Overawards

Summary/Purpose: Overawards of financial aid

Financial aid may be classified into the following three types:
1. need-based aid,
2. cost-of-attendance-based aid, and
3. gift-based aid.

When a student’s need-based aid and gift-based aid (scholarships, grants, and other resources) exceed the student’s need, a need-based overaward has been created. When the cost-of-attendance-based aid exceeds cost of attendance, a cost-of-attendance overaward has been created. Overawards also may happen when a change in enrollment status occurs or when a student receives additional aid such as a scholarship. Because students may receive additional scholarships and/or resources at any time during the award period and these supplementary resources must be added to the student’s aid package, overawards can arise at any time.

The student is required to report all outside resources to the Office of Financial Aid. These resources include all scholarships, loans, and/or other funding that is paid directly to the student or to the University on the student’s behalf. Not reporting these resources is in violation of federal regulations, and the student is subject to a $20,000 fine, imprisonment, and/or loss of Title IV aid eligibility.

All awards offered by the school to a student must be reported to the Office of Financial Aid so that these resources may be included as part of the student’s aid package. All awards are subject to institutional knowledge; and therefore are considered known by the Office of Financial Aid whether reported or not. Failure to include all resources is in violation of federal regulations, and thus the school will be in jeopardy of losing its Title IV eligibility.

Due to federal regulations, a student may not be overawarded. Thus, the Office of Financial Aid is required to eliminate the overaward. To correct a need-based overaward, the student’s need-based aid must be reduced; and to correct a cost-of-attendance-based overaward, the cost-of-attendance-based aid must be reduced. If the aid that is to be reduced is at a paid status, a payback is required.

Examples of need-based aid are as follows:
1. the LuckyDay Opportunity Grant,
2. the Federal Perkins Loan,
3. the M‘Kinstry Loan,
4. the Federal Stafford Subsidized Loan, and
5. the Federal Work-Study award.

Examples of cost-of-attendance based aid are as follows:
1. all institutional fund 10 scholarships,
2. the Federal Stafford Unsubsidized Loan,
3. most State of Mississippi Aid Programs such as the Mississippi Tuition Assistance Grant, and
4. the Parent Loan for Undergraduate Students.

Examples of gift-based aid are as follows:
1. the Federal Pell Grant,
2. the Mississippi Eminent Scholarships Grant, and
3. most foundation scholarships.

Due to the hundreds of different aid awards, none of these lists are exhaustive.