

Chapter 3

Calculating TEACH Grants

The TEACH Grant program is a non-need-based grant program that provides up to \$4,000 per year to students who meet the eligibility requirements described in *Chapters 1* and *2* of this volume. This chapter explains the amounts a student may receive under the TEACH Grant program and shows how to determine the correct grant award for each payment period (for guidance on payment periods, see *Volume 3, Chapter 1*).

TEACH Grant resources

FSA Partner and School Relations Center: 1-800-848-0978; CODSupport@ed.gov

TEACH Grant FAQs: <https://studentaid.gov/understand-aid/types/grants/teach>

TEACH Grant scheduled, annual, and aggregate awards

Pell Grants and TEACH Grants are similar in that both have a Scheduled Award, which is the maximum that a full-time student may receive for a year, and an Annual Award, which is the amount a student may receive for a year based on enrollment status.

Note: Beginning with the 2024-2025 award year, the Pell Grant Scheduled Award for a student who is enrolled less than full-time must be prorated based on the student's enrollment intensity (the percentage of full-time enrollment at which the student is enrolled). However, the concept of enrollment intensity will not be used for TEACH Grants. The TEACH Grant Scheduled Award for students enrolled less than full-time will continue to be reduced according to whether the student is enrolled three-quarter-time, half-time, or less-than-half-time, as described in this section.

For an undergraduate student, a program must require the student to enroll for at least 12 credit hours in each term in the award year to qualify as full time. For a graduate student, each term in the award year must meet the minimum full-time enrollment status established by your school for a semester, trimester, or quarter.

The Scheduled Award for TEACH Grants is \$4,000, and the annual awards are:

Full-time	\$4,000
3/4-time.....	\$3,000
1/2-time.....	\$2,000
less-than-1/2-time	\$1,000

An undergraduate student may receive the equivalent of up to four Scheduled Awards (\$16,000) during the period required for completion of a **first** bachelor's degree program and **first** post-baccalaureate program of study combined.

A graduate student is eligible to receive the equivalent of up to two Scheduled Awards (\$8,000) during the period required for completion of a TEACH Grant-eligible master's degree program.

The sequester and TEACH Grants

The Budget Control Act of 2011 put into place a federal budget cut known as the sequester that requires a reduction in the TEACH Grant award amount that a student would otherwise be eligible to receive. For more details on the sequester and TEACH Grants, see the [May 15, 2023 Electronic Announcement](#).

Calculating TEACH Grant payments for payment periods

As for other Title IV programs, for purposes of calculating a TEACH Grant for a payment period the definition of an academic year must include, for undergraduate programs of study (including TEACH Grant-eligible post-baccalaureate programs), both the required credit or clock hours and weeks of instructional time (see *Volume 3, Chapter 1*).

The formula you will use to calculate the amount of a student's TEACH Grant that will be awarded for a payment period depends on the academic calendar used by the student's program. These formulas are the same as for Pell Grants, with the exception of master's degree programs. TEACH Grant formulas 1 through 5 are identical to the corresponding Pell Grant formulas. For details on the Pell Grant payment formulas, see *Volume 7*. For TEACH Grant recipients enrolled in master's degree programs, you must use the calculation formula that corresponds to the academic calendar of the student's program.

As is the case for Pell Grants, if your school uses Formula 3 to calculate a TEACH Grant award, the student's total payment for a payment period may exceed 50% of the student's Annual Award. However, the student must first complete in that payment period at least half of the weeks of instructional time in the academic year.

For master's degree programs, a TEACH Grant eligible program's academic year must be defined as at least the required number of weeks of instructional time and the minimum number of credit or clock hours that a full-time student would be expected to complete in the weeks of instructional time.

A student's payment for a payment period is calculated based on the coursework in the student's TEACH Grant-eligible program. You must ensure that the courses are necessary for the student to complete that program.

Note that no TEACH Grant payment for a payment period may be less than \$25.

Calculation of a TEACH Grant for a payment period and TEACH Grant formulas

[34 CFR 686.22](#)

[34 CFR 686.22\(a\)\(1\)](#), [\(b\)](#) (Formula 1)

[34 CFR 686.22\(a\)\(2\)](#), [\(c\)](#) (Formula 2)

[34 CFR 686.22\(a\)\(3\)](#), [\(d\)](#) (Formula 3)

[34 CFR 686.22\(a\)\(4\)](#), [\(e\)](#) (Formula 4)

[34 CFR 686.25](#) (Formula 5)

Timing of correspondence program TEACH Grant disbursements

The same as in the Pell Grant Program, for non-term correspondence programs you make the first TEACH Grant disbursement to a student after the student completes 25% of the coursework scheduled for the program or academic year. You make the second disbursement after the student completes 75% of the coursework scheduled for the program or academic year.

For term-based correspondence programs, you make the first disbursement to a student for each payment period after the student completes 50% of the coursework scheduled for the term.

TEACH Grant correspondence program disbursements

TEACH: [34 CFR 686.25](#)

Crossover payment periods

If a student enrolls in a payment period that is scheduled to occur in two award years, the entire payment period must be considered to occur within one of those award years, and the school must report TEACH Grant payments to the student for that payment period as being made for the award year to which the crossover payment period was assigned. There is no requirement for a TEACH Grant crossover payment period to be placed in the same award year as a student's Pell Grant.

In most cases, it's up to your school to determine the award year in which the payment period will be placed. However, if more than six months of a payment period are scheduled to occur within one award year, you must place that payment period in that award year.

Crossover payment periods

[34 CFR 686.23](#)

Payment for a payment period from two scheduled awards

When a student's payment period spans two different Scheduled Awards, the student's payment for the payment period is calculated based on the total credit or clock hours and weeks of instructional time in the payment period, and is the remaining amount of the Scheduled Award being completed plus an amount from the next Scheduled Award (if available), up to the payment for the payment period.

Payment period that completes a Scheduled Award

[34 CFR 686.22\(i\)](#)

Payment within a payment period and retroactive payment

Within each payment period, you may pay the student at such times and in such installments as you determine will best meet the student's needs.

You may pay a student TEACH Grant funds in one lump sum for all prior payment periods for which the student was eligible within the award year, as long as the student has signed the Agreement prior to disbursement of the TEACH Grant. The student's enrollment status must be determined based on coursework that the student has already completed.

Frequency of payment

Transfer students

A student who receives a TEACH Grant at one school and subsequently enrolls at a second school may receive a TEACH Grant at the second school if the second school obtains the student's valid SAR or ISIR with an official expected family contribution (EFC).

The second school may pay a TEACH Grant only for that period in which a student is enrolled in a TEACH Grant-eligible program at that school. The second school must calculate the student's award using the appropriate formula, unless the remaining balance of the Scheduled Award at the second school is the balance of the student's last Scheduled Award and is less than the amount the student would normally receive for that payment period.

A transfer student must repay any amount received in an award year that exceeds the amount the student was eligible to receive. A student may not receive TEACH Grant payments concurrently from more than one school.

Transfer students

Packaging TEACH Grants

TEACH Grants are non-need-based aid. That is, eligibility for TEACH Grants is not based on a student's EFC. As explained in *Volume 3, Chapter 3*, a student's eligibility for non-need-based aid is determined by subtracting the student's estimated financial assistance (EFA), including any Pell Grants and other aid the student receives (whether need-based or non-need-based), from the cost of attendance (COA).

As with Direct Unsubsidized Loans, Direct PLUS loans, and nonfederal education loans, TEACH Grants can be used to replace the EFC. For instance, if a student's TEACH Grant and other EFA (including any need-based aid) exceed the COA, the school may choose to replace some or all of the EFC with TEACH Grant funds. If the TEACH Grant exceeds the EFC, the excess amount is considered EFA when determining the student's eligibility for other Title IV aid. If the school replaces the EFC with TEACH Grant funds and the total amount of aid the student receives (including amounts used to replace the EFC) still exceeds the student's COA, the student is in an overaward status that the school must resolve.

If a school chooses not to use the TEACH Grant to replace the EFC, then the entire grant is considered EFA that must be considered when determining the student's eligibility for need-based Title IV aid. We strongly encourage schools to replace the EFC with TEACH Grants where appropriate.

TEACH Grants plus other aid may not exceed COA

TEACH Grants may replace EFC

For more detailed guidance on packaging Title IV aid and using non-need-based aid to replace the EFC, refer to *Volume 3, Chapter 3*. For guidance on resolving overawards, see *Volume 4, Chapter 3*.

Recalculating TEACH Grants

Recalculating for changes in enrollment status

If a student's enrollment status changes from one term to another within the same award year, you **must** recalculate the TEACH Grant award for the new payment period, taking into account any changes in the COA.

If a student's projected enrollment status changes during a payment period after the student has begun attendance in all classes for that payment period, you may (but are not required to) establish a policy under which you recalculate such a student's TEACH Grant award. Such recalculations must take into account any changes in the COA. In the case of an undergraduate or post-baccalaureate program of study, your school's TEACH Grant recalculation policy must match your Pell Grant recalculation policy, and you must apply the policy to all students in the TEACH Grant-eligible program.

If a student's enrollment status changes during a payment period before the student begins attendance in all classes for that payment period, you must recalculate the student's enrollment status to reflect only those classes for which they actually began attendance.

Recalculating for changes in COA

If a student's COA changes during the award year and their enrollment status remains the same, your school **may**, but is not required to, establish a policy under which you recalculate the student's TEACH Grant award. If you establish such a policy, you must apply it to all students in the program.

TEACH Grant recalculations
