



Regulation for the Educational Fund

2020

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Introduction

The Institutional Trust of the Puerto Rico National Guard (FIGNA) is a public corporation of the Government of Puerto Rico, attached to the Puerto Rico National Guard, created by Law No. 23 of July 23, 1991. The Act authorizes the creation of a fund to provide financial assistance for the payment of educational expenses for active members of the Puerto Rico National Guard, their spouses and their dependents.

This Regulation provides for the administration, operation and financing of the Educational Fund, including capital, income, expenses and related investments. The Educational Assistance Program and the fund that is created to implement it is intended to provide resources to help cover the educational expenses that active members of the Puerto Rico National Guard, their spouses, and their dependent may incur, to the extent the resources of the Educational Fund permit.

The Executive Director of FIGNA or the Administrator of the Assistance Program will be responsible for the implementation of the Educational Assistance Program.

Article 1 – Title.

This regulation will be known as the *Regulation for the Educational Fund* of the Institutional Trust of the Puerto Rico National Guard.

Article 2 - Legal Basis.

This Regulation is established under the authority provided by Law No. 23 of 23 July 1991, as amended, approved in the Fifth (5th.) Ordinary session of the Thirteenth Legislative Session of Puerto Rico, known as the "Law of the Institutional Trust of the Puerto Rico National Guard".

Article 3 – Purpose.

This Regulation provides for the implementation, administration and financing of the "Educational Fund". In addition, to establish the eligibility criteria of beneficiaries and how to distribute its resources.

Article 4 – Definitions.

The following words and terms, when used or referred to, shall have the meanings set forth in the Trust's regulations and as follows:

- a. **"Administrator of the Assistance Program"** - means the Executive Director of FIGNA, the officer, officers or officials appointed to administer and implement the Educational Fund under Law No. 23 of July 23, 1991, as amended.
- b. **"Assistance"** - means all benefits of the Education Fund and the Annuity Fund, Life Insurance and Funeral Insurance that will be received by eligible active or retired members of the Puerto Rico National Guard, their spouses and their dependents in accordance with the provisions of the Trust Regulations and Law No. 23 of July 23, 1991.
- c. **"Beneficiary"** – means the active member eligible for educational assistance as defined in this regulation and/or his or her spouse or dependent to whom the eligible active member authorizes him or her to use this benefit.
- d. **"Unit Commander or His/Her Authorized Representative"** - means a commissioned or warrant officer who has been appointed commander of the federal unit to which the claimant is assigned or non-commissioned officer (NCO) occupying the military position or any authorized representative belonging to the complainant's branch. The intent will be to certify the successful participation of an active PRNG member.

- e. **"Spouse"** - means the wife or husband of an eligible active member of the Puerto Rico National Guard who is married under the Laws of Puerto Rico and/or any other state or territory of the United States of America.
- f. **"Dependents"** - means the children of an active member of the Puerto Rico National Guard or his/her spouse who are single, under the age of 21 residing under the same roof (including student lodging), and who are financially dependent on the eligible active member. If the people listed in the previous sentence are studying full-time at a duly accredited university or institution, the aid can be received up to the age of 23.
- g. **"Educational Fund"** – means the fund to help cover the educational expenses of active members of the Puerto Rico National Guard, their spouses and their dependent, including university, postsecondary and postgraduate educational expenses at properly accredited universities, colleges and technical or vocational colleges.
- h. **"Puerto Rico National Guard" or "PRNG"** - means that subdivision of the Military Forces of Puerto Rico organized, according to Section 201 of Law No. 62 of July 23, 1969, as amended, known as the Military Code of Puerto Rico and according to the corresponding federal allocations prescribed by the President of the United States from time to time in accordance with the Laws of the Federal Congress.
- i. **"Educational Incentive"** – will initially mean the cost of the credit to be incurred or incurred in duly accredited university education, technical or vocational colleges in Puerto Rico or the United States, including the cost of the credit based on the allocation already designated in this regulation, where the lower cost shall prevail. The Board of Directors by resolution

adopted for this purpose may change from time to time the nature and amount of the assistance benefits to be included under the concept of educational incentive.

- j. **"Duly Accredited Institution"** - means all educational institutions with offerings of degrees at the post-secondary and post-graduate level operating in Puerto Rico or the United States or other countries, meaning, universities, institutes, colleges and others duly accredited by the Council of Higher Education or another accrediting entity in Puerto Rico, the United States or the country in which the educational institution is located.
- k. **"Board"** - means the Board of Directors of the Institutional Trust of the Puerto Rico National Guard created under Article 4 of the Law.
- l. **"Law"** - means Law No. 23 of July 23, 1991, as amended, known as the Law of the Institutional Trust of the Puerto Rico National Guard.
- m. **"Active Member of the Puerto Rico National Guard"** - means any member of the Puerto Rico National Guard assigned to a federal military unit (Army or Air Branch).
- n. **"Academic Period"** – Means the term that covers the months of July 1 to June 30, for the purpose of this regulation the academic period and the fiscal year cover the same calendar months.
- o. **"Benefits Technician"** - means staff trained by FIGNA as a resource to guide, assist, receive and process all benefit applications from eligible members, their dependents, and spouses.

Article 5 – mechanism or procedures for administering the Educational Fund.

This regulation lays down the mechanisms and procedures for the administration and distribution of the Educational Fund of the Institutional Trust of the Puerto Rico National Guard in accordance with Law No. 23 of July 23, 1991, as amended.

Article 6 – Source Funds.

The sources of funds available to the Educational Fund are as follows:

- a. **Initial Resources:** At the beginning of the Trust, the minimum initial amount of five hundred thousand dollars (\$500,000.00) was deposited, which constituted the initial capitalization of the fund.
- b. **Future Resources -** The fund will have future resources that will be provided from the following sources:
 1. **Dividends generated by FIGNA Military Stores and other concessionaires.** The Board of Directors, in line with the provisions of the Law, shall assess annually the percentages received from negotiated contracts of concessionaires operating military stores and similar services; will approve and allocate the items assigned to this Fund. The FIGNA Board of Directors may vary the percentage by resolution, depending on the availability of accrued funds from income received in each state fiscal year.
 2. **Donations.** Donations of any natural or legal person including the Government of Puerto Rico and its agencies and public instrumentalities, municipalities and the Federal Government of the United States.

Article 7 - Limitation on use of the Educational Fund.

In the administration, operation, modification or extension of any benefit class and the operations and other activities of the Educational Fund, the Administrator of the Assistance Program shall be guided by and shall observe the requirements established by the Law, the Board and the following general criteria:

- a. The Assistance Program Administrator may not commit funds in excess of projected revenue annually, so that the initial resources contributed to FIGNA (\$500,000) maintain an appropriate real basis, taking into account a minimum inflation rate equivalent to three percent (3%) per year.
- b. No contract shall be entered into in relation to the Educational Fund with persons or entities that are not financially responsible and are not fully qualified and willing to fulfil their responsibilities under the contract.

Article 8 – Educational Assistance Benefit: Requirements and Criteria.

a. General.

1. The educational assistance benefit will consist of a 100% refund of the payment of credit hours in a college tuition, up to \$50.00 for undergraduate credit and \$75.00 for graduate credits and up to a maximum of 18 credits per academic period.
2. Students authorized to receive educational assistance at vocational institutions, to acquire a technical degree or license, will be reimbursed based on a formula similar to that of those students at other universities in Puerto Rico. If it is not possible to equate costs on the basis of an equivalence to what would be "credits" per course at the University of Puerto Rico, a fair formula will be established that relates to the principles and guidelines set out in this Regulation.
3. In order to receive payment of their reimbursement, the applicant must approve, as set out in this article, the courses for which he requested educational assistance at the beginning of the academic period.

4. The educational assistance benefit shall be authorized only to applicants studying courses leading to an ascending academic degree or to one (1) vocational or technical degree. If an applicant has received educational assistance from the Program to earn an academic or vocational degree, they may not apply for the benefit to earn another academic degree of equal or lower rank. The degree must be ascending. (technical degree, associate degree, bachelor's, master's, doctorate)

b. Eligibility.

1. Military Member.

- (a) The educational assistance benefit granted in the Law will be available to only the eligible active member of the Puerto Rico National Guard and when the military member appoints and authorizes it, to their spouse or dependent, as defined in this Regulation.
- (b) The military member applicant may claim courses up to the academic level of a doctorate degree.
- (c) Civil studies required by the National Guard for the progress or growth of the eligible active member may be authorized when evidence of the branch (Army or Air Force) requiring it is presented.

2. Spouse and Dependents.

- (a) When the eligible active member decides not to use the educational assistance benefit, he or she may transfer the benefit to his or her spouse or dependent. However, only one of these, spouse or dependent, may apply for the benefit per academic period.

(b) The eligible active member will select the beneficiary to whom he or she will assign the educational incentive privilege based on the provisions of this regulation. The educational assistance benefit may only be requested by one (1) authorized beneficiary during academic period (fiscal year), regardless of the number of credit-hours claimed. Once the educational assistance benefit is granted to the spouse or dependent, it cannot be claimed during the same fiscal year by the eligible active member who ceded it.

(c) The spouse may claim courses up to the academic level of a master's degree.

(d) The dependent will be able to claim courses up to the academic level of a bachelor's degree.

(e) A dependent who lives under the same roof (including student lodging) of the eligible active-duty military and is certified by the university as a full-time student may claim the educational assistance benefit up to the age of 23.

c. Term (Deadline) and Method for submitting of application.

1. It is the applicant's responsibility to complete all fields required in the educational assistance request, including contact information such as phone numbers and email. Only courses that involve credit hours will be included in the application.
2. Each applicant will have a maximum of 30 calendar days, from the first day of class, to submit the request for educational assistance with all the required documents.
3. Applications may be delivered by email, mail or personally to a benefits technician at any of FIGNA's service centers. The applicant may send an authorized representative to deliver the documents.

4. The benefits technician will receive the application and give you a date stamped copy as evidence that you delivered the documents on time.
 - (a) If the request was emailed, the benefits technician will return a response message to confirm the receipt and validate whether the request is complete or requires any additional documents.
 - (b) If the application was sent by regular mail, it is the applicant's responsibility to communicate at the central level to certify that the documents were received, and that the application is complete. In these cases, the date of the postmark must be within the 30 calendar days that the claimant has to apply for the benefit.
5. It is the applicant's responsibility to demonstrate in a term no longer than thirty (30) calendar days, from the moment they took place, any change in the information provided in the original application for educational assistance submitted to FIGNA. (examples: changes in classes, concentration, institution, completion of course)
6. In cases where applications require additional information or documentation to be validated, the benefits technician will contact the applicant and grant him/her a period of thirty (30) calendar days, to complete the request. If this term is not met, the request will be denied.
7. In cases where the eligible active military member is under orders outside of Puerto Rico, the military member and unit commander's signatures required in the educational assistance request may be replaced with a copy of the deployment orders.

d. Grades

1. Submitting the educational assistance application will not guarantee payment of the educational incentive. The applicant must successfully approve, as defined in this Regulation, the classes claimed and submit to the benefit technician a copy of the grades awarded at the end of the class period.
2. The applicant has a maximum of sixty (60) calendar days from the last day of class, to submit or deliver the final grades of the classes claimed in the educational assistance application.
3. The educational assistance benefit will be granted to applicants who successfully approve the courses claimed.
 - (a) Military member. To successfully pass a university course at the technical, undergraduate or graduate level, the military member must obtain a grade of A (4.00), B (3.00) or C (2.00).
 - (b) Spouse. To successfully pass a university course at the undergraduate or graduate level (up to master's degree), the spouse must earn a grade of A (4.00) or B (3.00).
 - (c) Dependents. To successfully pass a university course at the undergraduate level, a dependent must obtain a grade of A (4.00) or B (3.00).
 - (d) Any class or course, which involves credits, whose final grade is identified as "Approved" (Pass), "Failed" or any other term or coding (P, AP, Pass), shall be deemed to be satisfactorily approved for the purposes of this Regulation where determined by the university institution.

4. The official grades document must contain the applicant's full name, classes claimed with the final grades, and the name and/or logo of the institution.
 - (a) Grades can be delivered by email, mail or in person at the Trust service center. It is recommended that they are sent to the FIGNA benefits technician, who received the original request with the classes you claim in the notes document.
 - (b) If a class appears in the notes document that was not included in the original educational assistance application, but there is no evidence of a notification change in the time set out in this regulation, the class will not be refunded.
5. Grades will not be received if the applicant did not complete the first step of submitting their educational assistance application and comply with all requirements and deadlines related to it.
6. Once you have completed the degree of study for the courses claimed through the FIGNA Educational Assistance Program, you must submit evidence of the degree award obtained.

Article 9 - Budget Allocation.

- a. The FIGNA Board of Directors will approve an annual budget for the educational assistance program submitted by the Assistance Program Administrator each year before May 15.
- b. Funds allocated and available will be granted through the account designated by law for the Educational Fund and the accounting thereof will include separate items: one for Members of the National Guard and one for spouses and dependents. The amount of money allocated to each account will be set by the Assistance Program Administrator.

- c. FIGNA shall keep a record of all obligations incurred and a daily balance sheet of the available amount of funds allocated for financial aid, even if the budget is exceeded by the number of applications accepted.

Article 10 – Liquidation. (Settlement)

In the event that the Educational Fund is abolished or for a just cause FIGNA is stripped of the functions described by the Law, without being succeeded by a public body or entity in its functions, the movable and immovable property in this fund will be placed under the control and the custody of the Secretary of the Treasury to be used for the benefit of the Puerto Rico National Guard, as provided by Law.

Article 11 – Reports.

The Executive Director shall submit to the Board, after the close of each school year or fiscal year of the Government of Puerto Rico, but before the end of the calendar year, the following reports:

- a. A financial statement that fully reflects the use of the annual budget designated for that fiscal or school year and its impact on participants.
- b. A report or financial analysis of the situation and development of the Educational Fund and its impact on education and professional development among members of the military community and relatives of the Puerto Rico National Guard.
- c. An analysis that covers in detail aspects of the use of funds and/or future projections for the improvement of the Educational Fund, in such a way that the Board of Directors is at all times in the knowledge and position of acting in the best interests of the active members of the Puerto Rico National Guard and their families.

Article 12 – Repeal and Previous Provisions.

The "*Regulation for the Educational Fund*" of February 19, 2010, is hereby repealed. Any prior communication, verbal or written or part thereof that conflicts with this Regulation, is void after it enters into force.

Article 13 - Amendments.

The provisions of this Regulation may be amended at any time, as required by the Trust's operations and in accordance with the provisions of Law No. 38 of 2017, as amended, known as the "Law on Uniform Administrative Procedures of the Government of Puerto Rico."

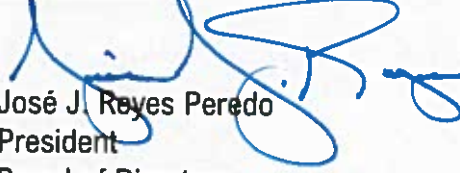
Article 14 - Separability Clause.

If any part of this Regulation is annulled or declared unconstitutional, the decision, opinion or judgment for that purpose delivered shall not affect, prejudice or invalidate the remainder of this Regulation. The effect of that judgment shall be limited to the part thereof which has thus been annulled or declared unconstitutional. If the application to a person or a circumstance of any part of this Regulation is invalidated or declared unconstitutional, the decision, opinion or judgment for that effect given shall not affect or invalidate the application of the remnant of this Regulation to persons or circumstances in which it can be validly applied.

Article 15 – Effective Date.

Upon approval by the Board of Directors, this Regulation will take effect immediately upon completion of the State Department filing process, in accordance with the provisions of Law No. 38 of 2017, as amended, known as the "Law on Uniform Administrative Procedures of the Government of Puerto Rico".

APPROVED:



José J. Reyes Peredo
President
Board of Directors
Institutional Trust of the
Puerto Rico National Guard

I, Andrés Ruíz, Secretary of the Board of Directors of the Institutional Trust of the Puerto Rico National Guard (FIGNA), **certify** that this Regulation for the of the Educational Fund was duly approved by the Board of Directors of FIGNA at the meeting held on December 9, 2020. As provided by the State Department, it shall enter into effect immediately after its proper filing in the State Department, in accordance with the provisions of Law No. 38 of 2017, as amended, known as the "Law of Uniform Administrative Procedures of the Government of Puerto Rico".



Andrés Ruíz
Secretary
Board of Directors
Institutional Trust of the
Puerto Rico National Guard