

# Emergency Aid: Frequently Asked Questions and Answers

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## General Questions

### 1 What is the difference between emergency aid and other forms of financial aid?

While there is no single definition of emergency aid, emergency aid tends to address an immediate need to cover an unexpected expense versus a student simply being generally under-resourced or not having planned for predictable expenses. Financial aid for tuition and fees, books and supplies, transportation, personal expenses, and other standard education-related expenses that are included in the institution's Cost of Attendance (COA) are not generally considered emergency aid.

### 2 What is the difference between emergency aid and a financial aid appeal?

You may sometimes hear a financial aid appeal referred to as a "Professional Judgment" or PJ, which is the process by which financial aid administrators exercise their authority to reevaluate a student's financial circumstances. One distinguishing characteristic of emergency aid programs, versus an appeal or PJ, is the quick turnaround time for students. While the same end result could be obtained through either a financial aid appeal or through an emergency aid request, the traditional financial aid appeal process requires documentation, review by a financial aid administrator, disbursement of funds to the student's account, and a refund to the student by the student accounts office. This process can take days, at minimum. The financial aid appeal process is best for situations like a family member's job loss or other events that are more reflective of a long-term financial hardship, where there is time to recalculate the student's total aid eligibility.

Emergency aid programs represent an opportunity to circumvent the formal appeals process to get funds into students' hands quickly. Emergency aid requests are more appropriate for one-time funding needs. A good example would be a broken-down car, where the student needs repairs performed as soon as possible in order to get to campus so as to not fall behind in courses.

While emergency aid might circumvent a *process*, it cannot circumvent law or regulations. See questions 1 and 2 in the compliance section that follows for more information on how emergency aid works like other types of financial aid.

Another distinction between emergency aid and a financial aid appeal is that there may be separate funding streams for financial aid and emergency aid. So, a financial aid appeal might not yield additional eligibility for financial aid if there is no financial aid available, but a student might still qualify for funds from an institution's separate emergency aid program. Remember, however, that financial aid rules must still be followed regardless of whether the aid is considered part of the regular financial aid program or emergency aid. See questions 1 and 2 in the compliance section that follows for more on those rules.

**3 Is there a definition of emergency aid?**

There is no single, agreed-upon definition of what is considered emergency financial aid. Each institution develops their own definition based on a number of factors.

**4 What constitutes an emergency?**

That will depend mostly on your institution's policies and procedures for its emergency aid program; there is no set definition of what qualifies as an emergency for emergency aid programs. Generally speaking, if a student's emergency is related to an expense that has already been included in their Cost of Attendance (COA), it might not be considered an emergency, since it is a known expense for which the student should have budgeted. However, some other unanticipated expense could have hindered the student such that they can no longer afford an expense they had previously budgeted for, so it is important to fully understand the student's circumstances before denying emergency aid requests that upon first glance might not seem to qualify. See question 1 in the compliance section that follows for more on COA.

**5 How do students apply for emergency aid?**

Because emergency aid is administered at the institutional level, your campus will develop its own application process for emergency aid.

**6 What types of documentation do students need to provide when applying for financial aid?**

Because emergency aid is administered at the institutional level, your campus will develop its own documentation requirements as part of the application process. Common types of documentation might include a copy of a receipt for an expense incurred, or a letter or invoice from a service provider. If it becomes necessary to adjust the student's financial aid eligibility in order to accommodate emergency aid, the financial aid office can instruct students about exactly what documentation is necessary.

**7 Do students have to pay emergency aid back?**

It depends on the type of emergency aid your institution decides to award students as part of its emergency aid program. Some institutions use grants to cover student emergencies; grants do not need to be paid back. Other institutions offer non-cash assistance like food pantries, which also do not need to be paid back. If the emergency aid is awarded in the form of a loan, however, students would need to repay those funds according to the terms of the loan.

**8 Can federal student aid be awarded as emergency aid?**

Yes. While there is no specific federal funding source that is designated to cover emergencies, an institution can use federal student aid to cover a student's emergency expenses, provided the student meets federal student aid eligibility requirements. See questions 1 and 2 in the compliance section that follows for more on the rules governing federal student aid eligibility.

## Questions About Compliance With Federal Student Aid Laws and Regulations

### 1 What financial aid rules must be considered when awarding emergency aid?

Eligibility for financial aid from any source, including emergency aid, is limited by a student's unmet need. Unmet need is calculated by subtracting a student's Estimated Family Contribution (EFC)—an estimate of a family's ability to pay based on the information they provided on the Free Application for Federal Student Aid (FAFSA)—and their Estimated Financial Aid (EFA)—the total of all financial aid the student is expected to receive—from the Cost of Attendance (COA), which is the institution's estimate of the total cost to attend the institution for the academic year. The difference between COA-EFC-EFA is called "unmet need" and represents a student's remaining eligibility for financial aid, including emergency aid. A student must have unmet need to qualify for emergency aid. See questions 6 and 7 in this section for information about available options when a student does not have unmet need.

### 2 Is emergency aid considered financial aid?

Yes, emergency aid programs are considered Estimated Financial Aid (EFA), and therefore must be coordinated with the financial aid office to ensure a student receiving such assistance does not receive more financial aid than they are eligible to receive. Generally speaking, any assistance provided to a student because of their enrollment in a postsecondary education program is considered EFA. See question 1 in this section for more on EFA and question 6 in this section for exceptions to this rule.

### 3 Can emergency aid be administered outside of the financial aid office so it doesn't have to count against a student's other aid eligibility?

No. It is the type of aid, and not the entity administering it, that determines whether emergency aid will count against a student's other aid eligibility. Institutions are required to have a system of identifying and resolving discrepancies in all federal student aid-related information received by any school office. As such, all campus offices that award or are otherwise aware of a source of financial aid, including emergency aid, must report it to the financial aid office for it to be considered part of the student's total financial aid package. See question 6 in this section for types of emergency aid that may not need to be counted against a student's other aid eligibility.

### 4 Is there a minimum amount of emergency aid that can be awarded so it doesn't count against a student's other aid eligibility?

No, any amount of emergency aid must be considered Estimated Financial Aid (EFA) and be counted as part of a student's total eligibility. See questions 1 and 2 in this section for more on how financial aid eligibility is calculated.

**5 Is there a maximum amount of emergency aid a student can receive?**

Because emergency aid generally comes from institutional funding, institutions set their own limits on how much a student can receive from those funds. If federal or state student aid is used to cover an emergency expense, any applicable annual and aggregate limits for that aid type must be followed. Even if your institution does not set a limit on the amount of emergency aid a student can receive, there is still a federal limit on the total amount of financial aid they can receive, and that includes emergency aid. See questions 1 and 2 in this section for more on student aid eligibility.

**6 Does the type of emergency aid (grant, loan, non-cash assistance like a food bank) impact the treatment as financial aid?**

Yes. Short-term or emergency loans that must be repaid before the end of the aid payment period or semester are not considered Estimated Financial Aid (EFA). Assistance that is available to individuals outside of the institution's students—like a food pantry that is open to the broader community instead of limited only to enrolled students—also does not need to be factored into a student's financial aid eligibility. All other types of emergency aid must be considered EFA. See questions 1 and 2 in this section for more on how financial aid eligibility is calculated.

**7 The financial aid office says the student has no remaining eligibility for emergency aid under federal rules. How can we help this student?**

The financial aid office is referring to something called unmet need, and it is the result of a calculation that starts with the student's Cost of Attendance (COA) and subtracts the student's Estimated Family Contribution (EFC) and Estimated Financial Aid (EFA). The end result is called unmet need and represents the amount of additional financial aid a student is eligible to receive. See questions 1 and 2 in this section for more on calculating student aid eligibility.

Emergency aid must be treated just like any other type of aid for federal student aid eligibility purposes, and this means that they must have unmet need in order to qualify for assistance from an emergency aid program.

There are options for students with emergencies who don't have unmet need. Short-term loans do not need to be counted as EFA and, as such, do not require the student to have unmet need. See question 6 in this section for more on short-term loans. Professional Judgment (PJ) is another option that allows the financial aid office to increase the student's unmet need by either increasing the COA or decreasing the EFC. See question 1 in this section for more on the COA-EFC-EFA formula. There may be resources administered outside of the institution, such as means-tested benefits or off-campus food pantries that could help the student through their emergency but don't need to be factored into the student's financial aid package.

**8 What resources are available to my institution to help keep our emergency aid program in compliance with federal student aid laws and regulations?**

Your financial aid office has staff who are experts on financial aid laws and regulations. They also have access to the Federal Student Aid Handbook—a compilation of Department of Education regulations and guidance—and to similar resources for state rules. The Department of Education has regional training offices that financial aid administrators can rely on to provide both training and to answer individual questions. NASFAA member institutions have access to NASFAA's AskRegs Knowledgebase, where they can search for reliable, researched answers to questions to regulatory questions that have previously been asked or submit a new question of their own to receive an answer from NASFAA's regulatory staff.

**9 Is there any type of emergency assistance that doesn't have to be counted as part of the student's total financial aid award?**

Yes. Short-term loans that must be repaid by the student before the end of the payment period or semester do not have to be treated as Estimated Financial Aid (EFA) and, as such, do not need to be counted as part of the student's total financial aid award. Assistance that is available to individuals beyond just the institution's students, like a food pantry that is open to the broader community instead of limited to enrolled students, also does not need to be factored into a student's financial aid eligibility. See questions 1 and 2 in this section for more on calculating student aid eligibility.

**10 Can emergency aid be awarded to students during periods of non-enrollment, like scheduled breaks between terms, or summer?**

Yes. However, funds received for periods of non-enrollment are still subject to federal financial aid regulations and must be considered Estimated Financial Aid (EFA). Also, the costs the emergency aid is covering cannot be added to the student's Cost of Attendance (COA), meaning that the student must demonstrate unmet need in order to qualify for emergency aid, even for periods of non-enrollment. See questions 1 and 2 in this section for more on calculating student aid eligibility.

**11 Can emergency aid be used to cover past-due balances owed to the institution?**

Yes. This type of emergency aid is sometimes referred to as a "completion grant" because the institution awards emergency funds to cover a balance due that would otherwise prevent the student from graduating. This is an appropriate use of emergency aid funds as long as the student has unmet need. See question 1 in this section for more on unmet need.

## Questions Related to Student Data Sharing

### 1 What privacy laws must our school follow if emergency aid is administered by committee?

There are three important federal laws that control the release of student data:

- o The Higher Education Act (HEA), specifically, sections 483(a)(3)(E) and 485B(d)(2)
- o The Family Educational Rights and Privacy Act (FERPA)
- o The Privacy Act

You should also ensure compliance with any relevant state or local student data sharing rules and adhere to your own institution's data sharing policies as well.

### 2 Can the financial aid office share student data like the student's unmet need or their GPA with the office(s) or committee that administers their emergency aid program?

Probably. In order for the financial aid office to disclose a student's unmet need to another office on campus, it must show that the disclosure was for the purpose of administering federal, state, or institutional aid. The institution must also establish whether the disclosure is to school officials with a legitimate educational interest in the disclosed information. Institutions have discretion in defining what constitutes a legitimate educational interest, so you should work with your administration to define those conditions.

Disclosure of a student's grades or GPA, between the office who holds that data and another office on campus, is likely permitted because the disclosure is to school officials determined to have a legitimate educational interest\* in the disclosed information. The restriction on data sharing only for purposes of administering federal, state, or institutional aid does not apply to grades or GPA; that restriction is limited to data that appears on or is derived from the Free Application for Federal Student Aid (FAFSA), like student income or unmet need.

When it comes to data sharing and privacy concerns, while it might seem like a simpler solution to not ask the financial aid office for the student's unmet need information when awarding emergency financial aid, it is essential in order to stay in compliance with federal rules that govern all types of student aid. For other student data, though, it is advisable to err on the side of caution and only share information that is absolutely essential to the operation of your emergency aid program. See questions 1 and 2 in the compliance section for more on student aid eligibility as relates to emergency aid.

**3 Can the financial aid office share a student's income with the institutional research office, or another campus office that is charged with analyzing the efficacy of the emergency aid program?**

Probably. In order for the financial aid office to disclose a student's income to another office on campus, it must show that the disclosure was for the purpose of administering federal, state, or institutional aid. The Department of Education has stated in formal guidance that their interpretation of "administration of aid" includes program evaluations necessary for the efficient and effective administration of the student aid programs. The institution must also establish whether the disclosure is to school officials with a legitimate educational interest in the disclosed information. Institutions have discretion in defining what constitutes a legitimate educational interest, so you should work with your administration to define those conditions.

**4 Where can I learn more about how institutions can share private student data between offices on campus?**

The U.S. Department of Education has a [website](#) devoted to student data privacy issues. Also, NASFAA has developed a [data sharing decision tree](#) to help institutions determine how, with whom, and under what conditions they may disclose private student data.