Creating, Revising, and Inactivating FAIT Instructions

M-Pathways
Student Financials/Financial Aid Modules
Updated June, 2008
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Describes FAITs, clarifies the setup process, and provides best-practice tips for successfully managing FAITs on an ongoing basis.

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Details how to create new FAITs. New FAITs are needed when your department has new resources to award, or you want to expand the number of your department’s existing FAITs. You’ll use the appropriate “CREATE FAIT” form to gather and communicate the necessary information to OFA.

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Part 2. Revising Existing FAITs

Details how to modify the setup of existing FAITs. Revisions may include changes to existing ChartField values, disbursement rules, and/or default Disbursement Plans and Split Codes. You’ll use the appropriate “REVISE FAIT” form to gather and communicate necessary information to OFA.

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Details how to inactivate an FAIT your department no longer uses. You’ll use the appropriate “INACTIVATE FAIT” form to gather and communicate necessary information to OFA.

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Overview

Financial Aid Item Types (FAITs): Item Types are 12-digit numbers that uniquely identify financial transactions or events by associating them with specific information in M-Pathways. Financial Aid Item Types (FAITs) are a category of Item Types setup to identify funds awarded as financial aid.

FAITs uniquely identify any form of financial aid by associating them with the following information:

- department identification
- ChartField combination (funding categories)
- type of financial aid
- awarding and disbursement rules

Setup Process: Staff in awarding offices can submit detailed forms to the Office of Financial Aid (OFA) when they need FAITs created, revised, or inactivated. This document covers the steps awarding offices perform to complete and submit FAIT forms to OFA.

Best Practice Guidelines: To successfully manage your department’s FAITs on an on-going basis, it is important to follow these guidelines:

- **Retain FAIT Forms:** Always retain a copy of each FAIT form that you submit to OFA. They may be stored electronically or as hardcopies in your office’s files, and should include a business explanation of why each FAIT was created, revised, or inactivated. Additionally, it is important to record the names of all the staff who were involved in each FAIT’s setup in case the business explanation needs clarification. This type of documentation will enable departments to effectively train new staff to maintain their FAITs.

- **Annually Review FAIT Setup:** Before entering awards for the new Aid Year, review the setup of each of your department’s FAITs to ensure they are setup as desired. This should occur at least annually. Then, submit requests as-needed for revisions or for obsolete FAITs to be inactivated. Staff with access to view or enter financial aid awards in M-Pathways can run the Item Type Setup reports to review the setup of FAITs for a specified Department ID. The navigation path is:

  Menu > Financial Aid > UM FA Merit Aid > UM Item Type Setup Reports

- **Contact OFA to Improve FAIT Setup:** If you enter awards using the Award Entry/Manual component in M-Pathways, and you frequently need to change your FAITs’ default values during data entry, contact OFA to determine if fine-tuning your FAIT setup can help.

**Need help?** Contact OFA by sending email to sfps@umich.edu, or call 763-4303 for assistance.
PART 1: Creating New Financial Aid Item Types (FAITs)

Step 1. Determine How Many FAITs Need to be Created

Awarding offices have FAITs created for each of their ChartField combinations that are used to fund financial aid awards. Depending on your business needs, you may need to create more than one FAIT for each ChartField combination. Three reasons why you may need more than one FAIT are:

1. All or a portion of the award will be used to pay specific tuition and/or fee charges on the student’s account AND these funds are NOT refundable to the student. For example, the Winston Churchill Fellowship will be set up with two distinct FAITs:
   - Winston Churchill Fellowship (pays stipend)
   - NR-Winston Churchill Fellowship (pays charges and is not refundable)

2. You need to have specific and unique names attached to the award. For example, from a single ChartField combination, The Three Stooges Award, you fund the following awards:
   - The Larry Award
   - The Moe Award
   - The Curley Award

3. You have different enrollment requirements governing disbursement for specific groups of students AND each of these groups represents a significant level of volume. The following examples will help you determine if you need to create a separate FAIT:
   - 2/3 of Rackham Merit Fellows (200 students) must be enrolled full-time. (Yes, create a separate FAIT.)
   - 1/3 of Rackham Merit Fellows (100 students) are not required to enroll because they are on Detached Study. (Yes, create a separate FAIT.)
   - Bob and Susan have been allowed to enroll for only 7 hours for Fall term and still receive their Rackham Merit Fellowship. (No, disbursement override is more appropriate.)

A good way to determine if a group represents a significant level of volume is to use the “80/20” rule – if more than 20% of the population represents a disbursement rules group, then you’ll want to have a separate FAIT. Awards for fewer than five students should not require separate FAITs – a disbursement override is more appropriate.

Note: The different enrollment requirements that govern disbursement are described in the “Disbursement Rules Options” list in the Appendix on page 12 of this document.

You can have as many FAITs created as you need to meet your awarding needs. However, the more FAITs you have, the more administrative overhead you’ll have.
PART 1: Creating New FAITs (Continued)

Step 2. Obtain the Appropriate CREATE FAIT Form

The “CREATE FAIT” forms are available on the MAIS Web site at:
http://www.mais.umich.edu/student/faforms.html

- If you need to setup:
  - Only one FAIT, select CREATE FAIT Worksheet – Single Entry
  - More than one FAIT, select CREATE FAIT Spreadsheet – Multiple Entries

- Then, download an electronic copy of the form and save it to your PC desktop. Complete the form (described next) in its electronic format so that it can be sent to OFA later as an e-mail attachment (instead of printing and hand-entering data).

Step 3. Complete the CREATE FAIT Form for Each FAIT Needed.

Enter the following information on the form:

General Information section

- **Department ID:** Enter the six-digit Department ID of the department that will administer the FAIT. This value establishes the security access to the FAIT. **This information is required.**

- **Department Name:** Enter the NAME of the Department.

- **Combination Code (ShortCode) - required:** Enter the six-digit Combo Code (ShortCode) that represents the ChartField combination values listed on the next page. The Combo Code ensures that the ChartField combination of the FAIT will be updated automatically if there is a change to the ChartField combination in the Financials system.

- **Description:** Enter the Award Name you want used for the new FAIT. The maximum name length is 27 characters, including spaces. It must begin with "NR-" for non-refundable FAITs.

- **Effective Date:** Enter the effective date of the FAIT.

- **Comments:** Enter comments as needed to explain details about the FAIT.

Example of General Information:

<table>
<thead>
<tr>
<th>Department ID</th>
<th>Department Name</th>
<th>Combination Code (ShortCode)</th>
<th>Description</th>
<th>Effective Date</th>
<th>Comments</th>
</tr>
</thead>
</table>
PART 1: Creating New FAITs (Continued)

Step 3. Complete the CREATE FAIT Form for Each FAIT Needed (Continued)

ChartField Combination section

Before you request a new FAIT, you need to know the correct ChartField combination values to be attached to it. Please consult your department’s fiscal manager for assistance.

- **Project/Grant**: Enter the seven-character value for Project/Grant, if applicable.
- **Fund**: Enter the five-digit value for Fund. Do not use Endowed Fund Codes for any type of financial aid activity.
- **Department**: Enter the six-digit Department ID that is part of the ChartField combination. This could be different than the Department ID entered in the General Information section that identifies the department that administers the FAIT.

For example, each LSA department has a unique FAIT for awarding Regent’s Fellowships. The Department ID that administers/awards each of these FAITs is entered in the General Information section of the form. However, each of these FAITs have the same Department ID as part of the ChartField combination for charging the funds.

- **Program**: Enter the five-character value for Program.

Example of ChartField combination values:

<table>
<thead>
<tr>
<th>Project/Grant</th>
<th>Fund</th>
<th>Department</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>C324495</td>
<td>30000</td>
<td>517420</td>
<td>FACAW</td>
</tr>
</tbody>
</table>

Type of Financial Aid section

Designation of financial aid type is needed by Payroll so the type can be identified on student refund checks. Select one of the following options to classify the award:

- Scholarship
- Fellowship

- **Scholarship** is generally an amount paid for the benefit of a student at an educational institution to aid in the pursuit of studies leading to a degree. Typically designated for undergraduate student financial aid.

- **Fellowship** is generally paid for the benefit of an individual to aid in the pursuit of study or research. Typically designated for graduate student financial aid.
PART 1: Creating New FAITs (Continued)

Step 3. Complete the CREATE FAIT Form for Each FAIT Needed (Continued)

Awarding and Disbursement Information section

The following values help to define the way your FAITs will work when awarded and/or disbursed to a student, and they become the default values for the FAIT. This means they will pre-populate the Assign Departmental Awards component in M-Pathways, and can be changed as needed during data entry. An exception is that the Refund Y/N value cannot be changed from the default value.

- **Refund Y/N:** This value determines if the FAIT can be refunded to the student. Valid values are:
  - **Y (Yes):** This means that if the target charges, if any, on the student’s account have been covered, any remaining funds can be paid as a refund check to the student.
  - **N (No):** This means that even if the target charges on the student’s account have been covered, any remaining funds cannot be paid to the student.

- **Charge Priority:** This value tells the M-Pathways system which charges on the student’s account should be paid by the FAIT and in what order. If the FAIT is not refundable, funds will remain on the student’s account as “unapplied aid” pending the posting of additional target charges. A complete list of valid Charge Priority values is available on the MAIS website page at: [http://www.mais.umich.edu/student/itemtype.html](http://www.mais.umich.edu/student/itemtype.html)

- **Term Minimum:** This is the smallest award amount that the system allows the user to enter for a student initially per FAIT for a single term (you can always add more money, including cents). It is recommended that you use a default of $1.00 unless you have specific award minimums.

- **Term Maximum:** This is the largest award amount the system allows the user to enter for a student per FAIT for a single term, including additional changes. It is recommended that you use a default of $25,000.00 unless you have specific award maximums.

- **Disbursement Plan (Disb Plan):** This is a two-digit code that represents a payment schedule. It defines the “buckets” into which specific disbursements can be allocated, which may be by term or by month. Lists of values for Disbursement Plans and Split Codes (described next) are listed in the Aid Disbursement Calendars on the MAIS website at: [http://www.mais.umich.edu/student/faforms.html](http://www.mais.umich.edu/student/faforms.html)

- **Split Code:** This is a two-digit code that defines the percentage of the award allocated to each bucket. This indicates how much will be in each payment.

- **Disbursement Rule (Disb. Rule):** This is a three-character code that identifies specific rules a student must meet for the FAIT to be disbursed (listed in the appendix).

- **Annual Awarding Targets:** This is the target amount of funds that can be awarded for the FAIT in the annual awarding cycle (Fall – Spring-Summer). This enables M-Pathways to automatically track the total award activity for each FAIT:
  - If you do not plan to monitor award activity for the FAIT, enter the default value of $99,999,999.00.
  - If you plan to monitor award activity by FAIT (rather than by student), it is recommended that you enter a generous yet realistic estimate. This is because awards cannot be processed in excess of the FAIT’s Annual Awarding target amount.

The following page provides important guidelines for the Disbursement Plan, Split Code, and Disbursement Rule. Then the remaining sections of the “CREATE FAIT” form are detailed.
PART 1: Creating New FAITs (Continued)

Step 3. Complete the CREATE FAIT Form for Each FAIT Needed (Continued)

Changing the Disbursement Plan and Split Code

Both the Disbursement Plan and Split Code can be changed individually for each student who is awarded the FAIT. However, there are rules that determine when they can be changed on the Assign Departmental Awards component in M-Pathways:

- Both the Disbursement Plan and Split Code can be changed BEFORE the award is posted.
- The Split Code can be changed on an existing award AFTER any portion of the award is disbursed to the student.
- After an award is posted, the award row must be cancelled and then re-entered in order to change the Disbursement Plan. If the award has been authorized for payment, it must be unauthorized before changing the Disbursement Plan.

Disbursement Rule Guidelines

Disbursement rules are assigned to FAITs because awards may be entered many months before they are actually disbursed to the student. At the time of each disbursement, you may want specific student data checked to see if the disbursement is appropriate. This step, called “disbursement authorization,” checks to see if the student has passed the disbursement rule you assigned to the FAIT. If the student fails the disbursement rules, he/she will be automatically rechecked with the next week’s authorization and disbursement process.

- **Spring/Summer Disbursement Rules:** In mid-April of each year, a batch program is run in M-Pathways to refine the enrollment disbursement rules for Spring and Summer terms. If the minimum enrollment requirement is at least four units, the updated Spring/Summer disbursement rule divides the required units by half (rounded down) to establish the new minimum required units for Spring/Summer.

  This is why it is important that departments cancel all Fall/Winter awards before the start of Spring term that have failed disbursement because the student did not meet minimum enrollment requirements. For instructions on running the Authorization Failure report to identify these students, refer to the Report Manager Inventory for Financial Aid – Quick Reference Sheet available on My LINC.

- **Disbursement Overrides:** When applicable, the Office of Financial Aid (OFA) executes disbursement override requests. Procedures for handling and requesting disbursement overrides are available on the MAIS website at: http://www.mais.umich.edu/student/faforms.html

  **Note:** When OFA processes a disbursement override, M-Pathways records the disbursement rule(s) the student failed to pass, that an override was used, and the date and time of the override.
PART 1: Creating New FAITs (Continued)

Step 3. Complete the CREATE FAIT Form for Each FAIT Needed (Continued)

Higher Administrative Authority section
Enter the name of the appropriate Dean, Project Director, and/or their designee who has authority for payment of the award. If designee is included, this must be an administrator different from Dean or Project Director. This information will be retained by the Office of Financial Aid to document audit requirements for the delegation of responsibilities.

Higher Administrative Authority: (Dean, Project Director, and/or their Designee) __________
Type Administrative Authority's Uniqname ____________

Form Completion Information section
Identify the person who has completed this form. If more than one person completed it, feel free to enter the second person’s name below the first name.

This form completed by: ___________________________ ___________________________
Type Your Name ___________________________ Type Your Uniqname ___________________________

Step 4. Submit the Completed CREATE FAIT Form to OFA

After you have completed the form, you can submit it to OFA by attaching it to an e-mail message:

- In the Subject line, enter “NEW FA ITEM TYPE”.
- Send to sfps@umich.edu. Allow two business days for processing.

Note: If you have difficulty with e-mail attachments, the form can be submitted via Campus mail to:

Office of Financial Aid
Scholarship/Fellowship Processing
2011 SAB-1316.

Allow two extra processing days for paper submissions.

- When your new Financial Aid Item Type has been created, you will receive an e-mail that will notify you of the new Item Type number and inform you that it is ready for use.
PART 2: Revising Existing FAITs

Step 1. Obtain the Appropriate REVISE FAIT Form

If you determine that the setup of an existing Financial Aid Item Type (FAIT) needs to be revised, obtain the appropriate "REVISE FAIT" form from the MAIS website at:
http://www.mais.umich.edu/student/faforms.html

- If you need to revise:
  - Only one FAIT, select REVISE FAIT Worksheet – Single Entry
  - More than one FAIT, select REVISE FAIT Spreadsheet – Multiple Entries

- Then, download an electronic copy of the form and save it to your PC desktop. Complete the form (described next) in its electronic format so that it can be sent to OFA later as an e-mail attachment (instead of printing and hand-entering data).

Step 2. Complete the REVISE FAIT Form

Since the "REVISE FAIT" forms are very similar to the "CREATE FAIT" forms, you can refer to the instructions in Part 1, Step 3, of this document to help you complete the form.

The differences to completing the forms are:

- Enter the Item Type Number and existing Description at the top of the form.
- If applicable, enter an updated description for the FAIT in the "Revised Description" section.
- Complete only those sections THAT ARE CHANGING.
- Enter an Effective Date of Change(s) at the bottom of the form to indicate when these changes should take effect. In most cases, the current date is appropriate.
- Provide comments to assist in understanding your needs.

Step 3. Submit the Completed REVISE FAIT Form to OFA

After you have completed the form, you can submit it to OFA by attaching it to an e-mail message.

- In the Subject line, enter "REVISE FA ITEM TYPE."
- Send to sfps@umich.edu. Allow two business days for processing.

Note: If you have difficulty with e-mail attachments, the form can be submitted via Campus mail to:
Office of Financial Aid
Scholarship/Fellowship Processing
2011 SAB-1316.

Allow two extra processing days for paper submissions.

- When your FAIT has been revised, you will receive an e-mail notification.
PART 3: Inactivating Existing FAITs

Step 1. Obtain the Appropriate INACTIVATE FAIT Form

If a Financial Aid Item Type (FAIT) will no longer be used, it is appropriate to inactivate it. In this case, obtain the appropriate “INACTIVATE FAIT” form from the MAIS website at: http://www.mais.umich.edu/student/faforms.html.

If you need to inactivate:
- Only one FAIT, select Inactivate FAIT Worksheet – Single Entry
- More than one FAIT, select Inactivate FAIT Spreadsheet – Multiple Entries

Then, download an electronic copy of the form and save it to your PC desktop. Complete the form (described next) in its electronic format so that it can be sent to OFA later as an e-mail attachment (instead of printing and hand-entering data).

Step 2. Complete the Inactivate FAIT Form

Enter the following information on the form:

- **Department ID and Department Name**: Enter your department’s Department ID and Name.
- **Item Type# and Description**: Enter the existing values of the FAIT for which you are requesting inactivation.
- **Effective Date of Inactivation**: Enter the requested effective date (month/day year) of inactivation. This is a current or future date.
- **Inactivation Reason**: Provide a brief description why the FAIT is being inactivated.
- **This form completed by**: Provide your name and uniqname.

Step 3. Submit the Completed REVISE FAIT Form to OFA

After you have completed the form, you can submit it to OFA by attaching it to an e-mail message.

- In the Subject line, enter “INACTIVATE FA ITEM TYPE.”
- Send to sfps@umich.edu. Allow two business days for processing.

**Note:** If you have difficulty with e-mail attachments, the form can be submitted via Campus mail to:

Office of Financial Aid
Scholarship/Fellowship Processing
2011 SAB-1316.

Allow two extra processing days for paper submissions.

- When your FAIT has been inactivated, you will receive an e-mail notification.
# Appendix

## Disbursement Rule Options

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DR1</td>
<td>Requires that the student be enrolled full-time (12 hours undergraduate, 9 hours graduate) at the time of each disbursement. The system will also check to ensure the student has not withdrawn.</td>
</tr>
<tr>
<td>DR2</td>
<td>Hold if no enrollment data but disburse if enrolled at least one credit hour. The system will also check to ensure the student has not withdrawn.</td>
</tr>
<tr>
<td>DR3</td>
<td>Hold if withdrawn.</td>
</tr>
<tr>
<td>DR4</td>
<td>No disbursement rules will be applied.</td>
</tr>
<tr>
<td>DR5</td>
<td>Requires that the student be enrolled at least 6 hours if graduate, 12 hours undergraduate; hold if the student has withdrawn.</td>
</tr>
<tr>
<td>DR6</td>
<td>Requires that the student be enrolled at least 12 hours if graduate; 12 hours undergraduate; hold if the student has withdrawn.</td>
</tr>
<tr>
<td>DR8</td>
<td>Requires that the student be enrolled at least 8 hours if a graduate, hold if the student has withdrawn.</td>
</tr>
</tbody>
</table>