



## Frequently Asked Questions

- ✚ When in the scholarship award process must the scholar sign the payback agreement?** Students receiving scholarship assistance from the RSA grant must sign and date the Scholar Payback Agreement prior to the initial disbursement of any scholarship funds on his/her behalf, including the payment or crediting of tuition. The institution must fully disclose to the RSA scholar the terms and conditions of the payback requirement in the application for an RSA scholarship.
- ✚ What financial aid is included in the payback requirement?** The requirement applies to all RSA financial assistance to a scholar including payments for tuition, stipends, books, fees, travel and other approved expenses.
- ✚ How is an academic year defined for purposes of the payback requirement?** An academic year means a full time course of study 1) for a period totaling at least 9 months; or 2) for the equivalent of at least 2 semesters. The employment obligation of a part-time scholar is based on the accumulated academic years of training for which scholarship aid is received. Work requirements for portions of an academic year are prorated.
- ✚ When a scholar receives partial funding, what are the payback requirements?** The amount of financial assistance you receive, whether partial or full, does not affect the obligation of the scholar to meet employment commitment. The employment obligation for a part-time scholar will be based on the "accumulated academic years" of training for which you received assistance.
- ✚ What is the relationship between the amount of time that a student receives a scholarship and the length of time that he/she must maintain employment to meet payback requirements?** As of June 1, 1992, the student must satisfy the following

employment obligation: a) The student must work in a State vocational agency, a non-profit rehabilitation agency, or a related agency, including a professional practice group through which the individual has a service arrangement with the State vocational rehabilitation agency; b) The length of the employment obligation is the full-time equivalent of 2 years for each year of scholarship assistance provided; c) students may work on a part-time basis as long as the employment obligation is satisfied during the period of time allotted.

✚ **How much time does the student have to meet the payback requirements?** The period of time that the scholar has in order to satisfy the employment obligation begins immediately upon the completion of the training and lasts for the duration of the employment obligation plus a grace period of two more years.

✚ **If a scholar is dismissed or drops out of a program for academic or non-academic reasons, to what degree is he/she be liable for payback?** The scholar is liable for repayment of the costs received if he/she is dismissed or voluntarily leave the program for academic or non-academic reasons. If he/she seeks to meet the obligation through employment, the employment must be in a position as defined in the regulations. Circumstances for deferrals and exceptions are described in the regulations. If you drop out of the program, the 2-year grace period does not apply. Repayment must begin immediately.

✚ **Must scholars work on a full-time basis in a qualifying agency?** No. A scholar may work on a full or part-time basis for the State rehabilitation agency or a related agency, facility, or qualifying organization. If a scholar works part-time, s/he still has an obligation to work the full-time equivalent of two years for each year for which assistance was provided within a period of not more than the sum of the number of years owed and two additional years.

✚ **What is meant by a "related agency?"** The State-Federal programs of vocational rehabilitation, supported employment, and independent living are the programs intended to benefit from the payback provision. Congress recognized, however, that State rehabilitation agencies often accomplish their mission through agreements with other programs. Thus, the employment obligation may be met by obtaining and maintaining employment, in the field in which the scholar was trained, in a nonprofit or related agency providing services under an agreement with a State rehabilitation agency. When seeking employment an RSA scholar should first check with his/her appropriate training institution to obtain a listing of employment sites that meet the statutory and regulatory definition of "acceptable employment." Second, the student should determine if the potential employer meets the definition of acceptable employment (public or non-profit, or related agency, facility, or service provider). The employer should also be able to provide information regarding whether the program, agency, or facility provides services to clients of the State vocational rehabilitation (VR) agency, or whether it has a cooperative working agreement regarding the referral or provision of services to VR clients. If additional information is needed, an RSA scholar may wish to contact the State VR agency to obtain additional information.

Note: RMHC is required to document that the State rehabilitation agency has an agreement with the RSA scholar's employer in the area of specialty. An agreement may be an arrangement by a related agency to accept referrals and provide services to rehabilitation clients, or a purchase of service or contractual arrangement with a service provider.

✚ **Does volunteer work count towards the payback requirement?** No. Volunteer work does not count towards the payback work requirement.

✚ **Must scholars serve State rehabilitation clients exclusively in full or part-time employment in a qualifying agency?** If a scholar works for a related agency, s/he is not required to serve only rehabilitation clients of the State-Federal programs of vocational

rehabilitation, supported employment, or independent living in his/her job. Rather, the requirement can be met if he/she is employed on a full- or part-time basis by the qualifying organization, and the work is on a continuing basis as a consultant or practitioner serving rehabilitation clients under an agreement with the State vocational rehabilitation agency.

✚ **If a scholar engages in employment for a State agency or related rehabilitation agency while in training, will that count toward payback?** Rehabilitation employment while in training for which the scholarship was awarded does not meet the work requirement. Regulations state that the scholar will maintain employment in a qualifying agency “beginning after the recipient completes the training for which the scholarship was awarded.”

✚ **What information in addition to this handbook will help an RSA scholar and the granting institution to understand their responsibilities in complying with the payback requirements?** Scholars and institutions must become familiar with the final regulations published in the FEDERAL REGISTER on June 16, 1994 [59 FR 31060]. As a condition of receiving this grant, scholars and institutions are required to comply with the rules. The regulations spell out the payback provisions and the scholar’s requirements to comply with them. Training institutions should identify additional rehabilitation information, such as names and addresses of qualifying employers, for use in assisting scholars.

✚ **What is the “exit certification” that the grantee must provide in writing when a scholar completes his/her program?** According to 386/34(f), the granting institution is required to maintain the following information on file for each scholarship:

1. The scholar’s name and identifying information on the Federal grant that provided the scholarship;
2. The scholar’s field of study;
3. The number of years the scholar needs to work to satisfy the work requirement;

4. The total amount of the scholarship assistance provided subject to the payback provision;
5. The time period during which the scholar must satisfy the work requirements
6. All the other obligations the scholar must meet, such as the need to inform the training institution of any change of name, address, employment status, and information documenting s/he has satisfied the terms of his/her scholarship agreement.

The exit certification must include written verification from the scholar acknowledging that the information in his/her file is accurate and that s/he is aware of his/her payback obligation.

**✚ Does RSA specify the geographical location in which the work requirement must be satisfied?** Regulations implementing the payback requirement do not specify the geographical location in which the work requirement must be satisfied. An RSA scholar may select where he or she wishes to seek and maintain employment, provided that within the required period of time following the completion of her or her training, the employment obligation is fulfilled with a State agency or related program.

**✚ Under what circumstances may a scholar receive an exception to the repay requirements?** Before disbursement of a scholarship, grantees are required to obtain documentation that the individual has expressed interest in a career in the provision of rehabilitation services and that the individual expects to maintain or seek employment in an approved agency. Scholars are not required to repay if you are unable to continue their course of study or complete their employment due to severe disability that is expected to continue indefinitely or result in death, or if, in fact, you should die.

**✚ Under what circumstances may repayment of a scholarship be deferred?** Repayment of a scholarship may be deferred during the time the scholar is:

1. engaging in a full-time course of study at an institution of higher education;

2. serving, not in excess of three years, on active duty as a member of the armed services of the United States;
3. serving as a volunteer under the Peace Corps Act;
4. serving as a full-time volunteer under Title I of the Domestic Volunteer Service Act of 1973;
5. temporarily totally disabled, for a period not to exceed three years; or
6. unable to secure employment as required by the agreement by reason of the care provided to a disabled spouse for a period not to exceed twelve months.

 **How would a scholar obtain a deferral or exception for one of the reasons listed above?** The scholar, or when necessary, the legally responsible person acting on his/her behalf, must submit a written application and documentation to the Commissioner, Rehabilitation Services Administration, U.S. Department of Education, 550 12<sup>th</sup> Street, SW, Washington, D.C. 20202.

 **To whom must the scholar report his/her whereabouts, jobs, or noncompliance with the terms of his/her agreement?** The academic institution, which administered the RSA training grant, is responsible for keeping track of the location of scholars supported under the training grant, and their employment until the payback requirements are met. Regulations state that the individual scholar is responsible for notifying the granting institution about changes in his/her address, employment, or other significant facts related to completion of the payback requirement. A reasonable approach that would comply with the institution's tracking responsibility would be to contact each former scholar once a year, with a follow-up mailing if he/she does not respond. If an institution experiences difficulty in locating a scholar, it is required to check with existing tracking systems operated by alumni organizations.

 **What types of reports must institutions that accept RSA training grants make to the Department of Education about scholars?** Training institutions (grantees) are required to file the "RSA Training Payback Reporting Form" within 30 days after the end of each

project budget period for which the training institution is funded. This form will allow RSA to obtain sufficient information in order to determine whether RSA scholar program meets its broad purpose and to submit reports to Congress on whether scholars meet their work requirements. The Payback Reporting Form must be submitted by the grantee each year until all scholars have completed their work obligations in order for the grantee to receive Federal scholarship funding. Thus, forms will be submitted for a number of years beyond which the project is supported with Federal funds. Training institutions must report ALL scholars to whom scholarships have been provided since 1987. Failure to report scholars may result in a cost disallowance found through an audit and may affect their ability to receive future grants.

✚ **When does a scholar enter financial “repayment” status?** Financial repayment status begins when it is apparent that all or part of the employment obligation will not be fulfilled by the payback completion date. Specifically, financial repayment status begins on the first day of the first calendar month after the earliest of the following dates, as applicable: 1) The date an RSA scholar informs the Commissioner of RSA that s/he does not plan to fulfill the employment obligation under the agreement, 2) any date when the RSA scholar’s failure to begin or maintain employment makes it impossible for him/her to complete his/her employment obligation within the number of years required. If an RSA scholar partially meets his/her employment requirements, s/he must repay a prorated sum based upon the years/months of unmet employment in the payback agreement.

✚ **What happens if an RSA scholar’s employment obligation is not completed?** According to the terms and conditions of the RSA scholar’s written agreement with his/her training institution, s/he must repay the amount of scholarship not satisfied through employment, as well as the interest on the unpaid balance of the scholarship owed, and reasonable collection costs, as determined by the Secretary of Education. Interest charged is variable and is based on language contained in 34 CFR 386.34 and 34 CFR 386.43; 31 U.S.C. 3717.

✚ **Who collects the funds if a scholar does not fulfill the payback requirement through qualifying employment?** The Secretary of the Department of Education is responsible for collecting the funds if the scholar does not comply with the regulations.

✚ **What recourse do scholars have to appeal a finding of non-compliance with the regulations for the payback provision?** Appeals should be directed to the Commissioner of RSA, U.S. Department of Education, 550 12th Street, SW, Washington, D.C. 20202-2800. The Commissioner will acknowledge all such appeals in writing.