Policy Name: 18.0 Overawards

Purpose: This document contains the Office of Financial Aid’s current policies and procedures for Overawards.

Disclaimer: This policy is subject to change, without notice, in order to comply with administrative and regulatory requirements.

Policy Content:

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Definitions and terms:

COA – Cost of Attendance
EFC – Expected Family Contribution
FAFSA – Free Application for Federal Student Aid
MTAG – Mississippi Tuition Assistance Grant
OFA – Office of Financial Aid
UM – University of Mississippi
A student’s financial aid package is “overawarded” when the total aid offered exceeds the amount for which he/she is eligible.

When an overaward occurs, the financial aid database system (ProSAM) generates a diagnostic indicating what type of overaward (either over need or over COA). This diagnostic prevents all aid from disbursing, and also prevents the student from viewing the award notification online. Instead, the student will see a message indicating that the OFA is reviewing their financial aid awards.

When an overaward is determined, an OFA administrator or advisor must manually review the student’s financial aid awards and make any necessary adjustments in order to resolve the status.

As specified by the U.S. Department of Education, a student's need is determined by subtracting the EFC from the COA as shown below. The EFC is determined by the federal processor from data provided on the FAFSA, utilizing the methodology formula authorized by Congress.

\[ \text{COA} - \text{EFC} = \text{Need} \]

There are eight main types of overawards:

1. **Over Cost of Attendance** – Students who receive aid in an amount that is more than the cost of attendance is considered to be overawarded. FAO will review awards and determine which awards need to be reduced/removed from the student’s package. You will see the following message on the diagnostic screen, “Aid package is overawarded and exceeds the total cost of attendance.”

2. **Over Need** – Aid that is coded as need-based awards cannot exceed the student’s financial need. Financial need is either 1) original need calculated as the students cost of attendance minus the expected family contribution or 2) remaining need calculated as the students original need minus all other scholarships, grants, need-based loans, and work-study. FAO will review the financial aid package and determine which need-based aid needs to be reduced or removed from the award package. You will see the following message on the diagnostic screen, “Aid package is overawarded and exceeds the gross financial need.”

3. **Over Non-Resident Fee** – Aid that is fee-based specifically targeting the non-resident fee can be stacked up to the actual charge on the students bursar bill. If a student is
awarded non-resident scholarships in excess of the non-resident charge on the students account, the student’s award package will be in an overaward. FAO will determine which non-resident scholarship should be reduced or removed from the package. You will see the following message on the diagnostic screen, “Aid package is overawarded and exceeds the non-resident fee.”

4. **MTAG + Pell Overaward** – The Mississippi Tuition Assistance Grant (MTAG) must be prorated for students who are receive the Federal Pell Grant so that the MTAG plus the Pell award does not exceed the maximum Pell award amount (for 2018-19 that amount is $6,195). FAO will review the package and reduce the MTAG award. You will see the following message on the diagnostic screen, “The total of your MTAG and Pell awards exceeds the allowable amount.”

5. **Multiple State Grants Overaward** – As of the 2017-2018 academic year, Mississippi residents are only allowed to receive one state grant. The State Office will always award the grant that pays the most (so if a student is eligible for both MTAG and MESG, the student would receive MESG). If a student is awarded multiple state grants either as estimated or actual awards FAO must remove one of the awards from the student’s financial aid package. You will see the following message on the diagnostic screen, “MS undergrads can receive only one state grant per term.”

6. **Over Ole Miss Opportunity (OMO)** – The OMO scholarship is a “gap filler” scholarship. This means that the award amount is calculated by taking the base cost cap (the amount of base undergraduate tuition, double–occupancy traditional residence hall, and the unlimited meal plan) and subtracting all other scholarships and grants. If an additional scholarship/grant is added to the student’s package, FAO must recalculate the amount of the OMO award and make adjustments as necessary. You will see the following message on the diagnostic screen, “Ole Miss Opportunity aid package appears to be overawarded”.

7. **Red & Blue Over/Under Awards** – This scholarship guarantees that a certain percentage of need will be covered by scholarships and grants. This is also a gap filler scholarship so if additional scholarships or grants are added to the students award package, the scholarship must be recalculated. The percentage and correct award amount is on the Continuous Data/User Numbers tab in ProSam. You will see the following message on the diagnostic screen, “Red & Blue Grant appears to be underawarded or Red & Blue Grant appears to be overawarded”.

8. **Athletic Overawards** – Athletic Scholarships are limited to the student’s cost of attendance. If a student athlete’s financial aid package (athletic and all other aid) exceeds the student’s cost of attendance, FAO must reduce or remove aid. You will see the following message on the diagnostic screen, “Aid package is overawarded and exceeds the total cost of attendance.”
   a. Exception – Athletic Aid plus the Federal Pell Grant can exceed the students cost of attendance.
   b. Exception – Athletic Aid plus NCAA Opportunity Fund Grant can exceed the students cost of attendance.
Part 18.3  Student and Institutional Responsibilities

The student is required to report all outside resources to the OFA. These resources include all scholarships, loans, and/or other funding that is paid directly to the student or to UM on the student’s behalf. Not reporting these resources is a violation of federal regulations.

Institutional scholarships must all be reported to the OFA. If any department on campus is aware of a student award, the entire institution is expected to have knowledge (per federal regulations regarding administrative capability).

FAO runs a report several times a week and proactively corrects overawards.

Part 18.4  Correcting Overawards

Because students may change enrollment during the award period, or receive additional scholarships and/or resources at any time during the award period, and these supplementary resources must be added to a student’s financial aid package, overawards can occur at any time. As stated earlier, the OFA is required to resolve overawards.

When a student’s financial aid exceeds need, the OFA must reduce the student’s need-based aid. When a student’s financial aid exceeds the COA, the OFA must reduce the student’s COA-based aid. When the combination of the Federal Pell Grant and MTAG awards exceed the maximum Pell amount, the OFA must reduce MTAG.

When a student has two or more fee-specific scholarships and the total amount of these awards exceeds the amount of the targeted fee, OFA must reduce the award(s) to equal the amount of the associated fee.

If the OFA reduces any aid that is in “paid” status, a payback may be required. Paybacks are charged to the student’s bursar account, for which the student is responsible.

Part 18.5  Multiple Overawards

Students may have multiple overaward diagnostic messages. For example, a student can be over need and over cost of attendance. If there are multiple overaward diagnostic messages, work the package in this order:

1. Multiple State Grants Overaward
2. MTAG +Pell Overaward
3. Over Non-Resident Fee
4. Athletic Overaward
5. Recalculate OMO
6. Recalculate Red & Blue
7. Over Need
8. Over COA
The lists below indicate some of the types of aid. Due to the hundreds of different aid awards, these lists are not exhaustive.

**Examples of need-based aid:**
- McKinstry Loan
- Federal Direct Subsidized Loan
- Federal Work-Study
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Health Professions Student Loan

**Examples of COA-based aid:**
- All institutional Fund 10 scholarships*
- Federal Direct Unsubsidized Loan
- Most State of Mississippi Aid Programs (i.e., MTAG)
- Federal Direct PLUS (including Graduate PLUS)
- Private educational loans
- Federal TEACH Grant
- Most UM foundation scholarships

**Examples of gift aid****:  
- Federal Pell Grant
- Mississippi Eminent Scholars Grant (MESG)

*NOTE: According to the State of Mississippi regulations, if any Education and General (Fund 10) funds are used to award the student; the student’s financial aid package shall not exceed the COA. Therefore, Fund 10 scholarships, in combination with all other financial aid and resources, may not exceed the student’s estimated COA. If it does exceed the COA, it is subject to reduction.  
**NOTE: Gift aid is not typically restricted.