

# Federal Pell Grant and Campus-Based Programs Update

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# Federal Pell Grant Program

## Paying a Student

- A school must pay **any** student who is eligible
  - includes less-than-half-time students
- A school must make payments for **all** eligible periods of enrollment
  - includes eligible students in summer school terms
  - may **not** have a policy to not pay for summer terms

# Federal Pell Grant Program

## Paying a Student (cont'd)

- For crossover periods, a school may:
  - set a policy to place the Pell payment period in one award year or the other for all students; or
  - make the award year decision on a student-by-student basis
- However, if more than 6 months of a crossover payment period is in one award year, the Pell payment period must be placed in that award year

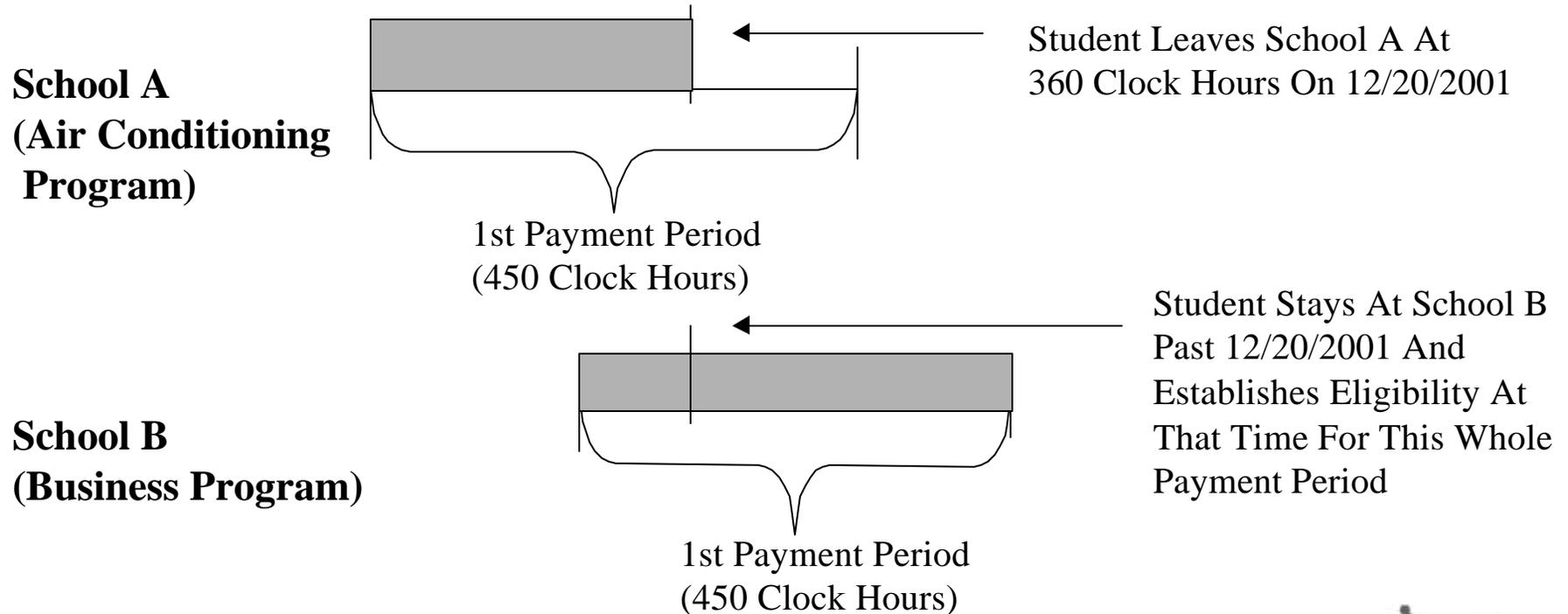
# Federal Pell Grant Program

## Concurrent Enrollment

- A student is not entitled to receive Federal Pell Grant payments concurrently from more than one institution
  - However, the fact that student's payment period at School A overlaps with the one at School B does **not** automatically make student ineligible to receive Federal Pell Grant funds for both payment periods
  - In order to receive Federal Pell Grant funds for both payment periods, the student must cease attendance at one of the institutions (see example next slide)

# Federal Pell Grant Program

## Student Enrollment At School A and B With Payment Periods Overlapping



# FSEOG Program

## Priority Awarding to Pell Recipients

- *First selection group* - school must first choose students with exceptional need (i.e., students with lowest EFCs) who will also receive Pell Grants in that award year
- In previous guidance, ED stated that "will also receive Pell Grants" means that applicant has demonstrated Pell eligibility based upon SAR, ISIR, or manual calculation. If FSEOG recipient does not actually receive a Pell Grant during the award year, the school is not required to recover the FSEOG funds. This is based on the school relying in good faith on the demonstrated Pell Grant eligibility.

# FSEOG Program

## Priority Awarding to Pell Recipients (cont'd)

- If school disburses these FSEOG funds, and later learns that the student will not receive a Pell Grant, we would not make them recover the FSEOG funds already disbursed, unless there is an overaward
- This good faith guidance to help schools package FSEOG did **not** mean that if a school knows that a student will not actually receive a Pell Grant, the school can disburse the FSEOG funds, even though the student had Pell Grant eligibility when the initial aid package was determined

# FSEOG Program

## Priority Awarding in Crossover Payment Periods

- During crossover payment period, student who receives Pell funds and is among those with the lowest EFCs satisfies the 1st selection group requirements for that same crossover payment period regardless of which award year the Pell funds attributed
- Student does not necessarily have to receive Pell funds in that crossover payment period to be awarded FSEOG under 1st selection group, as long as student will also receive Pell funds in the award year to which the crossover payment period is attributed for Pell Grant purposes
  - FSEOG can be from either award year's allocation

# Federal Perkins Loan Program

## Update on Promissory Notes

- Extended deadline for public comment on draft promissory notes closed on July 9, 2001
  - ED reviewing comments for possible revisions
  - Revised forms then published with 30 more days for comment; after that, OMB does final review/approval
  - Final forms assigned number and expiration date, then ED free to distribute
    - (anticipate distribution early Fall 2001 for optional immediate use with mandated use later to allow transition)

# FWS Program

## Conditions Allowing Up to 90% Federal Share

- FWS regulations (34 CFR 675.26(a)(2)) allow a school to pay a student a federal share of FWS wages in excess of the current 75% limit but not exceeding 90% under the following conditions:
  - student is employed at:
    - a private, nonprofit organization, or
    - a federal, state, or local public agency
  - employment at school itself is not eligible

# FWS Program

## Conditions Allowing Up to 90% Federal Share (cont'd)

- school does not own, operate, or control the agency
  - to satisfy requirement, school must keep statement on file (signed by both school and agency) that they have no such relationship
- school selects the agency on an individual, case-by-case basis
  - satisfied when school selects the agency through its normal process of selecting potential employers

# FWS Program

## Conditions Allowing Up to 90% Federal Share (cont'd)

- agency must be unable to afford the costs of the regular nonfederal share
  - to satisfy this requirement, school must keep on file a signed letter from an official of the agency stating that the agency cannot afford to pay the regular nonfederal share

# FWS Program

## Conditions Allowing Up to 90% Federal Share (cont'd)

- 90% federal share is limited to no more than 10% of school's students paid under FWS
  - for this calculation, school must use total number of FWS student paid during the current award year
  - 10% limit does not include students whose FWS wages have been exempted from the full nonfederal share requirement due to being employed as a reading tutor, mathematics tutor, or performing family literacy activities

# FWS Program

## Expenditure of FWS Allocation

- School must use at least 7% of allocation to pay students employed in community service jobs
  - At least one of the FWS students employed in community service must work:
    - performing family literacy activities in a family literacy project that provides services to families with preschool age children or elementary school children; or
    - as a reading tutor for children who are preschool age or are in elementary school

# FWS Program

## Definition of “Community Services”

Community Services - services identified by a school (through formal or informal consultation with local nonprofit, governmental, and community-based organizations) as designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to their needs

# FWS Program

## “Community Services”

- Examples of Community Services in Volume 6 of SFA Handbook (p. 6-34). The services include such fields as:
  - health care, child care, literacy training, education (including tutorial services), welfare, social services, transportation, public safety, recreation, and crime prevention

# FWS Program

“Community Services” (cont’d)

- Community Services must be open and accessible to the community
  - college not considered a community for this purpose
  - a service is considered open to community if the service is publicized to the community and general public (not just faculty, staff, students, and their families) use service
    - only statutory exception to this requirement is for support services for students with disabilities, including those students enrolled at the school

# FWS Program

## “Community Services” (cont’d)

- To be considered employed in a community service job, an FWS student does not have to provide a “direct” service
- To determine whether student’s employment provides community service, school must consider whether service provided primarily benefits community versus the agency or school

# FWS Program

“Community Services” (cont’d)

- If FWS student was hired to care for the grounds of the administrative offices of a private non-profit agency that provides community services, the job itself would not be community service
- Alternatively, FWS student preparing meals for “meals on wheels” program wouldn’t have direct contact with community residents but is still providing important community service

# FWS Program

## Family Literacy Project

- Family Literacy Project integrates 4 components:
  - literacy or pre-literacy education to children;
  - literacy training for parents or other caregivers of children in the family literacy project;
  - a means of equipping parents or other caregivers with the skills needed to partner with their children in learning; and
  - literacy activities between parents or other caregivers and their children

# FWS Program

## Family Literacy Activities

- The Department:
  - does not define “family literacy activities” for purposes of the community service expenditure requirement, or the waiver of the institutional share requirement
  - gives schools reasonable flexibility to determine the job description and duties for an FWS student performing family literacy activities

# FWS Program

## Family Literacy Activities (cont'd)

- Family literacy activities:
  - are not limited to just tutoring positions
  - may include, for example:
    - training tutors
    - performing administrative tasks such as coordinating tutors
    - working as instructional aide who prepares materials
  - may *not* include, for example, janitorial or building repair jobs

# FWS Program

## Directly Crediting Student's Account

- With written authorization from student, school may make FWS payments to student by:
  - initiating EFT to student's bank account, or
  - crediting student's account at the school

# FWS Program

## Directly Crediting Student's Account (cont'd)

- school may only credit the student's account at school to satisfy:
  - current award year charges for tuition & fees, room and board contracted through school, and other school-provided educationally-related goods/services
  - or minor prior award year charges, if less than \$100 or not preventing payment of current educational costs

# FWS Program

## Directly Crediting Student's Account (cont'd)

- To make these payments, the school must:
  - obtain a written authorization from student;
  - not include this authorization as part of a list or in combination with other types of authorizations;
  - not require or coerce student to provide this authorization;
  - allow student to cancel or modify this authorization; and
  - clearly explain how it will use this authorization

# FWS Program

## Directly Crediting Student's Account (cont'd)

- Authorization to transfer FWS funds to student's school account must be separate from authorization to transfer FWS funds to student's bank account
- For purposes of authorization to transfer FWS funds to student's bank account, bank forms required to initiate direct EFT deposit can be considered authorization

# FWS Program

## Directly Crediting Student's Account (cont'd)

- Holding Excess Funds
  - If total amount of FWS funds credited exceeds amount of allowable charges, student must be paid the balance as soon as possible, but no later than 14 days after the balance occurred on the student's account at the school
  - With written authorization from student, school may hold on behalf of student FWS funds that would be otherwise paid directly
    - same restrictions for this authorization

# FWS Program

## Directly Crediting Student's Account (cont'd)

- Holding Excess Funds (cont'd)
  - If holding excess funds on behalf of student, school must:
    - identify amount of FWS funds held in excess for each student in designated subsidiary ledger account;
    - maintain cash in its bank account that is always at a minimum equal to the FWS funds being held for students; and
    - pay any remaining balance by the end of the school's final FWS payroll period for the award period

# FWS Program

## Directly Crediting Student's Account (cont'd)

- Holding Excess Funds (cont'd)
  - if student cancels written authorization to hold excess FWS funds, the school must pay those funds to the student as soon as possible, but no later than 14 days after the school receives that cancellation notice

# FWS Program

## Applying for Funds on FISAP

- A school will never receive more FWS funds than it requests on the FISAP, regardless of the results of the statutory formula
  - approximately 1/3 of schools cap themselves for FWS
- A school should request funds for a program on the FISAP on the basis of what it can use
- However, a school should not request more funds than it can expect to use