AAMU Financial Aid Award Packaging Policy

The award packaging covers a student’s financial need with different types of financial aid. A student’s need is fundeed on a first-come, first-served basis, based on fund availability. Funds are distributed in the following sequence: The Pell Grants is considered to be the first source of aid to the student, therefore packaging Federal Student Aid, FSA, funds begins with Pell eligibility. When the Office of Student Financial Aid Office is notified that the student is a recipient of any types of scholarships, it is added to the student award’s as part of Estimated Financial Aid (EFA) after the calculation of the Pell Grant (If applicant is Pell eligible). Aid is packaged in the following order:

1. Federal Pell Grant
2. Scholarships
3. Alabama Student Assistance Grant/Knight (ASAP)
4. Federal Supplemental Educational Opportunity Grant (FSEOG)
5. Federal Work-Study (FWS)
6. Federal Carl D. Perkins Loan
7. Federal Direct Subsidized Loan
8. Federal Direct Unsubsidized Loan
9. Federal Direct Parent Loans for Undergraduate Students (PLUS)
10. Private Loans

Financial need is determined by subtracting the Expected Family Contribution from the Cost of Attendance.

Cost of Attendance = Expected Family Contribution (EFC)*
= Financial Need

Note- There are limited funds in the campus-based programs. If the funds are not available at the time a student is awarded, the packaging process will go to the next available aid source until the need has been met.

Award – A letter that indicates the type and amount of financial aid the university is willing to provide to its accepted and registered students.

Packaging – The process of awarding without exceeding the student's financial need is called packaging. The process involves evaluating each applicant’s eligibility and communicating a student-specific offer of aid, i.e. the financial aid package.

Over Award – When the total of all aid received by the student exceeds the student's cost of attendance budget, awards in the package will be adjusted (cancelled or reduced) in order to eliminate the over award. Federal Work-Study awards and loans will be reduced before any reduction is made to scholarship or grant awards.

Financial Aid Terms

Financial Aid - (scholarships, tuition discounts, grants in aid, grants, waivers, etc.)

Other - (Private scholarship, Third-Party assistance, etc.)

Students applying for Federal Pell Grants will receive information directly from the processing center in the form of a Student Aid Report (SAR) indicating whether they are eligible for this award. If an applicant is not eligible, they will be notified of their award status prior to the beginning of that term.

Financial aid application must be processed and returned to the university. The university will notify Pell aid applicants by mail whether or not they qualify for financial assistance by August. Approved aid applicants should not continue in the same term and will be notified of their award status prior to the beginning of that term.

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= Financial Need

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A refund is generally due when there is a credit balance on the student’s account. Below is an outline of the credit balance refund process.

The Credit Balance:

When the amount of credit(s) posted to a student’s account exceeds the amount of charge(s), the net result is a credit balance on the student’s account. A credit balance generally results in a refund due to the student or the parent (applicable to Parent-Plus Loans). Credits to student’s account are numerous in type of which the most common are:

Payments - cash, check, money order, credit card, etc.

Financial Aid - (scholarships, tuition discounts, grants in aid, grants, waivers, etc.)

Other - (Private scholarship, Third-Party assistance, etc.)

There are times when a credit balance will not or should not result in a refund. This usually happens when:

1. The credit(s) comprising the balance are non-refundable
2. The credit(s) comprising the balance are to be applied to future charge(s)
3. Additional credit(s) are expected to be received that will result in an over-award requiring an adjustment.
4. Credit(s) are posted in error

Institutional Aid:

1. Institutional aid is defined as any aid funded and awarded by the University.
2. Most types of institutional aid credits are nonrefundable.
3. Institutional aid is awarded to discount the cost or a portion of the cost of tuition, fees, room, and board.
4. Institutional Aid is not intended to create a credit balance.
5. Institutional aid is applied in the following prioritized order:

Pell
Institutional Aid
Other aid