Financial Aid

Policy & Procedures Manual

72-261 Highway 111 Ste. 121-B | Palm Desert, CA 92260

Phone: (760) 674-1624 | Fax: (760) 340-4267

www.btyschool.com | office@btyschool.com

Updated November 3, 2025

Introduction & Information

Introduction

The Financial Aid Office of International School of Beauty (ISB) is dedicated to assisting students in achieving their educational career goals by providing information about financial assistance available to them to meet the costs of attending college.

Our office is open from 8:30am to 5pm, Monday through Friday.

You may feel free to reach us at 760-674-1624 ext. 31 during office hours. For more information, please feel free to view our website at https://btyschool.com/financial-aid-report/. Any questions, concerns, and/or comments can be referred to our main phone number. Appointments can be made during office hours by calling to request a time.

The Policies and Procedures Manual is to serve as a reference for the practices of the Financial Aid Office. All policies are subject to change as seen fit by the governing entity from which each individual policy is derived. The purpose of this document is to comply with the Federal Department of Education's requirement for a Financial Aid Policy.

Mission & Philosophy

The mission of International School of Beauty is to provide a complete curriculum, and to ensure that all students receive quality professional training, fulfilling all California state compliance requirements, providing advanced educational classes, to include product knowledge and safety, consumer safety and ethical behavior; all done with the goal of producing dedicated and fully qualified professionals. The Financial Aid Office will support this mission by serving each student as they apply for and access various forms of financial aid. We will hold to the highest level of integrity in all matters dealing with student information and financial transactions.

The Financial Aid Office's daily operations include the processing of financial aid paperwork, response to emails and phone calls, as well as face-to-face communications with students, parents, coworkers, and other individuals who visit the office. We constantly strive to uphold our mission statement in all that we do to ensure every student is treated equally and helped in a timely and caring manner.

It is the primary responsibility of the student and his/her family to meet the costs of education. International School of Beauty recognizes that economic circumstances may require the student to seek additional assistance from other sources.

Development of Policies & Procedures

The Policies and Procedures development process is completed by the Financial Aid Officer. Once these Policies and Procedures are put into place, they cannot be changed unless approved by the Financial Aid Officer or Financial Aid Administrator.

The Officer is responsible for notifying all applicable parties of any changes in existing policies and procedures, as well as any new additions. The Policies and Procedures are reviewed each year and input is taken from all Business Office and Financial Aid staff.

Staff Training & Accountability

Both the Officer and Administrator receive weekly email updates from Federal Student Aid (FSA) and review the FSA library and training resources regularly to ensure that we are keeping in accordance with new regulations. The staff also regularly attend Federal Student Aid webinars to keep us current on new and/or updated processes.

In addition to the Federal Student Financial Aid Policy and Procedures Manual, other regulations which affect student aid will be adhered to. These regulations and guides are located at https://fsapartners.ed.gov/home/ and are as follows:

- Federal Student Aid Handbook
- NSLDS Reference Materials (https://nsldsfap.ed.gov)
- SAR and ISIR Reference Material

Administrative Organization & Office Management

Our awarding process and disbursement of aid involves information from different offices, including Business/Registrar Office and Financial Aid office. The Financial Aid Office processes student ISIR applications and determines whether a student is eligible to receive aid and what types of aid they can receive. Once a student has reviewed and accepted their Financial Aid award letter, they then are registered for classes by the Registrar and sign their school contract, known as the Enrollment Agreement.

Financial aid (including loans) may be applied to the student's account at different times throughout the academic year. The funds are used to pay outstanding charges first. If there is a credit balance generated, a refund check is issued by the Business Office within three business days of the money being posted to the student's account.

Our office may put aid on hold to verify any information that we deem necessary to ensure the most accurate financial aid package for each and every student. Whenever new information is received by our office, we will review the documents and make any necessary updates.

Division of Duties

There exists a clear and separate division of responsibility for the administration of financial aid programs which are divided between the Office of Financial Aid and the Business Office. To maintain this division, each office is accountable for the following responsibilities:

The Office of Financial Aid

- Collect supporting documentation for the determination of aid eligibility
- Determine student eligibility for financial assistance
- Award federal aid in compliance with laws, regulations, and policies
- Notify students of aid eligibility (loans/scholarships/grants)
- Administer the Federal Pell Grant
- Administer the William D. Ford Federal Direct Loan Program (Direct Loan Program)
- Direct students to complete Entrance and Exit Counseling for federal loans
- Create and manage disbursements in the Common Origination and Disbursement system (COD)
- Draw funds down from federal account interface (G5) and transmits disbursement data to the institution's student information system (SMART)
- Monitor and review student accounts to remain in compliance of federal guidelines
- Compile and complete required financial aid reports, including monthly reconciliations of federal student aid disbursed, NSLDS enrollment reporting and annual FSA reporting
- Work with ECMC Solutions to provide student loan counseling and support to borrowers as they navigate federal student loan repayment

The Business Office

- Maintain and disburse accurate bills
- Collect payments for student accounts
- Post drawn in funds from G5 to student accounts, i.e. Quickbooks
- Distribute any excess payments to students
- Report outside scholarships received to the Financial Aid Office
- Maintain third party billing to sponsors
- Verify refund status on questionable accounts to the Financial Aid Office

Institutional & Program Eligibility

Continued Institutional Eligibility

Recertification is the process through which a school that is presently certified to participate in the FSA programs applies to have its participation extended beyond the expiration date of its current Program Participation Agreement (PPA). The Department will notify a school six months prior to the expiration of its PPA. The school must submit a complete application via the E-app before the expiration date in its PPA. Once notification of the impending deadline is received, the Financial Aid Office reviews the E-App information, makes any corrections necessary, and submits all required documentation to the Department.

NACCAS - National Accrediting Commission of Career Arts and Sciences accreditation is typically renewed every six years. Reporting for graduation, licensure and placement is done annually.

BPPE - Bureau for Private Postsecondary Education. The Bureau oversees private postsecondary educational institutions operating in California. The Bureau promotes and implements licensing standards for institutions by conducting workshops and approving or denying applications. The Bureau reviews institutions through qualitative review of licensing applications, and approves and monitors accreditation plans.

Program Eligibility

Program eligibility requires students to meet the program's specific clock hour and instructional time requirements, alongside general federal and institutional criteria such as being a US citizen or eligible non-citizen, having a high school diploma, and maintaining satisfactory academic progress. Eligibility is not just about a one-time enrollment, but about continued progress within defined payment periods, where each period requires a specific number of completed clock hours and weeks of attendance to receive future aid disbursements.

- **Academic Year Definition**: The program must have a defined academic year with a minimum of 900 clock hours and 26 weeks of instructional time, as per the FSA Partners handbook. Courses that are 600 clock hours and above are eligible for Federal Student Aid, but must be pro-rated accordingly.
- **Payment Periods**: The school must divide the academic year into payment periods. For example, payment periods are defined as half the program's length, or 450 clock hours for a 900 clock hour course and 300 clock hours for a 600 clock hour course.
- **Eligible Programs**: Programs eligible for aid must have at least 600 clock hours.

- **Satisfactory Academic Progress (SAP)**: Eligibility for continued aid is contingent on making satisfactory academic progress toward the program's completion.
- **Aid Disbursement**: A student must successfully complete the required clock hours and weeks of instructional time for the first payment period before receiving aid for the second period.

Independently Prepared Financial Statements

International School of Beauty's financial records and aid procedures will be audited annually by an independent, licensed CPA. These statements will be furnished to anyone upon request.

Confidentiality of Student Records

All staff members must sign an agreement that they will abide by the school's FERPA policy. This prohibits our staff from discussing specific financial aid information with parents or spouses that are not listed on the FAFSA or other individuals that students have not given our office permission to speak to. We may ask the individual specific questions to verify their identity.

Rights and Responsibilities of Students using Aid

For recipients of financial aid, there are certain student rights and responsibilities. These financial aid rights and responsibilities are listed in the following documentation:

- Financial Aid Award Notification
- Entrance/Exit Counseling
- Master Promissory Note

Students have the right to know the:

- Financial aid programs available at International School of Beauty
- Processes which must be followed to be considered for aid
- Criteria used to select recipients and calculate need
- Refund and repayment options available for federal loan programs
- ISB Office of Financial Aid policies surrounding satisfactory academic progress

Students are responsible for:

- Completing all forms accurately and by the published deadlines
- Submitting information requested by the Financial Aid Office in a timely manner
- Keeping the School informed of any changes in address, name, marital status, financial situation, or any change in student status

- Reporting to Office of Financial Aid any additional assistance from non-school sources such as scholarships, loans, fellowships, and educational benefits
- Notifying the Office of Financial Aid of a change in enrollment status
- Maintaining satisfactory academic progress
- Re-applying for aid each year

Third-Party Servicers

International School of Beauty does not use a third-party servicer for aid processing, as all financial aid is processed in-house.

Record Retention

All financial aid information available in the SMART system will be kept there indefinitely. This includes student ISIRs, awards, disbursements, and financial payment information. The school maintains student files for six years and files may be stored away from the school premises, however ALL transcripts are kept in computer files PERMANENTLY. It is strongly recommended that a student retain ALL ENROLLMENT, WITHDRAWAL or COMPLETION papers in their personal files.

Application & Eligibility

FAFSA Processing

The Financial Aid Office will:

- Instruct the student to fill out a FAFSA application by visiting www.studentaid.gov. First, they will need to create an FSA ID (student and parent or spouse, if applicable). This FSA ID will serve as their electronic signature.

- If the student does not have access to a computer or the internet, International School of Beauty will provide access. International School of Beauty's **school code for FAFSA is 039644**. Financial Aid is not automatically renewed. Continuing students must reapply for aid each year. The Financial Aid Office will inform students of the recommended timelines.

- After the Financial Aid Office receives the Institutional Student Information Record an award package will be assembled for them. The financial aid package is determined by the need of the student based on school costs and the availability of funds. This package consists of loans and/or grants depending upon the amount of need and the types of aid for which the student is eligible. If the amount of award is not sufficient to cover total costs, the student must prepare to pay the remainder at registration or through a monthly payment plan.

- International School of Beauty will attempt to meet the need of every eligible aid applicant. However, all awards are contingent upon the availability of funds and the satisfactory academic progress regulations.
- Communicate with our students clearly and frequently.
- Coordinate the administration of all students' financial assistance awarded.

Financial Aid applicants must:

- Submit the FAFSA application.
- Meet with the Admissions Office, discuss programs, and complete Entrance Counseling and a Master Promissory Note if loans are needed, at www.studentaid.gov.
- Submit all follow-up requests as soon as possible after notification from the Financial Aid Office for completion of their file.
- Submit any verification documents requested by the school.

Students will be given an Award Letter that details their financial aid eligibility. If they intend to accept federal direct loans, visit www.studentaid.gov to complete both the Federal Direct Loan Master Promissory Note (MPN) and Entrance Counseling.

The FAFSA must be received and fully processed by the Financial Aid Office before the first day of class; otherwise they will be expected to pay the balance out of pocket.

For assistance with the FSA ID or FAFSA form, please contact FSA support at www.studentaid.gov or by calling 1-800-433-3243. The Financial Aid Office cannot assist the student with their login credentials or identity verification for FSA.

Verification Process

After an Institutional Student Information Record (ISIR) is received by the school and is flagged for verification by The Department of Education, the Financial Aid Office will notify the student to request additional documentation. It is the student's responsibility to see that all requested documents from the Financial Aid Office are provided.

Verifications will be completed before awards will be requested. The Financial Aid Office will help the student to make necessary corrections. If the corrections result in a different SAI or student status, the student will be presented with an updated award letter which he/she will have to sign and agree to.

All students, parents of dependent students, and spouses of independent students (if applicable) must submit a copy of their IRS Tax Transcript or signed tax return for the correct tax year.

We may also request completed verification worksheets and/or Verification of Identity and Statement of Educational Purpose, specific to the verification grouping assigned by the Department of Education.

Verification items may consist of the following:

1. Adjusted Gross Income
2. U. S. Taxes Paid
3. Social Security received
4. TANF
5. V. A.
6. Other income and benefits
7. Untaxed income & child support
8. Number in college
9. Number of family members
10. Dependency status
11. Citizenship

It is the policy of the Financial Aid Office to NOT DISBURSE AID OR CERTIFY STUDENT LOANS until all required documentation has been submitted.

Conflicting Information/Documentation

If there is conflicting information or documentation or a change in an award(s) is required, a student will be notified immediately.

As a school, we must investigate and resolve conflicting information in financial aid applications by requesting documentation to verify the correct data. This process is mandatory before disbursing aid and involves comparing the application to official documents like tax transcripts, correcting the information, and electronically resubmitting it to the Department of Education. Our school has an internal system for identifying and correcting these discrepancies, regardless of whether the student was selected for verification.

Steps to resolve conflicting information

- **Request documentation:** The school will ask for supporting documents to verify the correct information, such as a student's or contributor's IRS tax transcript or a signed tax return.

- **Compare and correct:** Financial aid administrators compare the application data against the official documents to identify errors and then make the necessary corrections.
- **Update and resubmit:** The corrected financial information is submitted electronically to the FSA processing system. The school must also update any relevant internal data fields.
- **Communicate with the student:** The school will keep the student informed about the process and the resolution through email or other communication channels.
- **Review and re-award:** After corrections are made, the student's file is reviewed to determine the final aid package.

Professional Judgment (PJ)

Students occasionally experience changes in circumstances between the base tax year used to complete the Free Application for Federal Student Aid (FAFSA) and the present day. In these cases students may request the Financial Aid Office administer Professional Judgment. Financial aid administrators have authority to make case-by-case adjustments to information reported on the FAFSA so that the Department of Education can recalculate the student's Student Aid Index (SAI) used to determine eligibility for need based financial aid. Most students request Professional Judgment due to changes in income, employment, marital status, or dependency status. Students whose SAI is 0 do not need to request any adjustments as they are already receiving the maximum aid eligibility.

The school does not make direct adjustments to the SAI or the formula used to calculate it, only certain data elements involved in the SAI calculation. ISB does not guarantee a student will become eligible for aid even if FAFSA elements are adjusted. Any adjustments are made at the sole discretion of the Financial Aid Office and cannot be appealed to the Department of Education.

Circumstances:

Below are examples of reasons to submit a professional judgment request:

- Unusually high childcare or dependent care expenses
- Unusually high medical or dental expenses not covered by insurance
- Parent(s) of a dependent student also enrolled in college at least half-time
- Loss of significant untaxed income or benefit (child support, alimony, Social Security benefits, etc.)
- Change in dependency status
- Changes in a family's reported income via unemployment or change in job
- Death or disability of a wage earner

- Separation/divorce of an independent married student or a dependent student's parents
- One-time taxable income that does not reflect the typical income of the family
- Unusual circumstances such as homelessness or parental abuse or abandonment

Many standard expenses are already considered in the income protection allowance (IPA) of the SAI calculation. Expenses that fall under the IPA—even if unusual to the student's circumstances—will not be adjusted as part of professional judgment.

Situations that are not considered special circumstances (even if they impact a student's ability to pay for schooling):

- Vacation expenses
- Tithing or charitable giving
- Standard living expenses (housing, utilities, food costs, etc.)
- Mortgage payments
- Car payments
- Lawn care
- Credit card or other personal debt situations (including bankruptcy)
- All other discretionary expense

In all cases, including the above listed examples, a statement, including date, description of circumstance, and signature must be provided.

Student Eligibility & Awarding

General Student Eligibility

ALL STUDENTS must meet the following criteria to receive Federal Student Aid:

- be fully accepted into a postsecondary program
- be enrolled at least part-time
- be a U.S. citizen or eligible non-citizen
- have a valid Social Security Number (SSN)
- meet Satisfactory Academic Progress
- not in default on a federal student loan and do not owe money to a federal student grant

We require proof of identification to make sure the students' ID matches the ISIR information. The Financial Aid department always checks the NSLDS system on every student to make sure they are not in a defaulted status or have any overpayments.

Cost of Attendance

The Cost of Attendance (COA) reflects costs that might be incurred by a student during their time of enrollment, not necessarily the actual billed costs. This amount is used to compare the student's Student Aid Index as calculated by Federal Student Aid and determine the level of financial need when calculating aid eligibility.

The COA is configured each academic year by the California Student Aid Commission to determine student expense budgets. These budgets include the cost of tuition, books, fees, licensure fees, food, housing, transportation, personal, child care (if applicable) and the budgets depend on the length of the course as well as if the student is living with parent or off campus on their own.

Awarding & Disbursing (Packaging)

ISB is committed to providing an education to qualified students regardless of financial means. The financial aid program offers assistance to students in need through scholarships, grants, and loans.

The Initial Award Letter / Packaging

The Financial Aid Office reviews the student's cost of attendance, FAFSA, Student Aid Index (SAI), financial need, federal verification paperwork (if necessary), and any notifications from outside sources carefully to find the most advantageous way to award aid to enable the student to attend ISB. This is generally referred to as the "financial aid package" and is communicated to the student by means of a financial aid Award Letter.

ISB automatically awards Federal Direct Loans as part of a financial aid award. This could include Subsidized and/or Unsubsidized Direct Loan funds. The student is expected to read the Award Letter in its entirety to determine what aid they will accept and if there is a loan, whether they are accepting the loan amount we have determined they are eligible to receive. A student who does not wish to receive any loan funds can simply leave their loans "declined" or verbalize to us they decline the loan/s in which we will revise the award letter to reflect the proper financial aid.

ISB may receive a student's FAFSA information at any point throughout the year. The Financial Aid office will process an incoming student aid application. The Financial Aid Office will contact the student if additional paperwork is required. Otherwise, the Financial Aid Office will produce a financial aid Award Letter and notify each student via email or in person.

How Financial Aid is Applied

Financial aid is awarded for one academic year at a time. Funds are applied to the student's account once the following conditions are met:

- The student is determined to be eligible and is awarded
- The student is maintaining Satisfactory Academic Progress (SAP)
- The student is enrolled in the correct number of clock hours in an eligible program
- The disbursement date for the payment period has been reached

Types of Aid

Federal Pell Grant

The Federal Pell Grant is the foundation of all need based undergraduate financial aid. It is determined by filing the FAFSA. Recipients of this grant are determined by their SAI (as assigned by the Department of Education) and are awarded through the Financial Aid Office. Pell Grants are only available for six (6) full years of eligibility, regardless of changing schools.

Pell Grant Calculation

The Student Aid Index (SAI), which has now replaced the Expected Family Contribution (EFC), is a formula-based index number ranging from –1500 to 999999. Where your SAI falls within the SAI range helps your school determine how much financial support you may need. A negative SAI indicates you have a higher financial need. By comparing the SAI to the student's cost of attendance (COA), the Financial Aid Officer can determine the student's financial need for Federal Student Aid from the US Department of Education (ED) and other sources.

The Federal Pell Grant is calculated using an official SAI and the COA determined by the institution. US Department of Education provides the institution with a formula on how to deduct the SAI from the Federal Pell Grant, which shows the Pell for which a student can qualify. Pell Formula 4 is used to determine the Pell Grant amount for each course, depending on their hours.

Federal Direct Loans

The Federal Direct Loan Program offers low interest loans to students to help pay for their college education. Interest rates vary from year to year, but never exceed 8.25%. Principal payments are deferred while students are enrolled at least half-time.

The student must:

- Meet general FSA eligibility requirements

- Meet enrollment criteria
- File the current year's FAFSA

There are two types of Direct Loans:

- Subsidized: The federal government will pay the interest on this loan while the student is enrolled at least half-time.
- Unsubsidized: Interest accrues on this loan while the student is in school. The student may choose to pay the interest monthly.

*Interested parent borrowers may complete the Parent PLUS Loan Application with a credit check online at www.studentaid.gov. If approved, the parent borrower will also need to complete a Parent PLUS Loan Master Promissory Note (MPN) on the same website.

**Dependent Students must receive a Federal Direct Parent PLUS Loan denial before becoming eligible for the additional unsubsidized amount. Independent students are automatically eligible for the additional unsubsidized amount.

International School of Beauty will award aid to students with the greatest need in the following order:

1. Grants (Pell)
2. Loans (Direct Loans)

All Financial Aid is applied directly to the student account for the appropriate payment period.

Overawards

When a student receives more aid than his/her financial need or our cost of attendance, the result may be an overaward. Overawards must be resolved and may result in funds being returned to an aid program and a student owing the school money. 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 overaward. Loans will be reduced before any reduction is made to any other awards.

Correcting an Overaward

Here are the steps that the Financial Aid Office will take to correct an overaward.

1. We will determine whether or not the student has increased financial need that was not anticipated at the time of the award and/or FAFSA application.

2. If no increased need is demonstrated, and/or the student's total aid still exceeds his or her need, we will cancel any undisbursed loans and/or return loan funds to the Department of Education if the disbursement has already been made.

3. If the student has no loans or the student's aid still exceeds the student's need after all loans have been cancelled, we will reduce institutional grant and/or scholarship aid.

Revised Award Notices

The Financial Aid Office reserves the right to change or cancel any student aid awards due to additional information gathered concerning the student's financial aid eligibility. These changes may be caused by:

- the federal verification process
- a review of Special Circumstances reported by the student (also known as Professional Judgment)
- a change in enrollment status
- a student not maintaining Satisfactory Academic Progress

Transfer Monitoring

Students that transfer to ISB from another post-secondary institution will be monitored by the Financial Aid Office using the National Student Loan Database for a period of 90 days once the student's enrollment begins to ensure that no other school is trying to disburse Title IV funds for that student. If another school does disburse Title IV funds during that time and the student's financial aid eligibility is impacted, the student will be notified.

Veterans Training

Students seeking Veteran's Educational Benefits must contact the VA Certifying Official and/or the Financial Aid Officer. Certification of Enrollment is made by the VA Certifying Official. Funding from the Veteran's Administration may be paid directly to the students by the Veteran's Administration office. For other VA funds such as Chapter 33, the funds are sent directly to the school. Below is a list of eligible programs offered by the school:

- Chapter 30 (Montgomery GI Bill)

- Chapter 33 (Post 911 Bill)

- Chapter 35 (Survivors and Dependents Educational Assistance Program – DEA)

See the VA Certifying Official for other Program offerings and for a list of documents needed to apply for VA Educational Benefits at International School of Beauty.

For additional information regarding VA Educational Assistance and to download related forms go to www.va.gov or www.gibill.va.gov.

Database Matches, Reject Codes, and C-Codes

Social Security Administration (SSA)

- The student is required to submit a copy of the social security card, confirming the name and social security number, or to correct the FAFSA if errors were made during the initial FAFSA filing.

Department of Homeland Security (DHS)

- If the Department of Homeland Security cannot verify the student's citizenship, the student must submit additional information. US Citizen or permanent residents must submit a copy of a US passport, birth certificate, or naturalization certificate confirming citizenship status. The checklist item is completed, and a copy of the documentation is stored in the student file.

National Student Loan Data System (NSLDS)

- If the student's FAFSA indicates that she/he is at or near the federal aggregate loan limit or may be in default or owes an overpayment, the Financial Aid Office reviews the student's NSLDS record. Financial awarding is completed accordingly, to either omit any funding from the pertinent federal program or with a reduction from the standard award amount. If the student is in default or owes an overpayment, the Office contacts the student to request additional information before completing the financial aid award. Once the information is reviewed and if the default has been remedied on NSLDS, the student will receive an email advising of the availability of financial aid.

Drug Conviction

- Drug convictions no longer affect federal student aid eligibility.

Loan Policies

Direct Loan Origination Procedures

1. **Confirm Eligibility:** The financial aid office verifies that the student is enrolled at least half-time, making satisfactory academic progress, is not in default on other federal loans, and meets all other Title IV eligibility requirements. For PLUS loans, a credit check is performed on the parent or graduate student borrower.

2. **Determine Loan Amount:** The school calculates the appropriate loan amount based on the student's need and federal loan limits.

3. **Notify Borrower:** The school notifies the borrower of the expected loan and requirements like entrance counseling and MPN completion.

4. **Submit Origination Information to the COD System:** The school creates and transmits an electronic loan origination record to the ED's COD system.
5. **Confirm MPN and Counseling Completion:** The school confirms that the valid MPN and entrance counseling are complete before disbursement.
6. **Request and Receive Funds:** The school calculates its need for funds and requests them from the G5 system which electronically transfers the funds to the school's federal bank account.
7. **Disburse Funds:** The school disburses the loan funds to the student's account for educational expenses. Any remaining funds are given to the student. The school also transmits disbursement records to the COD system.
8. **Reconciliation:** The school performs ongoing reconciliation of its records with the COD system.

Once the COD system receives and accepts the origination and disbursement records and a valid MPN is on file, the loan is considered "booked," and the information is sent to the federal loan servicer, who then manages the account and repayment.

Entrance Counseling & Master Promissory Note

First-time Federal Direct Loan borrowers must complete a Direct Loan Master Promissory Note (MPN) and Entrance Counseling session. Both items can be completed online at www.studentaid.gov. Both must be on file before funds can be approved and disbursed. These ensure a student fully understands their rights and obligations as a student loan borrower.

Exit Counseling

Once a student has graduated, dropped below a part-time enrollment status, or has withdrawn from ISB, the Financial Aid Office will send the student notification to complete Exit Counseling at www.studentaid.gov.

Determining Enrollment for Loan Eligibility

All students attending ISB are considered full-time with a minimum attendance of 30 hours per week.

Disbursement & Cash Management

Disbursements and Disbursement Methods

Disbursement of funds involves drawing down the funds from G5, recording the deposit, and disbursing the funds to individual students who have completed all their loan requirements as required by Title IV regulations. Before any funds are disbursed, the Financial Aid Office confirms each student is enrolled in the correct number of hours and aid amounts reflect the student's enrollment.

All disbursements are made directly to the student's account. If a credit balance is created, the funds are refunded to the student via paper check.

To comply with the separation of duties requirement, the awarding and the disbursing functions are split between the Business Office and the Financial Aid Office. Financial Aid is responsible for awarding loans and grants, and the Business Office is responsible for disbursing the funds to the student and posting to their account.

Disbursement Dates and Schedules

The payment periods defined at ISB are based on the date classes begin and end.

The disbursement date listed in SMART is considered the beginning of the disbursement process. Aid is not available in a student's account on that day. The assigned disbursement date is the day Financial Aid will release disbursements in the Common Origination and Disbursement system. Funds may take 1-2 business days to be available in G5 and will be posted to student accounts within 3 days of the disbursement date. Once funds are posted, ISB generally gives excess funds due a student from a credit balance, within 3 business days.

First-Time Borrower / Late Disbursements

First-time borrower/30-day delay

First-time borrowers of federal student loans cannot receive their first disbursement until 30 days after the start of their first term of study. This rule, which applies to first-year undergraduate students, is designed to prevent early disbursement before they have started their classes **and can be waived for schools with a low cohort default rate.**

Late disbursements

A school may make a late disbursement for costs incurred by a student who did not withdraw but ceased to be enrolled as at least a half-time student, or for a student for whom the school did not have a valid FAFSA by the deadline. A school may not make a late disbursement later than 180 days after the date the student becomes ineligible.

Notification & Authorization

Student Notification

Once a disbursement is made for a student, the Office will notify the student usually in person and sometimes via email, if necessary (Parent Plus disbursement notifications are emailed to the parent) and provide them with their disbursement notification. We make sure when enrolling that the student has a signed form in their file for authorization to use Title IV aid for charges necessary.

Reconciliation

Recipients of Title IV aid must perform monthly reconciliation of their internal financial records with the Department of Education's systems, and a final annual reconciliation for each award year.

Monthly Reconciliation Procedures

The monthly reconciliation process is a critical internal control and involves both internal and external comparisons to identify and resolve discrepancies in a timely manner.

Key Steps:

1. **Internal Reconciliation:** This involves comparing records within the school, such as financial aid records, business office records, general ledgers, and the school's bank account, to ensure consistency in student awards, disbursements, and cash transactions.
2. **External Reconciliation:** This step compares the school's internal records with data from Department of Education systems like the COD System and G5, verifying that accepted and posted disbursements and drawdowns match the school's records.
3. **Documentation and Resolution:** All reconciliation activities and discrepancies must be documented, and any identified issues should be resolved promptly by correcting data in both the school's and the Department's systems.

Annual Reconciliation Procedures (Year-End Closeout)

Annual reconciliation is the final step for a specific award year, typically performed after all final disbursements.

Key Steps:

1. **Finalize Monthly Procedures:** This involves ensuring all monthly reconciliation steps are completed and accurate for the award year.
2. **Achieve a Zero Balance:** The goal is to match Total Net Drawdowns in G5 with Net Accepted and Posted Disbursements (NAPD) in the COD System, resulting in a $0.00 cash balance.

3. **Confirm Closeout:** Schools can confirm closeout via the COD website after achieving the required balance to receive a Program Year Closeout Letter.
4. **Return Excess Cash:** Any remaining excess cash must be returned to the Department.

Key Responsibilities

- **Shared Responsibility:** Both the Financial Aid Office and the Business Office are responsible for reconciliation and resolving discrepancies.
- **Coordinating Official:** The Financial Aid Officer oversees the process of identifying and resolving discrepancies.
- **Documentation Retention:** All reconciliation documentation must be kept for audit and review purposes.

Maintaining Eligibility

Satisfactory Academic Progress (SAP) Policy

This policy is provided to students prior to enrollment and applies consistently to all students enrolled in a specific program and scheduled for a particular category of attendance part time or full time and applies to every student enrolled in a NACCAS approved program.

All students, regardless of the class in which enrolled or the tuition payment classification of their enrollment (i.e. Title IV participant, Private Loan, Private Pay, and State Program etc.) , will be evaluated in person and results will be discussed with student by using the criteria of the SAP to receive an academic and attendance evaluation based upon their course hours, scheduled hours of attendance, and current theory and practical requirements and will be done when student meets both scheduled hours and academic attendance. Please note that those students receiving Federal Student Aid and who are out of SAP compliance and have been placed on Probation, may not be eligible for Title IV funds disbursement. Students may progress through the phases of the curriculum at a varied pace, however, all students must satisfactorily complete the required amount of subject matter prior to being able to make pre-application for the state board examination and must complete all minimum requirements of hours and operations prior to graduation. (The exception being, when credit is allowed for previous training or experience in a specific subject area then that balance of operations and procedures must be completed prior to graduation)

Satisfactory Academic Progress (SAP) Standards

This institution expects its students to maintain Satisfactory Academic Progress (SAP) as established by this institution, the student must: 1. Maintain an academic average of "C" (70%) or better on all tests, work projects (operations) and other required course work. If a student has a grade of 69.5% or higher the grade will be rounded up to 70%, If a student has a grade of 69.4% the grade will be rounded down to 69% 2. Maintain an academic average attendance level of at least two-thirds (2/3) (67%) of the scheduled hours indicated on their enrollment contract If a student has a grade of 66.5% the grade will be rounded up to 67%. If a student has a grade of 66.4% the grade will be rounded down to 66%. For example, a student scheduled to complete 30 hours per week would have to maintain an average weekly attendance of at least 20 hours per week (2/3 x 30 = 20). Regardless of the average level of attendance, students who have more than two consecutive weeks of absences (14 calendar days) may be dismissed. This standard shall apply to all students except those on an approved Leave-of-Absence (see LOA policy). Students who expect to be absent 5 or more days up to the maximum of 60 days in a 12-month period, are encouraged to request a Leave-of-Absence. Students will re-enter school with the same SAP status as when the LOA began. Please note that a leave of absence will extend the students contract period and maximum time frame by the same number of days taken in the leave of absence. In addition to attendance standards relating to Satisfactory Academic Progress (SAP), students are also required to adhere to certain other general institutional policies relating to attendance and tardiness. These policies are outlined in the "Standards of Conducts and Disciplinary Action" notice. 3. Complete the course within the maximum time frame (# of weeks in the program times 149%) as defined in the enrollment agreement. For example, if the student has contracted to complete the course within 34 weeks, he or she must complete within 51 weeks. If this time frame is not met, the school will drop the student from the program. If the student wishes to re-enroll at a later time, they will re-enroll as a cash paying student and will not be eligible for financial aid. 4. If student has exceeded their contracted graduation date, there may be an extra instructional charge calculated on an hourly rate established by the school. *Refer to Enrollment Contract for calculated charges pursuant to individual's contracted course time. 5. Students must meet minimum academic and attendance requirements for at least one evaluation prior to the midpoint (50%) of the course to be considered as meeting satisfactory progress at the end of an evaluation period. A student will be considered to be making satisfactory progress until the next evaluation.

Warnings, Probation & Appeals:

- If the student does not meet SAP requirements by the time of their first scheduled SAP evaluation date the student will be issued an SAP Warning. Students eligible for Federal Student Aid may continue to receive such aid during this time until their next scheduled

SAP or payment period. • The institution develops an academic plan for the student that, if followed, will ensure that the student is able to meet the institutions satisfactory academic progress requirements by a specific point within the maximum time frame established for the individual student. • If the student has not met SAP requirements by the time of the next payment period and/or scheduled SAP evaluation date, the student will be advised that if they prevail upon appeal they can be placed on Probation and, if applicable, the possible loss of their FINANCIAL AID unless they prevail upon appeal. • The student must submit an Appeal, in writing requesting that further consideration be evaluated based upon extenuating personal circumstances, such as unforeseen family, job obligations, personal health or other such matters that have interfered with the student applying satisfactory effort. The student may submit any pertinent documentation and give reasons as to what they will do different and what has changed and why they feel they will be able to maintain SAP going forward. The reasons for the appeal will be discussed with the administrative staff and instructor. Any findings will be recorded in the student's record. • If the Appeal is accepted, the probation will become effective immediately and the student may continue to receive Financial Aid. The student's instructor will indicate, in writing, on the student's SAP reviewed and signed by the student area(s) needing improvement and advises the student on ways to achieve their goal(s). If, at the end of the next payment and/or evaluation period, the student fails to meet SAP then they lose their Financial Aid and become a private pay student. • If the Appeal is denied, no further disbursements of Federal Student Aid will be granted and will be considered a private-pay student until the next payment period or SAP evaluation. Continued failure to achieve SAP may result in the possibility of suspension and/or expulsion. • It will be the responsibility of the student, to demonstrate his/her willingness, and ability, to meet the requirements in order to be deemed as meeting Satisfactory Academic Progress and have his/her financial aid reinstated. All applicants will have access to the SAP Policy by emailed catalog, school website or catalog on Registrars desk prior to registration. Prior to evaluations all students will be evaluated with a practical evaluation. The institution operates all programs according to the following academic year 900 clock hours to be completed in 30 academic weeks. Transfer Students Transfer hours from another institution that are accepted towards the student's educational program are counted as both attempted and completed hours for the purpose of determining when the allowable maximum time0frame has been exhausted. SAP evaluation periods are based on actual contracted hours at the institution.

Evaluation Periods:

NOTE: Evaluation dates may be adjusted due to schedule changes and Leave of Absences. Special Note: The scheduled course percentage, to be completed, is defined according to the terms of the enrollment agreement. Example: A student enrolled at 120 hours per month would be scheduled to complete a 600 hour course in 5 months, and a 1000 hour course in

8 months, allowing no absences. In the event a student reaches his/her scheduled graduation date and has hours remaining to complete, the student will receive additional evaluations, at the time of actual completion of the remaining hours. It is our policy to evaluate students at regular intervals throughout the duration of the course of study. All students receive a practical evaluation after their Freshman period and prior to taking clients with the exception of Massage Therapy students who are required to successfully complete Day 1 / 6 hours – in order to continue with the remaining portions of the program. The instructors and administration believe that student's progress to maintain higher standards of excellence are most successful when they are held accountable and can visually see and verbally receive positive reinforcement and constructive criticism for area's needing improvement. Students compliance with the Satisfactory Academic Progress is divided into evaluation periods and will be evaluated at the end of each evaluation period. All SAP evaluations will be completed within 7 school business days following the established evaluation periods.

The following chart is a guideline to demonstrate the minimum amount of hours of training which must be completed by the end of each evaluation period in order to graduate within the maximum time frame of 149%. The date by which the student is scheduled to have reached the hours is determined by the student's contracted 34.5 hours per week divided by (example) 600 hours = 17 weeks, 30 hours per week divided by 600 hours = 20 weeks; in addition to hours, the academic achievements of the student will be evaluated by a compilation of examination scores (written and practical based upon how many tests were given within the time period evaluated), and such other criteria and observations, as the school administration deems appropriate in the training of technical personnel.

HOURS PER EVALUATION PERIOD AND ACADEMIC WEEKS PER EVALUATION PERIOD

P/T F/T Cosmetology 1000 Clock Hours 1ST Evaluation Period Ends: 450 Clock Hours and 15 weeks 13 weeks 2nd Evaluation Period Ends: 900 Clock Hours and 30 weeks 26 weeks 3rd Evaluation Period Ends: 1000 Clock Hours and 34 weeks 29 weeks Barbering 1000 Clock Hours 1ST Evaluation Period Ends: 450 Clock Hours and 15 weeks 13 weeks 2nd Evaluation Period Ends: 900 Clock Hours and 30 weeks 26 weeks 3rd Evaluation Period Ends: 1000 Clock Hours and 34 weeks 29 weeks Esthetician Skincare Specialist 900 Clock Hours 1ST Evaluation Period Ends: 450 Clock Hours and 15 weeks 13 weeks 2nd Evaluation Period Ends: 900 Clock Hours and 30 weeks 26 weeks Esthetics 600 Clock Hours 1ST Evaluation Period Ends: 300 Clock Hours and 10 weeks 9 weeks 2nd Evaluation Period Ends: 600 Clock Hours and 20 weeks 17 weeks Instructor Training 600 Clock Hours 1ST Evaluation Period Ends: 300 Clock Hours and 10 weeks 9 weeks 2nd Evaluation Period Ends: 600 Clock Hours and 20 weeks 17 weeks Hairstylist 600 Clock Hours 1ST Evaluation Period Ends: 300 Clock Hours and 10 weeks 9 weeks 2nd Evaluation Period Ends: 600 Clock Hours and 20 weeks 17 weeks Massage Therapy 600

Clock Hours 1ST Evaluation Period Ends: 300 Clock Hours and 10 weeks 9 weeks 2nd Evaluation Period Ends: 600 Clock Hours and 20 weeks 17 weeks Manicuring/Nail Care 600 Clock Hours 1ST Evaluation Period Ends: 300 Clock Hours and 10 weeks 9 weeks 2nd Evaluation Period Ends: 600 Clock Hours and 20 weeks 17 weeks Barber Crossover to Cosmetology 300 Clock Hours 1ST Evaluation Period Ends: 150 Clock Hours and 5 weeks 4 weeks 2nd Evaluation Period Ends: 300 Clock Hours and 10 weeks 9 weeks Cosmetology Crossover to Barber 200 Clock Hours 1ST Evaluation Period Ends: 100 Clock Hours and 4 weeks 3 weeks 2nd Evaluation Period Ends: 200 Clock Hours and 7 weeks 6 weeks

** Veteran students are evaluated 4 times during their program.

**Incomplete courses, repetitions and non-credit remedial courses do not apply to Cosmetology Schools; therefore, have no effect upon the satisfactory progress standards of the International School of Beauty.

Grading:

• Students will be tested and receive a letter grade after the completion of each theory course. • In most instances, tests will be graded during class, immediately after the completion of the test, and after recording the results on student's individual grade sheet, the test will be returned to student. • Students will be tested on their Basic Practical Operations at the end of the freshman class hours and upon evaluation by the Freshman Class Instructor and will be approved to graduate to work on the clinic floor. Completion of Day 1 allows Massage Therapists to move on to Phase I and then II of the program. All massage modalities are graded based on evaluations. • Students will receive a copy of their progress report upon the completion of each evaluation period. • Overall grades are determined on the basis of the student's attitude and his/her ability to perform elements of the course curriculum. Approximately 25 percent of the grade will be based upon written tests, 50 percent, upon attendance and the remaining 25 percent is based upon practical performance skills. Letter Grades are determined as follows: 90% to 100% "A" Excellent 80% to 89% 70% to 79% 60% to 69% 0% to 59% "B" Good "C" Average "D" Below Average "F" Failed Students need to retake all tests with a score below 70%. Students must maintain a "C" average for successful progression and graduation. Students who meet the minimum requirements for attendance and academic progress shall be considered to be making SATISFACTORY PROGRESS until the next scheduled evaluation. Students who do not meet such requirements shall be deemed to be either (1) Under Warning (2) Not Making Satisfactory Progress/On Probation.

Return of Title IV Funds (R2T4)

This policy applies only to eligible students receiving Title IV funds. Title IV funds are awarded to an eligible student under the assumption that he or she will attend school for the entire period for which financial assistance is awarded. When a student withdraws from his/her course, for any reason including medical withdraws, are dismissed by the school for non-compliance, or fail to return from an approved Leave of Absence the student may no longer be eligible for the full amount of Title IV funds that he/she was originally scheduled to receive.

If the student withdraws prior to completing 60% or more of scheduled hours in an award period, he/she may be required to repay a portion of the federal financial aid already received for that period. A pro rata schedule is used to determine the amount of federal student aid funds he/she will have earned at the time of the withdrawal.

The date of withdrawal used for the refund calculation is:

• The date the student officially withdraws following the school's withdrawal guidelines (refer to School Catalog pg 10 J.1&2)

• The start date of a student's approved Leave of Absence in the event the student fails to return from the leave at the scheduled time. *refer to Leave of Absence policy outlined on next page and in school catalog Pg. 10 Item D.

• The date the student was expelled/dismissed from the school.

• The last verified day of attendance at the school

Step 1. The school determines student's Title IV information

• The total amount of Title IV aid disbursed. The student's aid is counted as disbursed if it has been applied to the student's account on or before the withdraw date.

• The total amount of Title IV aid that could have been disbursed for the period.

Step 2. The Percentage of Title IV Aid Earned is determined by:

• Dividing the number of hours scheduled to have been completed in the award period by the total number of hours in the award period. (e.g., 275 hours scheduled to complete ÷ 450 total hours in period = 61%) (95 hours scheduled to complete ÷ 450 total hours in period = 21%) When the calculated percentage exceeds 60% then the student has "earned" all the Title IV aid for the period.

Step 3. Amount of Title IV Earned by the Student: Calculated as follows:

• The total amount of Title IV aid disbursed or could have been disbursed (Step 1), multiplied by Percent of aid earned, if less than 60% (Step 2)   (e.g. 2985.00 (unsubsidized loan) x 21% = $626.85)

Step 4. Amount of Title IV Aid to be Disbursed or Returned.

• If the aid already disbursed equals the earned aid, no further action is required.

• If the aid already disbursed is greater than the earned aid, the difference must be returned to the appropriate Title IV program within 45 days from the date of the refund calculation. The refund calculation must be done within 30 days from the date the school determined the student's complete withdrawal. (e.g. $2985.00 - $626.85 = $2358.15)

• If the aid already disbursed is less than the earned aid, the school will calculate a Post-Withdrawal Disbursement and notify the student of the proposed additional disbursement and repayment obligation. The student must approve the post-withdrawal disbursement. Return of Title IV funds are based on the type of aid disbursed. Refunds are allocated in the following order:

• Unsubsidized Federal Direct Loan

• Subsidized Federal Direct Loan

• Federal Parent (PLUS) Loan

• Federal Pell Grant for which a Return of funds is required.

Loans must be repaid by the loan borrower (student/parent) as outlined in the terms of the borrower's promissory note.

Step 5. Amount of Unearned Title IV Aid due from the School and/or Student

• School calculates charges due school for payment period to include tuition, equipment, books, fees (e.g. $4500 + $850 + $75 + $12.50 = $5516.50 due school)

• The percentage of unearned Title IV aid is calculated by subtracting the percent of earned income from 100% (e.g. 100 - 21 = 79% unearned aid)

• The total amount of charges due the school is multiplied by the percentage of unearned aid (e.g. $5516.00 x 79%=$4358.00)

• School compares the amount of Title IV aid to be returned to the amount of unearned charges and the lesser of the two amounts is the amount that must be returned by the school (e.g. $2358.15 compared to $5516.00)

• Based upon repayment schedule the school must return the unearned aid to the sources, in order, up to the total net amount that has been disbursed from each source. (e.g. all $2358.15 to Unsubsidized Federal Direct Loan)

• The student will need to repay unearned aid when the amount due from the school is less than the amount to be returned. These outstanding loans consist either of loan funds the student has earned, or unearned funds the school is not responsible for repaying, or both; and they are repaid according to the terms of the borrower's promissory note.

• GRANT FUND PROTECTION. The school will multiply the total amount of grant aid (e.g. Pell) that was disbursed, and could have been disbursed by 50%. Funds to be returned are calculated by subtracting the amount of loans to be repaid by the student, if applicable, from the initial amount of unearned aid due from the student. That total is subtracted from the result of the 50% protection calculation and this result is the amount of grant funds the student would be responsible to return. Note that the student is not responsible for returning funds to any grant program to which he/she owes $50 or less.

School's responsibility in regard to return of Title IV funds: Provide each student with the information given in this policy.

• Identify students affected by the policy and complete the R2T4 calculation.

• Informing the student of the result of the R2T4 and any balance owed to the school as a result of a required return of funds.

• Notifying student and/or PLUS borrower of eligibility for a Post-Withdrawal Disbursement, if applicable

• Following all required procedures for making R2T4 refunds and required notification to loan holders.

Student's responsibility in regard to return of Title IV funds:

• Becoming familiar with the Return of Title IV funds policy and how withdrawing from, or not keeping in academic/attendance policy effects his eligibility for Title IV aid.

• Resolving any outstanding balance owed to the International School of Beauty resulting from a required return of unearned Title IV aid LEAVE OF ABSENCE information (no loan disbursements will be made while a student is on an approved L.O.A.) A student may request a LOA by notifying the school in person, by fax, or email. The request will be considered and the leave may be granted to a student at the discretion of the School Administration. Upon approval, the dates of the LOA will be entered in the students computer file and the student will be provided a LOA form for signature. An LOA should not exceed a period of 180 days in any 12-month period. Failure to return within the time frame of the leave, or any unexcused, continued absence for 2 days, will result in the student being dropped from the program. Leave length may be extended upon school evaluation of extenuating circumstances and reviewed on a case-by-case basis, however a student may not exceed 180 days of leave in any 12-month period.

Consumer Information & Reporting

Consumer Information & Disclosures

The staff of the Financial Aid Office recognizes that to understand the complications of Financial Aid, accurate and timely dissemination of information to consumers is vital. Several policies have been implemented to ensure appropriate dissemination is achieved. The consumer information policies are developed and maintained by the various operating offices of the school. For more information, please visit https://btyschool.com/important-school-disclosures/ to view our following disclosures and more:

- Violence Against Women Act (VAWA)
- Campus Security
- BPPE Performance Fact Sheets
- BPPE Annual Report
- Gainful Employment Disclosures

At the time of enrollment as well as orientation on the first day of school, all students are provided with the mandatory disclosures, such as crime statistics, drug and alcohol abuse prevention, Refund Policy, etc. as well as directed to our school catalog.

NSLDS Reporting

To report to NSLDS in a timely manner, schools must certify student enrollment at least every 60 days, respond to NSLDS rosters within 15 days, and correct any errors within 10 days.

When new classes start, the Financial Aid Officer will report the enrollment status of new students to NSLDS.

Any updates or changes to any students status, is updated in NSLDS, such as a Leave of Absence. All withdrawal or graduation changes are reported in a timely manner.

Audit Requirements

Annual Compliance Audits

Annual compliance audits are mandatory for all participating institutions and are performed by an independent public accountant.

Submission Requirements: Both the compliance audit and the audited financial statements must be submitted as one package via the ED's EZ-AUDIT system.

For-profit schools: Must submit within the earlier of 30 calendar days after the auditor's reports or six months after the end of the school's fiscal year.

Department of Education Program Reviews

Program reviews are oversight activities conducted by the ED's School Participation Divisions and are not an annual requirement for every school.

Our office staff makes sure we are in compliance and have all records and files complete and accurate, so that we are always ready to furnish any documentation that an auditor or program reviewer might request.