

APPENDIX B
Application For Funds From The
Aid To Independent Institutions Program

I, _____, President of _____
_____ (College)/(University), hereby request an amount of \$ _____ for
the (fall)/(spring) semester _____ - _____ for the Aid to Independent Institutions Program under
the provisions of Act 12 of the 1991 Regular Session of the Louisiana Legislature; Louisiana
Revised Statute 17:2053, et seq.; and Board of Regents' Regulations relative to this program.

The requested amount is based on the accompanying list of students who have completed
the reported semester hours of instruction and who are Louisiana residents as defined by Policy
Memorandum 31, (excluding sections entitled Miscellaneous, Classification Procedures, Appeals
Procedure, and Incorrect Classification) dated January 17, 2007 distributed from the Office of
the President of the Louisiana State University System. I have also excluded from this request
those students who are contained in other programs for reimbursement purposes and those
students who are majoring in Theology or Divinity.

This institution maintains and will make available for your inspection student records
which are the basis for this request.

President's Signature

Date

(President's Name)

Notary Public

State Of Louisiana - Board Of Regents
Regulations And Procedures For Payment To Independent Institutions Of Higher
Education For Educating Louisiana Residents In Accordance With
Louisiana Revised Statutes 17:2053, Et Seq.
(Revised: **March 2007**)

In promulgating these regulations and procedures, the Board of Regents makes the following findings: that both federal and Louisiana constitutions prohibit the enactment of any law respecting the establishment of religion or prohibiting the free exercise of same; that LSA-R.S. 17:2053, et seq. was enacted within the framework of such constitutional proscriptions by the Louisiana Legislature and it has a secular purpose in that the public has an interest in independent institutions of higher education receiving public monies; that the law specifically prohibits reimbursement to any institution which discriminates on the basis of race or religion in its admission policies and prohibits reimbursement for educating any student majoring in theology or divinity or for the support of intercollegiate athletics; that, by reason of the federal and state constitutional prohibitions, the law also prohibits aid being utilized by a recipient institution for any sectarian or religious purpose or for the support of intercollegiate athletics; and that the Board has the power and authority to promulgate these regulations in order to ensure that the administration of the law conforms with applicable federal and state constitutional prohibitions and provides for the orderly administration and enforcement of the law within the framework of all constitutional provisions.

In accordance with L.S.U. Policy Memorandum 31 dated January 17, 2007 (<http://www.lsusystem.lsu.edu/pdf/PM/PM-31.pdf>) and pursuant to the provisions of LSA-R.S. 17:2053, et seq., the following regulations and procedures are adopted by the Board of Regents:

I. APPLICABILITY; EFFECTIVE DATE

These regulations and procedures shall apply to the program of reimbursement to institutions of higher education provided for by LSA-R.S. 17:2053, et seq. These regulations and procedures shall be effective beginning with the expenditure, reporting, and verification of reimbursement awarded for the fiscal year 1993, and shall apply as amended in all respects for subsequent years.

II. DEFINITIONS

In these regulations, terms are defined as follow:

- A. "LSA-R.S. 17:2053, et seq." is the result of Act 562 of the 1975 Regular Session of the Louisiana Legislature, as amended by Act 491 of the 1976 Regular Session, Act 522 of the 1976 Regular Session, Act 274 of the 1979 Regular Session, Act 17 of the First Extraordinary Session of 1983, Act 887 of the 1984 Regular Session, Act 410 of the 1985 Regular Session, Act 159 of the 1995 Regular Session, Act 13 of the 2000 Second Extraordinary Session, and any future amendments to this law.
- B. "Board" means the Board of Regents and/or its staff.

- C. "Eligible institution" means an institution designated in LSA-R.S. 17:2053 (D) provided such institution admits students without regard to race, religion, national origin, and admits and matriculates students without regard to employment status.
- D. "Louisiana resident" means resident as defined in the Policy Memorandum 31 distributed by the Office of the President of the Louisiana State University System after adoption by the L.S.U. Board of Supervisors. Sections of this document entitled MISCELLANEOUS, CLASSIFICATION PROCEDURES, APPEALS PROCEDURES, and INCORRECT CLASSIFICATION do not apply to these regulations.
- E. "Program" or "academic program" means any series of courses arranged in a scope and sequence leading to a degree or certificate, or which constitutes a major. A student's declared major shall be reported as that major recorded in the student's files as of the date of the eligible institution's request for payment.
- F. "Religious, seminarian, theology, or divinity academic programs", or "majoring in divinity or theology" means matriculation in any series of courses arranged in a scope and sequence either leading to a degree or certificate from the eligible institution which indicates specialization in the study of religion or in religious, seminarian, theology, or divinity studies, or which constitutes a major in any other such subject matters under the rules and regulations of the eligible institution.
- G. "Student" means a student enrolled in an eligible institution who is a Louisiana resident, and who is not majoring in theology or divinity.
- H. "Full-time student" is any student who, as an undergraduate, has completed not less than twelve (12) semester credit hours of instruction during a single semester; or, who, as a graduate or professional student, has completed not less than nine (9) semester credit hours of instruction during a single semester.
- I. "Part-time student" is any student who, as an undergraduate, has completed less than twelve (12) semester credit hours of instruction during a single semester; or, who, as a graduate or professional student, has completed less than nine (9) semester credit hours of instruction during a single semester.
- J. "Post Baccalaureate" is any student who has received a baccalaureate degree from an accredited institution and who has been formally accepted for study in pursuit of a professional certification. These students will be classified as professional students and reimbursed as such.**
- ~~K. J.~~ "Professional student" is any student who is enrolled in a professional school, such as law, veterinary medicine, dentistry, medicine, etc.
- ~~L. K.~~ "Graduate student" is a student who has earned at least a bachelor's degree, and who has been formally accepted for graduate study in pursuit of the master's degree, the specialist degree, or the doctorate degree.
- ~~M. L.~~ "Undergraduate student" is a student who has been formally enrolled by the University for undergraduate studies.
- ~~N. M.~~ "State funds" are funds paid to an eligible institution pursuant to LSA-R.S. 17:2053, et seq.
- ~~O. N.~~ "Completed Courses" are those in which the following grades have been issued to the student:

- 1) A, B, C, D, or F;
- 2) Numerical grades;
- 3) Pass/Fail grades; and,
- 4) Satisfactory/Unsatisfactory grades.

Only those Incomplete grades (I's) which have been formally changed no later than five (5) working days after the institution's date on which final grade reports are due in the registrar's office into any of the grades listed in N(1) through (4) above may be counted toward satisfying the requirement for completion of a course. In no instance will Withdrawals of any type (W-A's, W-B's, etc.) be construed as a sufficient grade for completion of the course. The statute governing the program clearly states that payment will only be calculated for "completed semester credit hours." Also, "No Grades" or "Audits" will not be considered sufficient grades to indicate completion of a course.

III. COMPUTATION OF AMOUNT OF SEMIANNUAL AWARD

- A. The amount of the semiannual reimbursement available to each institution shall be determined in accordance with the provisions of LSA-R.S. 17:2053 (B) and (C), and in accordance with the following rules:
 - 1) In the computation of the amount of any semiannual award to an eligible institution, the Board shall consider both full-time and part-time students in the calculations for reimbursement in accordance with LSA-R.S. 17:2053 (B) and (C).
 - 2) In the classification of a student for purposes of computation of reimbursement, any student majoring in theology or divinity shall be excluded. If a student is enrolled at one or more eligible institutions, the reimbursement for that student, in aggregate, cannot be in excess of the reimbursement limit for any one student.
 - 3) An eligible institution cannot claim for reimbursement a student who is currently enrolled in a public institution of higher learning.
- B. The required application and information requesting payment for eligible students shall be fully completed and filed with the Board and shall reflect the pertinent final semester data for the preceding semester (fall or spring) in which the reimbursement is to be made. Eligible institutions must collect and have available complete supporting documentation which thoroughly supplies the sufficient information of all eligible undergraduate and graduate students by which the Board is to be able to determine residency and eligibility. Data must also be readily available for auditing purposes. Non-availability of required data verifying a student's eligibility and residency will result in a reduction of the institution's payment calculation or return of funds. Information requirements and reporting format will be furnished to all eligible institutions prior to the fall semester of each year. All final data reported are to reflect the eligible student's academic status as of the institution's official last class day for the semester in question. A

period of five (5) working days from this official last class day will be allowed in regard to grade changes. Any grade changes after this period are not to be reflected in the database submission.

- C. For the purposes of Section III, A-2, of these regulations, a student shall be deemed to be majoring in theology or divinity if, on or before the date of the filing for reimbursement for any given period, the student has become a declared major in religion or in religious, seminarian, theological, or divinity studies, or has otherwise advised or indicated to the institution that he/she is seeking a degree or certificate indicating the type of specialization which characterizes a religious, seminarian, theological, or divinity academic program. In determining reimbursement under the law, all credit hours of all such students majoring in theology or divinity shall be deducted, even if some credit hours are in non-religious subjects not related directly to such a program.
- D. In computation of total payments due any eligible institution with respect to the fifteen (15) percent limitation imposed under LSA-R.S. 17:2053 (F), the term "total educational and general expenditures" shall mean those expenditures that are generally accepted, defined, and established by the National Association of College and University Business Officers (NACUBO). In order to determine this 15% limitation, the Board of Regents will use the actual expenditures reported by functional and natural classification for each eligible institution for the latest year published using the National Center for Education Statistics' Integrated Postsecondary Education System's (IPEDS) Finance Survey for Private not for profit institutions or public institutions using FASB. The latest published data that is used in the Fall calculation, will also be used for the Spring Calculation.
- E. After allocation of funds to the Tulane Medical School Capitation Program and a yearly 1% administrative fee, reimbursement will be at 100% of the amount generated by these calculations if sufficient appropriated funds are available, and on a pro-rata basis if funds are insufficient for 100% implementation. The fall semester reimbursement will be based on final student data for that semester submitted by January 31, and will distribute 60% of the funds appropriated for the fiscal year and the spring semester reimbursement will be based on final student data for that semester submitted by June 15 and will distribute the remaining 40% of the funds appropriated for the fiscal year.
- F. In computing the amount of the semiannual reimbursement to an eligible institution, those students for which the institution is receiving funds under any other program authorized by the Louisiana Legislature, including the Tulane University Medical School Capitation Program, shall be excluded.

IV. ADMINISTRATION OF THE PROGRAM

- A. The Board shall have the authority to verify the information submitted pursuant to Section III. by examining the registration or other pertinent data upon which submissions are based and, should there be any discrepancies, to reconcile those differences and make the appropriate revisions to the reimbursement amount. The institutions shall be given notice of any revisions and have opportunity to discuss those changes with the Board prior to revision of the reimbursed amount.

- B. Reporting dates for the fall semester will be January 31, and for the spring semester, June 15. In regard to law school enrollment, the same regulations and guidelines followed for "regular" semester enrollment should be applied to the submission of these data. If final law school data are available at the time of the regular database submission, these data may be included as part of the application for reimbursement.

The semester data required by the Regents for which reimbursement is sought shall include a Pre-Expenditure Affidavit, an application for a semiannual award, and the eligible student enrollment database. The Affidavit shall contain statements that the institution's use of these state funds shall be solely for academic purposes and not for the support of intercollegiate athletics or for sectarian or religious purposes. Information constituting an application shall be timely distributed to the institutions, together with a copy of these regulations.

The Pre-Expenditure Affidavit shall be in a form prescribed by the Board to be executed by the chief executive officer of the institution and shall contain his/her certification that: a) state funds shall be used solely for academic purposes; b) that no funds have been or will be received from the state for educating students majoring in theology or divinity; c) that no such funds have been or will be used for sectarian or religious purposes; d) that no such funds have been or will be used to support a religious seminarian, theological or divinity program, or to support intercollegiate athletics; e) that the institution admits students without regard to race, religion, color or national origin and without regard to employment status; and, f) that the institution has adopted and will maintain and adhere to the accounting procedures described in Section IV.E. of these regulations until all state funds applied for have been expended and accounted for by the Board.

- C. Following receipt of applications, and based upon the Board's determination under Section III. of these regulations, semiannual reimbursements will be paid to the eligible institutions after receipt and verification of a risk based sample of data from all institutions and approval of payment is made by the Commissioner of Higher Education or his designee. Verification of the data submission part of the application may include field audits which will occur after receipt of the application by the Board.
- D. No reimbursement shall be paid to any eligible institution failing to submit an adequate Utilization of Funds Report for any preceding semester in compliance with these regulations. (Refer to Section IV.F. of these regulations.)
- E. All eligible institutions shall adhere to the following procedures in connection with their receipt, expenditure, and accounting of state funds pursuant to these regulations:
- 1) Each institution will prepare its annual financial statements in accordance with generally accepted accounting principles outlined in the National Association of College and University Business Officers' administrative service manual, "College and University Business Administration".

- 2) The budget of each institution must identify the specific areas of activity for which the state funds will be expended.
 - 3) Separate revenue and expenditure accounts must be established by each institution for the tracking of all state funds received under this program. Each budgeted segment of the institution must have an expenditure account number, where appropriate, for recording the expenditure of state funds.
- F. Prior to the end of each semester, the Board will send to all eligible institutions a Utilization of Funds Report and Post-Expenditure Affidavit. The Utilization of Funds Report shall be certified to by the chief executive officer of the institution and shall require the institution to describe and itemize the purpose for which state reimbursement funds have been expended during the preceding semester. The Post-Expenditure Affidavit shall be executed by the chief executive officer of the institution and shall certify to the same stipulations required in the Pre-Expenditure Affidavit. The Reports and Affidavits must be completed and filed in accordance with the requirements of these regulations before any application for reimbursement for a subsequent semester will be acted upon.
- G. Each eligible institution receiving reimbursement under LSA-R.S. 17:2053 et seq. shall maintain complete and sufficient records of the resident status and eligibility of all students who have been included by the institution in the computation for reimbursement and shall retain all such records for a period of not less than two years from the date for which reimbursement has been requested with respect to said students. This information is to be collected by the institution pursuant to Section III.B. of these regulations.
- H. In addition to certifying the Pre-Expenditure and the Post-Expenditure Affidavits that it admits students pursuant to Section IV.B.(e) of these regulations, each eligible institution shall submit to the Board, when it first makes application for reimbursement under LSA-R.S. 17:2053, et seq. following issuance of these regulations, copies of all written policies governing the admission of students.

V. PROHIBITED USE OF STATE FUNDS

- A. All eligible institutions receiving funds under this program must comply with the requirement that these funds be expended solely for academic purposes. All funds received under the program are to be used solely within the Educational and General Expenditures function as defined by NACUBO. This requirement prohibits the use of state funds for the auxiliary enterprises of the institution, such as dormitories and cafeterias, and for independent operations primarily funded by foundation or government grants or other funds not derived through the normal revenue sources of the institution. If an institution is in doubt as to whether possible uses of state funds might be for something other than an academic purpose, it should consult with and seek the advice of the Board in advance of making any commitment.

- B. Prior to adoption of the 1976 amendments which are now LSA-R.S. 17:2053 (H) and (I), the Attorney General of Louisiana rendered the Board a formal opinion stating that the law must be administered to exclude use of state funds for religious or sectarian purposes. Consistent with that opinion and with the United States Supreme Court, the religious use prohibition contained in the law will be administered to prohibit the use of any funds awarded to support religious instruction, religious worship, or other activities of religious nature.

Listed below are several potential uses of state funds which would be considered violations of the religious use prohibition. This list is not intended to be all-inclusive, and, if recipient institution is in doubt that the use of funds might violate the religious use prohibition, it should consult with and seek the advice of the Board in advance of making any such expenditure.

- 1) Student Aid: State funds may not be used for student aid if the institution imposes religious restrictions or qualifications on eligibility for student aid; nor may state funds be paid to students enrolled in a religious, seminarian, or theological academic program; and, nor may the funds be paid to any student who is not considered a Louisiana resident as stipulated under this program.
- 2) Salaries: State funds may not be used to pay in whole or in part the salary of any person who is engaged in the teaching of religion or theology, who serves as chaplain or director of the campus ministry, or who administers or supervises any program of religious activities. State funds may not be used in whole or in part for the salary of any person who is engaged, either full-time or part-time, in coaching, recruiting, or in any other phase of intercollegiate athletics, or to support intercollegiate athletics in any manner. If an institution is in doubt that possible use of state funds might violate the intercollegiate athletic use prohibition, it should consult with and seek the advice of the Board in advance of the commitment.
- 3) Maintenance and Repair: State funds may not be used to pay any portion of the cost of maintenance or repair of any building or facility used for the teaching of religion or theology, or for religious worship, or for any religious activity.
- 4) Utilities: If any institution has any building or facility that is used in whole or in part for the teaching of religion or theology, or for religious worship, or for any religious activity, state funds may not be used to pay utility bills unless those buildings or facilities are separately metered. If buildings or facilities used for any religious purpose described in the preceding sentence are separately metered, the cost of providing the heat, electricity, and water to those buildings or facilities cannot be paid with state funds.

- D. If any institution uses state funds for other than academic purposes or violates the prohibition against a religious use of state funds or uses state funds to support intercollegiate athletics, it shall be ineligible to receive further state reimbursement until repayment is made to the State of Louisiana of the funds

expended in violation of such prohibitions. If the Board determines that a violation occurred and that the responsible officers knew or should have known that they were doing so, the Board may declare the institution ineligible to receive further state funds under the law, either for a specified number of years or permanently, and so notify the institution. The appropriate representatives of the institution shall be given notice and an opportunity to appear before the Board and present pertinent information prior to any temporary or permanent declaration of ineligibility.

- E. An institution's right to have a decision of the Board reviewed shall be provided by regulation and the law.