RELATES TO: KRS 164.7891
STATUTORY AUTHORITY: KRS 164.748(4), 164.7891(9)
NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.7891 requires the authority to promulgate administrative regulations for administration of the Osteopathic Medicine Scholarship Program. This administrative regulation establishes procedures for disbursement of the monies awarded under the Osteopathic Medicine Scholarship Program.

Section 1. Definition. "Authority" is defined in KRS 164.740(1).

Section 2. Disbursement of Funds. (1) Within thirty (30) days following receipt by the authority of the original signed promissory notes for all students eligible to receive the osteopathic medicine scholarship, the monies awarded under the Osteopathic Medicine Scholarship Program shall be transmitted directly to the school of osteopathic medicine on behalf of all students eligible to receive the osteopathic medicine scholarship by electronic funds transfer.

(2) The authority shall send to the school a disbursement roster containing each recipient's name and Social Security number.

(3) The school shall hold the funds solely for the benefit of the student eligible to receive the osteopathic medicine scholarship and the authority until the recipient has registered for classes for the period of enrollment for which the scholarship is intended.

(4) Upon the recipient's registration, the school shall immediately credit the recipient's account and notify the recipient in writing that it has so credited that account, and deliver to the recipient any remaining osteopathic medicine scholarship proceeds.

(5) The school shall indicate on the disbursement roster the date funds were either credited to the student's account or disbursed to the student, the name of a recipient for whom funds are being returned, the amount being returned, and the reason funds are being returned.

(6) If a recipient does not register for the period of enrollment for which the scholarship was awarded, or a registered student withdraws or is expelled prior to the first day of classes of the period of enrollment for which the scholarship is awarded, the school shall return the proceeds to the authority by electronic funds transfer within ten (10) days of the recipient's withdrawal, expulsion, or failure to register.

(7) The school shall retain a copy of the disbursement roster for its records and forward the original roster and any undisbursed osteopathic medicine scholarship funds to the authority not later than thirty (30) days following receipt of the roster and the funds.

Section 3. (1)(a) If a recipient subsequently refuses to repay the osteopathic medicine scholarship on grounds that he was unaware of or did not receive delivery of the scholarship proceeds from the school, upon written request from the authority, the school shall promptly provide documentary evidence to the authority that the recipient received or had funds credited to his student account and was notified of this transaction.

(b) The school shall otherwise reimburse the authority for any amount of the scholarship that is unenforceable absent that documentary evidence.

(2) The obligation of the school to provide the documentary evidence specified in subsection (1)(a) of this section shall continue until the recipient's obligations for repayment of the osteopathic medicine scholarship is paid in full or otherwise discharged. (25 Ky.R. 454; 814; eff. 10-1-1998; 26 Ky.R. 1433; eff. 3-10-2000; Crt eff. 9-28-2018.)