



## FINANCIAL AID GUIDANCE MEMO

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TOPIC: GOVERNOR'S MERIT SCHOLARSHIP (GMS)  
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The following is important information for the Governor's Merit Scholarship which is included in the guidance memos provided at <https://highered.ohio.gov/educators/financial-aid/sgs-guidance-memos>.

### Overview

The Governor's Merit Scholarship awards merit-based aid to students who are determined to be in the top five percent of their public or chartered nonpublic high school graduating class and the top five percent of homeschooled students, and dropout prevention recovery school students who have decided to enroll in a qualifying Ohio institution of higher education.

### Residency

Recipients are required to be current Ohio residents as described in the Ohio Student Residency Administrative Rule, found at: <http://codes.ohio.gov/oac/3333-1-10>.

Residency is not verified prior to a student accepting the GMS. It is the responsibility of each college or university to verify students meet the residency requirement prior to awarding.

### **\*UPDATE\*** Selective Service

Ohio Revised Code (ORC) section 3345.32 still requires compliance with the selective service law for a student to be eligible for any of Ohio's state grants and scholarships, subsidy, and in-state tuition. ORC 3345.32 Student Noncompliance with Selective Service can be found here: <https://codes.ohio.gov/ohio-revised-code/section-3345.32>.

As such, **ODHE still requires institutions verify that students comply with selective service registration before requesting state grant and scholarship funding for the term, submitting to be included in the subsidy calculations (publics only), and charging in-state tuition (publics only).**

The institution must keep this documentation in the event of an audit. If a student falls into one of the exceptions according to ORC for selective service, the documentation for this exception must also be provided to ODHE in the case of an audit. For birthdays that fall after the FAFSA filing and before a term start date, an institution is required to check registration prior to requesting any state aid for a term after the 18th birthday.

If the Ohio General Assembly chooses to amend this legislation, ODHE will inform the campuses.

### Qualified Institutions

The GMS can be used at any of the following institution types:

- State institution of higher education, as defined in section 3345.011 of the Revised Code.
- Private nonprofit institution of higher education that holds a certificate of authorization pursuant to Chapter 1713 of the Revised Code.

### **Institutional Responsibilities**

A qualifying institution shall not make changes to scholarships or financial aid programs offered by that institution that have the goal or net effect of shifting the cost burden of those programs to the GMS program. Qualifying institutions of higher education that enroll students receiving the GMS shall maintain the same level of merit-based financial aid that the institution provided in the post recent academic year in the aggregate to all students or on a per-student basis.

### **\*UPDATE\* Student Awards**

The GMS award amount is up to \$5,000 each academic year. In such cases where the total number of awards exceeds the appropriation for a given year, awards may be reduced. Notification of reduced awards will occur as soon as is practicable to ensure that students have the information when making decisions about which IHE to attend. **For the 2026-2027 academic year, the GMS annual award amount is \$5,000.**

The award amount will not be prorated based on a student's enrollment. Both full-time (12 or more credit hours) and part-time (fewer than 12 credit hours) students can receive the full \$5,000 per year (up to COA), divided by 2 semesters or 3 quarters. The maximum term award amount is \$2,500. Students not enrolled for the entire academic year cannot receive more than \$2,500. It will be the responsibility of the institution to ensure the student is enrolled and meets renewal eligibility before disbursement occurs at the beginning of each academic year.

Students may choose which terms within the ODHE academic year they wish to use the Governor's Merit Scholarship (GMS), including Summer; however, institutions must advise students that the award may be applied to **no more than two semesters or three quarters** within the same academic year.

### **GMS Utilization**

Students must be in an undergraduate program and may receive the GMS scholarship for a maximum of 8 semesters/12 quarters of full-time or part-time undergraduate study. Part-time status is anything less than 12 credit hours per term and would be considered as a full term of eligibility. Students are limited to a maximum annual award of \$5,000, with no more than 2 semesters/3 quarters of disbursements per academic year. Each term a student is awarded the GMS will utilize a full term of eligibility.

The GMS must be used at a qualifying IHE within two years of the student's high school graduation (e.g., a student may take up to two "gap years" prior to enrollment) or the offer will be rescinded. Awards must be fully spent (including all renewals) within six years of initial acceptance. Awardees who transfer from an initial qualifying IHE to a different qualifying IHE may continue to receive and renew their GMS award within the maximum time limit and award amount allowable.

### **\*UPDATE\* Renewal Eligibility and SAP**

Renewal eligibility is based upon a student meeting satisfactory academic progress (SAP), which is defined as maintaining a cumulative GPA of 3.0 or above, completing a minimum of 20 credit hours per year, and demonstrating appropriate progress toward earning a degree. This SAP policy overrides the institutional SAP policy specifically for awarding this scholarship. Institutions are required to review SAP at the end of each academic year. For ODHE purposes, the academic year begins with Summer and concludes at the end of Spring.

SAP determinations must be made only after a student has completed a **full academic year**. Students who attend only one term during the academic year should not receive a SAP evaluation until they have completed an entire academic year. This review determines a student's renewal eligibility for the subsequent award year. Students who do not meet SAP requirements in the middle of an academic year may still receive GMS payments for the remainder of that academic year.

### **\*UPDATE\* SAP Appeals**

Students must meet the SAP set forth in the guidance to receive an automatic renewal of their GMS award. Students who do not meet this requirement may submit an appeal to their institution's Financial Aid Office. Appeals are reviewed and decided solely at the institutional level. If the appeal is approved, the student may continue to receive their award. **If the appeal is denied, or if the student does not submit an appeal, the student loses GMS eligibility indefinitely, including**

**transferring to another institution.** SAP appeal decisions made by the institution are final and are not subject to appeal to the Ohio Department of Higher Education (ODHE).

Institutions are required to report SAP status for **all students** who were enrolled for the full 2025–2026 academic year. This ensures ODHE can confirm renewal eligibility and prevents ineligible students from receiving GMS funding at another institution.

A template for reporting SAP status is available here: <https://highered.ohio.gov/data-reports/hej-system/hej-file-doc/hej-financial-aid/gms>.

If a student fails to meet SAP and either does not complete an appeal or has an appeal denied, the institution must report this information to ODHE via HEIFX. The file submitted must contain the following:

- Student Identifier
- Student Name
- SAP Status:
  - Meets SAP
  - Does NOT Meet SAP
  - SAP Not Applicable (Student only attended one term during the academic year)

Once a file is received and processed by ODHE, students not meeting SAP will no longer be eligible for the scholarship moving forward. It is the responsibility of the institution to notify the students that their GMS award has been rescinded. If the student has transferred to another institution, the school where SAP was not met must notify the student and ODHE, and ODHE will notify the transfer institution.

**Please note: Institutions are required to review SAP at the end of each academic year and must report SAP status for all enrolled students to ODHE via HEIFX (<https://heifx.ohiohighered.org/>) no later than July 1 each year**, before requesting GMS payment for the upcoming academic year. Institutions that have an internal process to review SAP after July 1 must notify ODHE of this date. Institutions may not submit payment requests in HEI until SAP status has been reported for each GMS student. If all enrolled students meet SAP, an email stating that all students meet SAP may be sent to the GMS Program Manager in lieu of a data file.

### **Transfer Students**

It is the responsibility of the student who is transferring to contact ODHE with the information on the school they plan to attend. Students may contact the GMS Program Manager at [meritscholarship@highered.ohio.gov](mailto:meritscholarship@highered.ohio.gov) to disclose this information. Contacting ODHE is the only way a student's name can be transferred from one eligibility report to another to prevent a delay in disbursement.

It is the responsibility of the IHE to verify that a transfer student has not transferred from an ineligible IHE (such as an Ohio proprietary or out-of-state school). As previously stated, students who are awarded the GMS can take up to two "gap years" before entering college and still be eligible for this program. However, students who have attended an ineligible IHE have forfeited their scholarship.

Institutions should also establish a policy on how transfer credits will be treated when evaluating the 20-credit requirement. All credit hours that were transferred from the other institution and occurred in the same academic year can be considered in reviewing SAP.

### **\*NEW\* Financial Aid Consortiums**

Institutions should note that GMS consortium agreements are generally only applicable when a student is **not enrolled in any credit hours at the home institution**. Because the GMS award is not prorated based on enrollment, a consortium is only needed when the student is enrolled **exclusively** at the host institution. Under a valid financial aid consortium agreement, the combined number of credit hours may be used to determine a student's enrollment status for GMS purposes, provided the host institution is either:

- a state institution of higher education as defined in section 3345.011 of the Revised Code, or

- a private nonprofit institution holding a certificate of authorization under Chapter 1713 of the Revised Code.

However, schools should factor in the modified COA charges for the classes taken at the visiting school. It is possible that a reduced COA charge could result in a student not being eligible for the maximum term award amount of \$2,500.

### **Study Abroad**

The home school needs to maintain documentation showing course(s) being taken, and student charges at the study abroad institution (if not recorded on transcript and account statement). The total charge must not be more than the cost of attending the home institution during that term. In keeping with federal guidelines, the home school must keep this documentation in the event of an audit.

### **Dual Undergraduate and Graduate/Professional Programs**

For students dually enrolled in a bachelor and master's or professional program, or an undergraduate taking graduate level or professional level courses, GMS funds can only be utilized for credit hours being applied to their undergraduate degree and being charged at the undergraduate rate.

Further clarification on overlapping hours can be found here: <https://highered.ohio.gov/educators/academic-programs-policies/academic-program-approval/program-approval-faq/program-approval-faq>.

### **HEI System Access**

The HEI system can be found at <https://hei.ohiohighered.org>. An institution's Financial Aid Liaison is responsible for granting access to individuals on their campus. Please see the HEI Authorization Manual for detailed instructions. A new role has been assigned for the GMS program, and a staff member must be assigned as the Merit Scholarship Data Reporter to manage this program in HEI. The manual and a WebEx demonstration of the HEI system can be found here: <https://highered.ohio.gov/data-reports/hei-system/hei-resources>.

### **Student Identification**

The GMS eligibility report is populated with the social security number provided by the student. It is possible for students to provide incorrect information, and ODHE cannot validate this for accuracy. Students who do not have a social security number have selected an option within the student GMS portal to indicate this. These students will appear on the eligibility roster with a blank SSN. **Please be aware of these possible inconsistencies between the HEI eligibility roster and your financial aid system.** If a social security number is found to be incorrect, or a student with a blank number needs to be updated, please send a file with the corrected information via the secure file transfer site (HEIFX), which can be found at: <https://heifx.ohiohighered.org>. (Select Governor's Merit Scholarship under the Associate with Program dropdown.)

Students with a valid SSN should be indicated on the GM file with an IAIS of "N" when submitted in HEI. If a student does not have a valid SSN, and is instead using a Student ID, please indicate "Y" in the IAIS field on the GM file.

### **Academic Calendar and Extension Requests**

A specific submission window is available to each institution during each term. At the beginning of each term, HEI financial aid data reporters and financial aid contacts are sent an e-mail reminding them of the dates of the submission window. The submission window is based on the individual academic calendar submitted by each campus. Effective for the 2025-2026 academic year and beyond, the submission window will open 15 days after the first day of any given term and close 45 days after the submission window opens.

ODHE will honor extensions beyond term window submission deadlines in the current academic year for circumstances that are generally beyond the control of the institutions. For a list of these exceptions and the full guidance, please see the HEI Submission and Extension Requests guidance memo found here:

<https://dam.assets.ohio.gov/image/upload/highered.ohio.gov/sgs/guidance-memos/FA26-002.pdf>.

The Academic Calendar and Extension Request are available in HEI at: <https://hei.ohiohighered.org/> under the Institution Management tab.

### **\*UPDATE\* Notification and Disbursement**

A student will appear on your institution's GMS Eligibility Report if they have selected your institution as their intended school within the student GMS portal. Please note that the roster may change as more students accept their scholarship and/or make their final college choice or transfer and may also change if a student has their GMS eligibility rescinded as part of the SAP reporting process. Because of this, rosters should be checked regularly. A payment request file will need to be submitted each term verifying the student's enrollment and SAP status.

Detailed instructions on how to submit a GM file can be found on our website at <https://highered.ohio.gov/data-reports/hei-system/hei-file-doc/hei-financial-aid/gms>.

### **Posting of Funds**

In alignment with federal policy, the institution should apply the funds requested as soon as administratively feasible, but no later than three business days after the date the institution received those funds. GMS funds may be applied to the students' full cost of attendance (COA) and are refundable to the student, if applicable.

### **Refunds**

If a student withdraws from the institution during an academic term, the amount of the GMS that needs to be refunded will be determined by the refund schedule of the institution.

If no further disbursements will be made for the academic year or if it's a previous year's return, a refund check must be submitted to our office within 30 days of submitting the refund file. If after 45 days the refund check is not submitted, the amount owed plus interest and any additional fees may be turned over to the Ohio Attorney General's office for collection.

Refund checks can be made out to the Ohio Department of Higher Education attached with a copy of the refund manifest and mailed to:

Ohio Department of Higher Education  
ATTN: Governor's Merit Scholarship  
Office of Financial Aid, 7<sup>th</sup> Floor  
25 South Front Street  
Columbus, OH 43215-4183

### **Reporting**

Qualifying institutions receiving GMS funds agree to provide additional data on GMS participants (e.g.: enrollment, credit hours, student demographic information, degree completions) for required reports as requested by ODHE.

### **Financial Aid Audits**

The Ohio Revised Code authorizes the chancellor to conduct financial aid audits of state-supported colleges and universities, proprietary, and non-profit private colleges, and universities. All Ohio and Pennsylvania institutions with financial aid errors based on their prior year audit results will automatically be audited in an upcoming calendar year. Additional institutions may be audited by random selection to maintain our goal of auditing a set number of institutions yearly. Every institution will be audited at least once every three years. Separate guidance can be found here: <https://highered.ohio.gov/educators/financial-aid/sgs-guidance-memos>.

***Financial aid personnel should direct any questions to the Governor's Merit Scholarship Program Manager, Michelle Anderson, (614) 752-9199, [manderson@highered.ohio.gov](mailto:manderson@highered.ohio.gov) or [meritscholarship@highered.ohio.gov](mailto:meritscholarship@highered.ohio.gov).***