

MEMORANDUM

Coded Memo: ASA-2016-28

Date: November 16, 2016

To: CSU Presidents

From: Eric G. Forbes 
Assistant Vice Chancellor

**Directors of Sponsored Projects
Financial Aid Officers**

Subject: Coordination of External Grants/Scholarships with Financial Aid

Our office has recently received concerns about required financial aid adjustments resulting from student acceptance of monetary awards in support of their affiliated research projects and other initiatives. These concerns center on two requirements: the requirement to coordinate resources, and the limits imposed by the established institutional cost of attendance (COA).

The COA is the cornerstone of establishing a student's eligibility for financial support. It sets a limit on the total aid a student may receive *from all sources* including grants/awards from engagement in various research projects. The COA is an estimate of the student's education expense for the period or term of enrollment, and it must be established for campuses each year. This process is facilitated by the California State University (CSU) Office of the Chancellor and is based on statewide averages from the 2006-07 Student Expenses and Resources Survey data prepared by the California Student Aid Commission and adjusted with the forecasted changes in the California Consumer Price Index produced by the California Department of Finance. The most recent memo on this annual procedure is attached for your reference.

If a student receives awards that would cause their total aid *from all sources* to exceed the COA, then adjustments must be made. To the extent possible, the financial aid office will reduce and/or replace unmet need first, then loans and work-study prior to adjusting any other grants or scholarships. In general, unless the award is considered wages, it is other financial assistance and must be factored in.

The best course of action is to identify these awards early and notify the financial aid office, preferably before any financial aid is disbursed to the student. Although this may reduce the total assistance to the student, it will allow for the retention of the most favorable types of aid. Timely communication with—and review by—the financial aid office is critical. In the interest of transparency and fairness, it is also essential to notify students of the possible consequences receiving such an award may have on their total financial aid. In addition, payments may be subject to taxation due to federal and state law. Campus accounting offices have more information on taxation, non-resident alien taxation, and 1098-T reporting.

CSU Campuses

In the event a student is not receiving financial aid, then adjustments are not required; however, the student's financial aid status should be confirmed with the financial aid office. Campuses are also reminded that payments to students should be facilitated through the financial aid office, with the exception of student employment.

The coordination of resources and COA is required by federal regulations. Additionally, Academic Affairs—Coded Memo AA-2004-15 issued May 2004 in response to audit findings, reminded campuses of the need to coordinate information and resources related to student financial aid eligibility. The memo is attached for your reference.

In summary, timely communication and coordination with the financial aid office are essential to minimize any potential adverse impact to students. Your cooperation in this matter is appreciated. If you have questions, please contact Dean Kulju, Director of Financial Aid at (562) 951-4737 or dkulju@calstate.edu.

Attachment

c: Chancellor Timothy P. White

Dr. Loren J. Blanchard, Executive Vice Chancellor for Academic and Student Affairs

Mr. Steve Relyea, Executive Vice Chancellor and Chief Financial Officer

Provosts/Vice Presidents for Academic Affairs

Mr. Nathan S. Evans, Chief of Staff for Academic and Student Affairs

Dr. April Grommo, Director of Enrollment Management Services

Vice Presidents for Student Affairs

Vice Provosts/Vice Presidents of Enrollment Management/Services

Directors of Admissions and Records

Directors of Outreach and Recruitment

Directors of Institutional Research

Enrollment Reporting Officers