

6/20/73



TITLE 9  
NEW JERSEY ADMINISTRATIVE CODE  
CHAPTER 11  
SUBCHAPTER 1.

FINANCIAL AID GUIDELINES,

↑  
EDUCATIONAL OPPORTUNITY FUND;

New Jersey. DEPARTMENT OF HIGHER EDUCATION,  
"

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Appendix 2  
(cont.)

for the year prior to the academic year of which he is applying

- b. if a student's parents were not employed during the year and received assistance, a letter from the administration must be submitted indicating the amount received
  - c. a student's parents or guardians will be billed directly by the District Director of Internal Revenue Service for copies of income tax returns.
- V. Application for Copies of Federal Income Tax Return(s):
- a. the student's parents or guardians must submit their Social Security numbers, office where income tax return was filed, and signature
  - b. the student must indicate his name, Social Security number, address, and telephone number.

As a cross-check, a request for the student's budget and the family total gross income is made from the financial aid director of the institution where the student has been admitted.

Combined with the information obtained from the institution and a copy of the parents' Federal income tax return from Internal Revenue Service, a determination is made as to the total amount of the award for the academic year. A letter is sent to the student with a copy to the institution apprising both of the total award to be expected from the Educational Opportunity Fund for the academic year.

A check is forwarded to the financial aid officer with a receipt which must be returned, signed by both student and financial aid director at the institution. Prior to the student receiving the check, he must complete the Student Information Form.

A renewal application is forwarded to the student during the second semester prior to the academic year for which it is applied. Notification of the renewal application is sent to the financial aid officer.

## FOREWARD

### STATEMENT OF PHILOSOPHY

The Educational Opportunity Fund was created by an act of the New Jersey State Legislature in 1968 in a period when the State was experiencing varying degrees of turbulence. During the early days of the Fund, guidelines were established and policy was set based upon very limited experience. Now, five years later, the Board of Directors of the Fund is publishing a revised set of Financial Aid Guidelines. The assumption on which the statute and these guidelines are based is that the Educational Opportunity Fund is a restricted financial aid program which limits its grants to low-income disadvantaged students who hail from families with a history of poverty. This concept of "historical poverty" applies to both dependent and independent students as the program is designed to provide those students who have traditionally been denied access, an opportunity to pursue a higher education.

E.O.F. is not an open door admissions program, although it exists at many institutions where an open door policy prevails. It is a decentralized program where admissions and financial aid decisions are made at the local institution

within the context of broad State guidelines. Officials at participating E.O.F. institutions must exercise their decision-making responsibilities and must recognize their obligation to be held accountable.

In spite of a reluctance on the part of many local officials, administrators must insist upon appropriate documentation and verification so that contents of each student's file can substantiate the reason for his receiving a grant. The purpose of the E.O.F. program should be thoroughly communicated to students so that they will understand the limitations of the Fund and come to realize that grants are based upon a specific set of criteria as opposed to some nebulously defined "need".

9:11-1.1 Student Eligibility

(a) To be eligible for an Educational Opportunity Fund grant, a student must have demonstrated that he or she:

1. Is and has been a legal resident of the State of New Jersey for at least 12 months prior to receiving the grant.

2.i As an undergraduate student, will be or is enrolled full-time and matriculated in a course of study at a licensed accredited public or private non-proprietary institution of higher education participating in the E.O.F. program, leading to a degree or other form of certification.

2.ii As a graduate student, is enrolled full-time and matriculated in a course of study at a licensed accredited New Jersey public or private non-proprietary graduate or professional school participating in the E.O.F. program leading towards a first graduate or professional degree; students enrolled in Ph.D. and similar programs are not eligible beyond the Masters Degree.

3. Exhibits evidence for potential success in college but:

i. has not demonstrated a sufficient academic preparation to gain admission to an approved institution of

higher education under its regular admissions standards (not applicable to applicants for grants for out-of-state study); or

ii. whose test scores are below the institutional norms; or

iii. whose educational background indicates a need to have special educational assistance.

4. Is a high-achieving student who has demonstrated that other student support funds are not available to meet such student's reasonable needs and providing that said high-achieving student shall only be considered for an E.O.F. grant after the applications of all students meeting the criteria set forth in paragraph 3 above, have been considered and acted upon.

5. Meets the financial criteria established in this subchapter.

#### 9:11-1.2 Student Residency

(a) Legal New Jersey residency as required in section 9:11-1.1(a)1, above, means in the case of students applying for E.O.F. grants for study at an institution located in the State of New Jersey, that said student is domiciled in New Jersey for an other than temporary purpose;

1. Students whose parent(s) or guardian(s) are not legal residents of New Jersey are presumed to be in the State for the temporary purpose of obtaining an education and such presumption may only be overcome by affirmative evidence presented by the student that he or she is in the State for other than temporary purpose;

2. Foreign nationals are presumed to be in the State for the temporary purpose of obtaining an education and such presumption may only be overcome by affirmative evidence presented by the student that he or she is in the State for other than a temporary purpose; this affirmative evidence must include appropriate documentation from the United States Immigration and Naturalization Service that the student may remain permanently in this country; such documentation must be placed in the student's file.

(b) Legal New Jersey residency as required in Section 9:11-1.1.(a), above, means, in the case of students applying for E.O.F. grants for study at an institution located outside the State of New Jersey, that the student's parent(s) or guardian(s) are legal residents of New Jersey, or in the case of an independent student, that said student affirmatively demonstrates that he or she was domiciled in and a legal resident of the State of New Jersey immediately prior to attendance at the out-of-state institution and that he or she intends to return upon completion of his or her out-of-state education.

9:11-1.3 Definitions

(a) The dependent student is one who normally resides with his or her parents or guardians or is dependent upon them for more than \$200 in support of any kind including food, clothing, shelter or the student is claimed or will be claimed for the calendar year as a dependent for income tax purposes.

(b) The independent student is one who during the 12 months preceding application, has not resided with his or her parent(s) or guardian(s) and has not nor will

be claimed as an exemption for Federal Income Tax purposes by any person (excluding spouse); and has not nor will receive financial assistance of more than \$200, per year including food, clothing and shelter of any kind from parent(s) or guardian(s) in the calendar year in which aid is received or the calendar year prior thereto.

(c) A student whose parent(s) or guardian(s) have died within the period discussed in paragraph (b) above is eligible for consideration as an independent student even if the above tests are not met. However, the economic background of the student's parent(s) or guardian(s) must be examined according to the criteria set forth hereafter in the section entitled Financial Eligibility.

#### 9:11-1.4 Financial Eligibility

(a) Dependent Students:

A dependent student is financially eligible for an EOF grant if the gross income of his parent(s) or guardian(s) is below \$10,000 and said parent(s) or guardian(s) cannot contribute more than \$625 toward educational expenses as determined by a standard needs analysis; except that where the dependent student's parent(s)

or guardian(s) are receiving welfare support. The student is presumed to be eligible without regard to the amount of welfare support or needs analysis.

(b) Independent Students:

1. An independent student is financially eligible for an EOF grant providing his or her estimated annual gross income (including spouse's) for the current calendar year does not exceed the following schedule:
  - i. \$4,000 for a single student (household size:1)
  - ii. \$5,000 for a married student, no other dependents (household size: 2)
  - iii. \$5,500 for a student with one additional dependent, but with no spouse (household size:2)
  - iv. \$6,500 for a student with two additional dependents (household size: 3)
  - v. \$7,500 for household size: 4
  - vi. \$8,500 for household size: 5
  - vii. \$10,000 for household size of 6 or more.
2. The intent of the EOF program is to limit grants to those students of exceptional financial need who come from a family which historically had insufficient resources. Therefore, in addition to the financial eligibility criteria for independent students set forth

above in subparagraph L. For an independent student in order to be financially eligible for an EOF grant his or her parent(s) or guardian(s) gross income must not exceed \$10,000 and said parent(s) or guardian(s) must not be able to contribute more than \$625 toward the student's educational expenses as determined by a standard needs analysis.

i. Do not add the independent student's income to that of his parent(s) or guardian(s). Consider the two items separately;

ii. In cases where the independent student's parent(s) or guardian(s) are receiving welfare support parental income eligibility shall be presumed to have been met and a needs analysis need not be performed;

iii. Notwithstanding any other provision herein an independent student 25 years of age or older may, in lieu of specific financial information concerning his or her parent(s) or guardian(s) income, provide other evidence that he or she is from a background of "historical poverty," e.g., an affidavit from a respected member of the community such as a clergyman.

(c) In the case of dependent or independent students where strict adherence to the \$10,000 gross income limit, will not effectuate the purpose of this program, the certifying officer designated as the institutional representative by the president, may in exceptional circumstances and exercising his or her professional judgment, nevertheless authorize a grant. Such waivers must have sufficient documentation of the exceptional circumstances in the files. An example of possible circumstances is a family having 10 children and an income of \$11,000.

(d) Veteran's benefits whether received by dependent or independent students will not be considered income for the purpose of this subchapter but will be considered as student aid and taken into account in arriving at a total aid package.

9:11-1.5 Verification of Financial Eligibility

(a) In order to facilitate verification of income eligibility, each student's file must contain the waiver granting permission to secure verification of his and his spouse's and his parent's income from I.R.S. It is the responsibility of institutional officials to conduct a statistically valid random sampling of all matriculated EOF students using the IRS releases previously obtained. The purpose of the verification is to insure that EOF funds are not granted to a student, regardless of his status or relationship to his family, whose family is in an economic position to assist in financing his education. In all cases, the burden of proof that a student is indeed eligible rests with the college officials who recommends the EOF award. In appropriate circumstances the EOF Executive Director may require an institution to perform IRS verifications exceeding a random sample.

(b) In those instances where earnings are not the source of income, regardless of the status of dependency of the awardee, files must contain appropriate documentation

and verification on which to base awards, e.g., statements from welfare, social security, Bureau of Children's Services, Veterans' Administrations, or any other approved administrative agency.

(c) The EOF independent student must also furnish documented proof of non-taxable income from the appropriate agency as listed above.

(d) In every case, a student's file must contain evidence that some standard form of needs analysis has been performed, i.e., CSS, ACT, IRS, etc. which forms the basis on which the financial aid officer has recommended the EOF grant.

(e) In all cases files should contain completed forms indicating all relevant data such as annual income, household size, sources of income, parent(s) or guardian(s) income, etc.

9:11-1.7 Schedule of EOF Academic Year Awards

(a) Once it is determined that a student is eligible, he shall not receive less than the minimum grant nor more than the maximum grant:

	Grant Range Per Academic Year	
	<u>Minimum</u>	<u>Maximum</u>
2-Year Public Community College	\$250	\$ 750
2-Year Private College	250	1,000
4-Year Public-Commuting student	250	750
4-Year Public-Residential student	250	1,000
4-Year Private	250	1,000
Graduate Student	250	2,500
Out-of-State Student	250	1,000

(b) The awarding of all grants within the above stated minimum and maximum should be based upon a careful analysis of the student's total financial situation and financial need. The neediest students must be accorded priority. Under no circumstances should an EOF award be granted which exceeds financial need, taking into account income and aid from all sources.

(c) The maximum award for graduate students is \$2,500. The grants awarded by any particular graduate program should not exceed an average of \$1,500. Loans should definitely be encouraged for graduate students except in unusual cases. Priority in the granting of EOF graduate grants shall be given to those students who received EOF undergraduate grants.

(d) By statute no more than 10% of the funds appropriated and available for the purposes of this program shall be awarded to students for use in graduate study.

(e) By statute no more than 10% of the needy students to be awarded EOF grants in any year shall be permitted to use their grants at out-of-state institutions.

9:11-1.7 Duration of Student Eligibility

(a) No student shall be eligible for more than six combined academic years of undergraduate study nor more than two combined academic years of graduate study. Where a course of study requires longer eligibility than herein provided, e.g., medicine and law, exceptions may be made. Exceptions other than in medicine and law must be directed to the EOF Board of Directors for approval.

(b) Criteria established at the time of enrollment in program shall be effective for the duration of a student's continuous enrollment, unless newly established criteria is beneficial to that student or unless enrollment was based on incomplete or inaccurate information.

9:11-1.8 Matching Funds

(a) The EOF grant should be considered the "keystone" of a student's total financial aid package. As such, it is expected that a student's financial need be met by utilizing all other available sources of grant aid to the maximum extent possible and by complementing the package with the EOF grant. With the exception of the New Jersey State Scholarship, all sources of student financial aid are eligible for meeting a student's need.

(b) A total financial aid package should be granted to all freshman and sophomore EOF students, wherever possible, to meet 100% need. College Work Study, State Work Study and other sources of aid including loans should be used to augment the financial aid packages.

(c) Because EOF students, as well as other students of limited means, are from low-income backgrounds, loan encumbrance should be a low priority and loans should be given to complete the package only after all other forms of financial aid are exhausted.

9:11-1.9 Transfer Students

(a) Transfer students who have previously received an EOF grant retain their eligibility so long as the eligibility requirements as set forth in this subchapter are met.

(b) Additional information on procedures for transfer students can be found in Appendix 1.

9:11-2.1 Student Notification and Acceptance

To document a student's grant, he or she should be notified in writing, by the institution's financial aid officer of the content of the financial aid package. Further documentation should include in the student's folder: application for financial aid, forms used in determining need, supporting documents, such as IRS release form, evidence that the student actually received the grant, and student's signed acceptance of the financial aid package. The institution's written notification to the student should contain a clause absolving the State of any responsibility for funding in the event the grant is based upon fraudulent, inaccurate or misleading information.

9:11-2.2 Discontinuation of EOF Grants

(a) Student support is to be terminated immediately when:

1. he ceases to be eligible under the criteria listed in this subchapter,
2. during the course of study, the student withdraws or is dropped from the program by the institution for academic reasons.
3. it is discovered that a student has willfully conveyed fraudulent or misleading information upon which the financial aid officer has relied in determining eligibility in the event that the student would not otherwise be eligible.

(b) In the event of termination of an award, the Fund is to receive a complete termination form to be prepared and forwarded promptly by the institution's EOF director giving full details to those circumstances surrounding discontinuation of the grant. The report is to be concurred in and signed by the institution's EOF director and an appropriate college official.

(c) Reinstatement of eligibility will be decided by the institution's EOF director and appropriate college officials. Notifications of such decisions must be made to the EOF's Executive Director.

9:11-1.3 Liability

(a) The basic responsibility for submitting accurate information to institutional officials rests with the student.

(b) In the event that an institution has knowingly conveyed fraudulent and misleading information in order to obtain EOF grants for ineligible students, the institution will be held liable and will be required to make restitution.

(c) In cases where institutions have made awards in good faith based upon fraudulent and misleading information which has been conveyed by the students, the student is liable for the return of the EOF grant.

(d) The Department of Higher Education, in conjunction with cooperating institutional officials, shall undertake appropriate steps to reclaim monies due the Educational Opportunity Fund from ineligible students.

9:11-2.4 Application Procedure for In-state Grants

(a) Participating institutions are to submit an annual Article III Student Support Request. Requests are to

be endorsed by the institution's EOF director, financial aid officer and president or his designee. Notification of action on institutional requests will be given in writing to the president of each institution.

(b) To apply for Article III Student Support Funds, the financial aid director is to submit a schedule of EOF grants or summary sheets, enumerating student names, social security numbers and amount of recommended grants.

(c) The procedure herein shall not apply to applicants for EOF graduate awards who were not recipients of EOF undergraduate awards. Such applicants shall apply directly to the EOF Executive Director under the procedure set forth for out-of-state awards.

(d) The institutional EOF director must submit to the EOF Executive Director a Student Information Form and Student Financial Aid Form for each EOF recipient. In addition, an institutional application should be accompanied by a Summary Form which lists all students for whom an award is being recommended.

(e) Grants will be made available in January and September for the regular academic sessions and in June for the summer session. Application should be made before or

as early in those months as possible because three weeks of processing will be required, but no later than September 15 for the first semester, January 15 for the second semester and June 15 for the summer. No EOF checks will be released until a verified registration list of eligible students is received in the central EOF office. The deadlines for such lists are October 1 and February 1 for most institutions. For those colleges with late registration dates, all lists must be received by October 15 and February 15. It is expected that the bulk of the forms will be submitted by October 1 and February 1.

(f) Transfer student grants will be included in each institution's renewal allocation for student support. It is important to check the transfer block on the Summary of the Student Financial Aid Form to ensure that the transfer student can be properly identified.

#### 9:11-2.5 Application Procedure for Out-of-State Grants

(a) Applicants for out-of-state grants must apply directly to the EOF Executive Director by no later than May of each year. This applies to all applicants including those transferring from a New Jersey institution to an out-of-state institution.

(b) The EOF Executive Director will apply subparagraphs 9:11-1.1(a)3ii or iii in determining eligibility, rather than subparagraph 9:11-1(a)3i, since the latter involves construction of admissions standards which are traditionally institutional concerns.

(c) In awarding out-of-state grants priority will be given in the following order:

1. EOF graduates of New Jersey two-year institutions;
2. Renewal applicants;
3. First year students;
4. Applicants transferring from New Jersey institutions;

(d) Additional information on procedures for out-of-state applicants can be found in Appendix 2.

9:11-2. Auditing

To insure that EOF monies are being utilized in those areas for which the Fund was established, the State EOF staff shall undertake the following:

(a) Verification of EOF students' parental or guardian income, as well as independent student's income, should be accomplished through a statistically valid sampling

of duplicate Income Tax Returns that have been furnished by the (Federal) Internal Revenue Service.

1. Verification is to be made by obtaining the most recent copy of Income Tax Return on file with the Internal Revenue Service. The form Application for Copies of Federal Income Tax Return(s) may be used for this purpose. The parent, guardian and independent student are to complete this form and return it to the institution for mailing. Discrepancies between actual personal incomes, if such discrepancy will affect student eligibility, and the form should be reported to the Fund as soon as possible. Ideally, income verification should be initiated prior to the start of the academic year when other forms are gathered to process a student's financial aid request.

(b) Review of EOF students' financial aid packages and files.

(c) Review of procedures and records related to financial aid counseling of EOF students.

(d) Establish:

1. Who is responsible for determining eligibility and who makes awards.
2. What criteria is used to determine eligibility at each institution.

(e) By random sample:

1. Trace flow of checks beginning with endorsement.
2. Check students' account for audit of grants.
3. Check attendance records for physical presence of student.

(f) Review institution's procedure vis-a-vis refunds to the State for withdrawals.

(g) Review institution's procedure on returning checks issued but never applied to the student's account.

(h) Review institution's procedure of disbursing stipends.

(i) Check institution's power of attorney authority.

(j) Check procedure for maintaining a log.

(k) Audits may be performed at any point in the procedural cycle and on a continuing basis where necessary. In appropriate circumstances the scope of the audit may exceed a random sample.

9:11-2.7 Unexpended Funds

A. All unexpended Articles III funds are to be returned immediately to the EOF office in Trenton. The deadline for return of Article III funds shall be:

1. For the First Semester no later than February 22nd.
2. For the Second Semester and Trimester no later than May 1st.
3. For Summer Semester no later than September 30th.

Appendix 1

ORDERLY TRANSFER PROCEDURE OF E.O.F. STUDENT

1. Student should contact E.O.F. director at sending institution.
2. E.O.F. director should confer with student and refer student and all necessary information to transfer counselor.
3. Transfer counselor should contact both the admissions and financial aid officers at the receiving institution.
4. E.O.F. director of the sending institution should monitor the process to make certain that student has completed all parts of the process accurately and that he understands the procedure.
5. The E.O.F. director at the receiving institution will have full responsibility for seeing that all responsibilities in the admission's office and financial aid office are expedited.
6. The E.O.F. student should be informed of his status and of the possible continuation of his financial aid package before he leaves the sending institution. He should understand that the transfer of his E.O.F. grant is only automatic to the extent that the receiving institution accepts and anticipates him.
7. The receiving institution should charge an E.O.F. transfer from a two-year college to the appropriate renewal category for students at his institution. In fact, all eligible E.O.F. transfers should be awarded grants from the receiving institution's regular E.O.F. allocation.
8. Brief transfer documents should be submitted to the State E.O.F. office - one from the sending institution indicating a student's desire to transfer and one from the receiving institution indicating completion of the transfer process. The format will be as follows:

Name of transfer student: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Name of sending institution: \_\_\_\_\_

Name of receiving institution: \_\_\_\_\_

Date student will begin studies at receiving institution: \_\_\_\_\_

Amount of E.O.F. grant to be awarded for first academic year  
at receiving institution: \_\_\_\_\_

If no award is to be made to E.O.F. transfer, briefly state reason.

## Appendix 2

### OUT-OF-STATE FORMS

When a student request an Educational Opportunity Fund award to attend a college out-of-state, the following forms are sent:

- I. Letter explaining eligibility criteria:
  - a. the gross family income for eligibility must not exceed \$10,000, depending upon the number of individuals supported by the family income; parental contributions must be \$625 or less
  - b. a student must have been a resident of New Jersey for at least twelve months prior to receiving an award
  - c. a student must submit proof that he has been admitted to an accredited non-profit institution of higher education in a full-time degree program
  - d. he may not be a New Jersey State Competitive Scholarship recipient
  - e. funds are not available for graduate study out-of-state
  - f. a grant will be proportionately reduced for a student whose yearly transportation costs exceed a semester's tuition at a New Jersey state college.
  
- II. Steps to be taken in applying:
  - a. secure proof of admission to the college or university and send photostatic copy to the Fund
  - b. apply at the financial aid office of the college or university for aid other than loans
  - c. return the application for an out-of-state E.O.F. grant as soon as possible
  - d. return the application for copies of Federal income tax return(s)
  - e. complete all steps by May 1 to be considered for the academic year beginning in September, or by October 1 for the semester beginning in February.
  
- III. Application for Out-of-State New Jersey E.O.F. Grant:
  - a. a student must submit personal data such as Social Security number; whether a full-time Freshman, Sophomore, Junior, or Senior; age; length of time residence of New Jersey; major field of study in college
  - b. a student must indicate parents' or guardians' total gross family income and whether he is claimed as an exemption; he must also submit his total gross income, whether married and total exemptions claimed on his income tax return
  - c. a student must indicate the total amount of money needed to attend college for the academic year and sources of other financial aid to be received.
  
- IV. Instructions for Completing Federal Income Tax Return Authorization:
  - a. a student is held responsible for the submission of his parents' or guardian's application for a copy of the income tax return filed with Internal Revenue Service