

Section 7

- Policy:** **Federal Pell Grant Program**
Regulations: [690.63](#) (Calculating Federal Pell Grant Awards), [690.80](#) (Recalculation of a Federal Pell Grant Award), [690.81](#) (Fiscal Control and fund accounting procedures)
- Purpose:** Procedures designed to ensure accountability regarding Fiscal Control and fund accounting for the Federal Pell Grant Program.
- Scope:** **Specifically Address:**
- 7.1 Calculating Federal Pell Grant Awards
 - 7.2 Federal Pell Grant required and optional recalculations
 - 7.3 Fiscal records and disbursement requirements for Pell Grants

Responsibilities:
(Identify individuals and/or offices responsible for developing and updating this section)

FAA

Definitions:
(Identify acronyms or definitions that will be used in this section)

See Appendix A

Resources available to assist in the development of a manual:

- Complete Fiscal Assessment
<http://ifap.ed.gov/qahome/qaassessments/fiscalmanagement.html>.
- Fiscal Management Activity 1 Reconciliation Worksheets
<http://ifap.ed.gov/qadocs/FiscalManagement/Activity1FM.doc>
- You are encouraged to complete the following Activity to ensure compliance on an individual student level: Federal Pell Grant Student File Review
<http://www.ifap.ed.gov/qadocs/policiesandprocedures/federalpellfilerreview.doc>
- Review the [2009-10 FSA Handbook](#) (Volume 3) for guidance related to the topics in this section

Schools are required to calculate Pell Grant payments for students. To ensure Pell Grants funds are awarded properly, the following topics need to be addressed:

- Scheduled award, award year and annual award
- Terms and payment methods
- Credit hour term based programs
- Formulas 1, 2, 3, 4 or 5
- Summer terms and other crossover payment periods
- Transfer Students

Pell awards are calculated by the computer system based on the ISIR information and the maximum scheduled award for the award year. The annual award is divided into 2 semester payment periods.

Scheduled Award

The Scheduled Award is the maximum amount the student can receive during the award year, if he or she attends *full-time* for a *full* academic year. The award year begins on July 1 of one year and ends on June 30 of the next year.

The **academic year** at BSCC begins each fall semester and ends after the summer semester. Students may begin the financial aid application process in January for the following fall semester. For purposes of student financial aid programs, our academic year is defined as at least 30 weeks of instructional time and at least 24 credit hours.

The student's *Scheduled Award* is established by the Pell Grant payment schedule that the Department issues prior to the start of each award year. The amount of the Scheduled Award is always taken from the Full-Time payment schedule, and is based on the student's EFC and Cost of Attendance. The *annual award* is the maximum amount a student would receive during a full academic year for a given enrollment status, EFC, and COA. Note that for a full-time student, the annual award will be the same as the Scheduled Award.

A part-time student will have an *annual award* that is less than the Scheduled Award. If the student attends part-time, the student's annual award is taken from the 3/4-time, 1/2-time, or less-than-1/2-time disbursement schedules.

For instance, if a student's Scheduled Award is \$5,350, but the student is enrolled as a 1/2-time student in a term program, the student's annual award would only be \$2,675.

Students may now potentially receive up to two consecutive Pell Grant Scheduled Awards during a single award year.

A student becomes potentially eligible to receive the second Scheduled Award after receiving his or her first Scheduled Award during a single award year. During the student's first Scheduled Award, the student may be in any enrollment status; however, a student must be enrolled at least 1/2-time to receive a payment from the second Scheduled Award for an award year.

Each Scheduled Award will be the same maximum amount, for example, for the 2009-2010 award year, under this provision a student may receive two Scheduled Awards of up to \$5,350 each. Payments for a payment period are calculated in the same way. His or her second Scheduled Award is calculated and disbursed when the first award is exhausted.

The College uses Formula 1: standard term programs with academic calendars of 30+ weeks.

To be able to use Formula 1, the program must meet one of two sets of requirements.

For a program with a traditional academic calendar, the program:

- must have an academic calendar that consists, in the fall through spring, of two semesters;
- must have at least 30 weeks of instructional time in fall through spring terms;
- must not have overlapping terms; and
- must define full-time enrollment for each term in the award year as at least 12 credit hours and must measure progress in credit hours.

Academic progress is measured in credit hours, and the student's annual award depends on his or her enrollment status.

For standard terms, the minimum enrollment standards are:

Full-time: 12 semester hours per semester

3/4-time: 9 semester hours per semester

1/2-time: 6 semester hours per semester

Less than 1/2-time: less than half of the workload of the minimum full-time requirement.

Terms and Payment Methods

The College uses standard semester terms. An individual semester provides about 15 weeks of instructional time and full-time is defined as at least 12 semester or trimester hours. The College's academic calendar consists of three terms, one each in fall, spring, and summer.

Pell grant credit balances are currently disbursed by check. The checks are mailed to the students at their address on file with the Admissions Office. Direct deposit will be available in the future.

Summer Terms & Other "Crossover Payment Periods"

Payment periods don't always fall neatly into one award year or another. A new award year starts every July 1. When a payment period falls into two award years—that is, it begins before July 1 and ends on July 1 or later—it's 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. However, you must check the student's remaining eligibility if a student has already received payments for previous payment periods in the award year and the crossover period is assigned to the earlier award year.

Payment from either award year

The College can make a payment for a crossover payment period out of either award year, if the student has a valid output document for the award year selected. However, if more than six months of the payment period is in a given award year, the Pell payment must be made from that award year. The College may assign two consecutive payment periods to the same award year.

The decision about which award year to use is usually based on the student's remaining eligibility in the earlier award year.

The College will calculate the student's payment for the summer term using the same Formula used to calculate payments for the other terms in the award year to which the summer term is assigned.

Transfer Students

The Pell payment for a transfer student is calculated in the same way as for any new student. However, a transfer student's remaining Pell eligibility is reduced if the student received Pell funds for the same award year at any prior schools. The College identifies the student's prior Pell disbursements by reviewing his or her Financial Aid History in NSLDS.

Calculating remaining eligibility

Once the College has identified the Pell amounts that a transfer student has already received for the ongoing award year, the College must calculate the percentage of the Scheduled Award (remember there may now be more than 1 Scheduled Award in an award year) that has been used. This percentage is calculated by dividing the amount disbursed at the previous school by the student's Scheduled Award at that school.

Then subtract this percentage from 100%. The result is the maximum percentage of the Scheduled Award that the student may receive at your school. Note that a transfer student receives the same payments as any other student until the limit (100% of a Scheduled Award) is reached. You give the student the full amount for each payment period, rather than trying to ration the remaining amount by splitting it evenly across the remaining terms.

A transfer student may be eligible for a second Pell Grant Scheduled Award after he or she has received all of his or her first Scheduled Award.

Part 7.2

Federal Pell Grant required and optional recalculations

This section is required
Regulation: [690.80](#)

Federal Pell Grant required and optional recalculation.

Required Federal Pell Grant recalculations [690.80](#). Schools are required to have a process for Pell Grant recalculations. Including this process in your manual is a good practice.

Include the process for recalculation of Federal Pell Grant funds for recipients under the following conditions:

- **Change in EFC.** If a student's EFC changes due to corrections, updating, or an adjustment and the EFC would change the amount of Pell award, your school recalculates the Pell award for the entire year. **Our procedures are:**

All corrections are processed by the FA advisors/counselors.

Step 1 – Review all ISIRs flagged by CPS. Any ISIRs requiring corrections are transmitted to CPS for correction.

Step 2 – Retrieve and review corrected ISIRs to ensure required corrections were made.

Step 3 - Process student awards based on corrected EFC. Corrected ISIR is loaded into our administrative software for Pell processing.

- **Change in enrollment status between terms.** For students enrolled in a term program that uses credit hours, your school calculates a student's payment for each term based on the enrollment status for that term. **Our procedures are:**

The computer system calculates Pell award amounts based on verified attended hours enrolled for each semester at the end of the drop/add period.

- **Student doesn't begin attendance in all classes within a term.** If a student does not begin attendance in *all* of his or her classes, resulting in a change in the student's enrollment status, your school recalculates the student's award based on the lower enrollment status. A student is considered to have begun attendance in all of his or her classes if the student attends at least one day of class for each course in which that student's enrollment status was determined for Federal Pell Grant eligibility. Your school must have a procedure in place to know whether a student has begun attendance in all classes for purposes of the Federal Pell Grant Program. **Our procedures are:**

1. After the drop/add period is over, the Admissions Office generates an electronic Attendance Verification report.
2. Instructors are required to report each student who has attended at least one class session as "verified" as attending. They also report any student on the verification report who has never attended a class session as a "No-Show".
3. After all instructors have submitted their verifications, the Admissions Office removes the "No-Show" classes and system recalculates the Pell awards based on verified attendance hours.
4. Any classes that had begun, but were not verified are reflected as an exception on the Expected Student Payable report used to create Pell refund disbursements.

Your procedures should include whether or not your school recalculates Federal Pell Grant funds for recipients. If your school establishes a policy allowing optional recalculations for an educational program, the policy must be in writing. If your school allows optional recalculations, you should consider the following:

- **Change in enrollment status within a term.** The regulations do not require any recalculation for changes in enrollment status after the student has begun attendance in all of his or her classes. However, your school can have a policy of recalculating an award if a student's enrollment status changes within a term. Your school's policy may set a date after which Pell Grants will not be recalculated for enrollment status changes. If your school does include such a date, it should be included in your written policy. If such a policy is established, it must be applied consistently to all students in a program. **Our policy is:**

ATTENDANCE AND ENROLLMENT VERIFICATION POLICY

The number of credit hours for which a student is paid financial aid will be based on the number of credits that he or she is enrolled on the Pell census date. This is the date that attendance is verified after the drop-add period. Unless documentation is provided that supports extenuating or mitigating circumstances, such as an institutional error, a class canceled by the instructor, etc, a student will not be reinstated in a class or classes after attendance is verified.

- **Change in Cost of Attendance.** Your school is not required to recalculate Pell awards for cost changes during an award year (recalculation is required if you are recalculating for an enrollment status change). If your school chooses to recalculate Pell Grant funds for changes in costs, it must consistently apply that recalculation policy. **Our policy is:**

The College does not recalculate Pell grant funds for changes in costs during an academic year.

- **Cost of Attendance changes between payment periods.** Your school may have a policy of recalculating awards when the cost of attendance changes from one payment period to the next. Your school also has the option to establish a policy to recalculate financial aid awards when a student's costs change within an award year, as long as the recalculation policy is carried out for all students whose costs change. **Our policy is:** See above.
- **Cost of Attendance changes within a payment period.** Your school may establish a policy of recalculating for cost changes from one payment period to the next, and at the same time, have a policy not to recalculate for changes within a payment period. You also have the option to establish a policy to recalculate financial aid awards when a student's costs change within a payment period. For Pell purposes, such a policy is acceptable if it's carried out for all students whose costs change within the payment period. **Our policy is:** See above.

Part 7.3

Fiscal Records and Disbursement requirements for Federal Pell Grants

This section is required
Regulation: **690.81**

Procedures that outline and follow provisions for maintaining general fiscal records as outlined in [34 CFR 668.24\(b\)](#) and [34 CFR 668.164](#).

Please ensure that you have developed Fiscal procedures for this section. The Fiscal procedures that should be included are outlined in Section 1.5 of this guide. You may want to include a reference to that section of the guide to show that your Fiscal Control and funding accounting procedures are in place for the Federal Pell Grant Program.

See Section 1.5