

Academic Calendar & Payment Periods

Award limits are generally connected to a period of time. For instance, all of the programs except Federal Work-Study have a maximum amount that can be awarded for an academic year or award year. Measurement of time is important for another reason. In most cases, awards from the FSA programs must be paid in at least two installments. For most programs, the amount and timing of the payments is based on the academic terms or payment periods in the program.

ACADEMIC YEAR REQUIREMENTS

Every eligible program, including graduate programs, must have a defined academic year. A school may have different academic years for different programs. For example, a school may choose to define the academic year for a term-based program differently from a nonterm program. In some cases the definition *must* be different, such as in the case of a clock-hour program and a credit-hour program. For FSA purposes, the academic year is defined in weeks of instructional time and for undergraduate programs in credit or clock hours. It need not coincide with a program's academic calendar.

A school may treat two versions of the same academic program (day and night, for example) as separate programs and define different academic years for each version. If your school establishes separate versions of a program, with different academic years, but allows individual students to take courses from both versions, your school must be able to demonstrate which program the student is actually enrolled in. Generally, to be considered enrolled in a particular program or version of a program, a student must be taking at least 50% of his or her coursework in that program.

A school may have different academic years for different programs, but must use the same academic year definition for **all** FSA awards for students enrolled in a particular program, and for all other FSA program purposes.

Thirty-week minimum of instructional time

There is a minimum standard of 30 weeks of instructional time for an academic year. In cases where the program uses an academic year that meets the standard for credit hours or clock hours, but the program provides less than 30 weeks of actual instructional time, Pell Grant awards and, in some cases, the annual loan limits for Stafford Loans must be prorated, as discussed in Chapters 2, 3, and 4.

CHAPTER 1 HIGHLIGHTS:

Academic year minimums

- 24 semester credits or 36 quarter credits; or 900 clock hours
- 30 weeks of instructional time

Academic calendars

- Standard term (Semester, quarter, or trimester)
- "Nonstandard" term
- Nonterm

Types of Payment Periods

- Standard and nonstandard term-based credit-hour programs
- Nonterm credit-hour programs
- Clock hour programs (always nonterm)

Related topics

- Completion requirements for nonterm programs—see Volume 4, Chapter 1.
- Timing of Stafford disbursements for nonterm programs and programs with nonstandard terms of unequal length—see Volume 4, Chapter 1.
- See Volume 5 for discussion of payment periods if student reenters a program after withdrawing.

Recent budget reconciliation legislation

Guidance implementing the recent legislation pertaining to Title IV programs in the budget reconciliation act is not contained in the 2006-2007 FSA Handbook. The Department is working on guidance which will be released as soon as possible.

FSA Assessments

FSA has developed Assessment modules to assist you to 1) Anticipate and address problems, 2) Spot-check the systems for managing information, 3) Prepare for an audit or other review, and 4) Maximize the efficiency of your staff. There are several FSA Assessment modules that will aid you in understanding program requirements and your compliance with FSA Program provisions.

The FSA Assessments that are relevant for this Volume can be found at:

FSA Assessment: General Awarding Procedures (All Programs) <http://ifap.ed.gov/qamodule/AwardingAid/AssessmentD.html> and

FSA Assessment: FFEL/Direct Loan Student File Review <http://ifap.ed.gov/qadocs/AwardingAid/awardingaidactivity6.doc>

Citations

Award Year: 34 CFR 600.2

Academic Year: 34 CFR 668.3

Payment Period: 34 CFR 668.4

Week of instructional time: 34 CFR 668.3(b)

Weeks of instructional time are used in the Pell and Stafford calculations (chapters 3 and 4 of this Volume).

Note that the Department has not set a regulatory standard for the number of hours of instructional time that make up one day of instruction. This has been left to the reasonable interpretation of schools and their accrediting agencies.

The number of *weeks of instructional time* are based on the period that begins on the first day of classes in the academic year and ends on the last day of classes or examinations. For all FSA programs, a *week of instructional time* is any period of 7 consecutive days in which at least one day of regularly scheduled instruction, examination, or (after the last day of classes) at least one scheduled day of study for examinations occurs. Instructional time does not include periods of orientation, counseling, homework, vacation, or other activity not related to class preparation or examination. Therefore, the weeks of instructional time may be less than the number of calendar weeks that elapse between the first day of classes and the last day of classes or examinations.

Credit/clock hours in an academic year

The law and regulations set the following minimum standards for coursework earned by a full-time student in an academic year in an *undergraduate* educational program:

- 24 semester or trimester credit hours or 36 quarter credit hours for a program measured in credit hours; or
- 900 clock hours for a program measured in clock hours.

There is no minimum hours component to the definition of an academic year for *graduate/professional* programs. For purposes of FFEL and DL programs, a loan period certified for an academic year in a graduate or professional program would include the weeks of instructional time in the academic year and the hours a full-time student is expected to complete in those weeks. See Chapter 4 for more details on monitoring annual loan limits.

Reductions in academic year length

The law permits schools that provide two-year or four-year associate or baccalaureate degree programs to apply to the Department if they want to establish a full academic year of less than 30 weeks of instructional time. The Department is permitted to grant a reduction in the length of an academic year to no less than 26 weeks of instructional time.

For further details on the information required for submission of such a request, see 34 CFR 668.3 (c).

Counting weeks of instructional time

This graphic illustrates how you would count weeks of instructional time in a program where classes are held Monday through Friday, beginning on August 22nd and ending on November 17th, with examinations held November 29th - December 8th. Note that the school holds no classes on Labor Day (September 4) on this calendar, Veterans Day (November 10), and Thanksgiving break (November 20-28).

August				
	1	2	3	4
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	31

September				
.	.	.	.	1
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28

October						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November				
.	.	.	1	2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

December				
.	.	.	.	1
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28

The circles indicate the points at which each of the 15 weeks of instructional time are completed.

ACADEMIC CALENDARS & TERMS

Institutions offer programs with many kinds of academic calendars that differ from the traditional Fall-Spring school year. For purposes of the FSA programs, there are 3 basic types of academic calendars: standard term, nonstandard term, and nonterm.

Generally, a term is a period in which all classes are scheduled to begin and end within a set time frame. However, if these periods overlap within a program, they may not be treated as a term-based program for Title IV purposes. Term-based programs can have either standard terms or nonstandard terms.

Standard terms: semesters, trimesters, and quarters

Semesters and trimesters are terms that are generally 14 to 17 weeks long. An academic calendar that uses semesters traditionally has two terms, in the fall and spring, and a trimester academic calendar traditionally has three terms, in the fall, spring, and summer. Academic progress is measured in semester credit hours, and full-time is at least 12 semester credits.

Similarly, quarter terms are approximately 10 to 12 weeks in length and the academic calendar includes three quarters in the fall, winter, spring, and often a summer term. Academic progress is measured in quarter credit hours, and full-time is at least 12 quarter credits.

You may combine shorter terms or modules to meet the requirements of a standard term such as a semester. For example: a program is offered in 8 nonstandard terms, each 6 weeks in length, and students earn 6 quarter credits in each term. The school may choose to combine each consecutive pair of nonstandard terms and consider the program to be offered in 4 quarters.

In certain limited cases for academic programs offered basically in standard terms, a short nonstandard term may be treated as part of one of the standard terms, and the combined terms may be considered to be a single standard term. For example, a program is offered in a calendar consisting of two 15-week semesters and a 4-week intersession. To consider the program as consisting only of semesters, the intersession may be treated as part of one of the two semesters as long as the same treatment is applied for all Title IV purposes to all students enrolled in the program. In addition, hours taken in the intersession must count towards a student's enrollment status for the combined term and costs for the intersession must be appropriately included in the cost of attendance.

Credits and nonstandard terms

Nonstandard terms are terms (where all coursework is expected to begin and end within a set period of time) that are not semester, trimester, or quarter terms. In some cases, the terms may be of unequal length, though it is also possible for terms of equal length to be considered nonstandard. For instance, a school could offer a

Typical length of standard terms

For additional information on this topic, this issue was addressed in the preamble to the General Provisions regulations published on November 29, 1996 (Federal Register, Volume 61, No. 231, Page 60581).

Credits and nonstandard terms

Remember, just because progress in a program is measured in semester or quarter credits, this does not necessarily mean that the program is offered in semester or quarter terms. Also, even though a school may label a term as a quarter, semester, or trimester it may be considered a nonstandard term for FSA purposes if it does not conform to the FSA standards for a semester, trimester, or quarter.

Combining terms examples

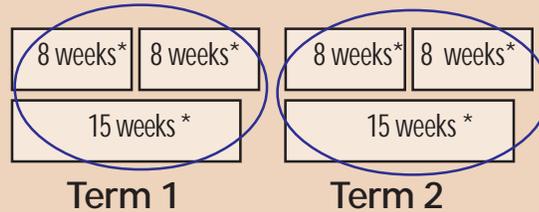
See the example on the next page for guidance on combining concurrent and consecutive terms.

program with six consecutive 5-week modules, with each module counting as a nonstandard term.

Unlike standard terms, the length of the term is not necessarily associated with the type of credit hours awarded. Some nonstandard terms are the length of a semester (14-17 weeks) but award quarter credits. Others are the length of a quarter (10 - 12 weeks) but award semester credits.

Combining concurrent terms

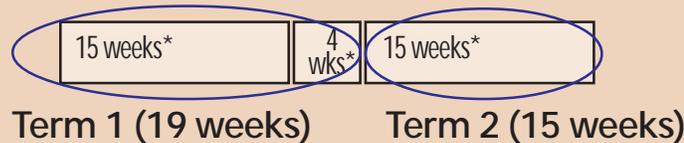
Clark University offers a program in both 15-week terms and 8-week terms. Clark University combined two 8-week terms with a 15-week term to make each semester; each semester provides 16 weeks of instructional time*.



Combining consecutive terms

Lewis College offers a separate degree program in education with a short 4-week* term between two 15-week* semesters. The terms don't overlap.

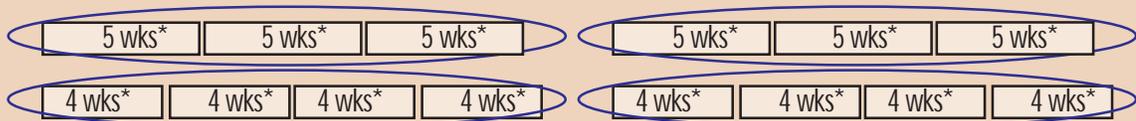
Lewis College has defined the academic year for this program as 24 semester hours and 34 weeks of instructional time. Lewis College could combine the short term with one of the standard terms and for purposes of FSA programs treat the program as being offered in two semesters:



Lewis College can also choose not to combine the terms. In this case, the program would have a 4-week term and two semesters. For certain Title IV program requirements, this may mean you will treat all terms in a nonstandard manner. For more details on nonstandard terms, see p. 3-3.

Treatment of modules

A school may choose to group modules together and treat the entire period as a term. (For example, grouping three five-week* modules together may create a 15-week* *semester*; or grouping four one-month modules into a 16-week *semester* would be acceptable.)



On the other hand, programs that are offered in modules may sometimes be counted as programs measured in nonstandard terms. For example, in a program that offers six 5-week modules, each module could be treated as a nonstandard term. In addition, a school may choose to consider a program that consists of consecutive modules as a nonterm program. Whatever academic calendar your school adopts for a program, you must apply it to all students enrolled in that program **and document the program's treatment in your policies and procedures manual.**

*Weeks in these examples are *weeks of instructional time*, as defined earlier in this chapter.

Nonterm characteristics

If a program measures progress in clock hours, it is always treated as a nonterm program. A program that measures progress in credit hours is considered to be using a nonterm calendar if it has:

- courses that do not begin and end within a set period of time,
- courses that overlap terms,
- self-paced and independent study courses that overlap terms, or
- sequential courses that do not begin and end within a term.

DEFINITION OF A PAYMENT PERIOD

The definition of a payment period is applicable to all FSA programs except FWS. The common definition is integral to requirements for the administration of FSA program funds. For example, FSA program disbursements (except FWS payments) generally must be made on a payment period basis (for more information, see **Volume 4 – Processing Aid and Managing FSA Funds**). **Note that FFEL and Direct Loan disbursements must still be made in accordance with the specific disbursement rules for those programs (see sidebar).**

Under the payment period definition, there are three sets of requirements: one for term-based credit hour programs, one for nonterm credit hour programs, and one for clock hour programs.

Payment period for term-based credit hour programs

For a program offered in semester, trimester, quarter, or nonstandard terms and measured in credit hours, the payment period is the term. For example, if a program is offered in three quarters, each quarter is a payment period.

Payment period cites

Definition of payment periods: 34 CFR 668.4

→ Disburse FSA funds by payment periods
34 CFR 668.164(b)

→ Pell disbursements by payment period:
34 CFR 690.63

→ Perkins disbursements by payment period:
34 CFR 674.16(b)

→ FSEOG disbursements by payment period:
34 CFR 676.16(a)

→ Disbursing Stafford/PLUS funds by payment period or completion of coursework and calendar midpoint:

FFEL: 34 CFR 682.604(c)(6),(7), and (8)

DL: 34 CFR 685.301(b)

TERM-BASED CREDIT HOUR PROGRAMS

Program offered in...	Payment Period is...
• semester terms	• semester
• trimester terms	• trimester
• quarter terms	• quarter
• nonstandard terms	• nonstandard term

Payment periods for programs that measure progress in credit hours and do not have academic terms (nonterm credit hour programs)

Payment periods for programs measured in credit hours without terms vary depending on whether the length of the program in credit hours and weeks of instructional time is

- one academic year or less,
- a multiple of a full academic year,
- longer than an academic year with a remainder shorter than or equal to one half of an academic year, or
- longer than an academic year with a remainder shorter than an academic year, but longer than one half of an academic year.

If you are determining the payment periods for a program for which one of the measures (either credit hours or length of instructional time) is less than an academic year and the other measurement is not, you follow the payment period rules for a program that is less than an academic year.

For all nonterm credit hour programs, a student must successfully complete both the weeks of instructional time and the credits in a payment period in order to progress to the next period (and be eligible for additional Title IV funds).

If your school is unable to determine when a student has successfully completed half of the credit hours in a program in an academic year, or in the remainder of a program because no credits are awarded until the end of the program, the student is considered to have begun the second payment period of the program, academic year, or remainder of a program at the later of:

- The date the institution identifies as the point when the student has successfully completed half of the academic coursework in the program, academic year, or the remainder of the program, or
- The calendar midpoint between the first and last scheduled days of class of the program, academic year, or the remainder of the program.

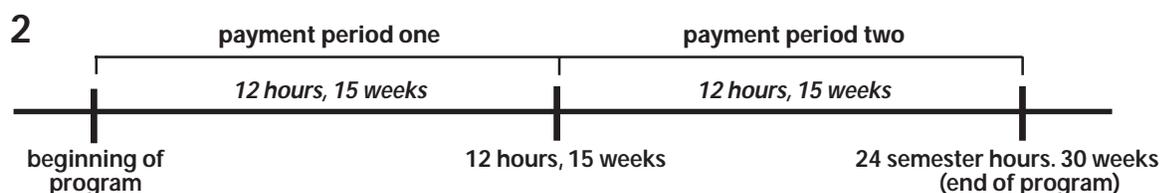
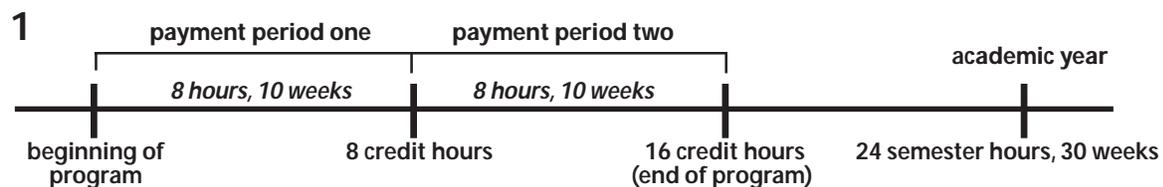
Payment period for nonterm credit hour programs where the program is one academic year or less

Note: For a program to be considered an academic year in length, both the credit hours and weeks of instructional time must at least meet the definition of an academic year.

For a student enrolled in an eligible program that is one academic year or less in length, the first payment period is the period of time in which the student successfully completes half the number of credit hours in the program and half the number of weeks of instructional time in the program. The second payment period is the period of time in which the student successfully completes the remainder of the program in both credit hours and weeks of instructional time.

For example, if a program is 16 semester hours and 20 weeks of instructional time, and the academic year is defined as 24 semester hours and 30 weeks of instruction, the first payment period is the period of time needed for the student to successfully complete the first 8 semester hours and 10 weeks of instruction. The second payment period would be the period of time needed for the student to successfully complete the last 8 semester hours and 10 weeks of instruction (see the example that follows). If the program were equal to the academic year (24 semester hours and 30 weeks of instruction), the first payment period would be the period of time needed for the student to successfully complete the first 12 semester hours and 15 weeks of instruction. The second payment period would be the period of time needed for the student to successfully complete the second 12 semester hours and 15 weeks of instruction.

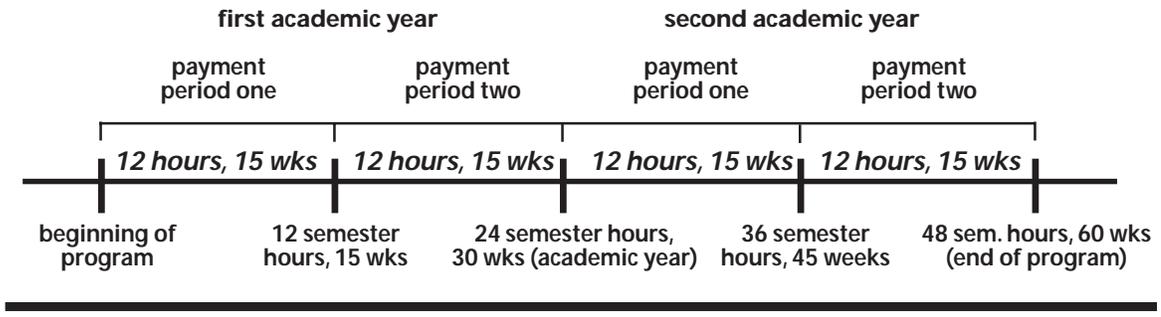
One Academic Year or Less Examples



Payment periods for nonterm credit hour programs that are two or more academic years

If the program is equal to two or more complete academic years, for the first academic year and any subsequent full academic year, the first payment period is the period of time in which the student successfully completes half the number of credit hours in the academic year and half the number of weeks of instructional time in the academic year. The second payment period is the period of time in which the student successfully completes the academic year in both credit hours and weeks of instructional time.

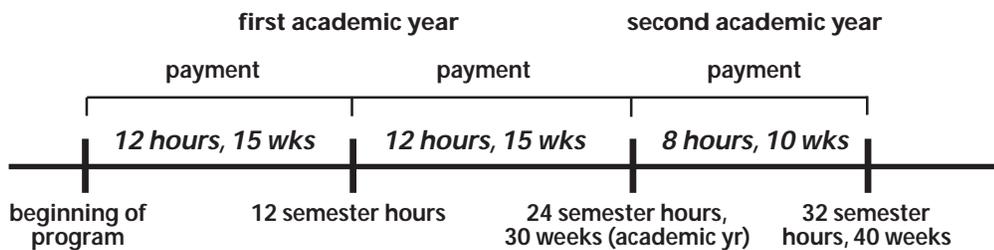
Multiple Academic Years Example



Payment periods for nonterm credit hour programs that are longer than an academic year with a remaining portion

If the program is longer than an academic year, but has a remaining portion that is not equal to an academic year, in either credit hours or weeks of instructional time or both for the first academic year, the first payment period is the period of time in which the student successfully completes half the number of credit hours in the academic year and half the number of weeks of instructional time in the academic year. The second payment period is the period of time in which the student successfully completes the remainder of the academic year in both credit hours and weeks of instructional time.

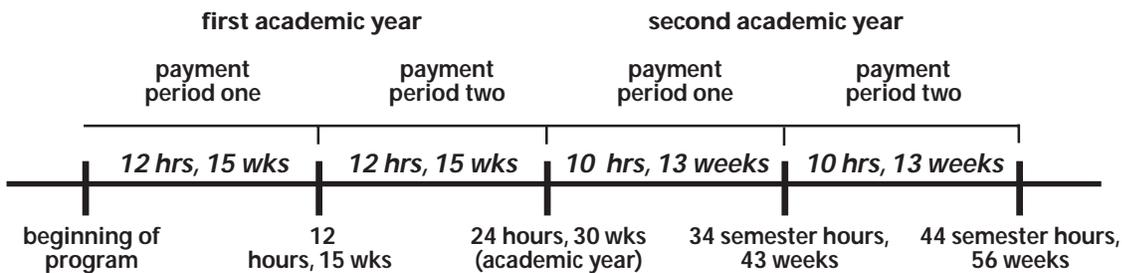
Remainder Equal To or Shorter Than Half an Academic Year Example



For any remaining portion of an eligible program that is more than one-half an academic year in both weeks of instruction and credit hours but less than a full academic year in length by at least one of these measures, the first payment period is the period of time in which the student successfully completes half the number of credit hours in the remaining portion of the program and half the number of weeks of instructional time remaining in the program. The second payment period is the period of time in which the student successfully completes the remainder of the program in both credit hours and weeks of instructional time.

For any remaining portion of an eligible program that is not more than half an academic year in both weeks of instruction and credit hours, the payment period is the remainder of the program. That is, if one measure is less than or equal to half an academic year, there is only one payment period in the remaining portion.

Remainder Greater Than Half an Academic Year Example



Payment periods for programs that measure progress in clock hours

Payment periods for programs measured in clock hours vary depending on whether the length of the program in clock hours is

- one academic year or less,
- a multiple of a full academic year,
- longer than an academic year with a remainder shorter than or equal to one half of an academic year, or
- longer than an academic year with a remainder shorter than an academic year, but longer than one half of an academic year.

For all nonterm clock hour programs, a student must successfully complete the clock hours in a payment period in order to progress to the next period (and be eligible for additional Title IV funds).

Payment period for clock-hour programs of an academic year or less

If the program is an academic year or less in length, the first payment period is the period of time in which the student successfully completes the first half of the program, as measured in clock hours. The second payment period is the period of time in which the student successfully completes the second half of the program, as measured in clock hours.

Payment Period for Clock Hour Programs of One Academic Year or Less

First payment period

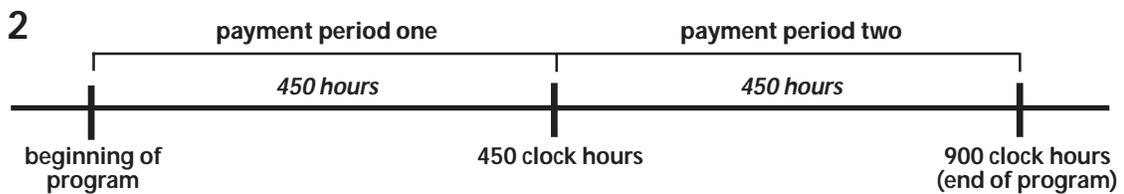
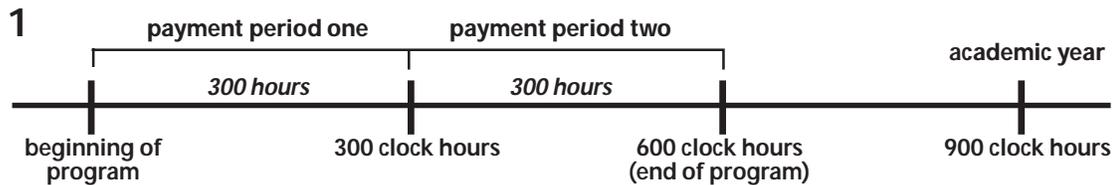
- period in which a student successfully completes first half of the program, as measured in clock hours

Second payment period

- period in which a student successfully completes remainder of the program, as measured in clock hours

For example, if a program is 600 clock hours and the clock-hour component of the academic year is defined as 900 clock hours, the first payment period is the period of time needed for the student to successfully complete the first 300 clock hours. The second payment period would be the period of time needed for the student to successfully complete the last 300 clock hours (see the example that follows). If the program were equal to the academic year (900 clock hours), the first payment period would be the period of time needed for the student to successfully complete the first 450 clock hours. The second payment period would be the period of time needed for the student to successfully complete the second 450 clock hours (see example 2 below).

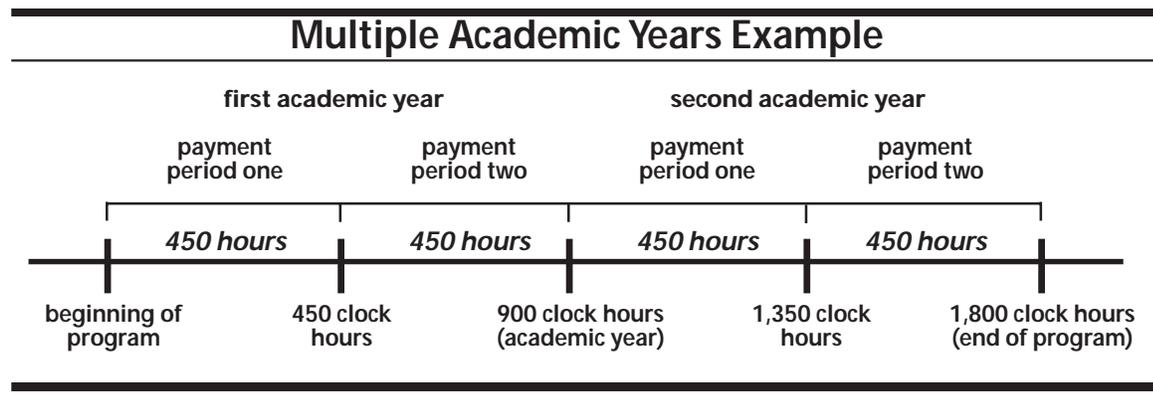
One Academic Year or Less Examples



Payment period for clock-hour programs with two or more academic years

If the program is equal to two or more complete academic years, for the first academic year and any subsequent full academic year, the first payment period is the period of time in which the student successfully completes the first half of the academic year, as measured in clock hours. The second payment period is the period of time in which the student successfully completes the second half of the academic year as measured in clock hours.

For example, if a program is 1,800 clock hours and the clock-hour component of the academic year is defined, in part, as 900 clock hours, the first payment period for both the first and any subsequent academic year is the period of time needed for the student to successfully complete the first 450 clock hours. The second payment period would be the period of time needed for the student to successfully complete the next 450 clock hours.



Payment period for clock-hour programs longer than an academic year with a remaining portion

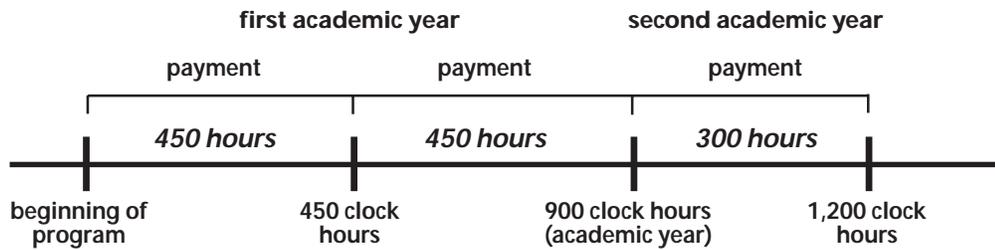
If the program is longer than an academic year, but has a remaining portion of the program that is not equal to an academic year (in clock hours), for the first academic year, and any subsequent full academic year, the first payment period is the period of time in which the student successfully completes the first half of the academic year. The second payment period is the period of time in which the student successfully completes the second half of the academic year.

For the remaining portion of the program, if the remainder is equal to or shorter than one half of an academic year (in clock hours), the payment period is the remaining portion of the program.

For example, if a program is 1,200 clock hours and the clock-hour component of the academic year is defined, in part, as 900 clock hours, the first payment period for the first academic year is the period of time needed for the student to successfully complete the first 450 clock hours. The second payment period is the period of time needed for the student to successfully complete the next 450 clock hours. The

first, and only, payment period for the second academic year is equal to the remaining portion of the program (300 clock hours).

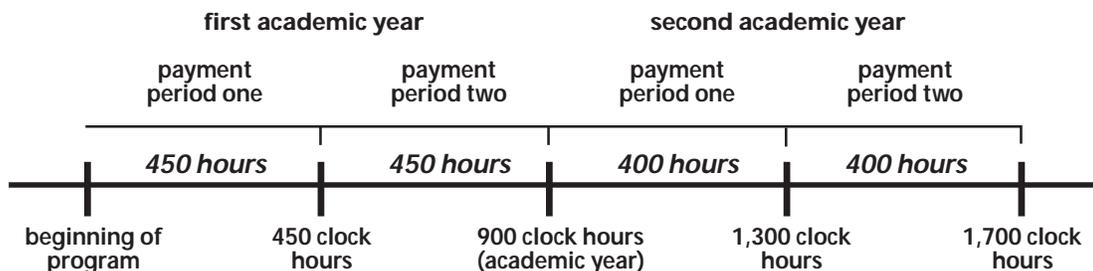
Remainder Equal To or Shorter Than Half an Academic Year Example



If the remaining portion of the program is more than one half of an academic year but less than a full academic year, in clock hours, for the remaining portion of the program the first payment period is the period of time in which the student successfully completes the first half of the remaining portion of the program, as measured in clock hours. The second payment period is the period of time in which the student successfully completes the second half of the remaining portion of the program as measured in clock hours.

For example, if a program is 1,700 clock hours and the clock-hour component of the academic year is defined, in part, as 900 clock hours, the first payment period for the first academic year is the period of time needed for the student to successfully complete the first 450 clock hours. The second payment period would be the period of time needed for the student to successfully complete the next 450 clock hours. Because the remaining portion is 800 clock hours, the first payment period for the second academic year would be the period of time needed for the student to successfully complete the next 400 clock hours. The second payment period for the second academic year would be the period of time needed for the student to successfully complete the final 400 clock hours.

Remainder Greater Than Half an Academic Year Example



Payment Period for Clock Hour Programs Longer Than One Academic Year

<i>Program Length (in clock hours)</i>	<i>First and subsequent full academic years</i>		<i>Remainder of program</i>	
	<i>First payment period</i>	<i>Second payment period</i>	<i>First payment period</i>	<i>Second payment period</i>
<i>multiples of a full academic year</i>	<i>period of time in which student completes first half of academic year</i>	<i>period of time in which student completes second half of academic year</i>	N/A	N/A
<i>longer than 1 academic year, remainder shorter than or equal to one half an academic year</i>	<i>period of time in which student completes first half of academic year</i>	<i>period of time in which student completes second half of academic year</i>	<i>period of time in which student completes remainder of program</i>	N/A
<i>longer than 1 academic year, remainder shorter than academic year, but longer than half an academic year</i>	<i>period of time in which student completes first half of academic year</i>	<i>period of time in which student completes second half of academic year</i>	<i>period of time in which student completes first half of remainder of the program</i>	<i>period of time in which student completes second half of remainder of the program</i>

Clock hour and nonterm credit hour programs where the school chooses to have more than two payment periods per academic year

For a program measured in credit hours without terms and for clock hour programs, an institution may choose to have more than two payment periods in the program or academic year, as applicable. If an institution so chooses, the requirements for completing a payment period are modified to reflect the increased number of periods. For example, if an institution chooses to have three payment periods in an academic year in a program that measures progress in credit hours but does not have academic terms, each payment period must correspond to one-third of the academic year measured in both credit hours and weeks of instruction. Each subsequent payment period cannot begin until the student completes the credit hours and weeks of instruction in the previous payment period.

If a student completes additional weeks or hours while completing the other measure of a payment period, these additional weeks or hours count towards completing the next payment period. If a school chooses to have more than two payment periods per academic year, the school must have that policy in writing and must apply the policy to all students enrolled in the programs affected.

Schools should note that making multiple disbursements within a payment period does not create a new or additional payment period.

So, for example, you may have multiple disbursements without having multiple payment periods. While the program regulations permit schools flexibility in making disbursements, schools should recognize the added complexity that making Pell disbursements over different periods than loan disbursements might cause if a student withdraws. To avoid overly complicating their Return of Title IV funds calculations, we recommend that, whenever possible, schools disburse all Title IV funds in the same payment periods.

Payment periods and eligibility for FFEL or Direct loans

For certain academic programs, FFEL and Direct Loans are disbursed differently than other FSA funds.

For programs offered in standard terms, or nonstandard terms of substantially equal length (i.e., all the terms in an academic year are within two calendar weeks of each other in length), the payment period for FFEL and Direct Loans is the term. A student in this type of program does not have to successfully complete the coursework to move to the next payment period. If a single term is the loan period, a student may not receive a second disbursement until the calendar midpoint of the term (loan period) is reached.

However, if the program is a clock-hour, nonterm credit-hour, or nonstandard term credit-hour program with terms that are not substantially equal in length, loan proceeds for FFEL and Direct Loans are not disbursed by payment period. Instead, the loan program rules for scheduling disbursements apply. For a student to be eligible for the second half of his or her loan proceeds, the student must reach **BOTH** the calendar midpoint of the loan period **AND** successfully complete half the coursework of the loan period.

“Substantially Equal”

FFEL: 34 CFR 682.604(c)(7)(ii)

DL: 34 CFR 685.301(b)(5)(ii)

Consider a program with no terms that is 24 credit hours long and offered in successive 4-hour modules with two 12-hour payment periods. The student can not receive the second half of the loan proceeds until the student successfully completes 12 hours and reaches the calendar midpoint of the loan period. A student who fails the first module cannot receive the second disbursement of the loan until s/he has successfully completed 3 additional modules (a total of 12 hours) **and** reached the calendar midpoint of the loan period.

Payment periods for students who withdraw and then transfer to or reenter a nonterm credit hour program or a program that measures progress in clock hours

Reentry within 180 days

A student who reenters within 180 days is treated as if s/he did not cease attendance for purposes of determining the student's aid awards for the program.

Re-entry or transfer within 180 days cite

34 CFR 668.4(e)

For credit-hour nonterm-based programs or programs that measure progress in clock hours, a student who withdraws and then reenters the same program at the same school within 180 days is considered to be in the same payment period s/he was in at the time of the withdrawal. The student retains his or her original eligibility for that payment period, and is treated as though s/he did not cease attendance.

Reentry after 180 days, transfer into a new program at the same institution, or transfer to a new institution

If a student who previously attended and then withdrew from a credit-hour nonterm program or a clock-hour program without completing the program—

- reenters the same program at the same institution more than 180 days after withdrawal, receiving credit for hours previously earned; or
- transfers into another credit-hour nonterm or clock-hour program at any time (either at the same institution or at a new institution) and the institution accepts all or some of the hours earned in the prior program; then

the student starts a new payment period when s/he reenters or transfers.

In calculating awards for a student who reenter the same program after 180 days, reenters a new program, or transfers to a new institution, the institution treats the hours remaining in the program as if they are the student's entire program. The number of payment periods and length of each payment period are determined by applying the rules in the appropriate part of the definition of a payment period to the hours remaining in the program upon transfer or reentry.

IMPACT OF CREDIT-HOUR/CLOCK-HOUR CONVERSION FORMULA ON PAYMENT PERIODS

If your program is subject to the credit-hour/clock-hour conversion formula, the clock hours in the payment period must support the number of credit hours in the payment period under the conversion formula. For a detailed discussion of the credit-hour/clock-hour conversion formula, including when it applies, and its impact on program eligibility, see Vol. 2, Ch4. For an example of clock hour/credit-hour conversion, see the following page.

Re-entry or transfer after 180 days cite

34 CFR 668.4(f)

CLOCK HOUR/CREDIT HOUR PROGRAM CONVERSION EXAMPLE

Sternberg University (SU) offers a two-year nondegree program measured in semester credit hours. Courses within the program are not creditable toward a degree at SU. Students in the program earn 16 credit hours per semester.

By applying the conversion formula, the school determines that the number of credit hours for FSA purposes is 11 for the first two semesters, and 13 for the last two semesters.

Step 1

SU determines that there are 1,440 clock hours of instruction in the program. There are 330 clock hours of instruction in the first and second semesters (660 first-year total), and 390 clock hours of instruction in the third and fourth semesters (780 second-year total).

Total number of clock hours of instruction in the program
 $(2 \times 330) + (2 \times 390) = 1,440$

Step 2

$\frac{330 \text{ clock hours}}{30} = 11$ credit hours in semesters one and two

$\frac{390 \text{ clock hours}}{30} = 13$ credit hours in semesters three and four

Step 3

For the first two semesters of the program, students are eligible for payment for only 11 credit hours of instruction (see Step 2). Because this is less than the full-time student minimum of 12 credit hours, students who attend the first two semesters are eligible to be paid for only three-quarter time attendance.

In the third and fourth semesters of the program, students are eligible to be paid for 13 credit hours of instruction (see Step 2). Students attending the third and fourth semesters can be paid as full-time students.

***To see how this school determines the eligibility of the program,
see Volume 2 – School Eligibility and Operations***