

Aveda Institute Des Moines
Aveda Institute Rochester

Distribution of Student Grants under the
Higher Education Emergency Relief Fund (HEERF II)
Policy and Procedures

Effective March 31, 2021

Preamble

On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA). This new law makes available approximately \$22.7 billion for institutions of higher education under the Higher Education Emergency Relief Fund (HEERF).

Proprietary institutions of higher education such as Aveda Institute Des Moines (the “Institute”) may apply for HEERF grant funds under the new CRRSAA section 314(a)(4) program, Proprietary Institution Grant Funds for Students. Awards from the Proprietary Institution Grant Funds for Students program may only be used to provide financial aid grants to students, which may be used for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care), or childcare. In making such financial aid grants to students, grantee institutions must prioritize grants to students with exceptional need, such as students who receive Pell Grants. However, student grant recipients do not need to be only Pell recipients or students who are eligible for Pell Grants.

As announced by the Secretary, Aveda Institute Des Moines (the “Institute”) is to receive \$126,694.00 (the “Grant Fund”) for the purposes of making emergency financial aid grants to its students. This document sets forth the Institute’s plan for allocating, disbursing and accounting for the Grant Fund.

Allocation of Grant Funds Formula

Just as COVID-19 does not discriminate on the basis of socioeconomic status, the Institute recognizes that a wide array of individuals and industries have been adversely impacted by COVID-19. The Institute recognizes that our students’ lives have been severely disrupted by coronavirus. Many are facing financial challenges and struggling to make ends meet.

Every student enrolled at the Institute on April 12, 2021 may be eligible to receive a financial aid grant from the Grant Funds. Please note that in accordance with Federal law the Institute is unable to award grants to students who are not qualified aliens as defined within 8 U.S.C. section 1641. The amount of each student’s grant award will be based on the following formula, which is intended to prioritize the distribution of student grants to those students who demonstrate exceptional need:

Grants shall be determined based on a Share system. Each eligible student shall be allocated a number of Shares based on the following factors:

Evaluation Factor	Shares
Students with an Expected Family Contribution (EFC) less than 5712, <u>AND</u> Students whose application for Demonstrated Hardship has been approved	2 Shares
All other students	1 Share

The Institute will use information from the student's most recent Institutional Student Information Record (ISIR) on file to determine the student's EFC.

Students enrolled as of April 12, 2021 who did not previously file a Free Application for Federal Student Aid (FAFSA) may choose to file a FAFSA for purposes of grant award calculations to be made pursuant to this plan. The successful completion of the FAFSA will generate an ISIR for the student, and the Institute will use the information from that ISIR for purposes of making grant allocations under this plan. In order for a student's ISIR to be considered for grant allocation purposes it must be received no later than April 26, 2021 because the Institute will begin allocating grant funds to students on April 27, 2021.

The Institute recognizes that student financial records previously submitted to the Institute are dated and may not reflect a student's current circumstances. All students, regardless of their EFC may submit evidence of Demonstrated Hardship by utilizing the form attached to this plan. The Institute will review the form and supporting documentation provided by the student. The determination of whether a student has made a sufficient showing of Demonstrated Hardship will be in the Institute's sole discretion, and the Institute's determination is final. Any student seeking consideration for an additional grant award due to Demonstrated Hardship must submit the Demonstrated Hardship form and supporting documentation on or before April 26, 2021. Students who do not submit the applicable form and supporting documentation by April 26, 2021 will not be considered for an additional grant allocation due to Demonstrated Hardship.

The Institute will begin contacting students about the financial aid grants on or about April 13, 2021. This initial notice will include a brief description of this plan, including information about how students may apply for additional grant award consideration due to Demonstrated Hardship. The form of this initial notice and Demonstrated Hardship Form is included with this plan as Exhibit A.

Awarding Policy & Procedures

The Institute's Director and Financial Aid Director will oversee the awarding and eligible student census.

The institution will not discriminate in the awarding of CRRSAA grant funds and will evaluate students based prioritizing Pell Eligible students and all students on their demonstrated need resulting from the impact of COVID-19.

Commencing April 12, 2021, the Institute will prepare a roster of eligible students actively enrolled as of April 12, 2021 and determine their EFC and whether their application for demonstrated hardship has been approved. The Institute will determine the value for 1 Share by dividing (i) the Grant Fund by (ii) the cumulative number of Shares allocated to all eligible students. Each eligible student's grant award amount will then be determined by multiplying (a) the calculated value of 1 Share by (b) the number of Shares determined for that student.

The Institute plans to notify students of their grant award amounts during the week of May 3, 2021. Each student grant recipient will receive a grant notification, the form of which is included in the plan as Exhibit B.

Disbursement Procedures

The Institute will make every reasonable effort to contact all eligible students to notify them of the emergency financial aid grant to which they are entitled. Included with the grant notification will be an attestation statement (Exhibit B) to be signed by the student wherein the student shall acknowledge that the emergency grant funds will be used for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care), or childcare. Students will complete the acknowledgment statement and return a signed copy of the statement to the Institute.

The grant notification form will include the amount of grant awarded to the student as well as information about any balance due from the student to the Institute as of the grant notification date. Student grant recipients shall have the option to apply some or all of the grant award to the student's outstanding balance with the Institute. A student's grant award amount under this plan shall not be conditioned upon the student's future enrollment with the Institute, nor is a student's consent to the application of the financial aid grant to the student's outstanding account balance with Institute a condition of receipt of or eligibility for the financial aid grant.

The financial aid grants, less any amount applied to the student's outstanding balance with the Institute, will be distributed by checks made payable to the students. No grant check will be disbursed to any otherwise eligible student who fails to or refuses to sign the acknowledgment statement. Otherwise eligible students who have not returned the acknowledgment statement to the Institute on or before May 17, 2021 will not be eligible to receive a grant award under this plan.

Eligible students who elect to receive all or part of their grant award rather than applying the grant award to their outstanding balance with the Institute will have the option on how to receive their grant award checks. Students may request to pick up their checks at the Institute, otherwise the Institute will mail the check to the address listed on the student's attestation statement. Students will indicate their choice for receiving the grant checks on their acknowledgement statements. In addition to the emergency grant fund checks, the students will receive an instruction letter from the Institute in the form attached as Exhibit C.

Accounting & Recordkeeping

The Institute's Director and Financial Aid Director will be responsible for the administration of the emergency financial aid grants. All disbursements will be overseen by the Director and Financial Aid Director.

The Institute will deposit the Grant Fund in a separate dedicated checking account to be used for the sole purposes of administering the emergency student financial aid grants in accordance with Federal law, published guidance from the U.S. Department of Education, and this plan. The Institute will minimize the time between drawing down funds from G5 and paying the student grants to eligible students. In accordance with published Federal guidance, the Institute will disburse the grant funds to students within 15 calendar days of drawing down the funds. The Institute will maintain drawn down grant funds in an interest-bearing account, and any interest earned on all Federal grant funds above \$500 (all Federal grants together) during the Institute's fiscal year will be returned to the Federal government.

The Institute's Director and Financial Aid Director are responsible for all accounting and recordkeeping associated with the administration of the student emergency grants. The Director and Financial Aid Director shall maintain an Excel spreadsheet to track all disbursements by student. The Director and Financial Aid Director shall also be responsible for completing all reports that must be submitted to the U.S. Department of Education as required by CRSAA and any future guidance from the Department.

The Institute will not charge any indirect or administrative costs to the Grant Fund award as the Grant Fund represents an amount of funds that must be distributed to students.

Grants of Unclaimed Funds

It is the Institute's intention that the entire Grant Fund will be disbursed to all eligible students in the manner described above. However, the Institute recognizes that there may be some amounts allocated to students that do not ultimately get disbursed as intended. For example, it is possible that an eligible student may decline the grant funds or refuse to sign the attestation statement.

In the event that there is any amount remaining from the Grant Fund as of June 15, 2021, the Institute will disburse such remaining funds via additional emergency need-based grants. The Institute will send an email to all eligible students informing them of the availability of additional grants. The email will include an application form to be completed by students seeking to be considered for an additional emergency need-based grant.

A committee consisting of the Institute's President, Director, and Financial Aid Director will decide which students shall receive an additional emergency need-based grant and the amount of such grant. The maximum amount of any additional emergency need-based grant shall not exceed \$1,000.00, and there is no minimum dollar amount. The committee will consider the information to be provided on the student's grant application as well as information already on record with the Institute such as the student's dependency status, family size, expected family contribution, unmet financial need, program length, satisfactory academic progress, and expected completion date.

