonly used terms throughout the chapter that have statutory definitions in Texas Education Code (TEC) Section 61.003. These terms have been consolidated into the General Provisions to ensure consistent usage and avoid citation issues that might arise from changes to TEC Section 61.003. The term “forecast” was defined in multiple subchapters with slightly different definitions (though no practical difference); these definitions are consolidated in Section 22.1 with no change in function. Finally, to align more closely with changes to the federal financial aid process, the term “Student Aid Index” is added and will be used extensively throughout the chapter as a replacement for “Expected Family Contribution.” Multiple definitions are removed as they are no longer needed or are being replaced with more precise terms.

Rule 22.2, Timely Distribution of Funds, is amended by adding provisions related to re-offering of funds and late disbursements of gift aid. New subsection (b) is the reconstituted

Section 22.11(f), amended to clarify that it is applicable to all financial adjustments, not only grants. New subsection (c) is the reconstituted Section 22.11(g), amended to clarify that it applies to all gift aid. These adjustments do not represent a change in Coordinating Board practices or expectations.

Rule 22.4, Records Retention, is amended by eliminating subsection (a), which is simply an unnecessary directive to institutions to follow the rules within the section, and making conforming formatting changes.

Rule 22.7, Financial Aid Uses, is added to specify the appropriate uses for state financial aid programs. This section is the reconstituted Section 22.11(c), amended slightly to make it more broadly applicable (to all financial aid, rather than simply grants or work-study). This does not represent a change in Coordinating Board practices or expectations.

Rule 22.8, Financial Aid Adjustments, is added to provide guidance to institutions in managing various financial aid adjustments. The bulk of the language is reconstituted from Section 22.11(d) and (e), with a few notable changes. First, provisions related to adjustments resulting from a student withdrawing from his/her institution are separated to offer more specific guidance in the case of gift aid versus loans. Subsection (b), related to over awards, frames the concept as a type of financial aid adjustment, rather than a separate concept as it has been previously. Finally, the new rule provides greater specificity regarding adjustments to financial aid resulting from a student becoming ineligible for particular financial aid programs after already receiving financial assistance from them. Subsection (d) provides general guidance in any other case not addressed by the rest of the rule.

Rule 22.9, Institutional Responsibilities, is amended to align with the Coordinating Board's compliance monitoring role in TEC Section 61.035 and the current practice between the Coordinating Board and the institutions as reflected in the program participation agreements, and to clarify the institutions' specific obligations with respect to allocated program funds.

Rule 22.10, Grade Point Average Calculations for Satisfactory Academic Progress, is amended to clarify that institutions have the discretion to include grades from prior institutions in determining whether a student's grade point average satisfies satisfactory academic progress requirements and may use the higher of the calculations.

Rule 22.11, Authority to Transfer Funds, is amended first by eliminating the specific program references in the title and narrowing the subject of the rule to focus only on the authority to transfer funds. Subsection (a) is eliminated entirely and not moved elsewhere in the chapter, as it merely restates statute. Subsection (b)(1), which implements a legislative rider, is retained with minor edits and the addition of the specific July 1 deadline. Subsection (b)(2) is eliminated as the allocations for the Texas College Work-Study Program and Work-Study Student Mentorship Programs have been combined. Subsections (c)-(g) are removed but the substance of these provisions has been relocated elsewhere in this subchapter, as described above.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rule:

Section 22.1 definitions for “Expected Family Contribution” and “Student Aid Index” are switched in form to reflect that Student Aid Index is the more commonly used term in financial aid administration.

Section 22.9(d) is amended to reflect the potential roles of the Board, Commissioner, and Internal Auditor with respect to this function, to more closely align with the applicable statute and audit- related rules and procedures.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, will present this item and be available to answer questions.

Date Published in the *Texas Register*: February 7, 2025

The 30-day comment period with the *Texas Register* ended on: March 9, 2025.

No comments were received regarding the adoption of the new rules and amendments. The following comments were received regarding the adoption of the new rule:

Comment: South Texas College commented to note that the term “Expected Family Contribution,” defined in §22.1, is outdated and has been changed to Student Aid Index under the federal FAFSA Simplification Act.

Response: The Coordinating Board appreciates the comment. The commenter is correct that the term Expected Family Contribution has been phased out at the federal level in favor of Student Aid Index. However, the term Expected Family Contribution still exists in the Texas Education Code across multiple financial aid programs. As such, definitions for both Expected Family Contribution and Student Aid Index are necessary to align these terms. To provide greater clarity, the definitions will be updated so that Student Aid Index refers to a measure utilized to calculate a student's financial need as regulated and defined by the methodology used for federal student financial aid and Expected Family Contribution refers to a student's Student aid Index.

CHAPTER 22 STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER A GENERAL PROVISIONS

22.1. Definitions.

The following words and terms, when used in chapter 22 [~~Chapter 22~~], shall have the following meanings, unless otherwise defined in a particular subchapter:

(1) Academic Year--The combination of semesters defined by a public or private institution of higher education to fulfill the federal "academic year" requirement as defined by 34 CFR 668.3.

(2) Attempted Semester Credit Hours--Every course in every semester for which a student has been registered as of the official Census Date, including but not limited to, repeated courses and courses the student drops and from which the student withdraws. For transfer students, transfer hours and hours for optional internship and cooperative education courses are included if they are accepted by the receiving institution towards the student's current program of study.

~~[(3) Awarded--Offered to a student.]~~

(3) ~~[(4)]~~ Board--The governing body of the agency known as the Texas Higher Education Coordinating Board.

(4) ~~[(5)]~~ Categorical Aid--Gift aid that the institution does not award to the student, but that the student brings to the school from a non-governmental third party.

(5) ~~[(6)]~~ Commissioner--The Texas Commissioner of Higher Education.

(6) ~~[(7)]~~ Coordinating Board--The agency known as the Texas Higher Education Coordinating Board, including agency ~~and its~~ staff.

(7) ~~[(8)]~~ Cost of Attendance/Total Cost of Attendance--An institution's estimate of the expenses incurred by a typical financial aid recipient in attending a particular institution of higher education. It includes direct educational costs (tuition and fees) as well as indirect costs (room and board, books and supplies, transportation, personal expenses, and other allowable costs for financial aid purposes).

(8) ~~[(9)]~~ Credit--College credit earned through the successful completion of a college career and technical education or academic course that fulfills specific requirements necessary to obtain an industry-recognized credential, certificate, associate degree, or other academic degree.

(9) [(10)] Degree or Certificate Program [~~certificate program~~] of Four Years [~~four years~~] or Less [~~less~~]-A baccalaureate degree, associate degree, or certificate program other than a program determined by the Coordinating Board to require four years or more to complete.

(10) [(11)] Degree or Certificate Program [~~certificate program~~] of More Than Four Years [~~more than four years~~]-A baccalaureate degree or certificate program determined by the Coordinating Board to require more than four years to complete.

(11) [(12)] Encumber--Program funds that have been officially requested by an institution through procedures developed by the Coordinating Board.

(12) [(13)] Equivalent of a Semester Credit Hour [~~semester credit hour~~]-A unit of measurement for a continuing education course, determined as a ratio of one continuing education unit to ten [10] contact hours of instruction, which may be expressed as a decimal. For the purpose of conversion, 1.6 continuing education units of instruction equals one semester credit hour of instruction. In a continuing education course, not fewer than sixteen [16] contact hours are equivalent to one semester credit hour.

(13) [(14)] Expected Family Contribution (EFC)-- A student's Student Aid Index, as the term is defined in this section. [~~A measure utilized to calculate a student's financial need as regulated and defined by the methodology used for federal student financial aid.~~]

(14) [(15)] Financial Need--The Cost of Attendance at a particular institution of higher education or private or independent institution of higher education [~~public or private institution of higher education~~] less the Student Aid Index [~~Expected Family Contribution~~] as those terms are defined in this section. [~~The Cost of Attendance and Expected Family Contribution are to be determined in accordance with Board guidelines.~~]

(15) Forecast--The FORECAST function in Microsoft Excel, or a comparable forecasting function.

(16) Full-Time--For undergraduate students, enrollment or expected enrollment for the equivalent of twelve or more semester credit hours per semester. For graduate students, enrollment or expected enrollment for the normal full-time course load of the student's program of study as defined by the institution.

(17) General Academic Teaching Institution--As defined in Texas Education Code, §61.003.

(18) [(17)] Gift Aid--Grants, scholarships, exemptions, waivers, and other financial aid provided to a student without a requirement to repay the funding or earn the funding through work.

(19) [(18)] Graduate Student [student]--A student who has been awarded a baccalaureate degree and is enrolled in coursework leading to a graduate or professional degree.

(20) [(19)] Half-Time--For undergraduates, enrollment or expected enrollment for the equivalent of at least six but fewer than nine semester credit hours per regular semester. For graduate students, enrollment or expected enrollment for the equivalent of 50 percent of the normal full-time course load of the student's program of study as defined by the institution.

(21) Institution of Higher Education--As defined by Texas Education Code, §61.003.

(22) Medical or Dental Unit--As defined by Texas Education Code, §61.003.

~~[(22) Residency Core Questions--A set of questions developed by the Coordinating Board to be used to determine a student's eligibility for classification as a resident of Texas, available for downloading from the Coordinating Board's website, and incorporated into the ApplyTexas application for admission.]~~

(23) [(20)] Period of Enrollment [enrollment]--The semester or semesters within the current state fiscal year (September 1 - August 31) for which the student was enrolled in an approved institution and met all eligibility requirements for financial assistance offered under this chapter ~~[an award through this program]~~.

(24) Private or Independent Institution of Higher Education--As defined by Texas Education Code, §61.003.

(25) [(24)] Program Officer--The individual named by each participating institution's chief executive officer to serve as agent for the Coordinating Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including the determination of student eligibility, selection of recipients, maintenance of all records, and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the institution's chief executive officer, the director of student financial aid shall serve as Program Officer.

(26) Public Junior College--As defined by Texas Education Code, §61.003.

(27) Public State College--As defined by Texas Education Code, §61.003.

~~[(27) Timely Distribution of Funds--Activities completed by institutions of higher education related to the receipt and distribution of state financial aid funding from the Board and subsequent distribution to recipients or return to the Board.]~~

(28) Public Technical Institute--As defined by Texas Education Code, §61.003.

(29) [~~(23)~~] Resident of Texas--A resident of the State of Texas as determined in accordance with chapter 21, subchapter B, [~~Chapter 21, Subchapter B~~] of this title (relating to Determination of Resident Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

(30) [~~(24)~~] Semester--A payment period, as defined by 34 CFR 668.4(a) or 34 CFR 668.4(b)(1).

(31) [~~(25)~~] Semester Credit Hour--A unit of measure of instruction, represented in intended learning outcomes and verified by evidence of student achievement, that reasonably approximates one hour of classroom instruction or direct faculty instruction and a minimum of two hours out of class student work for each week over a 15-week period in a semester system or the equivalent amount of work over a different amount of time. An institution is responsible for determining the appropriate number of semester credit hours awarded for its programs in accordance with Federal definitions, requirements of the institution's accreditor, and commonly accepted practices in higher education.

(32) Student Aid Index (SAI)– A measure utilized to calculate a student's financial need as regulated and defined by the methodology used for federal student financial aid.

(33) [~~(26)~~] Three-Quarter-Time--For undergraduate students, enrollment or expected enrollment for the equivalent of at least nine but fewer than twelve [~~12~~] semester credit hours per semester. For graduate students, enrollment or expected enrollment for the equivalent of 75 percent of the normal full-time course load of the student's program of study as defined by the institution.

(34) [~~(28)~~] Undergraduate Student [~~student~~]--An individual who has not yet received a baccalaureate degree.

22.2. Timely Distribution of Funds.

(a) All institutions participating in the financial aid programs outlined in chapter 22 [~~Chapter 22~~] shall follow the guidelines for the timely distribution of funds, as outlined in this section:

(1) Timely Disbursement. Institutions shall disburse state student financial aid funding to a student recipient's account or, in the case of work-study, through a paycheck, 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. Gift aid and work-study funds for which a student is no longer eligible may be disbursed to a different eligible student for whom funds have not yet been requested in order to meet the timely disbursement requirement.

(2) Timely Determination of Ineligibility. For state student financial aid funding already disbursed to a student, except work study, institutions shall return funds to the Coordinating Board within forty-five [~~45~~] calendar days of a student becoming ineligible

for the funding. Gift aid funds for which a student has been determined ineligible may be disbursed to a different eligible student for whom funds have not yet been requested in order to meet the timely determination of ineligibility requirement. In all cases, an institution must provide notification to the Coordinating Board regarding the change in student eligibility, as appropriate for the particular student financial aid program.

(3) Timely Cancellation. For state student financial aid funds already disbursed to a student, except work-study, institutions may return funds to the Coordinating Board within 120 calendar days of disbursement in situations where a student has notified the institution of his or her decision to cancel the financial aid. Gift aid funds for which a student has made the decision to cancel may be disbursed to a different eligible student for whom funds have not yet been requested in order to meet the timely cancellation requirement. In all cases, an institution must provide notification to the Coordinating Board regarding the student's decision to cancel financial aid, as appropriate for the particular student financial aid program.

(b) Re-offering of funds. Funds made available from financial aid adjustments, as detailed in §22.8 of this subchapter (relating to Financial Aid Adjustments) are subject to the requirements of timely determination of ineligibility in [paragraph] subsection (a)(2) of this section.

(c) Late Disbursements of Gift Aid.

(1) A student may receive a gift aid disbursement after the end of his/her period of enrollment if the student:

(A) Owes funds to the institution for the period of enrollment for which the grant is being made; or

(B) Received a student loan that is still outstanding for the period of enrollment.

(2) Funds that are disbursed after the end of the student's period of enrollment must be used to either pay the student's outstanding balance from his/her period of enrollment 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 student.

(3) The institution shall retain documentation proving the late-disbursed funds were used to make a payment against an outstanding balance at the institution from the relevant period of enrollment and/or to make a payment against an outstanding loan taken out for the period of enrollment.

(4) Unless granted an extension by the Coordinating Board, late disbursements must be processed prior to the end of the state fiscal year for which the funds were allocated to the institution.

22.4. Records Retention.

~~[(a) All institutions participating in the financial aid programs described in Chapter 22 shall follow the records retention guidelines outlined in subsection (a) and (b) of this section:]~~

(a) [(4)] An institution shall maintain its records and accounts of all transactions related to state and federal student financial aid in keeping with the institution's records retention schedule to ensure a full accounting for all funds received, disbursed, and expended by the institution.

(b) [(2)] Records and accounts shall be available for inspecting, monitoring, programmatic or financial auditing, or evaluation by the Coordinating Board, and by others authorized by law or regulation, for a period (whichever is later):

(1) [(A)] not less than seven (7) years after the date of the completion of the award period; ~~[(1)]~~

(2) [(B)] the date of the receipt of the institution's final claim for payment of final expenditure report; ~~[(2)]~~ or

(3) [(C)] until a resolution of all billing questions in connection with the account has been resolved.

(c) [(3)] Records and accounts shall include, but are not limited to, general institutional and program specific record-keeping requirements in accordance with Federal Student Aid Title IV regulations (USOE, 34 CFR §668.24).

(d) [(b)] If an audit is announced, an institution shall retain its records until the audit has been completed or not less than seven (7) years after the expiration date of the Memorandum of Understanding for State Financial Aid Programs (MOU), Program Participation Agreement, or other operative written agreement between an institution and the Coordinating Board pertaining to financial aid, whichever is later.

(1) An institution shall make available to the auditing entity all documents and other information related to state financial aid programs.

(2) An institution and any subcontractors shall provide any information the auditing entity deems relevant to any monitoring, investigation, evaluation, or audit.

22.7. Financial Aid Uses.

Neither an institution nor a student may use financial assistance offered through programs in this chapter for any purpose other than paying for any usual and customary cost of attendance incurred by the student related to enrollment at a participating institution of higher education for the academic year for which funding was offered.

22.8. Financial Aid Adjustments.

(a) Withdrawal from Enrollment.

(1) Gift Aid. If a student officially withdraws from enrollment, then the institution shall reduce the student's gift aid by the same percentage by which the student's tuition has been reduced per the institution's general institutional refund policy.

(2) Loans. If a student officially withdraws from enrollment, the institution shall recalculate the student's cost of attendance to determine whether an adjustment to the student's state-funded loan aid is warranted.

(3) If the student withdraws or drops classes after the end of the institution's refund period, no refunds are due to the program(s) from which the student received financial assistance.

(b) Over Awards.

(1) An over award occurs when a student's total financial assistance (including the student's state-funded and additional financial assistance) exceeds his/her financial need.

(2) If an over award occurs, the institution shall resolve the over award by recalculating the student's amount of state-funded financial assistance in accordance with the institution's procedures, except the institution is not required to recalculate the student's financial aid if:

(A) the over award occurred after state-funded financial assistance has been disbursed because the student received additional financial assistance that was not factored into the institution's estimate of his/her financial need; and

(B) the student's total financial assistance exceeds his/her need by \$300 or less.

(c) Ineligibility.

(1) If an institution determines that a student is ineligible for financial assistance from one or more programs in this chapter after receiving financial assistance from the program(s), the institution shall adjust the student's financial aid in accordance with the institution's procedures to either resolve the eligibility issue or remove the student from the program(s).

(2) An institution may distribute gift aid funds for which a student has been deemed ineligible to a different eligible student or return the funds to the Coordinating Board in accordance with §22.2(a)(2) of this subchapter (relating to Timely Distribution of Funds).

(d) If, for some reason not already specified in this section, the amount of a student's disbursement exceeds the amount the student is eligible to receive, the institution shall recalculate the student's financial aid accordingly.

22.9. Institutional Responsibilities.

(a) Probation Notice. If the institution is placed on probation by its accrediting agency, the institution shall ~~[it must]~~ immediately notify the Coordinating Board ~~[staff]~~ and advise state financial aid recipients of this condition and maintain evidence to demonstrate that state financial aid program recipients were so informed.

(b) Disbursements to Students.

(1) Documentation. Each ~~[The]~~ institution shall ~~[must]~~ maintain records to prove the crediting of state financial aid program funds to the student's school account.

(2) Procedures in Case of Unauthorized ~~[Illegal]~~ Disbursements. If an institution receives an audit or compliance monitoring finding or otherwise determines ~~[the Commissioner has reason for concern]~~ that the ~~[an]~~ institution has disbursed state financial aid program funds for unauthorized purposes, whether over-allocated, misused, or misallocated, ~~[Board staff will notify]~~ the Program Officer shall notify the Coordinating Board within five business days ~~[and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration)].~~ Thereafter, if Board staff determine that funds have been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Coordinating Board. ~~No further disbursements of funds from the program in question shall be permitted to students at that institution until the funds have been repaid.].~~

(3) If the Commissioner determines that the institution has made an unauthorized disbursement, the Commissioner will notify the Program Officer of this determination in writing.

(4) The Commissioner may demand, in writing, that the institution return the funds to the Coordinating Board. The institution may comply with this demand and return the funds to the Coordinating Board within thirty calendar days of receipt, unless the Commissioner specifically permits a later deadline. If the institution elects not to comply with this demand, the Coordinating Board may utilize additional tools of recovery, as permitted by law, including any means of recovery authorized by Texas Education Code, §61.035.

(5) In addition, the Commissioner may subject the institution to compliance monitoring.

(6) The Coordinating Board shall not disburse further funds from the program in question to the institution until the funds have been repaid.

(c) Reporting Requirements/Deadlines. Each institution shall ~~[All institutions must]~~ submit such reports and information as the Coordinating Board may require in connection with the administration or evaluation of the state financial aid programs. These materials must be

submitted within the time allotted by the Coordinating Board [THECB] for each such report or information request. The Program Officer shall ensure ~~[officer agrees]~~ that all reports and information provided to the Coordinating Board [shall reflect] properly reflect the facts and certify that those reports may be relied upon as being complete and accurate.

(d) Compliance Monitoring [Program Reviews]. If selected for such by the Board, Commissioner, or Internal Auditor [staff], a participating institution shall [institutions must] submit to ~~[program]~~ reviews of activities related to state financial aid programs.

22.10. Grade Point Average Calculations for Satisfactory Academic Progress.

(a) Each institution shall calculate grade [Grade] point average [calculations shall be made] in accordance with institutional policies.

(b) Subject to any specific statutory requirements, in determining whether a financial aid [A grant] recipient has met the [whose GPA is below program] grade point average requirements for satisfactory academic progress for a given program, an [as of the end of an academic year may appeal his/her grade point average calculation if he/she has taken courses previously at one or more institutions. In the case of such an appeal, the current] institution may [(if presented with transcripts from the previous institutions), shall] calculate an overall grade point average based on classes and grade points from that institution only or based on [counting] all classes and grade points previously earned at one or more other institutions. If the resulting grade point average exceeds the program's academic progress requirement, an otherwise eligible student may receive an award in the following academic year.

(c) If a financial aid [grant] recipient's grade point average falls below the satisfactory academic progress [program] requirements and the student transfers to another institution, or has transferred from another institution, the receiving institution cannot make a subsequent offer [award] to the transfer student until the student provides official transcripts of previous coursework to the current institution's financial aid office and the institution re-calculates an overall grade-point average, including hours and grade points for courses taken at the previous and current institutions, that proves the student's overall grade point average now meets or exceeds the satisfactory academic progress [program] requirements.

22.11. Authority to Transfer Funds [Provisions specific to the TEXAS Grant, TEOG, TEG, and Texas Work-Study Programs].

~~[(a) Funding. Funds offered through this program may not exceed the amount of appropriations, gifts, grants and other funds that are available for this use (§§56.303(c) and 56.403(c)) Texas Education Code].~~

~~[(b) Authority to Transfer Funds.]~~

(a) ~~[(4)]~~ An institution [Institutions] participating in two or more [a combination] of the following programs: Toward EXcellence, Access and Success Grant, Texas Educational Opportunity Grant, Tuition Equalization Grant, and Texas College Work-Study Programs, in accordance with instructions from the Coordinating Board, may transfer current fiscal year funds up to the lesser

of 25 percent or \$60,000 between these programs. This threshold applies to the program from which the funds are transferred. ~~[Requests for such transfers must be submitted by the institution by the annual deadline published by the agency.]~~

~~[(2) Institutions participating in both the Texas College Work-Study Program and the Work-Study Student Mentorship Program, in accordance with instructions from the Board, may transfer current fiscal year funds up to 25 percent between the two programs. This threshold applies to the program from which the funds are transferred. Such transfers must occur by July 1 of the current fiscal year.]~~

(b) An institution shall submit a request for transfer under subsection (a) of this section by the annual deadline published by the Coordinating Board, and the transfer must occur by July 1 of the current fiscal year.

~~[(c) Grant Uses. No state grant or work-study funding may be used for any purpose other than paying for any usual and customary cost of attendance incurred by the student related to enrollment at a participating institution of higher education for the academic year for which funding was offered.]~~

~~[(d) Over Awards. If, at a time after the grant has been disbursed by the institution to the student, the student receives assistance that was not taken into account in the institution's estimate of the student's financial need, so that the resulting sum of assistance exceeds the student's financial need, the institution is not required to adjust the grant under this program unless the sum of the excess resources is greater than \$300.]~~

~~[(e) Grant adjustments. If a student officially withdraws from enrollment, the institution shall follow its general institutional refund policy in determining the amount by which the financial aid is to be reduced. If the student withdraws or drops classes after the end of the institution's refund period, no refunds are due to the program. If for some other reason the amount of a student's disbursement exceeds the amount the student is eligible to receive, the financial aid should be recalculated accordingly.]~~

~~[(f) Re-offering of funds. Funds made available from grant adjustments may be re-offered to other eligible students attending the institution. If funds cannot be re-offered, they should be returned to the Board in accordance with §22.2 of this subchapter (relating to Timely Distribution of Funds).]~~

~~[(g) Late Disbursements.]~~

~~[(1) A student may receive a disbursement after the end of his/her period of enrollment if the student:]~~

~~[(A) Owes funds to the institution for the period of enrollment for which the grant is being made; or]~~

~~[(B) Received a student loan that is still outstanding for the period of enrollment.]~~

~~[(2) Funds that are disbursed after the end of the student's period of enrollment must be used to either pay the student's outstanding balance from his/her period of enrollment 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 student.]~~

~~[(3) Documentation must be retained by the institution, proving the late-disbursed funds were used to make a payment against an outstanding balance at the institution from the relevant period of enrollment and/or to make a payment against an outstanding loan taken out for the period of enrollment.]~~

~~[(4) Unless granted an extension by the staff of the Coordinating Board, late disbursements must be processed prior to the end of the state fiscal year for which the funds were allocated to the institution.]~~