

## Examples of Institutional and Student Liability

Overpayment Scenario	Liability
Student reported incorrect information on the FAFSA.	Student liability only, because the student erred in reporting the FAFSA data.
Conflicting information on student's original or subsequent ISIR/SAR transaction was not resolved before Title IV aid was disbursed based on that transaction.	Institutional liability only, because the school must resolve all conflicting information before awarding and disbursing Title IV aid.
Student's application was selected for verification after the student received a disbursement. However, the student failed to submit required verification documentation within applicable deadline. <sup>1</sup>	Student liability only, because the student failed to meet the school's verification deadline.
Student's application was selected for verification. There was no conflicting information and the school made an interim disbursement. However, the verified EFC is higher than the EFC that was used to make the interim disbursement, or the student failed to complete the verification process.	Joint institutional and student liability, because the student erred in reporting incorrect information on the FAFSA, and the school chose to make the interim disbursement.
Disbursement based on initial, unselected ISIR/SAR for which the school had no conflicting information. However, verification of subsequent ISIR/SAR transaction resulted in higher EFC.	Student liability only, because the student erred in reporting incorrect information on his or her application and the school did not violate any disbursement rules.
Student's cost of attendance was miscalculated.	Institutional liability only, because the school erred in calculating the student's cost of attendance.
Federal Pell Grant disbursement was based on incorrect Scheduled Award. <sup>2</sup>	Institutional liability only, because the school erred in determining the student's Scheduled Award.

<sup>1</sup> This scenario may occur when there was no conflicting information and the school made:

- A disbursement based on the student's unselected ISIR/SAR transaction, which the institution subsequently selected for verification; or
- A disbursement based on the student's initial, unselected ISIR/SAR transaction, but a subsequent ISIR/SAR transaction was selected for verification.

<sup>2</sup> This scenario may occur when the school:

- Used the incorrect Payment Schedule; or
- Used an incorrect amount from Payment Schedule; or
- Did not take into account the student's remaining Federal Pell Grant eligibility.