

Chapter 1

Student Eligibility for Pell Grants, Iraq and Afghanistan Service Grants, and Children of Fallen Heroes Awards

General Eligibility Requirements for Federal Pell Grants

In general, a student must be enrolled in an undergraduate course of study at a non-foreign institution to receive a Pell Grant. For the Pell Grant program, a student is an undergraduate only if the student has not earned or completed the requirements for a bachelor's or professional degree. A student who has earned a baccalaureate degree or a first professional degree cannot receive a Pell Grant. However, students enrolled in an eligible post baccalaureate program as described below are still considered undergraduates for purposes of Pell Grant eligibility.

Definition of an undergraduate student

[34 CFR 668.2](#)

A student who completes a master's program has earned a degree beyond the baccalaureate level, making the student ineligible for a Pell Grant even if they do not have a bachelor's degree and enroll in an undergraduate program. Most professional degrees are also considered beyond the baccalaureate level; the same restrictions apply to students who have earned professional degrees considered beyond the baccalaureate level.

A student who has received an associate degree—or any certificate or diploma below the baccalaureate level—and who enrolls in another undergraduate program continues to be considered an undergraduate student until the student has completed the curriculum requirements for a first bachelor's degree.

A student with a baccalaureate or professional degree is ineligible even if the degree is from an unaccredited school or is not recognized by your school. Similarly, a student with a baccalaureate or professional degree from a foreign school usually isn't eligible for a Pell Grant. But because a foreign degree often won't translate neatly into the American classification, the school must judge whether it equates to a U.S. bachelor's degree. If the student provides written documentation that the foreign degree is not equivalent to a bachelor's degree awarded in the United States, you may determine that the student does not have a bachelor's degree. Documents supporting such a conclusion may include information about the type of school the student attended and total years of education leading to the degree.

A student enrolled in a program that lasts longer than five years, typically first professional degree programs such as a six-year pharmacy program, can be considered an undergraduate for only the first three or four years. Students enrolled in dual degree programs that confer a bachelor's degree and either a graduate or first professional degree are undergraduates for at least the first three years of the program. The school determines at what point after three years the student ceases to be an undergraduate student. The student must be considered a graduate student after the fourth year of such programs (see *Volume 1, Chapter 1* for further discussion).

Occasionally a student will complete all the requirements for a bachelor's degree but will continue taking undergraduate courses without accepting the degree. Your school must decide whether and at what point the student completed the baccalaureate course of study. If your school determines that the student did complete a bachelor's program (regardless of whether the student accepted the degree), then the student is no longer eligible to receive a Pell Grant.

Wrong grade level on the FAFSA

When an undergraduate student incorrectly reports on the Free Application for Federal Student Aid (FAFSA) that the student will be a graduate student or has a bachelor's degree, the student must correct that information. Because the

application shows that the student isn't an undergraduate, the Department's records will show that the student is ineligible for Pell. If the application isn't corrected, the school won't be able to pay the student a Pell Grant.

Eligible postbaccalaureate program

A student who is enrolled at least half time in a postbaccalaureate teacher certification or licensure program is eligible to receive a Pell Grant for the period necessary to complete the program if:

- The program does not lead to a graduate degree;
- The school offering the program does not also offer a bachelor's degree in education;
- The student is pursuing an initial teacher certification or licensing credential within a state; and
- The program consists of the courses required by a state to receive a professional certification or licensing credential necessary for employment as a teacher in an elementary or secondary school in that state.

Under this **very limited provision**, a postbaccalaureate program is defined as a program that generally requires a student to have a bachelor's degree before being admitted to the program. Accordingly, a program in which undergraduate students are routinely allowed to enroll would not meet the definition of a postbaccalaureate program for this purpose, nor would a program that is generally open to undergraduates but that also admits students with bachelor's degrees. For FSA purposes, a school must treat a student who receives a Pell Grant under this provision as enrolled in an undergraduate program. Such a student is eligible for federal work-study and fifth-year undergraduate (not graduate student) Direct Loan limits but would not be eligible for an FSEOG.

Eligible postbaccalaureate programs

[34 CFR 690.6\(c\)](#)
HEA Sec. 484(a)(4)(B)

Eligible postbaccalaureate program and the FAFSA

Normally, students who indicate on the FAFSA that they have a bachelor's degree won't be listed in the Department's records as Pell-eligible students, and the school won't be able to receive Pell funds for them. However, to allow students who are eligible under the postbaccalaureate program provision to be paid, students who correctly report that they have a bachelor's degree but also indicate on the FAFSA that they are in a teaching credential program will be listed as Pell-eligible students. Of course, you must determine whether the student falls under the eligible postbaccalaureate provision.

Prohibition on receiving two Pell Grant payments for concurrent enrollment

A student may not receive Pell Grant payments concurrently from more than one school. If a student is awarded Pell for any period of concurrent enrollment, the student has the choice of which award to receive but is limited to a single award from a single school.

Prohibition on concurrent enrollment

[34 CFR 690.11](#)
HEA Section 401(c)(3) [20 USC Sec. 1070a(c)(3)]

For Pell purposes the phrase “concurrently from more than one institution” means that the student must actually be “attending” both schools at the same time for the concurrent Pell Grant prohibition to apply. A student who withdraws from one school and enrolls at least one day later in another school is normally not considered to have been enrolled concurrently. If a Pell eligible student withdraws from one institution but meets one of the R2T4 withdrawal exemptions and subsequently enrolls at a different institution during the same payment period, the new institution can award Pell Grant funds for any remaining portion of the overlapping payment period. See *Chapter 6* of this volume for additional information on awarding remaining eligibility for a transfer student. The new institution should maintain documentation in the student’s file supporting a Pell Grant disbursement for ceasing attendance at the prior school.

Pell eligibility for incarcerated students

Section 484(t) of the HEA, as amended by the *FAFSA Simplification Act*, establishes Pell Grant eligibility for confined or incarcerated students if they are enrolled in an eligible Prison Education Program (PEP). Beginning on July 1, 2023 with the 2023-2024 award year, a confined or incarcerated individual is eligible to receive a Pell Grant if that individual enrolls in an eligible PEP. For additional information about PEPs, see *Volume 1, Chapter 1* and *Volume 2, Chapter 2* of the FSA Handbook.

Institutions that previously participated in the Second Chance Pell experiment were invited to apply to participate in a revised version of the program. The revised program will allow current participating institutions to continue offering their current programs to confined or incarcerated individuals for up to three award years while they work through the application and approval process for the PEP(s) they wish to offer under the new provisions. See Electronic Announcement [GENERAL-23-25](#) for additional information.

Cost of attendance for incarcerated students

The cost of attendance for students who are incarcerated may include the following: tuition, fees, books, course materials, supplies, equipment, and the cost of obtaining a license, certification, or a first professional credential. For more information on the cost of attendance, see *Volume 3, Chapter 2* of the FSA Handbook.

Confined or incarcerated individuals may not receive Pell Grant funds in excess of their cost of attendance and may not receive a Title IV credit balance. To ensure that all allowable costs are included in the cost of the attendance, schools must include books, course materials, equipment, and supplies as part of institutional charges and either provide those materials directly to the individual or include the costs of books and supplies in the individual’s tuition and fees. If for some reason a credit balance is created, the school must return the Pell Grant funds associated with the credit balance to the Department and it will be credited to the student's remaining Pell eligibility. For more information on the cost of attendance, see *Volume 3, Chapter 2* of the FSA Handbook.

Pell eligibility for incarcerated students

[34 CFR 668](#)

[GEN-23-05](#) – Eligibility of Confined or Incarcerated Individuals to Receive Pell Grants

[Prison Education Programs](#) – FSA Partners Knowledge Center Resources

[Prison Education Programs](#) – Questions and Answers

Additional aid eligibility for dependents of certain deceased veterans

A student whose parent or guardian died because of U.S. military service in Iraq or Afghanistan after September 11, 2001, may receive increased amounts of federal student aid if the student was less than 24 years old or was enrolled at an

institution of higher education at the time of the parent or guardian's death. There are two different provisions for eligible children of deceased veterans, depending on whether the student has a Pell-eligible EFC:

- Zero EFC treatment for dependents of certain deceased veterans
- Iraq and Afghanistan Service Grants

Additional eligibility for children of certain deceased veterans

HEA Section 420R

[November 6, 2009 Electronic Announcement](#)

Zero EFC treatment for dependents of certain deceased veterans

A school must use an EFC of zero to package all federal student aid if a student meeting the above criteria has a Pell-eligible EFC. (Note that the zero EFC is only used for packaging purposes; you do not actually change the student's calculated EFC.) When submitting an origination to COD for a student of this type, you must include the CPS transaction containing the DOD Match Flag set to "Y," or the award will not be accepted. (Note that a student with a non-Pell-eligible EFC is potentially eligible to receive an Iraq and Afghanistan Service Grant —see below.)

Iraq and Afghanistan Service Grant

To receive the Iraq and Afghanistan Service Grant, the student must have an EFC that is not Pell-eligible. Iraq and Afghanistan Service Grants are made under the same terms and conditions as Pell Grants, and disbursements for each payment period are calculated in the same manner as described in this volume for Pell Grants. Unlike Pell Grants, however, Iraq and Afghanistan Service Grant award amounts must be reduced as required by the federal budget cut known as the sequester. See "The Sequester and Iraq and Afghanistan Service Grants" later in this chapter.

When submitting an origination to COD for a student receiving an Iraq and Afghanistan Service Grant, you must include the CPS transaction containing the DOD Match Flag set to "Y," or the award will not be accepted. The award may not exceed the student's COA. Iraq and Afghanistan Service Grants are not considered Estimated Financial Assistance for packaging purposes. For more detail on packaging awards, see *Volume 3, Chapter 3*. Note that children of public safety officers (see the "Additional aid eligibility for dependents of certain deceased public safety officers" section later in this chapter) are not eligible for Iraq and Afghanistan Service Grants.

The Year-Round Pell provision also applies to Iraq and Afghanistan Service Grants. For more detail on how to calculate Year-Round Pell and Iraq and Afghanistan Service Grants, see the "Year-Round Pell and Iraq and Afghanistan Service Grant" section in *Chapter 5* of this volume.

Identification of eligible students and notification by the Department

The Department will notify the student when a student appears to meet the criteria for Zero EFC treatment for dependents of certain deceased veterans or the Iraq and Afghanistan Service Grant, based on a match with a Department of Defense file of eligible dependents. The match will be performed when a student submits a FAFSA or FAFSA correction (and periodically thereafter). When an eligible student is identified, the Department will generate a Central Processing System (CPS) transaction for the student, and the resulting ISIR will include a "DOD Match Flag," associated comment code 298 (in some cases), and the parent or guardian's date of death.

Note that Zero EFC treatment under this provision will not force an auto-zero EFC; the EFC will be calculated based on the student's financial situation, but you must use the flag and date of the parent's or guardian's death, along with the student's calculated EFC, to determine if the student is eligible for Zero EFC treatment or an Iraq and Afghanistan Service Grant award. The Department will also send a letter to each matched student that informs the student of their possible increase in eligibility for FSA funds. The letter advises the student to contact the financial aid administrator at their school

for more information.

Department of Defense (DOD) Match Flag and SAR Comment Code 298

If you received an ISIR containing the DOD Match Flag “Y”, with the parent’s date of death and SSN, the student could potentially be eligible for additional Title IV aid, including a maximum Pell Grant award or an Iraq and Afghanistan Service Grant. The DOD Match Flag is the result of the match with the Department of Defense to identify an applicant whose parent was a member of the U.S. Armed Forces who died because of service in Iraq or Afghanistan after September 11, 2001.

A SAR comment code is not always printed. When a student matches with the DOD file, the ISIR always shows a “Y” in the DOD Match Flag field and the parent’s date of death is populated. However, SAR comment code 298 (which informs the student of a possible change in the student’s eligibility for federal student aid) is only generated when the CPS DOD Table is updated after the student filed the FAFSA (a system generated transaction occurs and generates the comment). For more information on code 298 and other SAR comment codes, see the [2023-24 SAR Comment Codes and Text Guide](#).

The Sequester and Iraq and Afghanistan Service Grants

The Budget Control Act (BCA) of 2011 put into place a federal budget cut known as the sequester. The Pell Grant program is exempt from the effects of the sequester, so Pell Grant payment schedules are unchanged. However, the sequester requires reductions of the Iraq and Afghanistan Service Grant award amount for which a student would otherwise be eligible. For details on how the sequester affects Iraq and Afghanistan Service Grant award amounts, see the [Electronic Announcement posted May 15, 2023](#) in the Knowledge Center.

Additional aid eligibility for dependents of certain deceased public safety officers

Beginning with the 2018-19 award year, an otherwise Pell-eligible student whose parent or guardian died as a result of active service in the line of duty as a Public Safety Officer (defined under 42 U.S.C. 3796b), or a fire police officer may receive the maximum Pell Grant and increased amounts of other federal student aid if the student was less than 24 years old when the parent or guardian died, or was enrolled at an institution of higher education at the time of the parent or guardian’s death. You must use an EFC of zero to package all federal student aid if a student meeting the above criteria has a Pell-eligible EFC. Note that the zero EFC is only used for packaging purposes; you do not actually change the student’s calculated EFC.

Children of Fallen Heroes (CFH) Scholarship Act

When you identify a student as meeting the criteria for the CFH Scholarship Act, you will set the CFH indicator in FAA Access. This indicator becomes part of the ISIR file and is printed on the SAR, eSAR, and ISIR from EDEXpress. Comment code 402 is assigned to a student's records, alerting the student that they may be eligible for additional aid under the CFH Act and instructing them to contact their financial aid administrator (FAA) for more information. Once you have determined that a student meets the eligibility criteria for the CFH Scholarship Act, neither your school nor any other school is required to redetermine that student's CFH Scholarship Act eligibility for subsequent award years.

CFH Scholarship Act

[November 19, 2018 Electronic Announcement](#)

HEA Section 473 [20 USC 3796(b)]