

Aveda Institute Des Moines
Aveda Institute Rochester

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

Effective July 1, 2021

Preamble

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARP) (Pub. L. 117-2). The ARP appropriated approximately \$39.6 billion for the Higher Education Emergency Relief Fund (HEERF) and represents the third stream of funding appropriated for HEERF to prevent, prepare for, and respond to coronavirus. Taken together, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Pub. L. 116–136), the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) (Pub. L. 116-260), and the ARP represent HEERF I, HEERF II, and HEERF III, respectively.

Proprietary institutions of higher education such as Aveda Institute Des Moines (the “Institute”) may apply for HEERF grant funds under the new American Rescue Plan Act of 2021, 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 \$77,557 (the “ARP 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 ARP Grant Fund.

Allocation of ARP 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.

Students enrolled at the Institute on July 31, 2021 may be eligible to receive a financial aid grant from the ARP Grant Funds. The amount of each student’s grant award will be based on a formula, the numerator of which is the ARP Grant Fund, and the denominator of which is the total number of Pell Eligible Students and Demonstrated Hardship Students, as defined below. This allocation formula is intended to prioritize the distribution of student grants to those students who demonstrate exceptional need.

For purposes of this plan and the awarding of emergency financial aid grants from the ARP Grant Fund, a “Pell Eligible Student” is defined as a student whose Expected Family Contribution as reported to the Institute is less than 5847. 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 July 31, 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 August 16, 2021 because the Institute will begin allocating emergency financial aid grants from the ARP Grant Fund to students on August 19, 2021.

The Institute recognizes that student financial records previously submitted to the Institute are dated and may not reflect a student’s current circumstances. Non-Pell Eligible 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. For purposes of this plan and the awarding of emergency financial aid grants from the ARP Grant Fund, a “Demonstrated Hardship Student” is defined as a non-Pell Eligible Student who, in the Institute’s sole discretion, has made a sufficient showing of demonstrated hardship. Any student seeking consideration for a grant award due to demonstrated hardship must submit the Demonstrated Hardship Form and supporting documentation on or before August 18, 2021. Students who do not submit the applicable form and supporting documentation by August 18, 2021 will not be considered for a grant allocation due to demonstrated hardship.

The Institute will begin contacting students about the financial aid grants on or about July 26, 2021. This initial notice will include a brief description of this plan, including information about how students may apply for 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 ARP 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 August 2, 2021, the Institute will prepare a roster of eligible students actively enrolled as of July 31, 2021 and determine their EFC and whether their application for demonstrated hardship has been approved.

The Institute plans to notify students of their grant award amounts during the week of August 30, 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 September 10, 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 ARP 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 ARP 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 ARP 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 October 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.

EXHIBIT A
ARP INFORMATION EMAIL AND
DEMONSTRATED HARDSHIP FORM

Subject: Student Emergency Relief Grant

Dear Student,

The American Rescue Plan Act of 2021 (ARP) provides emergency assistance for students who are in need of financial support for expenses related to the disruption of campus operations due to the coronavirus pandemic. Under ARP, the Aveda Institute Des Moines (the “Institute”) has received grant funding from the U.S. Department of Education for the purpose of making emergency financial aid grants to its students.

Every student enrolled at the Institute on July 31, 2021 may be eligible to receive a financial aid grant from the ARP Grant Funds. The amount of each student’s grant award is based on a formula that considers the student’s expected family contribution and whether the student experienced demonstrated hardship due to coronavirus. This formula is intended to prioritize the distribution of student grants to those students who demonstrate exceptional need.

The Institute will use information on record from your Free Application for Federal Student Aid (FAFSA) to allocate financial aid awards to students. If you did not previously file a FAFSA and wish to have the information reported on the FAFSA considered as part of your grant award allocation, then you should file a FAFSA as soon as possible. The Institute will begin the process of allocating grant awards to students on August 19, 2021. Any information from your FAFSA reported to the Institute after August 16, 2021 will not be considered in the grant allocation process. In order for the Institute to receive your FAFSA information by this date, we encourage you to file a FAFSA as soon as possible but no later than August 9, 2021. Please see the Financial Aid Director if you have any questions or would like additional information about filing a FAFSA.

As part of the Institute’s student grant allocation formula, students who have recently experienced demonstrated hardship may be allocated a share of grant funds. Demonstrated hardship may include:

- Loss of Employment
- Reduction of Income
- Divorce/Separation
- Unusual Medical/Dental Expenses
- Death of Parent or Spouse

If you believe that you have experienced a demonstrated hardship since the beginning of the COVID-19 pandemic, we encourage you to submit the attached Demonstrated Hardship Form and supporting documentation. The Institute will review your request and inform you of whether your circumstances have been determined to meet the criteria of demonstrated hardship. *Any*

student seeking consideration for a grant award due to Demonstrated Hardship must submit the Demonstrated Hardship Form and supporting documentation on or before August 18, 2021.
Students who do not submit the applicable form and supporting documentation by August 18, 2021 will not be considered for a grant due to demonstrated hardship.

The Institute expects to provide students with grant award notices during the week of August 30, 2021. In the meantime, please do not hesitate to contact the Financial Aid Leader if you have any questions regarding the Institute's plan for the allocation and distribution of these emergency student financial aid grants.

Very truly yours,

Doug Van Polen, President
Aveda Institute Des Moines
Aveda Institute Rochester

Aveda Institute Des Moines
Aveda Institute Rochester
Student Emergency Financial Aid Grants

Demonstrated Hardship Form

Student Name: _____

Current Mailing Address: _____

Cell Phone Number: _____

Email Address: _____

Date: _____

The American Rescue Plan Act of 2021 (ARP) provides emergency assistance for students who are in need of financial support for expenses related to the disruption of campus operations due to the coronavirus pandemic. Under ARP, the Aveda Institute Des Moines (the “Institute”) has received grant funding from the U.S. Department of Education for the purpose of making emergency financial aid grants to its students.

As part of the Institute’s student grant allocation formula, students who have recently experienced demonstrated hardship may be allocated a share of grant funds. **Any student seeking consideration for a grant award due to demonstrated hardship must submit the Demonstrated Hardship Form and supporting documentation on or before August 18, 2021.** Students who do not submit the applicable form and supporting documentation by August 18, 2021 will not be considered for a grant allocation due to Demonstrated Hardship.

Please indicate the special circumstances of demonstrated hardship that you wish for the Institute to consider in its allocation of emergency financial aid grants to students (choose all that apply):

- Loss of Employment
- Reduction of Income
- Divorce/Separation
- Unusual Medical/Dental Expenses
- Death of Parent or Spouse

Circumstances that are NOT considered as extenuating include, but are not limited to:

- Standard living expenses (e.g., utilities, credit card payments, etc.)
- Mortgage payments
- Car payments
- Credit card or other personal debts
- Vacation expenses
- All other discretionary expenses

Any request for special consideration of demonstrated hardship must include a detailed written explanation from the student and supporting documentation. Any Demonstrated Hardship Forms submitted without either a detailed written description or supporting documentation will not be considered.

| | |
|---------------------------------|---|
| Unusual Medical/Dental Expenses | <p>Medical and/or dental expenses for 2020 or 2021 that were paid out-of-pocket (i.e. not what insurance covered) for you, your spouse (if applicable) and/or your parent(s)/sibling(s), if dependent.</p> <p>Documentation Needed:</p> <ul style="list-style-type: none"> • Copies of canceled checks for out-of-pocket payments and/or receipts of payments • A copy of your FSA or HSA account showing payments and/or a copy of your medical account listing payments and dates |
| Death of Parent or Spouse | Copy of the death certificate or a published newspaper obituary with date of death |

This form will not be considered unless all of the required documentation is attached.

My signature certifies that the information provided for this request and all accompanying documentation is true and correct to the best of my knowledge.

Student Signature: _____ **Date:** _____

DO NOT WRITE BELOW THIS LINE

FOR OFFICE USE ONLY

Institute Final Action: Approved: _____ Denied: _____

Signature of Institute Official _____ Date _____

EXHIBIT B
Aveda Institute Des Moines
Aveda Institute Rochester
Student Emergency Financial Aid Grants
Grant Notification & Attestation Statement

Student Name: _____

Current Mailing Address: _____

Cell Phone Number: _____

Email Address: _____

Date: _____

GRANT AWARD AMOUNT:

OUTSTANDING BALANCE DUE TO INSTITUTE:

Please return this Notification & Attestation Statement to the Institute as soon as possible but no later than September 10, 2021. Failure to return this attestation statement by this date may result in your grant award being forfeited and those funds being used to make additional grants to other students.

I accept the grant award provided to me from funding made available to the Aveda Institute Des Moines under the American Rescue Plan Act of 2021 (ARP).

I certify the following:

- All information provided in this Attestation Statement is true and correct to the best of my knowledge.
- I have experienced additional expenses due to the disruption caused by coronavirus.
- I understand that any money awarded from this grant is to be used for any component of my 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.

I understand that I have the option, but that I am not required, to apply some or all of the Grant Award Amount toward my outstanding balance due to the Institute. Whether I choose to apply some or all of my Grant Award Amount toward my outstanding balance due to the Institute will not change my Grant Award Amount.

Please indicate your choice for the disbursement of your Grant Award Amount (choose one):

_____ I give my consent for the Institute to use my Grant Award Amount as payment toward my
initials outstanding balance with the Institute. If the Grant Award Amount is greater than my outstanding balance, then the Institute will give me a check for the difference. If the Grant Award Amount is less than my outstanding balance, then I shall be responsible for any remaining balance due. I understand that my Grant Award Amount is not conditioned upon my consenting to the use of my Grant Award Amount as payment toward my outstanding balance due to the Institute.

_____ I choose to receive a check from the Institute for my Grant Award Amount. I would like to receive
initials my grant check (choose one): _____ Pick Up at Institute _____ Mail to my Current Address

Student Signature

Date

EXHIBIT C

September ____, 2021

Student Name:

Current Mailing Address:

Re: Student Emergency Relief Grant

Dear Student,

The American Rescue Plan Act of 2021 (ARP) provides emergency assistance for students who are in need of financial support for expenses related to the disruption of campus operations due to the coronavirus pandemic. Under ARP, the Aveda Institute Des Moines has received grant funding from the U.S. Department of Education for the purpose of making emergency financial aid grants to its students.

Enclosed please find an emergency financial aid grant check in the amount of \$_____. This is a grant, which means that this amount does not need to be repaid. Your acceptance of this grant award is conditioned upon your agreement to use the funds for the purposes allowed under ARP and as agreed upon by you in the attestation statement that you previously provided to the Institute. In particular, you understand that the money awarded from this grant is to be used for any component of your 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.

The institution did not discriminate in the awarding of ARP grant funds and evaluated students based on prioritizing Pell Eligible students and students who provided evidence of demonstrated hardship due to COVID-19.

We hope that you and your family and friends are safe and healthy. Please do not hesitate to contact us if you have any questions.

Very truly yours,

Doug Van Polen, President
Aveda Institute Des Moines
Aveda Institute Rochester

American Rescue Plan Act of 2021 Internal Working Timeline

| Date | Task | Done |
|-------------|--|-------------|
| 7/1/21 | MG submit HEERF III signed paperwork | |
| 7/26/21 | Announce Grant Opportunity to Students | |
| 7/31/21 | Eligibility Date for HEERF III | |
| 8/9/21 | Deadline to Submit FAFSA | |
| 8/16/21 | Deadline to Receive FAFSA | |
| 8/18/21 | Demonstrated Hardship Forms Due | |
| 8/19/21 | Begin Allocation Process | |
| 8/25/21 | Submit Student List to DJA for approval | |
| 8/30/21 | Grant Award Letters to Students | |
| 9/10/21 | Letter Due with Disbursement Choice | |
| 9/13/21 | DJA Pull Down Funds from G5 (week of) | |
| 9/20/21 | AIDM Transfer Money Into Operations Acct | |
| 9/20/21 | Cut Checks and Begin Distribution | |
| 10/15/21 | Unclaimed Funds get Re- allocated | |