

Chapter 6

The Federal Supplemental Educational Opportunity Grant Program

This chapter covers issues specific to administering the Federal Supplemental Educational Opportunity Grant (FSEOG) Program.

To receive an FSEOG, a student must have financial need and must meet the general eligibility requirements discussed in the other chapters of this volume. Students with the lowest SAIs who will also receive Pell Grants for the award year have primary consideration for an FSEOG. If, after giving FSEOG awards to all its Pell recipients, a school has FSEOG funds remaining, it can award those funds to eligible students with the lowest SAIs who will not receive Pell Grants.

Additionally, to receive an FSEOG, one must be enrolled or accepted for enrollment as an undergraduate student and must not have previously earned a bachelor's or first professional degree. A school must make FSEOG funds reasonably available (to the extent that funds remain) to all eligible students.

FSEOG Eligibility

[34 CFR 676.9](#), [34 CFR 676.10](#), and [34 CFR 668.32\(c\)\(1\)](#)

Selecting FSEOG Recipients

When selecting students to receive FSEOG funds in a given award year, you must first select students with the lowest SAI who will also receive Pell Grants in that award year. This group is known as the FSEOG first selection group. A student who will receive a Pell Grant in the award year is a student who has demonstrated Pell Grant eligibility for the same award year based upon an SAI that you have calculated for the student or the SAI on the student's FAFSA Submission Summary or ISIR.

A student who receives a Pell Grant at any time in the award year may be awarded an FSEOG for that award year, but the student does not have to receive a Pell Grant in the same payment period as the FSEOG. For example, a student who receives a Pell Grant for the fall semester only due to reaching the lifetime eligibility used (LEU) limit may be awarded FSEOG funds for both the fall semester and subsequent spring semester.

SAIs can be as low as negative 1500. Since lower SAIs denote effectively greater need than higher SAIs, you may choose to treat the lowest negative SAIs as better satisfying the "exceptional need" criteria specified for FSEOG in Section 413C of the *Higher Education Act*, and therefore award FSEOG to such students before others with higher SAIs. Alternately, you may choose to treat all negative SAIs (down to negative 1500) as equal to an SAI of zero in your selection criteria for FSEOG.

In applying your FSEOG award selection procedures, you must take a consistent approach to negative SAIs for all students—either treating the lowest SAIs as preferable to higher SAIs for all students or treating all negative SAIs as equal to zero SAIs for all students. The Department considers both approaches equally valid and will not generate a compliance finding for a school choosing either view of negative SAIs for purposes of awarding FSEOG, if it is applied correctly and consistently to all students. For more detail, see [Dear Colleague Letter GEN-24-05](#).

You must keep documentation of the eligible SAI that was calculated for the student, and you must confirm Pell Grant eligibility prior to disbursement of the FSEOG. If the FSEOG recipient does not receive a Pell Grant during the award year, but the documentation shows that the FSEOG award and disbursement was made in good faith, you are not required to recover the FSEOG funds. If the student loses Pell Grant eligibility prior to disbursement of the FSEOG, you must cancel the FSEOG award.

If you have remaining FSEOG funds after making awards to all Pell Grant recipients for that award year, you must next select students with the lowest SAIs who are not receiving Pell Grants. This group of students is known as the FSEOG second selection group. This group also includes students who are no longer eligible for Pell Grants because they have reached their maximum LEU limit. LEU is covered in *Volume 7*.

Establishing Categories of Students

Your selection procedures may specify categories of students to ensure that the students in each category have an opportunity to be awarded FSEOG funds. Categories may be based on class standing, enrollment status, program, date of application, or a combination of factors. You may choose to assign a percentage or dollar amount of FSEOG funds to each category; there is no requirement to make the percentage or dollar amount proportional to the need of students in a particular category or even to the number of students in the category. However, categorization may not be used to exclude certain students or groups of students from consideration. If you know that your school's funds are so limited as to effectively exclude year after year categories that come later in the sequence, your school may not be in compliance with the "reasonably available" provision.

Your school's written selection procedures must ensure that FSEOG recipients are selected on the basis of the lowest SAI and Pell Grant priority requirements over the entire award year. If your school enrolls students as often as monthly or weekly, FSEOG funds can be reserved for use throughout that award year (on the basis of your school's experiences from previous periods), and selection practices can be applied in a manner that would assure a reasonable consistency over the entire award year.

When you use categories to package FSEOG, within each category you must first award the assigned FSEOG funds to students with the lowest SAIs who will also receive Pell Grants. If FSEOG funds assigned for that category still remain, you must next award FSEOG funds to students in the category with the lowest SAIs who will not receive Pell Grants.

Award Amounts

The maximum FSEOG for a full academic year is usually \$4,000. However, you may award as much as \$4,400 to a student participating in a study-abroad program that is approved for credit by the home school. The minimum FSEOG amount is \$100, but you may prorate this amount if the student is enrolled for less than an academic year.

Although the Department allocates funds for the FSEOG Program on an award year basis (the *Title IV* award year is the period of time from July 1 of one year through June 30 of the following year), schools award FSEOG funds to students on an academic year basis. If more than one academic year occurs within a single award year, it is possible for a student to receive more than one full FSEOG award during the same award year period.

The FSEOG maximum award for a student applies to the combined amount of both the federal share and the required non-federal share. However, when your school has a waiver of the non-federal share, the FSEOG maximum applies to just the FSEOG federal funds. When there is no waiver, the FSEOG federal dollars awarded to a student are considered to be 75% of that student's total FSEOG award, and the school must account for the remaining 25% non-federal share, regardless of the type of school resources used and the method used to match. For more detail on the requirements of federal and non-federal shares, see Chapter 1 of this volume.

FSEOG Citations

Selection Procedures [34 CFR 676.10](#)

Frequency of disbursements [34 CFR 676.16\(a\)](#) and [\(e\)](#)

Minimum and maximum awards [34 CFR 676.20](#)

Frequency and Amount of FSEOG Disbursements

If you're awarding an FSEOG for a full academic year, you must pay a portion of the grant during each payment period, **even if the student's program doesn't use standard academic terms**. (See *Volume 1*, Chapter 1 for an explanation of payment periods.)

To determine the amount of each disbursement, you would usually divide the total FSEOG award by the number of payment periods the student will attend. However, you are allowed to pay an FSEOG in unequal amounts if the student has costs or resources that are different for different payment periods. You may make payments *within* a payment period in whatever installments will best meet the student's needs.

FSEOG and Pell Grant LEU

Students who are no longer eligible for a Pell Grants or Iraq and Afghanistan Service Grants because they have reached 600% of their Pell LEU may still be eligible to receive FSEOG. However, they are in the second selection group.

Internal Controls in the FSEOG Program—Reconciliation, Fiscal, and Program Records

Your school must reconcile, at least monthly, your FSEOG drawdowns recorded in G6 to the funds received in the bank account your school has designated to receive electronic transfers. You must also reconcile monthly the amount drawn down and received to the amounts disbursed to students or returned to ED, and resolve all discrepancies. If you have a balance in your G6 account after closeout, your FSEOG account is **not** fully reconciled.

In addition, you should examine your FSEOG program records and policy monthly. Your fiscal records upon which you based your anticipated need for FSEOG funds should accurately predict your disbursements. If you are instead returning funds, you should reconsider your anticipated need for FSEOG funds. You should also review your account record to see if your matching funds were deposited at the same time you received your federal share. If they were not, you should attempt to adjust so that this happens at the same time.

Payment of FSEOG

[34 CFR 676.16\(a\)](#)

Uneven costs/uneven payments: [34 CFR 676.16\(b\)](#)

Payment periods: [34 CFR 668.4](#)