

Chapter 5

Summer Terms, Crossover Payment Periods, and Year-Round Pell

Payment periods don't always fall neatly into one award year or another. A payment period that begins before July 1 and ends on or after July 1 is called a "crossover payment period." The formula for calculating the payment for a crossover payment period is the same as that for any other payment period in the award year.

Crossover Payment Periods

[34 CFR 690.64](#) - Determining the award year for a Pell Grant crossover payment period

[GEN-17-06](#)

Crossover payment from the proper award year

For Pell purposes, you must consider a crossover payment period to occur entirely within one award year and calculate the student's Pell award and disburse Pell funds from the award year selected. If you only have a valid SAR/ISIR from one award year, you must rely on that record and the award year to which the valid SAR/ISIR pertains. Aside from these considerations, the decision about which award year to use is based on the student's remaining eligibility in the earlier award year. This assessment is made according to your school's payment period policy, which for crossover Pell payment periods may apply to:

- an individual student;
- all students or a category of students without exception; or
- all students or a category of students with allowance for exceptions in the case of individual students.

Although you may assign a crossover payment period to either of the relevant award years (within the limitations described below), you must make the assignment based on what you determine will be most beneficial to students.

You may assign the Pell Grant award to a different award year than the rest of the student's Title IV aid. You can make a payment for a crossover payment period out of either award year, if the student has a valid SAR/ISIR for the award year selected. You may assign two consecutive crossover payment periods to the same award year. For example, you could treat summer 2023 and summer 2024 as both being in the 2023-24 award year. You may also source the Pell funds from different award years for different students, as their eligibility allows, depending on their remaining eligibility and financial need.

You may not make a payment which will result in the student receiving more than their Scheduled Award for an award year, unless the student is enrolled at least half time and is eligible for a Year-Round Pell award (see Year-Round Pell and Iraq and Afghanistan Service Grant section later in this chapter), in which case the student may be eligible to receive up to 150% of their Scheduled Award for the award year.

Term schools: Using the formula for summer sessions

If your school offers a summer term in addition to fall through spring terms that qualify for Formula 1 or 2, you will calculate the student's payment for the summer term using the same formula that you used to calculate payments for the other terms in the award year to which the summer term is assigned. If you use Formula 3 for Pell Grant calculations in any of the terms in an award year, then you must use Formula 3 for *all* terms in that program that occur in that award year, including the fall through spring terms. (Note that if your program is a standard-term program in the fall through spring and does not define full-time enrollment in the summer as at least 12 credit-hours, you must use Formula 3 for Pell calculations for all terms in the award year.) **Your school must apply its definition of full-time status for the summer term consistently for all FSA program purposes.**

COA for summer terms

Costs for summer terms are figured in the same way as for any other payment period; that is, the costs are based on the costs for a full-time student for a full academic year. If your school has fall and spring semesters that comprise an academic year, you can't add the costs for the summer term to the costs for the fall and spring semesters. The award for the summer term is still based on the costs for one academic year. However, if the academic year definition includes the summer term, then the costs for the summer term *must* be included in the cost for a full academic year.

If the student was previously enrolled in the award year, you may be able to use the same COA for the summer term that you used for the immediately preceding term that the student attended. However, this isn't possible if the costs are different from the fall through spring, such as a different tuition charge per credit hour, or if you are required to recalculate the COA. If it's necessary to base the student's COA on the summer term, you must prorate the summer costs to the length of an academic year to establish the cost for a full academic year. See *Chapter 3* of this volume for additional information on prorating costs in the Pell Grant program.

If the summer session is the first term in the award year for that student (for example, your school is paying a student for the summer 2023 term from the 2023-24 award year), you must establish the student's full-year cost based on the costs for the *summer* term. If the student enrolls in another term in that award year, you may have to recalculate the student's costs for the later term.

Receiving less than the Scheduled Award due to crossover

A student may also receive less than a Scheduled Award in an award year, if the program crosses award years and the student's Pell Grant award in one of the award years is for a portion of the program that is less than a full academic year.

Crossover Pell and withdrawal

For details on how to perform Return of Title IV Funds calculations in a crossover Pell situation, see *Volume 5, Chapter 2* of the FSA Handbook.

Summer modules

If a term-based school offers a series of modules that overlap two award years (by "crossing over" the June 30 end date for one award year), these modules may be combined and treated as one term. Schools are not required to combine modules. However, if you do not combine the modules to create a single term and the modules overlap, the program must be considered a non-term program.

When you combine modules into a single term (i.e., payment period), the weeks of instructional time in the combined term are the weeks of instructional time from the beginning of the first module to the date the last module ends. The student's enrollment status for the entire payment period must be calculated based on the total number of credits the student is projected to take for all modules. You must project the enrollment status for a student based on the credits the student has:

- Pre-registered or registered to take for all modules;
- Committed to take for all modules in an academic plan or enrollment contract; or
- Committed to take for all modules in some other document.

Module enrollment status example

A student is enrolled in a summer session with three-week modules that School A has combined into one term. The school uses Formula 1 to calculate the student's payment for the combined term and must define full-time enrollment as at least 12 credit hours, even though full-time enrollment for an individual module may be defined as fewer than 12 credit hours. The student is enrolled for six credits during the combined summer term. The student's enrollment status is equal to the proportion of the number of credits for which the student is enrolled to the number of credit hours in the school's definition of full-time enrollment status for the combined term. Therefore, the student's enrollment status is half time for the combined summer term.

When you combine the modules into a single term, a student cannot be paid more than the amount for one payment period for completing any combination of the modules. If the modules are not combined into a single payment period, you must treat each module as a separate nonstandard term and generally must use Formula 3 to calculate Pell Grant payments for the program. If, for each module, you define full time as at least 12 credit hours, you may be able to use Formula 1 or 2 if the program otherwise qualifies for one of these formulas.

If a combined module term crosses over the June 30 award year end date to include the July 1 award year begin date, the combined term must be treated as a crossover payment period, regardless of which modules students attend. If your program has two summer modules and only one of the modules crosses over the award year date boundary and you do not combine the sessions into a larger term, then only the term that spans the award year boundary is considered a crossover payment period.

If the modules are combined in a single term and a student does not begin attendance in all the modules that they were expected to attend, recalculation of prior disbursements is required based on the resulting changed enrollment status. Also, if you use Formula 3 for any of the summer modules, or any other nonstandard term (e.g., a winter intersession), remember that you must also use it for all other terms in the award year, including fall through spring.

Module Example 1: Modules combined into one term

A student enrolls part time at a school, which defines its academic year as 24 semester hours and 30 weeks of instructional time. In addition to fall and spring semesters, the school offers three summer modules. Each module provides four weeks of instructional time (as defined in Volume 3 Chapter 1). The school can either combine the modules into a single nonstandard term or treat each module as a separate nonstandard term. The school chooses to combine the modules into a single term providing 12 weeks of instructional time with full-time enrollment defined as 12 semester hours. If the school meets the conditions for use of Formula 1 in its fall and spring semesters, it can use Formula 1 to calculate Pell Grant payments for this summer session.

Summer Term (12 Weeks, Full-Time = 12 Credit Hours)

Module 1 (4 Weeks)	Module 2 (4 Weeks)	Module 3 (4 Weeks)
---------------------------	---------------------------	---------------------------

The student enrolls for three semester hours in each of the modules, which is three quarter time (nine hours total in the combined term). The student’s applicable Scheduled Award is \$3,550 and their annual award (from the three-quarter-time payment schedule) is \$2,663. To calculate the student’s payment, the school simply divides the annual award by two, the number of terms in the fall through spring: $\$2,663/2 = \$1,331.50$.

Module Example 2: Modules treated as nonstandard terms

If the school didn’t combine these modules and defined full-time enrollment for each 4-week module as fewer than 12 semester hours, it would have to calculate all Pell payments for the program using Formula 3. Because these are nonstandard terms, the school would have to determine the student’s enrollment status for each module by prorating the standard for full-time enrollment in a full academic year (24 semester hours):

(24 semester hours × 4 weeks in module) ÷ 30 weeks in academic year = 3.2 semester hours > round up to 4 (because the school only offers courses in whole credits)

Note: Weeks of instructional time are defined in *Volume 3, Chapter 1*, which are not necessarily the same number as the calendar weeks in an academic year.

For each of the 4-week modules, a full-time student must enroll in 4 semester hours, and based on that standard, the 3 semester hours that the student is attending in each module count as three-quarter-time enrollment status. Note that the school would use the Pell COA for a full-time student attending a full academic year. The school would determine the student’s payment for each module (assuming the student’s Scheduled Award remains unchanged across both award years):

$(4 \text{ weeks in module} \times \$2,663) \div 30 \text{ weeks in academic year} = \355.06

The student would receive \$355.06 for each of the modules, for a total of \$1,065.18 for the summer. Again, these payments for one or more modules that are in the prior award year may need to be reduced if the student had previously received payments for the fall and spring semesters in the same award year. Also, the school must use Formula 3 for the fall through spring terms.

Year-Round Pell and Iraq and Afghanistan Service Grant

Students may be eligible to receive up to 150% of their Pell Grant or Iraq and Afghanistan Service Grant Scheduled Award for an award year. Year-Round Iraq and Afghanistan Service Grant awards are calculated and disbursed in the same manner as Year-Round Pell Grant awards. This provision is called "Year-Round Pell" or "additional Pell" (in this section we use the term "Year-Round Pell" to cover both Pell Grant and Iraq and Afghanistan Service Grant awards). Students eligible for Year-Round Pell awards are subject to the normal duration of eligibility rules, sequester reductions (Iraq and Afghanistan Service Grant only), and LEU limits.

Year-Round Pell allows students who have already exhausted their Scheduled Award for an award year to continue receiving Pell funds (for example, for a summer trailer term), or to receive Pell funds without prematurely reducing their Pell eligibility for the remainder of the award year (for example, for a summer header term). A student's Year-Round Pell eligibility is certified by the "Additional Eligibility Indicator," or AEI, in COD.

To be eligible to receive more than 100% of their Pell/Iraq and Afghanistan Service Grant Scheduled Award during a single award year, students must be enrolled at least half time. With Year-Round Pell, students do not receive more Pell/Iraq and Afghanistan Service Grant funds in each payment period. They receive the same amount as is normally calculated for a payment period based on their enrollment status, COA, and EFC, but students who are enrolled at least half time and who are otherwise eligible for Pell Grants or Iraq and Afghanistan Service Grants may receive Pell or Iraq and Afghanistan Service Grant funds for an award year up to 150% of their calculated Scheduled Award. As explained in the Year-Round Pell semester example later in this chapter, a student may receive funds from the Pell/Iraq and Afghanistan Service Grant Scheduled Award and from the Year-Round award in the same payment period.

For example, a student has a Pell Grant Scheduled Award of \$5,000 for 2023-24. The student attends fall and spring semesters, during which they receive disbursements of \$2,500 for each semester, which equals the total \$5,000 amount of the Scheduled Award. The student then begins attendance in the summer 2024 term (which the school treats as a trailer) as a half-time student. Without Year-Round Pell, the student's Pell eligibility would be exhausted, but the Year-Round Pell provision allows the student to receive their calculated award of up to \$2,500 in additional Pell funds for the summer term, based on their enrollment status.

Year-Round Pell and Iraq and Afghanistan Service Grant

HEA Section 401(c)

[GEN-17-06](#)

Year-Round Pell Example 1: Semesters

A student attends a school which provides coursework on a semester calendar and awards Pell using Formula 1. The student's enrollment begins in the summer, which the school treats as a header to the 2023-24 award year. Based on an EFC of 550 and a COA of \$10,590, the student has a Scheduled Award of \$6,845 for 2023-24. The student is enrolled three-quarter-time in the summer term. The student's three-quarter-time summer award is \$2,567 (37.502% of the student's Scheduled Award).

After the summer term, the student continues in the fall and is now enrolled full time. The student's fall Pell award is \$3,423 (the school disburses 50.007% of a Scheduled Award for the fall semester). The student has now received

87.509% (\$5,990) of their Scheduled Award of \$6,845, leaving 12.491% (\$855) in remaining eligibility.

The student again enrolls full time. Under Pell rules, the student has only 12.491% (\$855) in remaining eligibility from their Scheduled Award. However, since the student is enrolled at least half time and meets all the other standard Pell eligibility criteria, the student is eligible for a Year-Round Pell award amount of up to 50% of their Scheduled Award. This means that the student could receive a total of up to \$10,267.50 (150% of their Scheduled Award amount of \$6,845) for the award year. However, the disbursement for each term must be calculated per the Pell rules described in this volume, so the actual amount the student receives may be less than this maximum.

The school normally awards a student 50% of their annual award for a standard spring semester, and the award amount for the term under Year-Round Pell is calculated by the same method as for a student's Scheduled Award, so the student's spring semester award would be \$3,423. Adding this amount to the \$5,990 Sigma has already received for the award year totals \$9,413, which is less than 150% of the student's Scheduled Award for 2023-24 (specifically, this is 137.516% of the student's Scheduled Award). Therefore, the school can award the spring Pell award of \$3,423 as calculated.

In this example, the spring term disbursement is made up of 12.491% (\$855) remaining from the student's Scheduled Award and 37.516% (\$2,568) from the Year-Round Pell eligibility.

Year-Round Pell Example 2: Clock-Hour Program

A student enrolls in an 1125 clock-hour program (over 32.5 weeks, see graphic below). The program is scheduled to occur entirely within the 2023-24 award year and has an Academic Year of 900 clock hours and 26 weeks of instructional time. The student has a Scheduled Award of \$5,550.

The school awards the student \$2,775 in Pell for each of the first two payment periods of 450 clock hours and 13 weeks of instructional time. For the remaining 225 hours and 6.5 weeks of instructional time in the program, the school calculates that the student would be eligible to receive \$1,387.50 in Pell, if the student's Scheduled Award would allow it. Without Year-Round Pell, the student would have no remaining Pell Grant eligibility, as they have already received a 100% Scheduled Award of \$5,550 for 2023-24, but with Year-Round Pell, if the student is enrolled at least half time and remains in all other ways Pell-eligible, the student is eligible to receive up to an additional 50% of their \$5,550 Scheduled Award, for a maximum total of \$8,325.

Adding \$1,387.50 to the \$5,550 the student has already received, the school sees that the student will be awarded a total of \$6,937.50 for 2023-24, which is within their \$8,325 Year-Round Pell maximum. Note that the school does not increase the student's final award for the award year to match their Year-Round Pell maximum; the student's awards for each payment period are calculated according to the Pell rules described previously in this volume.

Payment Periods (1,125 Clock Hours; 32.5 Weeks of Instructional Time)

	450 hours/13 weeks	450 hours/13 weeks	225 hours/6.5 weeks
Pell Award	\$2,775	\$2,775	\$1,387.50