NCSEAA
North Carolina State Education Assistance Authority

Rules Governing the North Carolina Legislative Tuition Grant Program

A Program of the State of North Carolina
Administered by the State Education Assistance Authority
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Table of Contents

PART I **3**

SHORT TITLE, PURPOSE AND DEFINITIONS 3

.0100. Short Title. *3*

.0101. The Program and its Purpose. *3*

.0102. Definitions. *3*

PART II **6**

REQUIREMENTS FOR ELIGIBLE STUDENTS AND LICENSURE 6

STUDENTS TO RECEIVE TUITION GRANTS 6

.0200. General Rule. *6*

.0201. Remedial or Developmental Courses. *6*

.0202. Effect of Military Personnel Tuition Assistance. *7*

.0203. Students Enrolled in Off-Campus Degree Programs. *7*

PART III **8**

INSTITUTIONAL REQUIREMENTS; APPLICATION, CERTIFICATION AND REFUND PROCEDURES 8

.0300. Participation Agreement Required. *8*

.0301. Amount of Tuition Grant Payable. *8*

.0302. Application. *8*

.0303. Disbursement of Tuition Grants by the Authority and Certification Procedures. *9*

.0304. Audit Requirements for Approved Institutions. *11*

.0305. Inspection of Records. *12*

.0306. Refund of Tuition Grants to the Authority. *12*

PART IV **14**

INSTITUTIONAL INTERPRETIVE GUIDANCE AND ADJUDICATION OF DISPUTES 14

.0400. Interpretive Guidance. *14*

.0401. Adjudication of Disputes. *14*

PART I

SHORT TITLE, PURPOSE AND DEFINITIONS

.0100. Short Title. The Rules Governing the North Carolina Legislative Tuition Grant may hereinafter be cited as the "Program Rules."

.0101. The Program and its Purpose. The North Carolina Legislative Tuition Grant Program was created by the 1975 General Assembly to provide tuition assistance to certain North Carolina resident students attending eligible nonprofit private colleges and institutions located within the State of North Carolina. The Authority administers the Program as directed by the General Assembly. Each Approved Institution also plays a role in administering the Program on behalf of the Eligible Students and Licensure Students that it enrolls. Funds for the support of the Program are contingent each year upon appropriations made available to the Authority by the General Assembly.

.0102. Definitions. Unless the context clearly indicates some other meaning, the following capitalized words and phrases shall have the corresponding meanings in these Program Rules:

(a) "140 Credit Hours" means a student's total number of completed credit hours of all regular session degree-creditable courses taken at the Approved Institution, including repeated courses, failed courses, courses dropped after the official last day drop a course, and all transfer credit hours accepted by the Approved Institution. Excluded from the credit hour count are credit hours earned through the College Board AP Program and College-Level Examination Program or similar programs, credit hours earned through institutional advanced placement, course validation, or any similar procedure for awarding course credit hours, and credit hours earned in summer sessions.

(b) "Academic Year" means a combination of School Terms consisting of two semesters, three trimesters, or the equivalent thereof, beginning with the fall School Term of any year.

(c) "Act" means Sections 116-19 through 116-22 of the General Statutes of North Carolina and any revision or extension thereof, and any subsequent budget or appropriations act affecting the Program.

(d) "Approved Institution" means a nonprofit, tax-exempt, educational institution with its main permanent campus located in this State that:

i. is not owned or operated by the State of North Carolina;

ii. is accredited by the Southern Association of Colleges and Schools or the New England Association of Schools and Colleges;

iii. is not a seminary, Bible school, Bible college or similar religious institution; and

iv. has executed a Participation Agreement.

(e) "Audit Compliance Supplement" means the compilation of requirements and explanations for an audit of an Approved Institution's capability to administer the Program.

(f) "Authority" means the State Education Assistance Authority, a political subdivision of the State, created under Article 23 of Chapter 116 of the North Carolina General Statutes.

(g) "Authorized School Official" means the person who is designated by the chief executive officer of the Approved Institution to administer the Program for the Approved Institution.

(h) "Certification Date" means the date on which an Approved Institution certifies Eligible Students and Licensure Students as qualifying for Tuition Grants for the applicable School Term. The Certification Date for the fall School Term is October 1 and the Certification Date for the subsequent School Terms is the Tenth Classroom Day of that School Term.

(i) "Eligible Student" means a person who is enrolled in Matriculated Status in an Approved Institution and qualifies as a North Carolina resident for tuition purposes under G.S. § 116-143.1 or G.S. § 116-143.3 and the Residence Manual.

(j) "Full-time Status" means, with respect to an Eligible Student, that such student is enrolled for twelve or more credit hours and, with respect to a Licensure Student, that such student is enrolled for twelve or more undergraduate credit hours.

(k) "Licensure Student" means a person who has a bachelor's degree, is enrolled in an Approved Institution in a program that will result in licensure as a teacher or a nurse, is enrolled in an undergraduate class and qualifies as a North Carolina resident for tuition purposes under G.S. § 116-143.1 or G.S. § 116-143.3 and the Residence Manual.

(l) "Matriculated Status" means an institutionally recognized first-time candidate for either an associate or baccalaureate degree.

(m) "Off-Campus Degree Program" means instruction in a degree credit program offered by an Approved Institution at a site located in North Carolina away from the Approved Institution's main permanent campus.

(n) "Participation Agreement" means the agreement, in a form acceptable to the Authority, by which an Approved Institution agrees to administer the Program in compliance with the Act and the Program Rules on behalf of the Eligible Students and Licensure Students at the Approved Institution who qualify for Tuition Grants.

(o) "Part-time Status" means with respect to an Eligible Student, that such student is enrolled for at least nine credit hours but less than twelve credit hours and, with respect to a Licensure Student, that such student is enrolled for at least nine credit hours but less than twelve undergraduate credit hours or such other standard as set by the Act.

(p) "Program" means the North Carolina Legislative Tuition Grant Program.

(q) "Residence Manual" means the most current edition of *A Manual to Assist the Public Higher Education Institutions of North Carolina in the Matter of Student Residence Classification for Tuition Purpose*s as adopted from time to time by the Board of Governors of The University of North Carolina.

(r) "School Term" means either the fall or subsequent semester or an equivalent school term, exclusive of any summer term.

(s) "State" means the State of North Carolina.

(t) "State Auditor" means the Office of the Auditor of the State of North Carolina.

(u) "Tenth Classroom Day" means the tenth day of scheduled classes of a School Term.

(v) "Tuition Grant" means a grant provided to an Eligible Student or a Licensure Student by the Program.

PART II

REQUIREMENTS FOR ELIGIBLE STUDENTS AND LICENSURE STUDENTS TO RECEIVE TUITION GRANTS

.0200. General Rule.

(a) *Eligible Students.* An Eligible Student qualifies to receive a Tuition Grant for a School Term if, on the Certification Date for that School Term, the student:

i. is in Matriculated Status as an undergraduate student;

ii. is enrolled in an undergraduate program of an Approved Institution other than any program the objective of which is the attainment of a degree in theology, divinity, or religious education; or any other program that is designed primarily for career preparation in a religious vocation;

v. is enrolled in Full-time Status or Part-time Status in an Approved Institution;

vi. has complied with the registration requirements of the Military Service Act or is exempt from the registration requirements; and

vii. is certified by the Approved Institution as eligible to receive a Tuition Grant.

(b) *Licensure Students.* A Licensure Student qualifies to receive a Tuition Grant for undergraduate courses for a School Term if, on the Certification Date for that School Term, the student:

i. has a bachelor's degree;

ii. is enrolled in Full-time Status or Part-time Status in an Approved Institution;

iii. is enrolled in a program intended to result in licensure as a teacher or a nurse;

iv. has complied with the registration requirements of the Military Service Act or is exempt from the registration requirements; and

v. is certified by the Approved Institution as eligible to receive a Tuition Grant.

.0201. Remedial or Developmental Courses. An Eligible Student may receive a Tuition Grant if some of his credits are for remedial or developmental courses or are necessary to meet admission requirements of the Approved Institution. The remedial or developmental courses must be required by the Approved Institution as part of its regular instructional program.

.0202. Effect of Military Personnel Tuition Assistance. A member of the armed services as defined in G.S. § 116-143.3(a), who is living in the State incident to active military duty but does not qualify as a resident for tuition purposes under G.S. § 116-143.1, may be eligible to receive a Tuition Grant as an Eligible Student or a Licensure Student provided that the student otherwise meets the requirements of the Program Rules. The amount of the Tuition Grant shall not exceed the service member's cost of tuition less any tuition assistance and veteran's benefits paid by the student's employer. Tuition Grants for members of the armed services covered by this Section .0202 may only be used to pay any tuition charges that are not paid by the Military Personnel Tuition Assistance Program.

.0203. Students Enrolled in Off-Campus Degree Programs. An Eligible Student or a Licensure Student enrolled in an Off-Campus Degree Program offered by an Approved Institution may receive a Tuition Grant, provided that the student meets the requirements of Section .0200 and:

(a) the Off-Campus Degree Program was established by the Approved Institution prior to May 14, 1987; or

(b) the president of the Approved Institution certifies to the Authority, in a manner acceptable to the Authority, the following:

   i. that the Approved Institution has previously notified and secured an agreement to offer the off-campus instruction from all other private institutions operating degree programs whose main permanent campus in the county where the Off-Campus Degree Program is located and in counties adjacent to that county; or

   ii. the Off-Campus Degree Program is neither available nor planned by another private institution whose main permanent campus in the county where the Off-Campus Degree Program is located or in a county adjacent to that county.

PART III

INSTITUTIONAL REQUIREMENTS; APPLICATION, CERTIFICATION AND REFUND PROCEDURES

.0300. Participation Agreement Required. To participate in the Program, an Approved Institution shall sign a Participation Agreement with the Authority. Each Participation Agreement between the Authority and an Approved Institution shall remain in effect until it is terminated pursuant to the terms of the Participation Agreement.

.0301. Amount of Tuition Grant Payable.

(a) *Amount of Tuition Grants.* The General Assembly determines the maximum amount of a Tuition Grant payable to each Eligible Student and Licensure Student who qualifies for the Tuition Grant and appropriates the funds for the Program for each Academic Year.

(b) *Insufficient Funds for Maximum Tuition Grants.* In the event there are insufficient funds to provide a maximum Tuition Grant to each Eligible Student and Licensure Student who qualifies for the Tuition Grant for a School Term, each Eligible Student and Licensure Student shall receive a pro rata share of funds available for the remainder of the Academic Year.

(c) *Amount of Tuition Grant for Part-time Status Students.* Part-time Status students shall receive seventy-five percent (75%) of the maximum Tuition Grant that is awarded to Full-time Status students.

(d) *Amount of Tuition Grant for Eligible Students Completing 140 Credit Hours.* The amount of a Tuition Grant of an Eligible Student who has completed 140 Credit Hours or more than one hundred and ten percent (110%) of all counted credit hours required for the degree shall be reduced by twenty-five percent (25%).

.0302. Application.

(a) *Method of Applying for Tuition Grant.* To qualify for a Tuition Grant, a student must complete and submit an application provided by the Authority on or before the Certification Date to the Authorized School Official at the Approved Institution that the student attends or plans to attend.

(b) *Number of School Terms Covered by an Application for Tuition Grant*. An application for a Tuition Grant may be submitted for one or more School Terms, provided that each School Term covered by the application is in the same Academic Year.

(c) *Approval of Tuition Grant Applications by Approved Institutions*. The Authorized School Official shall review each Tuition Grant application and otherwise administer the Program for the Approved Institution. The Authorized School Official shall also maintain institutional records and consult with applicants as necessary to determine eligibility of each applicant to receive a Tuition Grant.

i. A certification of eligibility of an applicant to receive a Tuition Grant shall be signed by the Authorized School Official in the School Certification section on each application, except in the case of an Approved Institution operating an automated system of student registration. An Approved Institution operating an automated system of student registration, in lieu of completing the School Certification section of each application, may append to the invoice a certification form provided by the Authority that attests that the Approved Institution has an automated system that certifies the eligibility and the number of credit hours for each student listed on the roster. A copy of this certification form shall be retained by the Approved Institution with the relevant Program applications.

ii. The Authorized School Official shall complete all required written certifications on or before the date the certified invoice and roster are submitted to the Authority.

iii. In the event that the Approved Institution determines that an applicant does not qualify to receive a Tuition Grant during any School Term for which a Tuition Grant was requested, the Authorized School Official shall notify the applicant of this determination in writing. The Approved Institution is not required to notify the Authority of any denial of an application for a Tuition Grant and the Approved Institution's decision shall be final.

.0303. Disbursement of Tuition Grants by the Authority and Certification Procedures.

(a) *Submission of Invoice and Roster.*

i. Fall School Term. Each Approved Institution shall submit to the Authority a certified invoice and corresponding roster of its Eligible Students and Licensure Students who qualify for Tuition Grants. The deadline for the receipt of certified invoice and roster

by the Authority is October 20, or the next business day of the fall School Term. The invoices and rosters shall contain the required data elements as specified by the Authority and be submitted in a form acceptable to the Authority.

ii. Subsequent School Terms. Each Approved Institution shall submit to the Authority a certified invoice and corresponding roster of its Eligible Students and Licensure Students who qualify for Tuition Grants. The deadline for receipt by the Authority is twenty (20) calendar days after the Certification Date of the subsequent School Terms. The invoices and rosters shall contain the required data elements as specified by the Authority and be submitted in a form acceptable to the Authority.

(b) *Determination of Sufficient Appropriations*. Based on the certified invoices and rosters provided by the Approved Institutions, the Authority shall determine on a School Term basis if the annual appropriation for the Program is sufficient to disburse the maximum Tuition Grant per student as authorized each year by the General Assembly. No Tuition Grant disbursement to any Approved Institution shall occur until the Authority makes this determination.

(c) *Effect of Insufficient Appropriations*. In the event that the Authority determines that the Program appropriation will not be sufficient to disburse the maximum Tuition Grant as authorized by the General Assembly for a School Term, a pro rata reduction may occur. Any pro rata reduction shall be applied uniformly to all Approved Institutions. If any Approved Institutions fail to submit the certified invoices and rosters by the deadlines in Section .0303(a), and the Authority has made the determination as required by Section .0303(b), they alone are subject to any resulting pro rata reduction.

(d) *Method of Disbursement*. The Authority shall disburse the aggregate amount of the Tuition Grants by master check or by electronic funds transfer to a clearing account maintained by the Approved Institution.

(e) *Disbursement Roster*. A disbursement roster identifying the Eligible Students and Licensure Students and the Tuition Grant amount for each student will be sent to the Approved Institution by the Authority at the time of the master check or electronic funds transfer.

(f) *Timing of Disbursements.* The Approved Institution shall post the Tuition Grant amount to each Eligible Student's and Licensure Student's account no later than ten (10) business

days after the receipt of the disbursement roster or, for Eligible Students and Licensure Students in a non-standard Academic Year, no later than ten (10) business days after the date the Eligible Student or Licensure Student qualifies for a Tuition Grant. If an Approved Institution elects to post the amount of the Tuition Grant to the student's account prior to receiving the disbursement, it may be required to show details of how the transactions were handled.

(g) *Notification*. The Approved Institution shall notify each Eligible Student and Licensure Student of the amount of their Tuition Grant.

(h) *Disbursement of Excess Tuition Grant Funds*. If the Tuition Grant creates a credit balance on the student's account, the Approved Institution shall disburse the amount of the credit balance to the Eligible Student or Licensure Student within fourteen (14) days of the receipt of the funds.

(j) *Policies*. The Authority is authorized to develop, adopt and implement such policies and procedures as may be necessary from time to time to disburse Tuition Grants in accordance with the Program Rules and applicable requirements of State law.

.0304. Audit Requirements for Approved Institutions.

(a) Each Approved Institution shall be subject to examination by the State Auditor and any other audit process designated by the Authority to determine whether it has properly certified the Eligible Students and Licensure Students for the receipt of Tuition Grants and has properly credited Tuition Grants for the benefit of the Eligible Students and Licensure Students.

(b) Each Approved Institution shall provide the Authority with a copy of its independent audit report, including cover letters and all pertinent documents, within nine (9) months of the end of the Approved Institution's Fiscal Year. If the audit report for any Approved Institution documents significant findings regarding the Approved Institution's administration of the Program, and the Approved Institution does not, in the opinion of the Authority, take immediate action to rectify those findings, the Authority may withhold funding from the Approved Institution for the next School Term and until the findings are resolved.

(c) The Authority's purpose of the audit required by this Section .0305 is to assess each Approved Institution's capability to administer the Program for the benefit of its Eligible Students and Licensure Students. Nothing in the Program Rules shall be construed to interfere with the autonomy of an Approved Institution to determine admissibility of students, to control its own curriculum, philosophy and purpose, or to administer any of its other programs.

.0305. Inspection of Records. Each Approved Institution shall make all Program records available to the Authority for inspection upon request. All Program records must be retained by the Approved Institution for a period of five years from the close of the grant year or until all audit exceptions have been resolved, whichever is longer and in accordance with the Approved Institutions' document retention policies.

.0306. Refund of Tuition Grants to the Authority.

(a) *Wrongful or Erroneous Disbursement*. If an Approved Institution erroneously certifies an Eligible Student or a Licensure Student for a Tuition Grant, or the Authority erroneously disburses a Tuition Grant that was not due an Approved Institution, the Approved Institution shall refund the amount of the Tuition Grant to the Authority within thirty (30) days of the receipt of the disbursement or within thirty (30) days of that determination, whichever is later.

(b) *Refund Policies*.

i. *Ineligible Students.* If a full Tuition Grant is provided to an Eligible Student or Licensure Student who is not enrolled on the Certification Date, the Approved Institution shall refund the entire Tuition Grant to the Authority within thirty (30) days of the receipt of the disbursement. If, at a later time, the Approved Institution determines that the Eligible Student or Licensure Student is not eligible for the Tuition Grant, the Approved Institution shall return the amount of the Tuition Grant to the Authority within thirty (30) days of that determination.

ii. *Part-time Status.* If a Tuition Grant is provided to Full-time Status Eligible Student or Full-time Status Licensure Student who, as of the Certification Date, is in Part-time Status, the Approved Institution shall refund twenty-five percent (25%) of the Tuition

Grant to the Authority within thirty (30) days of the receipt of the disbursement or within thirty (30) days of that determination, whichever is later.

iii. *Refund Policies.* Any portion of a Tuition Grant that is refundable to an Eligible Student or a Licensure Student by an Approved Institution, in accordance with the institution's student refund policy, shall be refunded to the Authority. The Eligible Student or Licensure Student cannot receive this refund.

(c) *Refunds Based upon Military Personnel Tuition Assistance*. If a Tuition Grant for an Eligible Student or a Licensure Student qualifying under Section .0202 exceeds the cost of tuition at the Approved Institution, less the sum of the Military Personnel Tuition Assistance and any veteran's benefits paid on behalf of such student, the balance of the Tuition Grant shall be refunded to the Authority within thirty (30) days of the receipt of the disbursement or within thirty (30) days of that determination, whichever is later.

(d) *Finality of Disbursements.* Once the Authority disburses Tuition Grants to an Approved Institution based on the certified invoice and roster submitted, the disbursement is deemed final, subject only to a finding by the Authority or an auditor that the disbursement was made in violation of the Program Rules.

(e) *Effect of Delay in Remitting Refunds*. The Authority may withhold disbursement of Tuition Grants to an Approved Instituion if it does not remit refunds as required under the Program Rules.

PART IV

INSTITUTIONAL INTERPRETIVE GUIDANCE AND ADJUDICATION OF DISPUTES

.0400. Interpretive Guidance. The Authority may issue guidance for interpreting the Program Rules in the form of policy memoranda or questions and answers. The Authority shall distribute this interpretive guidance to all Approved Institutions. All interpretive guidance shall have the force and effect of the Program Rules.

.0401. Adjudication of Disputes. Any disagreement between or among Approved Institutions pertaining to eligibility of an Off-Campus Degree Program shall be resolved through the adjudication process of the Board of North Carolina Independent Colleges and Universities (NCICU). The Authority may request certification from the president of NCICU with regard to the resolution or settlement of any such dispute prior to disbursing Tuition Grants to an Approved Institution.

I, Steven E. Brooks, Executive Director and Secretary of the Board of Directors of the Authority, DO HEREBY CERTIFY that the foregoing is a true and exact copy of the Rules Governing the North Carolina Legislative Tuition Grant Program as amended and revised by the Board of Directors of the Authority on December 7, 2007, and as approved as final pursuant to the authority delegated to me; these Rules are in full force and effect and have not been further amended or rescinded.

WITNESS my hand and seal of the Authority, this the 13th day of December, 2007.

Steven E. Brooks
Executive Director