

# The Vocational Nursing Institute, Inc.

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## Policy and Procedure Manual

### Professional Judgment for Title IV Funding

#### **PURPOSE:**

To define the policy and process the school follows for Professional Judgment for Title IV Funds

#### **POLICY:**

It is the policy of The Vocational Nursing Institute, Inc. (VNI) to have a formalized process for professional judgment for Federal Title IV student financial aid. The school will not perform Professional Judgment without proper documentation maintained in the student file.

#### **PROCEDURE:**

##### **Professional Judgment Policy**

Section 479A of the Higher Education Amendments of 1992 authorizes the financial aid administrator to exercise Professional Judgment (PJ) on a case-by-case basis. With the passage of the Higher Education Amendments of 1992, there is now a single need analysis methodology for all Title IV programs including the Federal Pell Grant. This has given the Financial Aid Administrator the authority to use professional judgment for the Pell Grant as well as all other Title IV programs. The Office of Financial Assistance is not required to do a professional judgment and will only be done when deemed appropriate.

Aid Administrators may treat a student with special circumstances differently than the strict application of the methodology would otherwise permit. Adjustments can either increase or decrease a student's EFC or cost of attendance. In the case of an adjustment to a student's EFC or cost of attendance, specified adjustments may be made to data elements. The reason for the adjustment must relate to that student's special circumstances and must be documented in the student's file.

#### **DOCUMENTATION**

Aid Administrators are required to document professional judgment decisions. This documentation must be maintained in the student's file. Because professional judgment situations are unique, specific required documentation is not listed for each case. It is left to the discretion of the Aid Administrator to select what is appropriate documentation.

1. Documentation should substantiate the student's situation.
2. Typically, documentation should be from a professional outside the family and not a family member.
3. If collecting documentation about a student's life situation, documentation from more than one person should be collected.
4. The school will collect and use data that best represents current student and family circumstances.

#### **CHANGE IN EXPECTED FAMILY CONTRIBUTION**

The following are conditions/reasons for which a student may request an adjustment to their EFC. The documents required that are listed below may not be the only documents needed once the PJ has been reviewed.

##### **1. Death of a parent or the independent student's spouse.**

##### **Required Documents:**

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- A copy of the death certificate
- W2's and current federal tax returns for independent student or for surviving parent of dependent student.
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## **2. Loss of employment by independent student/spouse/parent (for at least 3 months).**

### Required Documents:

- Letter from previous employer on company letterhead stating:
  - Last day of employment and reason for unemployment
  - Earnings up to the last day of employment
- Copy of current 1040
- Statement from Unemployment Office stating benefits and beginning and ending dates
- If you have found new employment, please provide last 2-3 paystubs
- Retirement pay statement if applicable
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## **3. Loss of earnings due to disability.**

### Required Documents:

- A letter from physician stating the nature and date of the disability. Must have occurred in current or previous year.
- Earnings up to the last day of employment
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## **4. Loss of untaxed income and benefits.**

### Required Documents:

- Documentation certifying loss of benefits or untaxed income.
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## **5. Divorce or legal separation of parent or student**

### Required Documents:

- A copy of the Divorce Decree and/or a letter from the attorney stating date of separation.
- W2's and current federal tax returns for Independent student or supporting parent.
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## **6. One time income (inheritance, IRA distribution, retroactive lump-sum payment, etc.)**

### Required Documents:

- Documentation of one-time income including type and dollar amount.
  - Statement and receipts showing how funds were spent, invested, or rolled over.
- \*Please be aware that some expenses will not be approved.

## **7. Non-elective medical or dental expense not covered by insurance.**

### Required documents:

- Current federal tax return, Schedule A-Itemized Deductions AND/OR
- Receipts of medical and dental payments NOT covered by insurance if you did not itemize on your Federal tax return. (Highlight your portion of payment & provide itemized totals on unreimbursed amount.)
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## **8. Elementary and secondary education tuition**

Copy of receipt from elementary/secondary school for this academic year.

It is the policy of the Office of Student Financial Assistance that we begin to use PJ to make adjustments to the EFC beginning **July 1st** for the upcoming award year. Accuracy in your income projection(s) is very important. It is the policy of VNI's Office of Student Financial Assistance to not process future adjustments for any student who underestimates his/her household income by more than 15% for an adjustment calculation. For adjustments to

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income processed after January 1 of the award year, students and parents will be asked to provide current tax forms or W-2s.

## **9. Dependent student loan without parent FAFSA**

If VNI offers a dependent student an unsubsidized Stafford loan under the FFEL or Direct Loan program without requiring the parents to file a FAFSA, the school will require documentation to verify that the parent(s) has ended financial support and refuses to file the FAFSA.

Required documentation:

1. Letter from parent stating they have ended financial support and refuses to file the FAFSA with reason documented. Letter must be signed and dated by parent and submitted by parent to the FSA office in person; and
2. A letter from additional family member or family friend verifying parents have ended financial support and refuses to file the FAFSA.

## **10. PJ used to refuse to certify/originate a loan**

If VNI uses PJ to refuse to certify/originate a loan for a student, it is done on a case by case basis, the student's file is documented with action and reason for the action, the student is given the reason for the action in writing and the decision is not discriminatory.

## **11. Unaccompanied Youth who is homeless, at risk for homeless**

1. If a student is verified as an unaccompanied youth who is homeless, documentation is provided by either a director, or designee, of an emergency shelter or a transitional housing program funded by HUD, a director, or designee, of a homeless youth basic center or transitional living program; or a high school or school district homeless liaison; or a financial aid administrator.
2. If a student is verified as an unaccompanied youth who is at risk of homelessness and is self-reporting, documentation is provided by either a director or designee of a homeless youth basic center or transitional living program, or a financial aid administrator.
3. Homeless (or at risk) students who are 22 or 23 are years old are processed as Dependency Overrides. Note: In order to be considered a homeless youth the student must be under the age of 22 or still in high school. If the school encounters students who fit all of the parameters of being homeless or at risk of being homeless but are age 22 or 23, and the student is not independent for some other reason, he or she would be a dependent student since he or she no longer fits the definition of "youth." In this case, VNI may decide to do a dependency override. If so, VNI will follow all appropriate procedures for documented Dependency Overrides.

### **Homeless Youth Definitions:**

**At risk of being homeless** – when a student's housing may cease to be fixed, regular, and adequate, for example, a student who is being evicted and has not been unable to find fixed, regular and adequate housing.

**Homeless** – lacking fixed, regular and adequate housing.

**Self-supporting** – when a student pays for his own living expenses, including fixed, regular, and adequate housing.

**Unaccompanied** – when a student is not living in the physical custody of a parent or guardian.

**Youth** – a student who is 21 years old or younger or still enrolled in high school as of the date he sign the application.

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## **Housing:**

**Fixed-** Stationary, Permanent, and not subject to change.

**Regular** – used on a predictable, routine, or consistent basis.

**Adequate-** sufficient for meeting both the physical and psychological needs typically met in the home.

## **Procedure to follow:**

- Turn documentation in to the Office of Student Financial Assistance. A financial aid coordinator will review all documentation on a case-by-case basis.
- If it is determined that you may benefit from an adjustment, corrections to your FAFSA will be made electronically by the Office of Student Financial Assistance and sent to the Federal Processor via our third party processor (FAME). Once the correction is made by the U. S. Department of Education, the Office of Student Financial Assistance will notify you by mail of the change in your expected family contribution and new award amount(s). You will also be notified by mail if there is no change to your EFC or financial aid awards.
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**Processing time can be up to two weeks, or longer during peak times in the year.**

**Professional Judgments are processed in date order.**

The following is a list of items the school cannot do regarding professional judgment:

- A professional judgment is award year specific and cannot carry forward from year to year unless subsequent requests are made and subsequent documentation obtained.
- The School cannot directly change an EFC.
- The School cannot make changes to the EFC formula.
- The School may not establish automatic categories of special circumstances and provide identical outcomes to all students in that circumstance. All professional judgments must be conducted on a case by case basis.
- The School must not use a professional judgment to circumvent the regulations or the law.
- The School must not use professional judgment to waive student eligibility requirements.
- The School cannot use a professional judgment to make an otherwise independent student dependent.

1. Any applicant who is selected for verification, whether by ED or the school must complete verification before any professional judgment adjustments can be made. The results of the verification and professional judgment cannot be submitted to CPS on the same day. After the school receives the ISIR resulting from verification, the school would use that ISIR transaction to make adjustments to the applicant's FAFSA using professional judgment.

2. Documentation will be such that the institution has satisfied itself in the belief that proper action has been taken. The documentation must be clear, concise, and defensible when audited. The documentation must be maintained in the student's file.

3. Professional judgment will be done on a case by case basis.

4. The financial aid office will get with the business office on any situations where a professional judgment might be considered, and the third party processor, FAME, may be consulted as well as the Department of Education for clarification purposes as applicable.

5. Professional judgment may occur with adjusting cost of attendance but this must be based on a case by case basis with appropriate documentation. (See FSA Handbook)

6. Dependency overrides will not occur in the following circumstances:

- a. Parents refuse to contribute to the student's education
- b. Parents are unwilling to provide information on the application or for verification.

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- c. Parents not claiming the student as a dependent for income tax purposes, and
- d. Students demonstrating total self-sufficiency

7. When a professional judgment (PJ) is done, VNI documents this on the third party FAME software and shows that a PJ has been made by the school.

8. If conflicting information arises after initial enrollment and verification as applicable is completed, the school will investigate any conflicts within 10 business days. All findings will be documented in the student's file and reviewed with the student and the business office.

9. If it is found that a student, employee, or other individual has misreported information or altered documentation to fraudulently obtain federal funds, the financial aid director will report this to the appropriate Office of Inspector General. (See FSA Handbook AVG-126)

<u>Regional Offices</u>	<u>Telephone No.</u>
Boston MA	617-289-0174
New York, NY	646-428-3861
Philadelphia PA	215-656-6900
Atlanta, GA	404-974-9430
Pembroke Pines, FL	954-450-7346
Chicago, IL	312-730-1630
Dallas, TX	214-661-9530
Denver, CO	303-844-0058
Kansas City, MO	816-268-0530
Long Beach, CA	562-980-4141
Phoenix, AZ	562-980-4141
San Juan, PR	787-773-2740
Washington, DC	202-245-6911

## National Hotline

Inspector Generals' Hotline  
Office of Inspector General  
US Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202-1500

1-800-MIS-USED  
1-800-647-8733

Hours: M, W 9-11 am T, TH 1-3 pm

To submit a complaint online at any time, go to <http://www2.ed.gov/about/offices/list/oig/hotline.html> and click on the appropriate link.