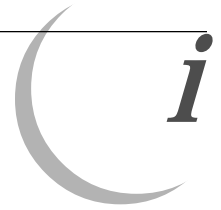

Introduction



This volume describes how a school calculates and pays Pell awards to eligible students and how it reports those payments to the Department. The discussion covers what the school must do to process an eligible student's Pell award after the school has received documentation of the student's eligibility.

OVERVIEW

The Federal Pell Grant Program provides grants to undergraduate students who have financial need and meet the other requirements for SFA assistance (see the *SFA Handbook: Student Eligibility [Volume 1]*).¹ Unlike other programs such as the campus-based programs, schools don't have to make decisions about who receives Pell funds or how much they receive. The Department pays Pell funds to all eligible students, and formulas determine how much each student receives. Schools do have many responsibilities in administering the program, and those responsibilities are discussed in this publication.

Although the Department calculates the student's Expected Family Contribution (EFC) and performs certain eligibility matches, schools are responsible for ensuring that a student is eligible for any aid they disburse (see the *SFA Handbook: Student Eligibility [Volume 1]*). In Chapter 1 of this volume, we discuss Pell-specific student eligibility requirements schools need to be aware of.

The Department provides formulas for calculating the amount of a Pell Grant award. These formulas, as well as other factors relating to award calculation, are discussed in Chapter 2 of this volume.

A school needs to report Pell disbursements to the Department. The Department uses the Recipient Financial Management System (RFMS) for Pell Grant reporting. This system and the reporting requirements are discussed in Chapter 3 of this volume.

In Chapter 4 of this volume, we discuss the rules governing Pell disbursements. Finally, in Chapter 5 of this volume, we discuss handling changes after disbursement, such as recalculations or overpayments.

1. Note that in certain limited cases, students in a postbaccalaureate program can receive Pell Grants; see Chapter 1 of this volume.

Other Information Sources

Throughout the year, the Department provides updates to schools in the form of “Dear Partner” Letters and Action Letters. These letters, as well as other information from the Department, such as *Federal Register* notices, are available on the Information for Financial Aid Professionals (IFAP) web site at <<http://ifap.ed.gov>>. The Department also posts system updates and technical guidance announcements on the IFAP site.

The SFA Technical Support web site at <<http://www.ed.gov/offices/OSFAP/sfatech/>> has information about the Department’s electronic reporting systems, including, for example, tips on using RFMS and EDEExpress software. It also has instructions for joining the SFATECH e-mail list, where you can post questions to be answered by the Department and read other questions and answers as they’re posted.

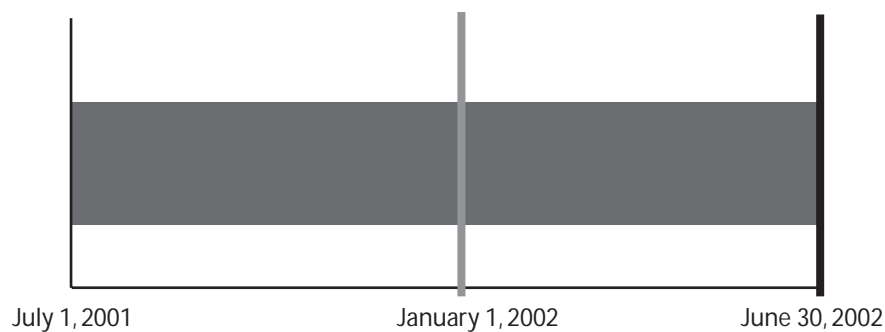
If you’re looking for general Pell payment information, such as the school’s current authorization and the status of batches, or want to request specific Pell data or documents, you can contact RFMS Customer Service at 1-800-4-PGRANT (1-800-474-7268). In addition, there is now an RFMS web page at <<http://www.pellgrantsonline.ed.gov>>, where you can check the current authorization and status of batches. For specific questions about RFMS, you can contact RFMS Customer Service at the number above or by e-mail at <pell_systems@ed.gov>.

The Department provides software to be used for packaging and for reporting Pell payments as part of EDEExpress. Schools aren’t required to use this software, but can instead develop their own or use software developed by someone else. For information on the operation of specific software, you should consult the documentation that comes with the software.

RECENT CHANGES

- The maximum award has increased to \$3,750 for 2001-2002. The EFC cutoff for Pell eligibility for a full time student has increased to \$3,550. Copies of the Payment and Disbursement Schedules using this maximum award are included in Chapter 2 of this volume.
- Currently, a pilot program, Just-In-Time Funding, is being tested as an alternative to the Advance Funding method used by most schools. The program has been expanded, from 19 schools in 1999-2000 to 71 schools in 2001-2002. Because only a few schools are participating in this pilot, the details of this program are not discussed in this volume; instead, the pilot schools should refer to the specific materials they’ve received as part of the pilot program.

2001-2002 Award Year



DEFINITIONS

There are some important terms we use in the rest of this publication. Some of these terms, such as award year, academic year, and standard or nonstandard terms, are also used for other SFA programs. Others, such as Scheduled Award and annual award, are only used for the Federal Pell Grant Program.

Scheduled Award

A primary concept in the Federal Pell Grant Program is the “Scheduled Award,” which is the amount a student receives during an academic year for a given cost of attendance (COA) and EFC, assuming the student is enrolled **full time** for a **full** academic year. Therefore, a student will receive less than a full Scheduled Award if he or she does not complete an academic year in both weeks of instructional time and hours.

The concept of the Scheduled Award has always been important because it limits the student to a maximum payment for an award year. The Scheduled Award can’t be exceeded, even if the student transfers to another school or attends for more than one academic year in the award year (for example, by attending a summer session).

Annual Award

The annual award is the maximum amount (from the appropriate Payment or Disbursement Schedule) a student would receive during a full academic year for a given enrollment status, EFC, and COA. Note that for a full-time student, the annual award will be the same as the Scheduled Award.

Award Year

The award year begins on July 1 of one year and ends on June 30 of the next year.

Pell Definitions Cite

34 CFR 690.2

Scheduled Award Examples

Edmund has a COA of \$6,000 for a full academic year and a nine-month EFC of 0. His Scheduled Award is \$3,750 (the maximum for 2001-2002). If he attends two semesters as a half-time student in a semester based program, he’ll actually receive \$1,875, half the Scheduled Award. Or, if he starts attending full time in the spring, and only completes half of an academic year in 2001-2002, he’ll receive no more than half of a Scheduled Award.

Annual Award Example

A half-time student with an EFC of 0 and a COA of \$10,000 will have a Scheduled Award of \$3,750, and an annual award of \$1,875. If the student were enrolled less-than-half time, the annual award would be \$938. A school might use different annual awards for a student during one award year if the student’s enrollment status changes during the year.

Multiple Award Cite

HEA Sec. 401(a)(6), 34 CFR 690.67

A student can't be paid more than one Scheduled Award during an award year. The regulations provide that students may receive up to a second Scheduled Award during a single award year when announced in the *Federal Register* by the Department. This announcement occurs when Congress makes funds available specifically for this purpose.

Academic Year Cite

HEA Sec. 481(a)(2); 34 CFR 668.2, 3

Academic Year

The school must define the academic year for each program of study; once it has defined the academic year for that program, it must use that definition for all SFA purposes. The law and regulations provide minimum requirements for an academic year. (See the *SFA Handbook: Institutional Eligibility and Participation [Volume 2]* for more information on the definition of academic year.) A school's defined academic year must contain at least 30 weeks of instructional time during which a full-time student is expected to complete at least 24 semester or trimester hours or 36 quarter hours at a school measuring program length in credit hours, or at least 900 clock hours at a school measuring program length in clock hours. Schools can apply for a waiver of the 30 week minimum.

Calendar weeks vs. Weeks of instructional time

Note that for the Pell award calculations, the school will need to determine how many weeks of instructional time are in the program or academic year, or in each term if the school uses terms. In some cases, the weeks of instructional time won't be the same as the number of calendar weeks. Chapter 2 of the *SFA Handbook: Institutional Eligibility and Participation (Volume 2)* explains how to determine weeks of instructional time. A school should be careful not to use calendar weeks when it should be using weeks of instructional time.

Different academic year for different programs

Depending on the academic nature of the programs involved, a school can define an academic year differently for different programs of study. For instance, it can set an academic year of 900 clock hours and 30 weeks of instructional time in one program and 1,200 clock hours and 40 weeks of instructional time in another. The school can even use a different academic year for an evening program, as opposed to a day version of the same program, as long as each academic year meets the minimum requirements for an academic year. If the school establishes separate versions of a program, with different academic years, but allows individual students to take courses in both versions, the school must be able to determine which program the student is actually enrolled in.

Standard Term and Nonstandard Term

Generally, if all the coursework can be completed within a specific time frame, the program can be considered term-based. Term-based

schools can have either standard terms or nonstandard terms. Pell Grants are calculated differently for the two types of terms.

Standard terms

Standard terms are semesters, trimesters, or quarters, as these words are traditionally used. In traditional usage, an individual semester or trimester provides about 15 weeks of instructional time and full time is defined as at least 12 semester or trimester hours; the program's academic calendar generally consists of three terms, one each in fall, spring, and summer. In traditional usage of the term quarter, an individual quarter provides about 10 to 12 weeks of instructional time, and full time is defined as at least 12 quarter hours; the program's academic calendar generally includes three quarters in the fall, winter, and spring and often a summer quarter as well.

Nonstandard terms

Any term that isn't one of the standard terms described above is a nonstandard term. Nonstandard term has sometimes been used to refer only to terms of unequal length, but under this definition terms of equal length can be nonstandard terms.

Nonstandard Term Examples

Bylsma Conservatory has an academic calendar with four terms each with 8 weeks of instructional time in the academic year. These terms are nonstandard terms.

Hart University has a program with one term that is 4 weeks of instructional time between two terms, each with 15 weeks of instructional time. These are also nonstandard terms.

