



University Policy: Graduate Financial Aid Policy

Policy Category: Academic

Subject: Graduate Financial Aid

Office Responsible for Review of this Policy: Office of the Provost

Procedures: As described below

Related University Policies: Doctoral Dissertation Credits Pricing; Graduate Financial Aid Awards; Payroll Procedures for Graduate Stipends; GFA Budget Allocation; Yellow Ribbon Program; Federal Financial Aid Guidelines; Graduate Assistantships (Graduate Academic Regulations)

I. SCOPE

This Policy provides guidance for the administration and oversight of Institutional Merit-Based Graduate Financial Aid awards. The purpose of this Policy is to ensure that these activities are performed and processed in accordance with University's academic, fiscal and administrative policies. All academic units and degree-seeking graduate students are covered by this Policy, except for students enrolled in the Washington College of Law (WCL), Kogod School of Business (KSB), and the School of Professional and Extended Studies (SPEX). This policy also does not apply to online students enrolled in a degree seeking program delivered in conjunction with an external partner. These students have separate financial aid policies and procedures for their respective degree-seeking graduate programs.

II. DEFINITIONS

Graduate Full-time/Half-time/Part-time Status

Full-time graduate student status during the fall or spring semesters is defined as registration for at least nine (9) credit hours. Full-time graduate student status during the summer semester is defined as registration for at least four (4) credit hours. Enrollments in all summer sessions during a calendar year are added to determine the student's total summer enrollment. Half-time graduate student status during the fall or spring semesters is defined as registration for five (5) credit hours. Half-time graduate student status during the summer semester is defined as registration for two (2) credit hours. Students who are registered for more than a half-time credit load in any semester, but less than a full-time credit load for that semester, will be considered half-time students.

Graduate Assistantships

Graduate assistantships are merit-based graduate financial aid awards that provide the recipient with a monetary stipend and tuition remission for degree-related courses. Students selected for a graduate assistantship are required to work with a faculty member.

Teaching Assistants

A teaching assistant (TA) is customarily a graduate student who assists a faculty instructor with instructional activities. TA responsibilities vary greatly and may include the following: tutoring; holding office hours; assisting with grading homework or exams; administering tests or exams; or assisting a faculty instructor with a large lecture class by teaching students in recitation, laboratory, or discussion sessions.

Research Assistants

A research assistant (RA) is a graduate student who assists a faculty member with academic research. Research assistants are not independent researchers and are not directly responsible for the outcome of the research. They are responsible to, and report to a research supervisor or principal investigator (PI).

Tuition Remission

Tuition remission is that portion of a graduate financial aid award that covers the cost of tuition for degree-related courses in which the student is enrolled. The value of tuition remission is based on the number of credit hours awarded multiplied by the tuition rate per credit hour in effect for the academic year.

Stipends

Stipend is that portion of a graduate financial aid award that is paid to students in cash while the students fulfill work requirements assisting faculty instructors or researchers. Stipends are paid bi-weekly during the academic terms when work is performed, and may be subject to federal and state income taxes.

Work Requirement

Graduate assistantships require recipients to work with faculty members either as teaching assistants or research assistants during the academic semester for a designated number of hours per week, up to a maximum of 20 hours per week for full awards or the equivalent of 600 hours over the course of two academic semesters. Students are required to report all hours worked, which must be certified monthly by the faculty supervisor. Certification may be provided through the use of time sheets, the electronic payroll system, or other approved means.

Health Insurance

The University will cover the cost of individual health insurance plan for eligible graduate assistants at the doctoral level. The plan is the one offered to all AU students through an external insurance company. An eligible graduate assistant may purchase additional health insurance for a spouse/partner, children, or dependents, but the additional costs beyond the individual health care plan must be paid by the student. Eligible students are not required to use this plan and may choose to pay for their own insurance elsewhere and forgo the benefit.

III. POLICY STATEMENT

To assist graduate students in financing the cost of attendance in a graduate degree program, the University provides access to two forms of financial aid: need-based and merit-based. This Policy will focus specifically on Merit-based graduate financial aid.

Need-based graduate financial aid: Need-based forms of graduate financial aid are administered through the University's Office of Financial Aid and available to all qualified students who submit a Free Application for Federal Student Aid (FAFSA)
<http://www.american.edu/financialaid/graduateprospects.cfm>

Merit-based graduate financial aid: Merit-based forms of graduate financial aid are funded through the University's operating budget, which is approved by the Board of Trustees and allocated to the Office of the Provost for distribution to all academic units. Merit-based forms of graduate financial aid may also be funded via external grants awarded to the University, endowment-generated funds, or funds derived from gifts to the University. Funds derived from the University budget for merit-based graduate financial aid are allocated to academic units to accomplish strategic academic objectives regarding the desired academic quality of students admitted to graduate degree programs and to meet target enrollment budgets. Merit-based graduate financial aid awards are provided to qualified students using traditional merit indicators such as GPA, test scores, quality of recommendation letters, and work-related or other forms of personal experience, as determined by each academic unit. Full-time and part-time graduate students who meet specified qualifications may be eligible to receive merit-based financial aid assistance, which includes fellowships, assistantships, and study grants. Depending on funding availability and respective academic unit approval, merit-based graduate financial aid awards may be used to support attendance throughout the academic year, including summer classes. Continuation of GFA awards to subsequent academic years is dependent on students' ability to meet eligibility criteria, including maintaining satisfactory academic progress, as well as the availability of GFA funds within the academic unit. It is the responsibility of all academic units to ensure that all GFA recipients meet and continue to meet GFA requirements and standards.

Excess expenditures from units' GFA accounts must be covered by savings in units' operating expense line items or internally designated funds. Unspent GFA funds are recaptured by the University at the end of each fiscal year and may not be used for other purposes without the express approval of the Provost or designee. The GFA awarding and reporting procedures are administered by the Office of Graduate Studies, reporting to the Dean of Graduate Studies and in conjunction with the Deans and Associate Deans of academic units (See GFA Procedures below).

Merit Award Packages

Merit award packages consist of graduate tuition remission and stipend. Full or partial awards may be offered to qualified students at the discretion of the academic unit. Tuition remission may range from 1 to 9 credits per semester. Maximum stipends for full awards are \$9,300 per year for master's degree students and \$22,000 per year for doctoral students. Academic units may supplement these maximum awards via awards during the summer semester. Students offered a stipend must fulfill a work requirement such as serving as a teaching or research assistant for a faculty member in their academic division, for up to 20 hours per week. See the description of Graduate Assistantships in the Graduate Regulations: <https://www.american.edu/provost/grad/Current-Graduate-Academic-Regulations.cfm>. Assignments to particular faculty members are typically made at the academic unit

level. Faculty members supervising Graduate Assistants, or designee, must certify in writing each month that students have fulfilled their work requirements. Each academic unit or department will establish the requisite procedures to ensure this work requirement certification is fulfilled by all faculty and students covered by this Policy. Certification records must be kept by each academic unit for a minimum of three (3) academic years and be available for audit by University internal and external auditors.

Stipend-only and Tuition-only Awards

Academic units may offer partial Stipend-only or partial Tuition-only awards to qualified students. Partial Stipend-only and partial Tuition-only awards may be used to convert admitted graduate students to enable academic units to meet enrollment targets. Academic units should consider in-unit faculty members' needs for teaching or research support when requesting to allocate GFA funds to provide partial stipend-only or partial tuition-only awards to students in annual discussions with the Provost's Office. The Dean of Graduate Studies consults with academic unit Deans or their designees during the planning process to approve requests to allocate GFA funds for partial Stipend-only and partial Tuition-only awards. An outcome of the consultation process is the allocation of GFA funds into specific categories for each academic unit.

All Stipends-only awards must carry a work requirement to be determined by the issuing academic unit. Partial Tuition-only awards or partial Stipends-only awards may be applied to a single term or to multiple terms.

Graduate Financial Aid and Health Care Eligibility Criteria

Academic units have substantial flexibility to expend GFA funds to support eligible and qualified graduate students in their teaching units. However, all merit-based GFA award packages to graduate students must conform to the following criteria:

1. A work assignment is associated with the payment of a stipend. The work assignment may be either a teaching assistantship (TA) or a research assistantship (RA).
2. A full merit-based award package is contingent on full-time (FT) graduate student status at the university, i.e. registration for at least 9 credits in each of the fall and spring semesters. Part-time students may receive GFA funds in the form of (a) tuition remission only or (b) stipend only for work performed at an hourly rate equal to what is paid to graduate students at their graduate degree level (i.e., at the master's or doctoral level) on an assistantship, or a combination partial award for both.
3. Students must maintain good academic standing and satisfactory progress toward degree completion to be eligible to receive support in the form of GFA funds. Satisfactory progress means that students are: completing no less than 2/3 of the courses for which they have registered; maintaining a cumulative GPA of 3.0; passing comprehensive exams, as well as completing thesis/dissertation requirements or other milestone requirements of their graduate programs of study in a timely manner. Graduate students may not receive renewal of merit-based GFA awards if they are not in good academic standing or not making

satisfactory progress. Offer letters to graduate students must state that renewal of GFA awards is subject to maintaining good academic standing, satisfactory progress and available funding. These records are subject to internal and external audits. It is strongly recommended that academic unit collect annual evaluations of all graduate students awarded work assignments supported by GFA funds.

4. Students receiving full awards for Graduate Assistantships must work for 20 hours/week as a Teaching Assistant (TA), a Research Assistant (RA), or a combination of both. In the instance where the student works both as a TA and a RA, the student's assignment should define the percent of activity to be devoted to each function. Because work is associated with the stipend, the stipend is taxable income, according to IRS regulations. Partial Graduate Assistantships can be made for a fraction of an award between full and half with the work obligation reduced, based on the amount of the stipend provided. All work required and performed in the context of merit-based award packages must be certified in writing by the supervising faculty. Certification records must be retained in the academic units and be available for internal and external audits.
5. GFA awards may be made - if funding is available - to new students or returning students provided they meet merit qualifications and eligibility criteria. They do not have to have previously received support from GFA funds. Awards are usually effective at the beginning of the semester with students receiving their first stipend payment two weeks after the first bi-weekly work period. A schedule of pay dates is distributed annually from the Payroll Office to the academic units.
6. GFA awards for doctoral students are renewable up to a maximum of four (4) years, contingent on maintenance of satisfactory academic progress and availability of funds. Academic units may use their own internal funds to provide additional support to select doctoral students. Extensions must be approved by the Office of Graduate Studies and Research and cannot exceed the total value of 4 years of full-time tuition remission and four years of stipend for 20 hours/week.
7. Health Insurance coverage is provided to eligible doctoral students enrolled at American University and receiving GFA funding for twenty (20) hours of work per week during the entire academic year. Work from other employment not paid from the GFA funds do not count toward the 20 hours per week, unless the student is supported by an external grant or other sponsored project for their stipend. In addition, the PhD student must be continuously enrolled at AU and maintain satisfactory academic progress in his or her program. Eligibility for student health insurance requires that the student is enrolled in at least 6 credits for the semester. Students who will be on leave for one semester of the academic year may have the student health insurance paid by AU for the semester and summer which they are attending AU, but they cannot be covered by this insurance while they are on leave. The Office of Graduate Studies and Research will contact academic units with proper paperwork and deadlines for eligible graduate assistants to receive this benefit. Failure to submit the paperwork by the deadline may result in the student losing the benefit for that academic year. See Section IV.E for health insurance enrollment procedures.

IV. PROCEDURES

A. Allocation of Graduate Financial Aid (GFA) Funds

At the beginning of each academic year, discussions are held between the Dean of Graduate Studies and the Deans of the academic units to determine institutional priorities for the distribution of GFA funds to accomplish specific strategic goals for the next academic year. A model for the distribution of GFA funds is prepared annually, based on specific strategic goals and the past enrollments for master's and doctoral students. Preliminary drafts of the GFA budgeting model are then prepared using the projected GFA budget and past graduate enrollments and distributed to the academic units that receive GFA funds for comment. Feedback from the academic units is integrated into the draft funding model prior to the distribution of GFA resources to the academic units. Additional meetings may be scheduled to finalize priorities for the expenditure of GFA funds.

In previous annual cycles, specific priorities for the expenditure of GFA funds have included:

- The number of returning full-time doctoral students with assistantships
- Planned growth in current doctoral enrollment, including new doctoral programs
- Special initiatives (e.g., instructional support, doctoral research support, special programs for armed services veterans, support for graduate student scholarship)
- Tuition match for sponsored research programs or other externally funded programs
- Master's student enrollment

The GFA budget is calculated as a set percentage of total projected graduate tuition revenue for the academic year, excluding summer tuition revenue and graduate tuition revenue from WCL, KSB, SPExS, and online degree programs. The calculation of the GFA budget includes additional fixed allocations for GFA purposes. Reductions in projected graduate enrollments for a given academic year will reduce the GFA budget for that academic year. In order for GFA expenditures to align with actual enrollments, adjustments may need to be made to the GFA pool and allocations to academic units during the academic year. If actual graduate enrollments exceed the graduate enrollment budget in a given academic year, an incremental adjustment is allocated to the GFA pool for the academic year, thereby allowing an increase in the GFA allocation to each academic unit to cover excess GFA expenses or to increase GFA awards for the spring semester. Whether graduate enrollment targets were met is determined at the beginning of the fall semester. Unspent GFA funds are not rolled over to the next fiscal year or used for other purposes, but are recaptured by the central budget at the end of the fiscal year.

Following consultation with the appropriate Deans, the Dean of Graduate Studies sends a memorandum to each academic unit that receives GFA funds summarizing the unit's GFA allocation for the upcoming academic year. The memo also states the conditions for the expenditure of GFA funds. Requests from the academic units to reallocate GFA funds for other unit-level priorities are submitted on an ongoing basis to the Dean of Graduate Studies for review and approval, in consultation with the Provost.

The Office of Graduate Studies and Research will issue GFA reports to the Office of the Provost (1) in October, after the fall census date, of GFA expenditures and estimated expenditures for the fiscal year; and (2) in February, after the spring census date and, of GFA

expenditures and estimated expenditures for the fiscal year. This information may assist the Office of the Provost to validate academic unit data.

B. Disbursement of GFA-Tuition Remission

1. GFA Tuition Remission for merit-based graduate awards are processed by the academic unit conveying the offer amount to the Office of Financial Aid, which will enter it into Colleague. All offers, including those which were rejected, are to be reported to the Office of Financial Aid. The Office of Financial Aid refers to this information in calculating need-based federal financial aid for the student who filed a FAFSA form.
2. From the FA screen, the tuition remission credit is posted to the student's account to reduce the balance due and payable by the student.
3. The Office of Student Accounts produces the bill, which the student views and pays online through the student's portal if there is a net balance due from the student.

C. Disbursement of GFA -Stipends

1. Information about students receiving GFA stipends is submitted by the issuing academic unit via an e-action to the University's Payroll Office on designated dates prior to the beginning of a semester. Students are required to fill out and return an I-9 form within three (3) days of starting work. Students are also required to fill out and submit a pay selection form that provides information about how the student wishes to be paid. The academic units collect these forms and submit them to the Payroll Office. Students are encouraged to fill out direct deposit forms online once they are added to the system.
2. The University's Payroll Office sets up bi-weekly stipend payments for all students on the list provided by academic units.
3. Stipend payments are automatically deposited to students' bank accounts if direct deposit forms were submitted. If no other arrangements are made with the Payroll Office, a P Card or debit card is generated for the student and may be picked up at the Payroll Office.
4. Appropriate payroll taxes are withheld based on Internal Revenue Code requirements and individual students' status. Students must consult with their personal tax advisor to determine their proper taxability status.

D. Certification of Work Requirements

1. Graduate assistants receiving GFA award packages will be assigned by the issuing academic units to the respective faculty members with whom they will work for the academic term or year.
2. Students must record all hours worked and submit such a record monthly to the respective faculty member with whom they work.
3. All faculty members must sign off on the monthly time report, certifying that the GFA

work requirement is fulfilled. All certified reports must be submitted to the unit Dean's office or designate for verification and retention for the required period of three (3) years.

4. Graduate Program Directors (GPDs) may petition the Office of Graduate Studies and Research for a one-semester, renewable waiver of work requirements for specific doctoral students when the student is a) conducting field work or b) writing up the final doctoral dissertation while receiving a merit- based GFA award.

E. Enrollment and Payment of Health Insurance Coverage

1. The Office of the Provost will confirm with the Office of Graduate Studies and Research that appropriate funds are available to support health insurance costs for eligible doctoral students by March 15th for the upcoming fiscal year.
2. Pending the aforementioned confirmation, the Office of Graduate Studies and Research will distribute forms to the academic units no later than April 15th for eligible students to receive the health insurance coverage for the coming academic year.
3. The forms will include a deadline for eligible students to sign and return the completed forms to the academic units. The academic units will distribute forms to the eligible students and collect them by the deadline. They will confirm that students who have applied meet the eligibility criteria for paid health insurance coverage and send them to the Office of Graduate Studies and Research.
4. The Office of Graduate Studies and Research will submit a list of eligible students to the Office of Student Accounts to reflect the payment of health insurance premiums on the students' accounts. The Office of Graduate Studies and Research will maintain records of students offered health insurance coverage and will share these records with appropriate campus offices, including the Student Health Center, the Office of Financial Aid, and the Office of the Provost..

F. GFA Reporting and Recordkeeping

1. All academic units are required to enter GFA offers for all applicants in the appropriate admissions CRM. It is strongly recommended that this be done at the time of the offer and no later than one week for each applicant.
2. All academic units receiving GFA allocations must maintain a record of all GFA offers made, accepted, and declined for each academic year. This record must include, among other things, name, student ID number, GFA amounts for tuition remission and stipends and total value of the award for each student. A central repository of this information is also kept by the Office of Graduate Studies and Research.
3. At certain points during the fiscal year, the office of the Vice Provost for Academic Administration (VPAA) will monitor the units' GFA accounts and determine any potential over or under-expenditures of GFA funds allocated to the units. A budget reconciliation of all units' GFA accounts will be done by the VPAA office prior to the

end of the fiscal year. At this time, the appropriate budget transfers and adjustments will be made to the respective GFA accounts, with ongoing consultation with the unit deans and budget staff. The VPAA will send a GFA budget template for all units to provide relevant information required for the budget reconciliation. Budget staff in the academic units will be responsible for providing the total accurate commitments made by the academic units and the total GFA expenditure projected for the fiscal year. This information must be collected by February of each fiscal year and will be specifically requested in the GFA budget template. The template will not require detailed student data.

4. All GFA and Health Insurance reports and records must be kept by the academic units and the Office of Graduate Studies and Research for a minimum of three (3) years. Such reports and records must be kept in electronic form.

G. GFA Audits

1. All GFA reports and records are subject to audits by the University's internal and external auditors, upon prior notice to the Office of Graduate Studies, the Office of the Provost, and the academic units.

V. EFFECTIVE DATE(S)

This Policy is effective May 1, 2019