

# How Institutions Process Education Award Payments

## Segal AmeriCorps Education Awards

An AmeriCorps member who successfully completes a term of national service or an individual who is the recipient of a transferred education award, will receive a Segal AmeriCorps Education Award for his/her use during a specified period of time. The dollar amount of the award can vary based upon the length and type of the individual's service term.

An education award can be used to repay **qualified** student loans and to pay for current educational expenses at **eligible** educational institutions. It can be split up and used for both purposes. The total amount of the award can be used at one time or portions can be used until the award is depleted or expires.

In addition to having payments made from their education award accounts, individuals who earned the education award may be eligible to have paid all or a portion of the interest that accrued on their **qualified** student loans that were placed in forbearance while they were serving. After they successfully complete their terms of service, the Trust will pay all or a portion of the interest that accrued on their qualified student loans. These interest payments are a benefit in addition to the education awards and are not subtracted from their education award balances.

By law, payments are made directly to the educational or lending institution, **not to the individual**.

Additionally, **payments for educational expenses must be made in two installments**, one at the beginning of the enrollment period upon which the payment is based and the second at the midpoint of the enrollment period.

## The Payment Process

There are 3 basic steps to the *My AmeriCorps* payment process.

**1) The eligible individual.** Registered individuals log into their *My AmeriCorps* accounts and create payment requests by entering required information. This information is then submitted electronically to the institution, if registered.

**2) The institution.** The certifying official at the institution can either receive email notifications that payment requests are pending or periodically log into the institution's *My AmeriCorps* account to view the status of pending requests.

The certifying official at the institution can complete a request by providing required information related to the request and certifying that the payment meets the criteria—e.g., the individual is considered a student or has a qualified student loan. The institution enters the loan payoff amount (for loans) or the amount for which the person is eligible (for current educational expenses).

- The *Eligible Amount* that an institution reports for current educational expenses must be based on verifiable and auditable documentation of these costs. Institutions should not simply enter the same amount that the student requested. See the section below, *Eligible Amount for Current Educational Expenses*, for an explanation of how to determine the amount the student is eligible to use for educational expenses.
- For both student loans and current educational expenses, when the amount the person requested is different than the eligible amount the institution determines, the lesser of the two amounts will be paid.

The institution submits the approved (or disapproved) requests electronically to the National Service Trust for final processing. Disapproved requests require an explanation. If the eligible amount is the same as the amount requested by the student, the Trust needs an invoice verifying the amount. For payments processed online, the document can be faxed to the Trust at (202) 606-3484, which is a secure fax line. For payments processed using a paper form, a copy of the invoice can be included with the *Voucher and Payment Request Form* when it is sent to the Trust.

**3) The National Service Trust.** The Trust reviews all manual voucher submissions from the institution. Payments that are certified by an institution prior to noon on Thursdays are generally sent out from the U.S. Treasury on Fridays. Disbursement of a payment will depend upon the enrollment dates that were entered. The payment schedule may be adjusted somewhat around holidays and the end of the year.

Payments are made either through paper checks or through electronic funds transfers (EFTs). The EFT process deposits the payment directly into an institution's bank account. This method is faster and more secure than sending paper checks through the mail.

### *Eligible Amount for Current Educational Expenses*

You should not automatically assume that the amount the individual requested is the amount for which he or she is eligible

When determining the portion of the education award the student is eligible to use to pay for current educational expenses:

- *For students enrolled in Title IV degree and certificate programs*, the Cost of Attendance (COA) and other educational expenses (in accordance with the Higher Education Act) minus the student's estimated financial assistance under part A of title IV of the Act. Note, veterans benefits may not be included in COA calculations for AmeriCorps payments.
- *For students enrolled in non-degree courses or programs at a Title IV school (such as continuing education courses or workshops offered by Title IV schools)*, educational expenses as determined by the school's administrative office offering the course or program. This normally includes tuition, fees, books and supplies.

- For students enrolled in courses or training programs authorized under the Montgomery and Post 9/11 G.I. Bills, educational expenses as determined by the program's VA-approved Certifying Official.

The total of all student aid, including the education award, cannot exceed the Cost of Attendance (COA) or the comparable amount allowed for non-degree programs.

### **Electronic Funds Transfer**

Institutions that register to use *My AmeriCorps* are asked to sign up to receive their payments electronically as part of the registration process. Schools and loan holders can also sign up for electronic payments outside the registration process, too.

You can download a copy of the U.S. Treasury form, SF 3881, to receive payments electronically. This *ACH Vendor/Miscellaneous Payment Enrollment Form* can be downloaded by clicking here [SF3881](#). Complete the form and send it to the Trust following the instructions that are provided.

You can download and submit this form if either of these situations applies:

- your institution is already registered to use *My AmeriCorps* but has never signed up for EFTs or
- your institution wants to process payment requests using paper forms (i.e., not use the online system, *My AmeriCorps*) but wants to receive the payments electronically.

### **DOs and DON'Ts**

**DO** return overpayments to the Corporation so the individual's account can be properly credited.

**DO** provide correct enrollment dates that support the semester/term for which the individual has requested the funds and upon which the payment amount is based.

**DO** provide an invoice documenting the individual's eligible costs to prevent an overpayment from being made.

When you process a request for a payment, if *the eligible amount* is the same as *the amount the student requested*, you should provide an invoice verifying the eligible amount. You can fax this, along with a copy of the payment request, to our secure fax line at: (202) 606-3484.

**DON'T** certify the same amount the member requested without having supporting documentation to confirm the cost.

**DON'T** make up enrollment dates for a term/semester so the money can be disbursed faster.

**DON'T** refund to the member any overpayment.

**DON'T** certify any costs that do not follow the guidelines set forth by the Department of Education

**DON'T** complete both the loan and the education expense sections if you are processing a request from a paper *Voucher and Payment Request Form*.