

# OTAG HANDBOOK

## Welcome to the New OTAG-the Decentralized OTAG!

This handbook is updated for the 2022-23 academic year and further changes may be made as we learn more about how to decentralize the program in a way that will allow the funding to reach the neediest students in a timely and efficient way. **Beginning with the 2022-2023 academic year, school administrators will select recipients for the grant from the eligible students attending their school. In this document you will find requirements, guidelines and priorities to use in the selection of recipients. You will also find information about changes to our processing system to facilitate the new OTAG.**

## Student Application

As in the past, students apply for OTAG by filing a FAFSA (Free Application for Federal Student Aid) at <https://studentaid.gov/h/apply-for-aid/fafsa>. It is recommended that the student file as soon as possible after October 1<sup>st</sup>. Since funds are limited, an initial eligibility date may be used by some schools as a part of their selection criteria.

In late May, the Oklahoma State Regents for Higher Education will appropriate funds for the Oklahoma Tuition Aid Grant program. Beginning in 2022-23, schools will be notified of the amount appropriated to each school and will use basic eligibility requirements and school determined eligibility criteria to select recipients.

## Communication

Please note that most notifications are made through the OASFAA (Oklahoma Association of Student Financial Aid Administrators) listserv. To sign up go to <http://lists.onenet.net/mailman/listinfo/oasfaa>.

**Please send all e-mail correspondence to [reports@otag.org](mailto:reports@otag.org). This makes the information accessible to all OTAG personnel.**

## Award Amount

Beginning with the 2022-2023 academic year the maximum annual award is the lesser of 75 percent of enrollment costs or \$1,500 at public community colleges, comparable private/independent two-year colleges and public technology centers; \$2,000 at public and private/independent regional universities; \$3,000 for students attending public and private/independent research universities. Generally, one-half of the award is disbursed in the fall semester, and one-half is disbursed in the spring semester. Recipients are selected by institutional policy within state regulations. Individual student award amounts are determined by the institution within the guidelines above and with a minimum award amount of \$100 per semester.

The list of costs and payment maximums for levels of enrollment are posted on the OTAG resources page at: <http://www.okhighered.org/admin-fac/FinAidResources/otag.shtml>. While these costs are used to determine the maximum award amount, neither statutes nor administrative rules require that the grant be limited to payment of tuition and fees.

## Definition and Student Eligibility

OTAG is a **need-based** grant for undergraduate students working on a degree or certificate at approved Oklahoma postsecondary institutions. Although a student may be otherwise eligible, the OTAG award may need to be reduced or cancelled to fit within total “need”. For OTAG purposes the federal definition of need is applied (cost of attendance minus EFC equals need). You will need to also subtract other “gift”

aid to determine unmet need. We expect you will award OTAG before “self-help” need based aid such as federal work study and subsidized loans. Please note that the minimum OTAG award is \$100 per semester. If unmet need is less than \$100 per semester before OTAG is applied, the award cannot be packaged; if new resource information is discovered after the OTAG award has been packaged, the OTAG award must be reduced or cancelled. Students must be “Oklahoma residents” and eligible for in-state tuition per the OSRHE residency policy (see Chapter 3 of the Policy and Procedures Manual at <http://www.okhighered.org/state-system/policy-procedures/> (3.18 In-State/Out-of-State Status of Enrolled Students ). **Out of state students that receive a waiver of out of state tuition are not eligible for OTAG.** Undocumented students may consider themselves Oklahoma residents and some may be eligible for in-state tuition; however, their eligibility for OTAG is limited. See <http://www.otag.org> for more details.

Generally, undergraduate students are eligible to be selected by your school if:

1. The student (and parents, if dependent) is an Oklahoma resident.
2. The student is receiving a Pell grant for the current payment period.
3. The student has sufficient unmet need for the award.

The requirement to be receiving a Pell grant assures that other eligibility requirements are met such as being degree seeking, being enrolled in an eligible program, making satisfactory academic progress, and being an undergraduate with no previous bachelor’s degree. *An exception to the Pell grant eligibility requirement exists for certain undocumented students. See <http://www.otag.org> for additional information.*

Eligibility requirements can be found on the resources page at: <http://www.okhighered.org/admin-fac/FinAidResources/otag.shtml>.

*Certain military students and their dependents may indicate a residence other than Oklahoma on the FAFSA but still be eligible for OTAG. See Chapter 3 of the Policy and Procedures Manual at <http://www.okhighered.org/state-system/policy-procedures/> (3.18 In-State/Out-of-State Status of Enrolled Students).*

We will carefully monitor cash flow and timing of submitted claims to determine timelines and procedures going forward. For now, please award no more than ½ of your annual allocation in the fall semester. and please submit your claims in a timely fashion.

Although there is no lifetime maximum OTAG, the administrative rules for the program specify that the student is eligible as long as they are eligible for funding from the Pell grant program. **If a student does not receive a Pell grant disbursement during a payment period because he/she has reached his/her lifetime limit or is so close to the limit that no Pell will be disbursed, the student cannot receive OTAG.**

Certain undocumented students are eligible for OTAG per the OSRHE residency policy (see Chapter 3 of the Policy and Procedures Manual at <http://www.okhighered.org/state-system/policy-procedures/> (3.18 In-State/Out-of-State Status of Enrolled Students). Since many of these students are not able to complete a FAFSA, an application is available on our website (<http://www.otag.org>). The specific eligibility criteria are there as well. If you choose to award these students, please ask the student(s) to fill out our state application at the OTAG website if he/she has not already done so. Please note that undocumented students that begin postsecondary education in the fall of 2007 or later must provide the institution with a copy of a true and correct application or petition filed with the United States Citizenship and Immigration Service (USCIS) to legalize their immigration status.

**The student’s eligibility for the Deferred Action for Childhood Arrivals (DACA, administered by the U.S. Department of Homeland Security; see <http://www.dhs.gov/deferred-action>) does not affect**

state aid eligibility at this time according to the OSRHE General Counsel's office. Many DACA eligible students receive a valid social security number for work purposes only and may believe they are eligible for aid. DACA students filing a FAFSA are not eligible for OTAG and should not be awarded unless the specific requirements outlined in the Regent's residency policy are met (See 3.18.6 (C)(4)). Generally, this provision allows certain undocumented students to receive OTAG if the student provides the institution with a copy of a true and correct application or petition filed with the United States Citizenship and Immigration Service (USCIS) to legalize their immigration status (DACA applications do not meet this requirement). If you have an undocumented student that you intend to award from your allocation of OTAG, please notify the OTAG office for further instructions.

## Determining Eligibility for OTAG for Non-Standard Term Programs

For non-standard term programs, please award OTAG as you would Pell. Prorate the full-time amount based on the length of the program if necessary and disburse by payment period using Pell grant rules for completion of hours and weeks.

On the special claim, please be sure that you fill in the enrollment status of FT for full-time, PT for half-time, and LT for less than half time; also fill in the amount of the payment period disbursement in the appropriate column. The enrollment status is used for reporting purposes and determination of maximum award level. A list of maximum award levels for all enrollment statuses is available on the resources page at <http://www.okhighered.org/admin-fac/FinAidResources/otag.shtml>. All OTAG student eligibility rules apply such as Oklahoma residency, Pell recipient for the current payment period and having sufficient need.

You can file claims as often as necessary.

Generally, award like Pell. However, there will be some unavoidable differences. Remember that not all Title IV eligible schools are OTAG eligible and that final eligibility determination is made at disbursement. OTAG is a grant based on tuition and fees costs. If for some reason, these charges are not applied to the students account or cancelled, OTAG should not be paid to the student or should be returned to OTAG if necessary. For any student to be eligible, tuition and fees should be a part of their school calculated cost of attendance. Tuition waivers do not necessarily disqualify a student from receiving OTAG; however, the waivers and all other need-based aid (including OTAG) must not exceed the student's need calculated per federal guidelines.

## Notification of Award

Each school is responsible for determining eligibility, selecting recipients, "packaging" the award, and notifying the student that he/she is eligible to receive OTAG.

## Payment Processing

Each school's president or chief administrator may designate one or more bonded staff members as authorized officials to make certifications as to the eligibility of OTAG applicants. The form to be completed is available on the OTAG resources page at: <http://www.okhighered.org/admin-fac/FinAidResources/otag.shtml>. We must have a signed form on file for the staff member before we can accept a claim that has been submitted and certified by that staff member.

When you are ready to pay the students or credit the amount to their accounts, please submit a claim with all data items filled in. Please be sure and indicate enrollment status and the amount you want the individual student to receive. We will process the claim into our database that includes data received from

the United States Department of Education. Discrepancies will be flagged and you will be contacted for resolution. We receive FAFSA transaction information for students daily. The claim should show the most recent information and transaction number available.

Generally, claims should be generated in Microsoft Excel format using our blank award claim form template; A blank template is available on our resource page at <http://www.okhighered.org/admin-fac/FinAidResources/otag.shtml>.

Claims can be generated and processed in text format. The resource page also has instructions for receiving and sending claims in text format. Sending claims to OTAG in text format requires that a “certification” page be submitted per fax or e-mail attachment. The Text File Award Claim Form Transmittal Forms are available on the resources page. If your school has not used text format before, please let us know so that a form specific to your school can be made available on the resources page.

Please pay particular attention to formatting and inputting the data on the Award Claim Form. If you import, or cut and paste data from a worksheet to the Award Claim Form, make sure that the leading zeroes in the social security numbers are properly entered into the Award Claim Form. There should be no blank spaces before or after the data in each column for the report to load successfully into our system.

You will need to add the amount you are awarding to the individual student for the payment period, as well as the enrollment status. **Use FT for full-time, use PT for half-time, and use LT for less than half-time.**

Annual maximum award amounts will be posted each year to the resources page at <http://www.okhighered.org/admin-fac/FinAidResources/otag.shtml>.

You may need to add qualifying full-time active duty military students and/or their dependents that qualify for the award but didn't put Oklahoma as their state of residence on the FAFSA. Legislation now extends in-state status to certain veterans, spouses, and dependent children as well. ROTC participants are also now eligible for in-state status. Any students added that do not show Oklahoma residency on their FAFSA should be added at the end of your claim with a corresponding indicator (**Y in column K or position 72 for text files**). For eligibility information on these students please refer to the Regent's policy on in-state and out-of-state status of enrolled students at <http://www.okhighered.org/state-system/policy-procedures/part3.shtml>.

Please complete the school information section at the top of the Award Claim Form (Lines 5 and 6 on the Award Claim Form). This section serves as your electronic signature; if it is not completed, the report will not be processed. Schools receiving text files must e-mail/fax the Text File Transmittal Form (available on our website) before their claims can be processed.

Please always use O-SAFE to send your completed form to us. O-SAFE is a secure form of file transfer. Claims must include personal information such as the social security number making a secure file transfer necessary.

OTAG will send e-mails to resolve any discrepancies, and also notify you of the students whose claims were not paid. This may occur if the student has been disbursed at another institution, we have a non-resident student record in our database, or if the claim amount exceeds your allocation. For students who have been disbursed at another school, you will need to confirm their attendance at your institution. OTAG will then request the other school to return the award funds for that student. The student will be awarded at your institution only after OTAG has received the funds from the school where the original disbursement was made.

Once the Award Claim Form has been processed, OTAG will place a disbursement report on the O-SAFE server, listing all the students for whom OTAG funds will be paid. Schools receiving text file reports will

be able to retrieve their reports from O-SAFE as well. Please note that text file disbursement reports are provided for information purposes only. Schools using text files to submit claims must respond to disbursements using the provided spreadsheet files. We request funds to pay claims at least twice weekly. We submit the request as soon as possible and funds should be provided within a week when state funding for the program is available and sufficient to pay current claims. State institutions will receive funds by wire transfer. Career Tech Schools and Independent non-profit schools will receive funds by EFT (Electronic Funds Transfer) or by paper check.

The Disbursement report needs to be completed and returned to OTAG after all funds have been disbursed to the students and no later than 30 days after the school receives the funds.

Adjust the disbursement report for any changes that may have occurred since the Award Claim Form was transmitted for processing. Changes may include cancellations when students withdraw or something else changes to make the student no longer eligible.

**Please do not add students to a disbursement report for any reason.** Our system will not allow us to process a disbursement report as a claim and funds request. You will need to process a new claim with just the student or students that need additional funding. This may require you to refund money even when we owe funds to your students. This keeps the accounting records clear and provides appropriate tracking.

If adjustments need to be made in a disbursement report already submitted, please contact the office for specific instructions on late refunds.

When reporting a change to a student record, please make sure that a “Y” has been placed in column A of the disbursement report. The Disbursement Report is designed to auto-calculate the total amounts disbursed and refunds to OTAG. If the “Y” is not entered, the calculations will not be accurate.

Please enter the adjusted disbursement amount in column “H”, and an associated reason code for the change in disbursed amount in column “I”. A numerical reason code chart is available on our resource page (<http://www.okhighered.org/admin-fac/FinAidResources/otag.shtml>) and appropriate codes should be used to indicate withdrawal, change in enrollment hours, or other reasons.

Finally, please make sure to complete the Institutions Accounting of Funds form contained in a separate tab at the bottom of the Disbursement Report. This form serves as your electronic signature for disbursement of OTAG funds, and also provides you with the total amount disbursed and the refund amount (if any) to be returned to OTAG. For state schools, wire transfer should be used to return funds to us. ***For your business office or whoever is responsible for refunds: please be sure to add OTG to the beginning or end of the invoice number indicator so that we know which program you are returning funds to.***

Reconciliation reports are available at the end of semester and end of the year for verifying disbursements and matching records.

## **Changes before and after Disbursement**

If the student’s award needs to be reduced or eliminated after the claim is submitted and before disbursement, you can make the correction on the disbursement report and return the funds. If an ineligible student becomes eligible, you can submit another claim listing the newly eligible student. If, after the student has received a reduced award, you find that the award could be increased, you can place the student on a claim and put the amount of the increase in the disbursement amount column on the claim. Please use just the amount of the increase not the total disbursement.

If student eligibility changes after the award is disbursed, generally no change or adjustment is necessary unless it was: (1) the result of an error and the student was never eligible for the disbursement, (2) to resolve an over-award, **or** (3) the student is being withdrawn with no charges.

**Resource Page:** <http://www.okhighered.org/admin-fac/FinAidResources/otag.shtml> (This page has links to the administrative rules as well as the Oklahoma statutes that govern OTAG).

**Eligible School List:**

[https://secure.okcollegestart.org/Financial\\_Aid\\_Planning/Oklahoma\\_Grants/OTAG\\_Eligible\\_Schools.aspx](https://secure.okcollegestart.org/Financial_Aid_Planning/Oklahoma_Grants/OTAG_Eligible_Schools.aspx).