



Aveda Fredric's Institute

**Distribution of Student Grants under the
Higher Education Emergency Relief Fund (HEERF II)
Policy and Procedures**

Preamble

On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA). This new law makes available approximately \$22.7 billion for institutions of higher education under the Higher Education Emergency Relief Fund (HEERF).

Proprietary institutions of higher education such as the Aveda Fredric's Institute (the "Institute") may apply for HEERF grant funds under the new CRRSAA section 314(a)(4) program, 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 \$186,226.00 (the "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 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 May 24, 2021 may be eligible to receive a financial aid grant from the 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 Grant Fund will be divided equally among all Qualifying Students who are actively enrolled at the Institute on May 24, 2021. For purposes of receiving a grant award from the Grant Fund, a "Qualifying Student" is a student who is either (i) 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 May 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 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 June 7, 2021 because the Institute will begin the process of allocating grant funds to students on June 8, 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 June 7, 2021. Students who do not submit the applicable form and supporting documentation by June 8, 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 May 26, 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 June 8, 2021, the Institute will begin the process of awarding student grants from the Grant Fund to eligible students. Each Qualifying Student will be awarded a grant in the amount equal to (i) the Grant Fund; divided by (ii) the total number of Qualifying Students.

The Institute plans to notify students of their grant award amounts no later than June 17, 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 grant notification form will include the amount of grant awarded to the student as well as information about any balance due from the student to the Institute as of the grant notification date. Student grant recipients shall have the option to apply some or all of the grant award to the student's outstanding balance with the Institute. A student's grant award amount under this plan shall not be conditioned upon the student's future enrollment with the Institute, nor is a student's consent to the application of the financial aid grant to the student's outstanding account balance with Institute a condition of receipt of or eligibility for the financial aid grant.

The financial aid grants, less any amount applied to the student's outstanding balance with the Institute, will be paid securely by the Institute's banking partner, Civista Bank. Students will receive their grant funds via check. Civista Bank will send the check to the current address listed on the student's attestation statement. When the check is mailed, 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 June 24, 2021 will 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 CRSAA and any future guidance from the Department.

The Institute will not charge any indirect or administrative costs to the Grant Fund award as the 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 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 Grant Fund as of June 20, 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
CRSSAA INFORMATION EMAIL AND
DEMONSTRATED HARDSHIP FORM

Subject: Student Emergency Relief Grant

Dear Student,

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) 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 CRRSAA, 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 May 24, 2021 may be eligible to receive a financial aid grant from the Grant Funds. The amount of each student's grant award is based on a formula that considers whether the student is eligible for federal Pell grants and 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 June 8, 2021. Any information from your FAFSA reported to the Institute after June 7, 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 June 1, 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: <https://form.jotform.com/211445595197161>

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 an additional grant award due to Demonstrated Hardship must submit the Demonstrated Hardship form and supporting documentation on or before June 7, 2021.* Students who do not submit the applicable form and supporting documentation by June 7, 2021 will not be considered for an additional grant allocation due to Demonstrated Hardship.

The Institute expects to provide students with grant award notices by June 10, 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: _____ Date: _____
Current Mailing Address: _____ Cell Phone Number: _____
Street Address 1: _____ Email Address: _____
Street Address 2: _____
City: _____
State: _____ Zip Code: _____

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) 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 CRRSAA, 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 June 7, 2021, and supporting documentation must be received by the Institute's Financial Aid Office on or before June 7, 2021.** Students who do not submit the applicable form and supporting documentation by June 7, 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

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. **Supporting documentation must be hand-delivered to the Institute's Financial Aid Office on or before June 7, 2021.**

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 June 7, 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: _____ Date: _____
Current Mailing Address: _____ Cell Phone Number: _____
Street Address 1: _____ Email Address: _____
Street Address 2: _____
City: _____
State: _____ Zip Code: _____

GRANT AWARD AMOUNT:

OUTSTANDING BALANCE DUE TO INSTITUTE:

Please return this Notification & Attestation Statement to the Institute as soon as possible but no later than June 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.

I accept the grant award provided to me from funding made available to the Aveda Fredric's Institute under Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA).

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.

I understand that I have the option, but that I am not required, to apply some or all of the Grant Award Amount toward my outstanding balance due to the Institute. Whether I choose to apply some or all of my Grant Award Amount toward my outstanding balance due to the Institute will not change my Grant Award Amount.

Please indicate your choice for the disbursement of your Grant Award Amount (choose one):

_____ I give my consent for the Institute to use my Grant Award Amount as payment toward my
initials outstanding balance with the Institute. If the Grant Award Amount is greater than my outstanding
balance, then the Institute will give me a check for the difference. If the Grant Award Amount is
less than my outstanding balance, then I shall be responsible for any remaining balance due. I
understand that my Grant Award Amount is not conditioned upon my consenting to the use of my
Grant Award Amount as payment toward my outstanding balance due to the Institute.

_____ I choose to receive a payment from the Institute for my Grant Award Amount via check by mail. I
initials understand that a manual check will be mailed to me to the address listed above.

Student Signature

Date

EXHIBIT C

June ____, 2021

Student Name:

Current Mailing Address:

Re: Student Emergency Relief Grant

Dear Student,

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) 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 CRRSAA, 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 CRRSAA, your emergency financial aid grant check has been mailed via U.S. Postal Service. The check is mailed from our third-party servicer, CIVISTA BANK. The check was mailed in a plain envelope with 'Civista Bank' in the return address window. Please open this envelope. *IT IS NOT JUNK MAIL.*

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 CRRSAA 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