



Board Policy: Institutional Financial Aid Policy	Policy Number: BP03:03.13
Article: 3.) Student Success Section: 3.) Financial Aid	Adopted by the BOT: Reviewed:
Applicable WAC/RCW: <u>RCW 28B-15-820</u>	Page 1 of 4

BP03:03.13 Institutional Financial Aid Policy

Pursuant to RCW 28B. 15.820, Colleges are required to deposit a minimum of three and one-half percent (3.5%) of revenues collected from tuition and services and activity (S&A) fees into the institutional financial aid fund. The funds collected must be used for direct awards to students in the form of tuition and fee scholarships, work–study, grants, long–term loans and short–term loans with some exception in the administration of long–term loans (see note).

These funds shall be used in addition to and not to replace institutional funds that would otherwise support locally administered financial aid programs.

Colleges have the flexibility in deciding which financial aid award programs they wish to participate in and in establishing policies for the administration of these funds. Following is Cascadia's Institutional Financial Aid Policy.

Institutional Policy

The institutional financial aid fund at Cascadia College will be used to award Cascadia College grants and/ or short–term loans and a match for work-study earnings to needy students.

On an annual basis a minimum of 3.5% of state funded tuition and fees will be set aside for the Institutional Financial Aid Fund. During the annual budget development process a determination will be made to increase the percentage and/or to apply the percentage to a portion of the revenue of the non–state funded tuition and fees. This determination will be based on an analysis of institutional resources and student need.

The basic criteria in order to be considered for funding as well as the requirements for the specific awarding of the funds are listed below.

Awarding Criteria – Basic Institutional Financial Aid

1. Be a Washington State resident

2. Be enrolled at least three credits, in a program designated as eligible in the financial aid procedures
3. Meet the definition of "needy" as determined by the financial aid analysis conducted in the Financial Aid Office

Funds shall also be utilized to provide the institutional matching requirement for the Federal Supplemental Educational Opportunity Grant (SEOG) program and for the State work–study match requirements.

Other criteria for the awarding of these funds are as follows:

Awarding Criteria – Other Institutional Financial Aid

This criteria applies to locally administered, need–based activities such as grants, tuition scholarships and institutional employment programs. To be eligible, students must:

1. Be a Washington State resident
2. Be enrolled/registered in three or more credits or the equivalent
3. Not be in default or delinquent on any educational loans
4. Not owe a repayment on any federal or state grant

Awarding Criteria – Short–term Loans

This criteria shall be applied to any student receiving a loan.

1. Any student enrolled/registered at the college is eligible
2. Evidence that the student has the ability to repay shall be established
3. A timeline for repayment shall be established
4. Students must not be in default or be delinquent on any educational loans
5. Students must not owe a repayment on any federal or state grants
6. The award cannot exceed need or maximum allowed under federal need- based loan program
7. Loans must be repaid within one year or on demand if receiving other financial aid.

RCW 28B-15-820 Institutional financial aid fund- “eligible student” defined.

(1) Each institution of higher education, including technical colleges, shall deposit a minimum of three and one-half percent of revenues collected from tuition and services and activities fees in an institutional financial aid fund that is hereby created and which shall be held locally. Moneys in the fund shall be used only for the following purposes:

- (a) To make guaranteed long-term loans to eligible students as provided in subsections (3) through (8) of this section;

(b) to make short-term loans as provided in subsection (9) of this section; (c) to provide financial aid to students who demonstrate financial need as provided in subsection (10) of this section; or (d) to provide financial aid to students as provided in subsection (11) of this section.

(2) An "eligible student" for the purposes of subsections (3) through (8) and (10) of this section is a student registered for at least three credit hours or the equivalent, who is eligible for resident tuition and fee rates as defined in RCW [28B.15.012](#) and [28B.15.013](#), and who is a student who demonstrates financial need as defined in RCW [28B.92.030](#).

(3) The amount of the guaranteed long-term loans made under this section shall not exceed the demonstrated financial need of the student. Each institution shall establish loan terms and conditions which shall be consistent with the terms of the guaranteed loan program established by 20 U.S. Code Section 1071 et seq., as now or hereafter amended. All loans made shall be guaranteed by the Washington student loan guaranty association or its successor agency. Institutions are hereby granted full authority to operate as an eligible lender under the guaranteed loan program.

(4) Before approving a guaranteed long-term loan, each institution shall analyze the ability of the student to repay the loan based on factors which include, but are not limited to, the student's accumulated total education loan burdens and the employment opportunities and average starting salary characteristics of the student's chosen fields of study. The institution shall counsel the student on the advisability of acquiring additional debt, and on the availability of other forms of financial aid.

(5) Each institution is responsible for collection of guaranteed long-term loans made under this section and shall exercise due diligence in such collection, maintaining all necessary records to ensure that maximum repayments are made. Institutions shall cooperate with other lenders and the Washington student loan guaranty association, or its successor agency, in the coordinated collection of guaranteed loans, and shall assure that the guarantability of the loans is not violated. Collection and servicing of guaranteed long-term loans under this section shall be performed by entities approved for such servicing by the Washington student loan guaranty association or its successor agency: PROVIDED, that institutions be permitted to perform such servicing if specifically recognized to do so by the Washington student loan guaranty association or its successor agency. Collection and servicing of guaranteed long-term loans made by community colleges under subsection (1) of this section shall be coordinated by the state board for community and technical colleges and shall be conducted under procedures adopted by the state board.

(6) Receipts from payment of interest or principal or any other subsidies to which institutions as lenders are entitled, that are paid by or on behalf of borrowers of funds under subsections (3) through (8) of this section, shall be deposited in each institution's financial aid fund and shall be used to cover the costs of making the guaranteed long-term loans under this section and maintaining necessary records and making collections under subsection (5) of this section: PROVIDED, That such costs shall not exceed five percent of aggregate outstanding loan principal. Institutions shall maintain accurate records of such costs, and all receipts beyond those necessary to pay such costs, shall be deposited in the institution's financial aid fund.

(7) The governing boards of the state universities, the regional universities, and The Evergreen State College, and the state board for community and technical colleges, on behalf of the

community colleges and technical colleges, shall each adopt necessary rules and regulations to implement this section.

(8) First priority for any guaranteed long-term loans made under this section shall be directed toward students who would not normally have access to educational loans from private financial institutions in Washington state, and maximum use shall be made of secondary markets in the support of loan consolidation.

(9) Short-term loans, not to exceed one year, may be made from the institutional financial aid fund to students enrolled in the institution. No such loan shall be made to any student who is known by the institution to be in default or delinquent in the payment of any outstanding student loan. A short-term loan may be made only if the institution has ample evidence that the student has the capability of repaying the loan within the time frame specified by the institution for repayment.

(10) Any moneys deposited in the institutional financial aid fund that are not used in making long-term or short-term loans may be used by the institution for locally administered financial aid programs for students who demonstrate financial need, such as need-based institutional employment programs or need-based tuition and fee scholarship or grant programs. These funds shall be used in addition to and not to replace institutional funds that would otherwise support these locally administered financial aid programs. First priority in the use of these funds shall be given to students who demonstrate financial need who have accumulated excessive educational loan burdens. An excessive educational loan burden is a burden that will be difficult to repay given employment opportunities and average starting salaries in the student's chosen fields of study. Second priority in the use of these funds shall be given to single parents who are students who demonstrate financial need, to assist these students with their educational expenses, including expenses associated with child care and transportation.

(11) Any moneys deposited in the institutional financial aid fund may be used by the institution for a locally administered financial aid program for high school students enrolled in dual credit programs. If institutions use funds in this manner, the governing boards of the state universities, the regional universities, The Evergreen State College, and the state board for community and technical colleges shall each adopt necessary rules to implement this subsection. Moneys from this fund may be used for all educational expenses related to a student's participation in a dual credit program including but not limited to tuition, fees, course materials, and transportation.

[[2019 c 406 § 33](#); [2009 c 215 § 9](#); [2007 c 404 § 4](#); [2004 c 275 § 66](#); [1995 1st sp.s. c 9 § 10](#).
Prior: [1993 c 385 § 1](#); [1993 c 173 § 1](#); [1985 c 390 § 35](#); [1983 1st ex.s. c 64 § 1](#); [1982 1st ex.s. c 37 § 13](#); [1981 c 257 § 9](#).]