

Aveda Fredric’s Institute
Distribution of Student Grants under the
Higher Education Emergency Relief Fund (HEERF III)
Policy and Procedures

Preamble

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARP) (Pub. L. 117-2). The ARP appropriated approximately \$39.6 billion for the Higher Education Emergency Relief Fund (HEERF) and represents the third stream of funding appropriated for HEERF to prevent, prepare for, and respond to coronavirus. Taken together, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Pub. L. 116–136), the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) (Pub. L. 116-260), and the ARP represent HEERF I, HEERF II, and HEERF III, respectively.

Proprietary institutions of higher education such as the Aveda Fredric’s Institute (the “Institute”) may apply for HEERF grant funds under the new American Rescue Plan Act of 2021, Proprietary Institution Grant Funds for Students. Awards from the Proprietary Institution Grant Funds for Students program may only be used to provide financial aid grants to students, which may be used for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care), or childcare. In making such financial aid grants to students, grantee institutions must prioritize grants to students with exceptional need, such as students who receive Pell Grants. However, student grant recipients do not need to be only Pell recipients or students who are eligible for Pell Grants.

As announced by the Secretary, the Institute is to receive \$115,656.00 (the “ARP Grant Fund”) for the purposes of making emergency financial aid grants to its students. This document sets forth the Institute’s plan for allocating, disbursing, and accounting for the ARP Grant Fund.

Allocation of Grant Funds Formula

Just as COVID-19 does not discriminate on the basis of socioeconomic status, the Institute recognizes that a wide array of individuals and industries have been adversely impacted by COVID-19. The Institute recognizes that our students’ lives have been severely disrupted by coronavirus. Many are facing financial challenges and struggling to make ends meet.

Students actively enrolled at the Institute on August 24, 2021 may be eligible to receive a financial aid grant from the ARP Grant Fund. The grants to be awarded to students will be based on the following formula, which is intended to prioritize the distribution of student grants to those students who demonstrate exceptional need. The ARP Grant Fund will be divided equally among all Qualifying Students who are actively enrolled at the Institute on August 24, 2021. For purposes of receiving a grant award from the ARP Grant Fund, a “Qualifying Student” is either (i) a student who is eligible for federal Pell grants, or (ii) a student who has submitted evidence of Demonstrated Hardship.

The Institute will use information from the student's most recent Institutional Student Information Record (ISIR) on file to determine whether the student is Pell grant eligible. Students enrolled as of August 24, 2021, who did not previously file a Free Application for Federal Student Aid (FAFSA), may choose to file a FAFSA for purposes of the grant award calculations to be made pursuant to this plan. The successful completion of the FAFSA will generate an ISIR for the student, and the Institute will use the information from that ISIR for purposes of determining whether the student is eligible for federal Pell grants, and therefore, a Qualifying Student entitled to a student grant award from the ARP Grant Fund. In order for a student's ISIR to be considered for grant allocation purposes, it must be received by the Institute no later than September 12, 2021 because the Institute will begin the process of allocating grant funds to students on September 13, 2021.

Students who are not eligible for federal Pell Grants may be considered Qualifying Students, and therefore, eligible for an emergency financial aid grant under this plan if they submit evidence of Demonstrated Hardship. The Institute recognizes that student financial records previously submitted to the Institute are dated and may not reflect a student's current circumstances. Students who are not eligible for federal Pell grants may submit evidence of Demonstrated Hardship by utilizing the form attached to this plan. The Institute will review the form and supporting documentation provided by the student. The determination of whether a student has made a sufficient showing of Demonstrated Hardship will be in the Institute's sole discretion, and the Institute's determination shall be final. Any student seeking consideration for a grant award due to Demonstrated Hardship must submit the Demonstrated Hardship form and supporting documentation on or before September 12, 2021. Students who do not submit the applicable form and supporting documentation by September 12, 2021 will not be considered for a grant award due to Demonstrated Hardship.

The Institute will begin contacting students about the financial aid grants on or about September 3, 2021. This initial email notice will include a brief description of this plan, including information about how students may apply for grant award consideration due to Demonstrated Hardship. The form of this initial email notice and Demonstrated Hardship form is included with this plan as Exhibit A.

Awarding Policy & Procedures

The Institute Support Center will oversee the awarding and eligible student census.

On or about September 13, 2021, the Institute will begin the process of awarding student grants from the ARP Grant Fund to eligible students. Each Qualifying Student will be awarded a grant in the amount equal to (i) the ARP Grant Fund; divided by (ii) the total number of Qualifying Students.

The Institute plans to notify students of their grant award amounts the week of September 20, 2021. Each student grant recipient will receive a grant notification, the form of which is included in the plan as Exhibit B.

Disbursement Procedures

The Institute will make every reasonable effort to contact all eligible students to notify them of the emergency financial aid grant to which they may be entitled. Included with the grant notification will be an attestation statement (Exhibit B) to be signed by the student wherein the student shall acknowledge that the emergency grant funds will be used for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care), or childcare. This grant notice and acknowledgment statement will be sent to the student's email address on record with the Institute. Students will complete the acknowledgment statement via DocuSign or return a signed copy of the statement to the Institute.

The financial aid grants will be paid securely by the Institute's banking partner, Civista Bank. Students will receive their grant funds via check. The Institute will mail the check to the address listed on the student's attestation statement. Students are responsible for ensuring the correct mailing address is included on the attestation statement. In addition to the emergency grant fund checks, students will receive a grant notification in the form attached to this Plan as Exhibit C.

Otherwise, eligible students who have not returned the acknowledgment statement to the Institute, on or before September 24, 2021, may not be eligible to receive a grant award under this plan.

Accounting & Recordkeeping

The Institute Support Center will be responsible for the administration of the emergency financial aid grants.

The Institute 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. The Institute will minimize the time between drawing down funds from G5 and paying the student grants to eligible students. In accordance with published Federal guidance, the Institute will disburse the grant funds to students within 15 calendar days of drawing down the funds. The Institute will maintain drawn down grant funds in an interest-bearing account, and any interest earned on all Federal grant funds above \$500 (all Federal grants together) during the Institute's fiscal year will be returned to the Federal government.

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

The Institute will not charge any indirect or administrative costs to the Grant Fund award as the ARP Grant Fund represents an amount of funds that must be distributed to students.

Grants of Unclaimed Funds

It is the Institute's intention that the entire ARP Grant Fund will be disbursed to all eligible students in the manner described above. However, the Institute recognizes that there may be some amounts allocated to students that do not ultimately get disbursed as intended. For example, 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 ARP Grant Fund as of October 31, 2021, the Institute will disburse such remaining funds via additional emergency need-based grants. The Institute 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 Institute'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 Institute 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
ARP INFORMATION EMAIL AND
DEMONSTRATED HARDSHIP FORM

Subject: Student Emergency Relief Grant

Dear Student,

The American Rescue Plan Act of 2021 (ARP) 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 ARP, the Aveda Fredric’s Institute (the “Institute”) has received grant funding from the U.S. Department of Education for the purpose of making emergency financial aid grants to its students.

Students enrolled at the Institute on August 24, 2021 may be eligible to receive a financial aid grant from the ARP Grant Fund. The amount of each student’s grant award is based on a formula that considers whether the student is eligible for federal Pell grants or whether the student has experienced demonstrated hardship due to the coronavirus pandemic. This formula is intended to prioritize the distribution of student grants to those students who demonstrate exceptional need.

The Institute will use information on record from your Free Application for Federal Student Aid (FAFSA) to determine whether you are designated as a Pell grant eligible student. If you did not previously file a FAFSA and wish to have the information reported on the FAFSA considered as part of your grant award allocation, then you should file a FAFSA as soon as possible. The Institute will begin the process of allocating grant awards to students beginning September 13, 2021. Any information from your FAFSA reported to the Institute after September 12, 2021 will not be considered in the grant allocation process. In order for the Institute to receive your FAFSA information by this date, we encourage you to file a FAFSA as soon as possible but no later than September 7, 2021. Please see the Financial Aid Administrator if you have any questions or would like additional information about filing a FAFSA.

As part of the Institute’s student grant allocation formula, students who have recently experienced demonstrated hardship will be allocated a share of grant funds. Demonstrated hardship may include:

- Loss of Employment
- Reduction of Income
- Divorce/Separation
- Unusual Medical/Dental Expenses
- Death of Parent or Spouse

If you believe that you have experienced a demonstrated hardship since the beginning of the coronavirus pandemic, we encourage you to submit a Demonstrated Hardship form and supporting documentation. Please click on the link below to fill out the Demonstrated Hardship form in its entirety to be accepted for consideration. Any supporting documentation should be hand delivered to the Institute's Financial Aid Office.

Link to Form: (insert link)

The Institute will review your request and inform you of whether your circumstances have been determined to meet the criteria of demonstrated hardship. *Any student seeking consideration for a grant award due to Demonstrated Hardship must submit the Demonstrated Hardship form and supporting documentation on or before September 12, 2021.* Students who do not submit the applicable form and supporting documentation by September 12, 2021 will not be considered for a grant allocation due to Demonstrated Hardship.

The Institute expects to provide students with grant award notices during the week of September 20, 2021. In the meantime, please do not hesitate to contact us at studentaccounts@nurturaveda.com if you have any questions regarding the Institute's plan for the allocation and distribution of these emergency student financial aid grants.

Very truly yours,

Patrick J. Thompson, President
Aveda Fredric's Institute

Aveda Fredric's Institute
Student Emergency Financial Aid Grants

Demonstrated Hardship Form

Student Name: _____

Current Mailing Address: _____

Cell Phone Number: _____

Email Address: _____

Date: _____

The American Rescue Plan Act of 2021 (ARP) 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 ARP, the Aveda Fredric's Institute (the "Institute") has received grant funding from the U.S. Department of Education for the purpose of making emergency financial aid grants to its students.

As part of the Institute's student grant allocation formula, students who have recently experienced demonstrated hardship will be allocated a share of grant funds. **Any student seeking consideration for a grant award due to Demonstrated Hardship must submit the Demonstrated Hardship form on or before September 12, 2021 and supporting documentation must be hand-delivered to the Institute's Financial Aid Office on or before September 12, 2021.** Students who do not submit the applicable form and supporting documentation by September 12, 2021 will not be considered for a grant allocation due to Demonstrated Hardship.

Please indicate the special circumstances of demonstrated hardship that you wish for the Institute to consider in its allocation of emergency financial aid grants to students (choose all that apply):

- Loss of Employment
- Reduction of Income
- Divorce/Separation
- Unusual Medical/Dental Expenses
- Death of Parent or Spouse

Circumstances that are NOT considered as extenuating include, but are not limited to:

- Standard living expenses (e.g., utilities, credit card payments, etc.)
- Mortgage payments
- Car payments
- Credit card or other personal debts
- Vacation expenses
- All other discretionary expenses

Any request for special consideration of demonstrated hardship must include a detailed written explanation from the student and supporting documentation. Any Demonstrated Hardship forms submitted without either a detailed written description or supporting documentation will not be considered.

Written Explanation

(additional pages must be delivered to the Institute's Financial Aid Office by September 12, 2021)

Please provide supporting documentation based on your special circumstances as follows:
(Supporting documentation must be delivered to the Institute's Financial Aid Office on or before September 12, 2021)

<u>Special Circumstances:</u>	<u>Documentation to be provided:</u>
Loss of Employment	<ul style="list-style-type: none">• Official documentation verifying date of job loss (e.g. severance letter, unemployment decision, etc.)• Final paycheck stub(s) received• Unemployment history summary reporting benefits received to date and balance remaining in 2021• If employed after job loss, please include most recent paycheck stubs of any and all employment
Reduction of Income	<p><u>Reduction in Wages/Hours:</u> Current employer has reduced wages and/or hours for at least 12 consecutive weeks in 2020 or 2021 for you, your spouse, or your parent (if dependent).</p> <p>Documentation Needed:</p> <ul style="list-style-type: none">• Employer documentation verifying change in employment status (e.g. furlough)• Copy of paycheck stub(s) received before reduction and copy of most recent paycheck stub(s) since reduction in 2020 or 2021 <p><u>Reduction in Income/Benefits:</u> You, your spouse, or your parent(s), if dependent, lost income or benefits outside of employment (i.e. child support, unemployment, etc.).</p> <p>Documentation Needed:</p> <ul style="list-style-type: none">• Third-party official documentation reporting date income or benefit was terminated/exhausted
Divorce/Separation	<p><u>For separation:</u> Signed statement indicating date of separation and two official documents (e.g., copy of lease, utility bill, driver's license, etc.) verifying the physical address of the absent spouse/parent (no P.O. boxes)</p> <p><u>For divorce:</u> A divorce decree</p>

Unusual Medical/Dental Expenses	<p>Medical and/or dental expenses for 2020 or 2021 that were paid out-of-pocket (i.e. not what insurance covered) for you, your spouse (if applicable) and/or your parent(s)/sibling(s), if dependent.</p> <p>Documentation Needed:</p> <ul style="list-style-type: none"> • Copies of canceled checks for out-of-pocket payments and/or receipts of payments • A copy of your FSA or HSA account showing payments and/or a copy of your medical account listing payments and dates
Death of Parent or Spouse	Copy of the death certificate or a published newspaper obituary with date of death

This form will not be considered unless all of the required documentation has been delivered to the Institute’s Financial Aid Office on or before September 12, 2021.

My signature certifies that the information provided for this request and all accompanying documentation is true and correct to the best of my knowledge.

Student Signature: _____ **Date:** _____

DO NOT WRITE BELOW THIS LINE

 FOR OFFICE USE ONLY

Institute Final Action: Approved: _____ Denied: _____

Signature of Institute Official _____ Date _____

EXHIBIT B
Aveda Fredric's Institute
Student Emergency Financial Aid Grants
Grant Notification & Attestation Statement

Student Name: _____

Current Mailing Address: _____

Cell Phone Number: _____

Email Address: _____

Date: _____

GRANT AWARD AMOUNT: _____

Please return this Notification & Attestation Statement to the Institute as soon as possible but no later than September 24, 2021. 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.

Please make sure your contact information shown above is correct before you submit this Grant Notification & Attestation Statement, as this information will be used for the purpose of delivering your grant award to you.

I accept the grant award provided to me from funding made available to the Aveda Fredric's Institute under the American Rescue Plan Act of 2021 (ARP).

I certify the following:

- All information provided in this Attestation Statement is true and correct to the best of my knowledge.
- I have experienced additional expenses due to the disruption caused by coronavirus.
- I understand that any money awarded from this grant is to be used for any component of my cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care), or childcare.

Student Signature

Date

EXHIBIT C

September ____, 2021

Student Name:

Current Mailing Address:

Re: Student Emergency Relief Grant

Dear Student,

The American Rescue Plan Act of 2021 (ARP) 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 ARP, the Aveda Fredric's Institute has received grant funding from the U.S. Department of Education for the purpose of making emergency financial aid grants to its students.

In connection with ARP, your emergency financial aid grant check has been mailed to you via the U.S. Postal Service, using the mailing address provided in the Grant Notification & Attestation Statement previously signed by you.

This is a grant, which means that this amount does not need to be repaid. Your acceptance of this grant award is conditioned upon your agreement to use the funds for the purposes allowed under ARP and as agreed upon by you in the attestation statement that you previously provided to the Institute. In particular, you understand that the money awarded from this grant is to be used for any component of your cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care), or childcare.

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,

Patrick Thompson, President
Aveda Fredric's Institute