

Summit Salon Academy Kokomo

Distribution of Student Grants under the Higher Education Emergency Relief Fund Policy and Procedures

Preamble

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides emergency assistance and health care response for individuals, families, and businesses affected by the 2020 coronavirus pandemic. The CARES Act includes the provision of approximately \$12.56 billion for the Higher Education Emergency Relief Fund. Institutions of higher education are to receive an allocated share of this fund under a formula based on student enrollment described in the Act and to be administered by the Secretary of the U.S. Department of Education. The CARES Act requires, in part, that “Institutions of higher education shall use no less than 50 percent of such funds to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to coronavirus (including eligible expenses under a student’s cost of attendance, such as food, housing, course materials, technology, health care, and child care).”

As announced by the Secretary, Summit Salon Academy Kokomo (the “Academy”) is to receive \$60,827.00 (the “Grant Fund”) for the purposes of making emergency financial aid grants to its students. This document sets forth the Academy’s plan for allocating, disbursing and accounting for the Grant Fund.

Just as COVID-19 does not discriminate on the basis of socioeconomic status, the Academy recognizes that a wide array of individuals and industries have been adversely impacted by COVID-19. The Academy recognizes that our students’ lives have been severely disrupted by coronavirus. Many are facing financial challenges and struggling to make ends meet. The Academy also recognizes that student financial records previously submitted to the Academy are dated and may not reflect a student’s current circumstances.

In accordance with guidance from the Academy’s accrediting agency, the Indiana Professional Licensing Agency, and the U.S. Department of Education, the Academy closed its physical location on March 17, 2020 and began providing temporary distance on April 1, 2020. Students were able to return to the Academy’s physical location on May 11, 2020. In order to provide financial relief to as many students as possible, the Academy will distribute emergency financial aid grants from the Grant Fund to all students who were actively enrolled as March 17, 2020, April 30, 2020, and/or May 11, 2020 (hereinafter referred to as the “Determination Dates”), under the terms more fully described below.

Allocation of Grant Funds Formula

The total allocation of the Grant Fund will be divided into three equal amounts of \$20,275.67. This amount will then be allocated equally among all eligible students actively enrolled in a Title IV eligible program on each Determination Date. In accordance with guidance published by the U.S. Department of Education, student grants will be distributed only to students who are Title IV eligible. An eligible enrolled student includes any student that has not been withdrawn, to

include students progressing via temporary distance education. Students who are on an approved Leave of Absence due to issues related to COVID-19 that began on or after March 13, 2020 are considered actively enrolled and are eligible to receive the grants.

Awarding Policy

The Academy will prepare a roster of eligible actively enrolled students as of each Determination Date. The student grant award amount allocated to each student with respect to each Determination Date will be determined by dividing (i) \$20,275.67 by (ii) the total number of eligible students on that Determination Date. The total student grant award amount for each eligible student will be determined by adding the student's individual grant allocations for each of the three Determination Dates.

Students that have filed a Free Application for Federal Student Aid (FAFSA) and for which the Academy has a current Institutional Student Information Record (ISIR) will be considered Title IV eligible. Students that have not filed a FAFSA may still demonstrate Title IV eligibility and thus eligibility for emergency federal student aid grants under this policy upon proof of:

- US citizenship or that the student is an eligible noncitizen;
- a valid Social Security number;
- registration with Selective Service (if the student is male);
- a high school diploma, GED, or completion of high school in an approved homeschool setting; and
- that student is not delinquent with respect to any outstanding federal student loans.

Alternatively, a student enrolled as of May 11, 2020 who did not previously file a FAFSA may choose to file a FAFSA for grant purposes, and the Academy will consider the student to be Title IV eligible upon receipt of the student's ISIR and successful completion of any required verification.

Awarding Procedures

The Academy's Director and Financial Aid Director will oversee the awarding and actively enrolled student censuses. The Academy will deposit the Grant Fund in a separate dedicated checking account to be used for the sole purposes of administering the emergency student financial aid grants in accordance with Federal law, published guidance from the U.S. Department of Education, and this plan.

Disbursement Procedures

The Academy will begin contacting students about the emergency financial aid grants on or about May 21, 2020. The Academy will make every reasonable effort to contact all eligible students to notify them of the emergency financial aid grant to which they are entitled. Included with this notice will be an attestation statement (Exhibit A) to be signed by the student wherein

the student shall acknowledge that the emergency grant funds will be used to cover expenses related to the disruption of campus operations due to coronavirus, such as food, housing, course materials, technology, health care, and child-care. This notice and acknowledgment statement will be sent to the student's email address on record with the Academy. Students will complete the acknowledgment statement via DocuSign or send a signed copy of the statement to the Academy.

The emergency financial aid grants will be distributed by checks made payable to the students. No grant checks will be disbursed to any otherwise eligible student who fails to or refuses to sign the acknowledgment statement.

Eligible students will have the option on how to receive their grant fund checks. Students may request to pick up their checks at the Academy, otherwise the Academy will mail the check to the address listed on the student's attestation statement. Students will indicate their choice for receiving the grant checks on their acknowledgement statements. The Academy will provide instructions for those students choosing to pick up their checks at the Academy which will include available pick-up times as well as safe social distancing requirements. In addition to the emergency grant fund checks, the students will receive an instruction letter from the Academy in the form attached as Exhibit B.

Accounting & Recordkeeping

The Academy's Director and Financial Aid Director will be responsible for the administration of the emergency financial aid grants. All disbursements will be overseen by the Director and Financial Aid Director.

The Academy's Director is responsible for all accounting and recordkeeping associated with the administration of the student emergency grants. The Director shall maintain an Excel spreadsheet to track all disbursements by student. The Director shall also be responsible for completing all reports that must be submitted to the U.S. Department of Education as required by the CARES Act and any future guidance from the Department.

Grants of Unclaimed Funds

It is the Academy's intention that the entire Grant Fund will be disbursed to all eligible students equally in the manner set forth above. However, the Academy recognizes that there may be some amounts allocated to students that do not ultimately get disbursed as intended. For example, the Academy may not be able to timely locate an eligible student on an approved leave of absence. It is possible that an eligible student may decline the grant funds or refuse to sign the attestation statement.

In the event that there is any amount remaining from the Grant Fund as of July 31, 2020, the Academy will disburse such remaining funds via additional emergency need-based grants. The Academy will send an email to all eligible students informing them of the availability of additional grants. The email will include an application form to be completed by students seeking to be considered for an additional emergency need-based grant.

A committee consisting of the Academy's President, Director, and Financial Aid Director will decide which students shall receive an additional emergency need-based grant and the amount of such grant. The maximum amount of any additional emergency need-based grant shall not exceed \$1,000.00, and there is no minimum dollar amount. The committee will consider the information to be provided on the student's grant application as well as information already on record with the Academy such as the student's dependency status, family size, expected family contribution, unmet financial need, program length, satisfactory academic progress, and expected completion date.

EXHIBIT A
Summit Salon Academy Kokomo
Student Emergency Financial Aid Grants
Attestation

Student Name:

Current Mailing Address:

Cell Phone Number:

Email Address:

Amount of Award: \$

Date:

Please return this attestation statement to the Academy as soon as possible but no later than June 5, 2020. Failure to return this attestation statement by this date may result in your grant award being forfeited and those funds being used to make additional grants to other students.

I accept the grant award provided to me from funding made available to the Summit Salon Academy Kokomo under the CARES Act.

I certify the following:

- All information provided in this Attestation is true and correct to the best of my knowledge.
- I am eligible for Title IV Federal Financial Aid.
- I understand that any money awarded from this grant is to be used for expenses related to the disruption of campus operations due to coronavirus. These expenses include eligible expenses under a student's cost of attendance in the calculation of Federal Financial Aid, such as food, housing, course materials, technology, health care, and childcare. The money I am receiving is intended to cover my expenses related to the disruption of campus operations.

I would like to receive my grant check (choose one):

_____ Pick Up at Academy _____ Mail to my Current Address Above

I understand that if I choose to have my grant check mailed to me it will be mailed to the address listed above. I will immediately notify the Academy if at any time my address changes. I further understand that if the Academy is unable to locate me and/or distribute any part of my grant award after making reasonable efforts that I will forfeit such funds and that the Academy may use those funds to make additional grants to other students.

Student Signature

Date

EXHIBIT B

May ____, 2020

Student Name:

Current Mailing Address:

Re: Student Emergency Relief Grant

Dear Student,

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides emergency assistance for students who are in need of financial support for expenses related to the disruption of campus operations due to the coronavirus pandemic. Under the CARES Act, the Summit Salon Academy Kokomo has received grant funding from the U.S. Department of Education for the purpose of making emergency financial aid grants to its students.

Enclosed please find an emergency financial aid grant check in the amount of \$_____. This is a grant, which means that this amount does not need to be repaid. Your acceptance of these grant funds is conditioned upon your agreement to use the funds for the purposes allowed under the CARES Act and as agreed upon by you in the attestation statement that you previously provided to the Academy. In particular, you understand that the money awarded from this grant is to be used for expenses related to the disruption of campus operations due to coronavirus. These expenses include eligible expenses under a student's cost of attendance in the calculation of Federal Financial Aid, such as food, housing, course materials, technology, health care, and childcare. The money you are receiving is intended to cover your expenses related to the disruption of campus operations.

We hope that you and your family and friends are safe and healthy. Please do not hesitate to contact us if you have any questions.

Very truly yours,

CARES ACT UPDATE 07/29/2020

Total amount of CARES act HEERF grant funds distributed to eligible students as of 07/29/2020 = **\$53,414.78**

Estimated number of eligible students = **76**

Number of eligible students that accepted and received grant funds = **73**