

# MISSISSIPPI DIVISION OF MEDICAID

## Eligibility Policy and Procedures Manual

### **200.07.30 EDUCATIONAL ASSISTANCE**

Educational assistance is provided in many forms. Treatment will vary depending on the nature and sometimes the use of the assistance. Educational assistance may be earned or unearned and may be counted or excluded.

The following are specific types of educational assistance:

- VA Educational Benefits discussed at 200.09.09C;
- Assistance under Title IV of the Higher Education Act (HEA) of 1965 or Bureau of Indian Affairs discussed at 200.09.28A;
- Grants, Scholarships, Fellowships and Gifts discussed at 200.09.28B;
- Educational Payments under AmeriCorps and the National Civilian Community Corps discussed at 200.09.42.

### **200.07.31 GRANTS, SCHOLARSHIPS, FELLOWSHIPS AND GIFTS**

Grants, scholarships and fellowships are amounts paid by private nonprofit agencies, the US government, instrumentalities or agencies of the US, state and local governments, foreign governments and private concerns, e.g., a private citizen, to enable qualified individuals to further their education and training by scholastic or research work, etc.

As indicated earlier, a gift is something a person receives which is not repayment for goods or services provided and is not given by legal obligation on the giver's part. To be a gift, something must be irrevocably given.

#### **Educational Expenses**

Educational expenses include laboratory fees, student activity fees, transportation, stationery supplies, books, technology fees, and impairment-related expenses necessary to attend school or perform schoolwork, e.g., special transportation to and from classes, special prosthetic devices necessary to operate school machines or equipment, etc.

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### **200.07.31A ASSISTANCE UNDER TITLE IV OF HEA OR BUREAU OF INDIAN AFFAIRS (BIA)**

All student financial assistance received under HEA or BIA assistance programs is excluded from income and resources, regardless of use. The resource exclusion does not have a time limit, i.e., regardless of how long held, the assistance is excluded from resources. Interest and dividends earned on unspent educational assistance under Title IV HEA and BIA are excluded from income.

Examples of HEA Title IV programs include:

- PELL grants;
- State Student Incentives
- Academic Achievement Incentive Scholarships
- Byrd Scholars
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- Federal Educational loans (Federal PLUS, Perkins, Stafford, Ford loans)
- Upward Bound
- GEAR Up (Gaining Early Awareness and Readiness for Undergraduate Programs)
- LEAP (Leveraging Educational Assistance Partnership)
- SLEAP (Special Leveraging Educational Assistance Partnership)
- Work Study programs
- State educational assistance programs, including work study, funded by LEAP or SLEAP

### **200.07.31B OTHER GRANTS, SCHOLARSHIPS, FELLOWSHIPS AND GIFTS**

Any portion of a grant, scholarship, fellowship or gift used for paying tuition, fees, or other necessary educational expenses at any educational institution, including vocational or technical education, is excluded from income.

#### **Funds Set Aside**

Any portion of such educational assistance that is not used for paying current tuition, fees or other necessary educational expenses but will be used for paying this type of educational expense at a future date is excluded from income in the month of receipt.

**NOTE:** This exclusion does not apply to that portion set aside or actually used for food, clothing or shelter.

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### **OTHER GRANTS, SCHOLARSHIPS, FELLOWSHIPS AND GIFTS (Continued)**

#### **Treatment of Grants, Scholarships, Fellowships or Gifts Not Used or Set Aside**

Any portion of grants, scholarships, fellowships, or gifts that is not used or set aside for paying tuition, fees, or other necessary educational expenses is income in the month received and a resource the month after the month of receipt, if retained.

#### **Treatment of Funds Set Aside, But Not Used for Paying Educational Expenses**

If any portion of grants, scholarships, fellowships or gifts that is excluded from resource because it is set aside to pay for necessary educational expenses is used for some other purpose, the funds are income at the earliest of the following points:

- In the month that it is spent; or
- The month the individual no longer intends to use the funds to pay necessary educational expense.

#### **Excluded Funds Not Spent**

If the funds set aside to pay for necessary educational expenses are not spent after the 9<sup>th</sup> month, they are countable resources as of the 10<sup>th</sup> month following the month of receipt.

### **200.07.31C DETERMINING COUNTABLE AND EXCLUDABLE AMOUNTS OF ASSISTANCE**

- Verify that the assistance is a grant, scholarship, fellowship or gift.
  - Use documents in the individual's possession, contact with the institution or provider to verify the nature of the assistance. If the assistance is not totally excluded as Title IV HEA or BIA, verify the amount, date(s) of payment, payee and source of payment/payer, etc.
- Determine the amount of tuition, fees, and other necessary educational expenses.
  - Use receipts, bills with cancelled checks, contact with the provider, etc., to verify expenses paid. If an expense is verified as incurred, but not paid, assume it will be paid. A signed allegation is acceptable evidence of expenses when it is unreasonable to obtain other evidence, e.g., daily bus fare, small expendable items, etc., but this does not apply to tuition, fees or books.

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### **DETERMINING COUNTABLE AND EXCLUDABLE AMOUNTS OF ASSISTANCE** (Continued)

- Deduct the amount of tuition, fees and other necessary expenses from the gross amount of assistance.
- Exclude any remainder from income if the individual alleges it will be used for necessary educational expenses.
  - Any portion not used or set aside is income in the month received and a resource the following month.
- Inform the individual that he must report if the money is spent for a purpose other than educational expenses or if he changes his intent to spend it on educational expenses.
- Count any portion of grants, scholarships, fellowships or gifts as income in the earliest of either month it is spent for something other than educational expenses or the month the individual no longer intends to use the money for educational expenses.
- Any funds not spent after the 9<sup>th</sup> month are counted as a resource beginning the 10<sup>th</sup> month following month of receipt.
  - Interest and dividends earned on grants, scholarships, fellowships or gifts which are excluded as a resource count as income. Interest and dividends earned on educational assistance which is a countable resource are excluded as income.