

SESSION 7

CALCULATING FEDERAL PELL GRANT AWARDS

OVERVIEW

- A. Introduction
 - 1. Hands-On Approach
 - 2. General Information
- B. Precalculation For Federal Pell Grant Awards
 - 1. Selecting a Formula
 - a. Group Discussion 1: Selecting Which Formula to Use
- C. Calculation of Federal Pell Grant Awards
 - 1. Five Basic Calculation Steps
 - a. Step 1: Determine Enrollment Status
 - b. Step 2: Calculate the Federal Pell Grant Cost of Attendance (COA)
 - c. Step 3: Determine the Annual Award
 - d. Step 4: Determine the Payment Periods
 - e. Step 5: Calculate the Payment for a Payment Period
- D. Postcalculation
 - 1. Recalculating Awards
 - a. Changes in Expected Family Contribution (EFC)
 - b. Changes in Enrollment Status
 - c. Changes in Cost of Attendance (COA)
 - 2. Transfer Students
 - a. Group Discussion 2: Calculation of Federal Pell Grant Eligibility for Transfer Students
- E. Payment and Disbursement Schedules
- F. Glossary
- G. Federal Pell Grant Calculation Worksheets
- H. Case Studies
 - 1. New West College—Term-based credit-hour program **(TG 7-51)**
 - 2. Alexandria State University—Term-based credit-hour program **(TG 7-58)**
 - 3. Julian Institute—Term-based credit-hour program **(TG 7-65)**
 - 4. McPherson Aeronautics—Nonterm clock-hour program **(TG 7-72)**
 - 5. Riley Technical—Nonterm credit-hour program **(TG 7-79)**
 - 6. Transfer student—Term-based credit hour-program **(TG 7-86)**
 - 7. Transfer student—Term-based credit-hour program **(TG 7-88)**
 - 8. Transfer student—Nonterm clock-hour program **(TG 7-91)**

SOURCES FOR FURTHER STUDY

- ◆ Title IV of the Higher Education Act of 1965, as amended through June 1994
- ◆ Federal Regulations 34 CFR, Part 690
- ◆ Dear Colleague Letter P-96-2 (Revised 1996-97 Federal Pell Grant Program payment and disbursement schedules)
- ◆ Federal Student Financial Aid Handbook, Chapter 4

SELECTING FEDERAL PELL GRANT FORMULAS

	Formula 1	Formula 2	Formula 3	Formula 4	Formula 5
	Credit-Hour Programs	Credit-Hour Programs	Credit-Hour Programs	Credit- or Clock-Hour Programs	Correspondence Study**
Standard terms, nonstandard terms or nonterm based?	Standard terms (academic calendar = 2 semesters/trimesters or 3 quarters) May include nonstandard summer	2 semesters/trimesters or 3 quarters	Nonstandard terms or standard terms	Credit hours without terms or any clock-hour program	Correspondence coursework
Is academic calendar offered in a specific time frame?	2 semesters/trimesters or 3 quarters offered in fall through spring	2 semesters/trimesters or 3 quarters offered in fall through spring	Academic calendar may be offered in any time frame	Academic calendar may be offered in any time frame	(Schedule for submission of lessons based on 12 hrs per week (nonterm) or 30 hrs per semester/trimester or 20 hrs per quarter)
Overlapping terms?	No overlapping terms	No overlapping terms	Terms may overlap	Not applicable	Not applicable
Weeks in fall through spring term?*	At least 30 weeks of instructional time in fall through spring terms	Less than 30 weeks of instructional time in fall through spring terms	Academic calendar may be more or less than 30 weeks of instructional time	Academic calendar may be more or less than 30 weeks of instructional time	Academic calendar may be more or less than 30 weeks of instructional time
For term-based programs, hours needed for full-time enrollment in EVERY term in the award year?	Full-time ≥ 12 credit hours	Full-time ≥ 12 credit hours	Standard term: Full-time ≥ 12 credit hours Nonstandard term: Full-time is calculated according to regulatory formula 690.63(d)	N/A (Full-time Payment Schedule is always used; award is adjusted based on scheduled hours)	N/A (Half-time Disbursement Schedule is always used)

* Under certain circumstances, the U.S. Department of Education may grant a school permission to use an academic year of less than 30 weeks. In such cases, the number of weeks of instruction used to determine the formula type is the reduced number approved by the Department.

** Refers to correspondence only; awards for any residential portion are calculated using Formula 3 or Formula 4, as applicable

FORMULA 1: STANDARD-TERM CREDIT-HOUR PROGRAMS
30 weeks of instructional time or ED waiver applies

STEP 1: Determine Enrollment Status

- ◆ Full-time, 3/4-time, 1/2-time, or less than 1/2-time for each term

STEP 2: Calculate Federal Pell Grant COA

- ◆ Full-time, full-academic-year costs (unless student enrolled less than half-time)

STEP 3: Determine Annual Award

- ◆ Use Payment or Disbursement Schedule corresponding to student's enrollment status

STEP 4: Determine Payment Periods

- ◆ Payment period is the academic term

STEP 5: Calculate Payment for a Payment Period

- ◆ For each payment period:

$$\frac{\text{Annual award}}{\text{Number of payment periods in the program's definition of AY}}$$

Formula 2: Standard-Term Credit-Hour Programs

Fewer than 30 weeks of instructional time and ED waiver does not apply

STEP 1: Determine Enrollment Status

- ◆ Full-time, 3/4-time, 1/2-time, or less than 1/2-time for each term

STEP 2: Calculate Federal Pell Grant COA

- ◆ Any costs for a program or period which are not already equal to full-year, full-time costs must be prorated up or down to full-year, full-time costs. Calculate the following fractions:

$$(A) \frac{\text{Hours in program's definition of AY (minimum 24 or 36)}}{\text{Hours for which costs apply}}$$

$$(B) \frac{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}{\text{Weeks of instructional time for which costs apply}}$$

- ◆ Compare fractions (A) and (B) and use the lesser of the two fractions and multiply by total costs to prorate up or down to full-year, full-time costs.

STEP 3: Determine Annual Award

- ◆ Use Payment or Disbursement Schedule corresponding to student's enrollment status

STEP 4: Determine Payment Periods

- ◆ Payment period is the academic term

STEP 5: Calculate Payment for a Payment Period

- ◆ Proration required unless alternate calculation used
- ◆ For each payment period:

$$\text{Annual award} \times \frac{\text{Weeks of instructional time in the fall through spring terms}}{\text{Weeks of instructional time in program's definition of AY (minimum 30)}} \div \begin{matrix} 2 \text{ (if semesters or trimesters)} \\ \text{OR} \\ 3 \text{ (if quarters)} \end{matrix}$$

OR

$$\text{Annual award} \div \text{number of terms in the award year (for alternate calculation)}$$

Formula 3: Any Term-Based Credit-Hour Programs

May include those described by Formulas 1 and 2

STEP 1: Determine Enrollment Status

- ◆ If nonstandard term, you must calculate enrollment status for each term:

$$(A) \text{ Credit hours in AY} \times \frac{\text{Weeks of instructional time in nonstandard term}}{\text{Weeks of instructional time in program's definition of AY}} = \text{Credit hours for full-time}$$

$$(B) \frac{\text{\# of credit hours student enrolls}}{\text{Credit hours for full-time}} = \text{Term enrollment status}$$

- ◆ Fraction in (B) must equal or exceed:
 - 1 to count as full-time
 - 3/4 to count as 3/4-time
 - 1/2 to count as 1/2-time

STEP 2: Calculate Federal Pell Grant COA

- ◆ Any costs for a program or period which are not already equal to full-year, full-time costs must be prorated up or down to full-year, full-time costs. Calculate the following fractions:

$$(A) \frac{\text{Hours in program's definition of AY (minimum 24 or 36)}}{\text{Hours for which costs apply}}$$

$$(B) \frac{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}{\text{Weeks of instructional time for which costs apply}}$$

- ◆ Compare fractions (A) and (B) and use the lesser of the two fractions and multiply by total costs to prorate up or down to full-year, full-time costs.

STEP 3: Determine Annual Award

- ◆ Use Payment or Disbursement Schedule corresponding to student's enrollment status

STEP 4: Determine Payment Periods

- ◆ Payment period is the academic term.

STEP 5: Calculate Payment for a Payment Period

- ◆ For each payment period:

$$\text{Annual award} \times \frac{\text{Weeks of instructional time in the term}}{\text{Weeks of instructional time in program's definition of AY (minimum 30)*}}$$

- ◆ A single disbursement may not exceed 50% of the annual award. If award for a payment period is greater than 50%, at least 2 disbursements must be made in that payment period.

*unless waiver applies

FORMULA 4: CREDIT-HOUR PROGRAMS WITHOUT TERMS AND ALL CLOCK-HOUR PROGRAMS

STEP 1: Determine Enrollment Status

- ◆ At least 1/2-time or less than 1/2-time

STEP 2: Calculate Federal Pell Grant COA

- ◆ Any costs for a program or period which are not already equal to full-year, full-time costs must be prorated up or down to full-year, full-time costs. Calculate the following fractions:

(A)
$$\frac{\text{Hours in program's definition of AY (minimum 24 or 36 credit or 900 clock hours)}}{\text{Hours for which costs apply}}$$

(B)
$$\frac{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}{\text{Weeks of instructional time for which costs apply}}$$

- ◆ Compare fractions (A) and (B) and use the lesser of the two fractions and multiply by total costs to prorate up or down to full-year, full-time costs.

STEP 3: Determine Annual Award

- ◆ Always taken from Full-time Payment Schedule (equal to Scheduled Award)

STEP 4: Determine Payment Periods

- ◆ Minimum of 2 equal payment periods required for programs shorter than an academic year, or 2 equal payment periods in each full academic year for programs longer than or equal to an academic year
- ◆ Length of payment period measured in credit or clock hours
 - (1) Program shorter than or equal to an AY:
 - Payment period = time it takes a student to complete 1/2 of the program in credit or clock hours
 - (2) Program longer than an academic year:
 - For full AY, see (1) above
 - If the final portion of the program is shorter than an academic year, but greater than 1/2 an AY, the payment period is the time in which the student completes 1/2 of the final portion.
 - If final portion of the program is less than 1/2 an AY, the only payment period is the remainder of the program.

STEP 5: Calculate Payment for a Payment Period

- ◆ Only full-time Payment Schedule used
- ◆ For each payment period:

- (1) Annual award x the lesser of:

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in program or AY}}{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}$$

OR

One (1)

- (2) The results of (1) are then multiplied by:

$$\frac{\text{Credit or clock hours in payment period}}{\text{Hours in program's definition of AY (minimum 24 or 36 credit or 900 clock hours)}}$$

- ◆ A single disbursement may not exceed 50% of the annual award. If award for a payment period is greater than 50%, at least 2 equal disbursements must be made in that payment period.

FORMULA 5A: PROGRAMS OF STUDY BY CORRESPONDENCE — NONTERM CORRESPONDENCE COMPONENT

STEP 1: Determine Enrollment Status

- ◆ Enrollment status is never more than 1/2-time

STEP 2: Calculate Federal Pell Grant COA

- ◆ Full-time, full academic year costs (for applicable components)
- ◆ If the student's program of study or enrollment period is longer or shorter than the program's definition of an academic year (AY), full-time costs are prorated up or down according to the following formula:
 - For tuition and fees:

$$\text{Costs} \quad \times \quad \frac{\text{Hours in program's definition of AY}^*}{\text{Hours in student's program of study}}$$

*within statutory requirements

STEP 3: Determine Annual Award

- ◆ Annual award taken from 1/2-time Disbursement Schedule

STEP 4: Determine Payment Periods

- ◆ First payment period is the period of time in which the student completes the lesser of the first 1/2 of the academic year or the first 1/2 of the program. (1st payment may be made only after the student has completed 25% of lessons or otherwise completed 25% of the work scheduled, whichever comes last.)
- ◆ Second payment period is the period of time in which the student completes the lesser of the second 1/2 of the academic year or the second 1/2 of the program. (2nd payment may be made only after 75% of lessons have been submitted or student has otherwise completed 75% of the work scheduled, whichever comes last.)

STEP 5: Calculate Payment for a Payment Period

- ◆ Multiply annual award from 1/2-time Disbursement Schedule by lesser of:

$$(1) \quad \frac{\text{Weeks of instructional time to complete the lesser of program or AY}}{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}$$

OR

One (1)

- (2) The results of (1) are then multiplied by:

$$\frac{\text{Hours in the payment period}}{\text{Hours in program's AY}}$$

Notes

Same formula must be used for all students in same program of study.

Definition of Terms Useful in Selecting Formulas

- ◆ Standard term
 - Semester or trimester = approximately 15 weeks
 - Quarter = approximately 10 weeks
- ◆ Nonstandard term – any other term configuration



January 21, 1997

7-6

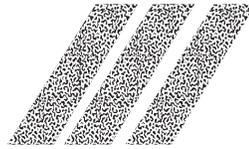
For standard term, full-time must be defined as at least 12 hours.

Term is considered nonstandard if it does not conform to traditional description of standard term (e.g., using semester hours at quarter school to measure progress).

If program meets criteria for more than one formula, school has choice of formula.

1. You may use Formula 3 for any term-based credit-hour program even if program meets Formula 1 or Formula 2 requirements.
2. For credit-hour program offered with standard terms and an intersession, you may use:
 - a. Formula 3; or
 - b. Formula 1 or 2 if:

Group Discussion 1



Selecting Which Formula to Use

Objective

- ◆ The following exercises represent different ways of structuring academic years and programs. Trainees should be able to determine which Federal Pell Grant calculation formula is appropriate. By using the chart entitled “Selecting Federal Pell Grant Formulas” and answering the questions below, you can determine which calculation formula you should use in the following exercises.

Exercise A

Background

- ◆ AY has 30 weeks of instructional time and 24 semester hours.
- ◆ Full-time is 12 credit hours per semester.
- ◆ Each of 2 semesters has 15 weeks of instructional time in fall through spring.
- ◆ Two 6-week summer minisessions are offered as separate terms.
- ◆ Full-time for each summer minisession is 6 semester hours.

Questions

1. Is the program measured in clock or credit hours? _____
2. Are there standard or nonstandard terms or no terms? _____
3. Does the AY include 2 semesters in fall through spring time frame? _____
4. Do the terms overlap? _____
5. Does academic calendar for fall through spring include a minimum of 30 weeks of instructional time? _____
6. Is 12 credit hours per term considered to be full-time for all terms in the award year? _____
7. Which formula is selected? _____

Group Discussion 1 (cont'd)

Exercise B

Background

- ◆ Use the same program information and question model as in Exercise A except summer has three 5-week minisessions. Full-time is considered to be 6 credit hours in each summer minisession.

Question

Which formula is selected? _____

Exercise C

Background

- ◆ AY has 30 weeks of instructional time and 24 semester hours.
- ◆ Fall and spring semesters each have 12 weeks of instructional time.
- ◆ Full-time in each regular semester is 12 semester hours.
- ◆ Intersession is 4 weeks of instructional time, and full-time in the intersession is 4 semester hours.
- ◆ Summer term has 10 weeks, and full-time in summer term is 12 semester hours.

Question

Which formula is selected? _____

Exercise D

Background

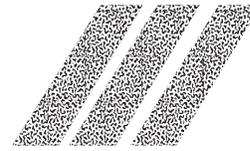
- ◆ Individual courses within the program are taken consecutively.
- ◆ Progress is measured in quarter hours, and full-time in each quarter is 12 quarter hours.
- ◆ No overlapping terms.
- ◆ Course credit is earned after the completion of each course (e.g., 2.5 credits after the first 2 weeks, 3.5 credits after the next 3 weeks, etc.)

Question

Which formula is selected? _____

Group Discussion 1

Answers



Exercise A

- | | |
|--|--|
| 1. Is the program measured in clock or credit hours? | Credit hours |
| 2. Are there standard or nonstandard terms or no terms? | Standard AY terms;
nonstandard terms
for summer |
| 3. Does the AY include 2 semesters in fall through spring time frame? | Yes |
| 4. Do the terms overlap? | No |
| 5. Does academic calendar for fall through spring include a minimum of 30 weeks of instructional time? | Yes |
| 6. Is 12 credit hours per term considered to be full-time for all terms in the award year? | No |
| 7. Which formula is selected? | Formula 3 |

Analysis

- ◆ Using the “Selecting Federal Pell Grant Formulas” chart, we can see that Formula 1 or 2 could not be used because, based on the answer to Question 6, full-time is not defined as 12 credit hours in **all** terms. Full-time for each summer session is considered to be 6 credit hours. The appropriate selection is Formula 3.
- ◆ The actual full-time level for the summer minisessions must be calculated as specified in Formula 3 and would need to be used for all Title IV purposes. The regulatory minimum full-time definition would still be applied to the fall and spring semesters (i.e., at least 12 semester hours).

Another Option

- ◆ If the summer minisessions are combined into one summer term and full-time is defined as 12 credit hours for the combined summer term, Formula 1 could be used to calculate Federal Pell Grant eligibility.

Note

- ◆ The financial aid office can use a different standard from the Registrar’s Office to define full-time status for Title IV aid recipients, but the financial aid office standard must then be used for all Title IV purposes.

Group Discussion 1 Answers (cont'd)

Exercise B

Analysis

- ◆ If the summer minisessions are treated separately, 12 credit hours is not full-time in all terms and Formula 3 must be used.

Another Option

- ◆ If the summer minisessions are combined into one summer term and full-time is defined as 12 credit hours, the total credit hours in that combined term are now greater than 12 ($3 \times 6 = 18$) and Formula 1 could be selected.

Note

- ◆ When summer minisessions are combined, a student who enrolls for 6 credit hours in only one of the summer minisessions would be considered to be half-time for the summer term.

Exercise C

Analysis

- ◆ If all of the terms are considered separately, Formula 3 would have to be used.

Another Option

- ◆ If the 4-week intersession is added to either fall or spring semester, Formula 2 could be used. Formula 2 is used rather than Formula 1 because the fall through spring terms include only 28 weeks of instructional time, which is less than the 30 weeks of instructional time required to select Formula 1.

Exercise D

Analysis

- ◆ By using the same questioning model as in Exercise A, we can determine which formula to use. The program is measured in credit hours with standard terms (quarters) that do not overlap. The fact that the courses are offered consecutively does not affect the choice of formulas. Either Formula 1 or Formula 3 could be used.

Note

- ◆ If the courses are taken consecutively in the term and a student does not begin attendance in all of the courses included for the student's projected enrollment status, the school must recalculate the student's Federal Pell Grant award to reflect the revised enrollment status.
- ◆ It would be a good policy decision for the school to make multiple disbursements within a payment period when multiple minisessions are combined and treated as a single term or when courses are taken consecutively within a term to avoid overpayments.

Notes

CALCULATION OF FEDERAL PELL GRANT AWARDS

Five Basic Calculation Steps

**Five Basic Calculation Steps
Used in Each Formula**

1. Determine enrollment status
2. Calculate Federal Pell Grant COA
3. Determine annual award
4. Determine payment periods
5. Calculate payment for payment period



January 21, 1997

7-8

Step 1: Determine Enrollment Status

**Step 1
Determine Enrollment Status**

- ◆ For term-based credit-hour programs, use full-time Payment Schedule or part-time Disbursement Schedule that corresponds to student's enrollment status for each term
- ◆ For nonterm credit-hour programs and all clock-hour programs, determine whether student is enrolled at least half-time or less-than-half-time

January 21, 1997

7-9

ENROLLMENT STATUS CLASSIFICATIONS — MINIMUM REGULATORY REQUIREMENTS*

Enrollment Status	Credit-Hour Programs			Clock-Hour Programs
	Standard Term	Nonstandard Term	Nonterm	
Full-time	12 credit hours per term	Determine number of credits for full-time by using following formula: (1) $\text{Credit hours in AY} \times \frac{\text{Weeks of instructional time in nonstandard term}}{\text{Weeks of instructional time in program's definition of AY}}$ (2) If results not whole number, round up	24 semester or trimester hours or 36 quarter hours per AY, or prorated equivalent for programs less than an AY	24 clock hours per week
3/4-time	9 credit hours per term	Calculate appropriate less-than-full-time status by using following formula: $\frac{\text{Credit hours in term}}{\text{Credit hours required for full-time status in term}}$		
1/2-time	6 credit hours per term			
Less than 1/2-time	Less than 1/2 the workload of the minimum full-time requirement			

*This chart does not apply to programs of study that are offered by correspondence.

Example 1

Determining Enrollment Status



Nonstandard Term Credit-Hour Program

The academic calendar for a student's program of study consists of four 9-week terms. The school defines the program's academic year as 24 semester hours and 36 weeks of instructional time. A full-time student is expected to complete at least 24 semester hours during an academic year.

A student enrolls for 5 semester hours during the first 9-week term and for 4 semester hours during each of the remaining 9-week terms.

- ◆ The minimum number of semester hours required for full-time status during each of the 9-week nonstandard terms is calculated as follows:

$$\begin{array}{rcccl} \text{Semester hours} & \times & \frac{\text{Weeks of instructional time in term}}{\text{Weeks of instructional time in AY}} & = & \text{Full-time semester hours} \\ \\ [24 & \times & \frac{9}{36} & = & 6] \end{array}$$

- ◆ The student's enrollment status for the first 9-week nonstandard term is calculated as follows:

$$\frac{5 \text{ semester hours for term enrollment}}{6 \text{ semester hours required for full-time}} = \frac{5}{6} \text{ or three-quarter-time}$$

- ◆ The student's enrollment status for each of the three remaining 9-week terms is calculated as follows:

$$\frac{4 \text{ semester hours for term enrollment}}{6 \text{ semester hours required for full-time}} = \frac{4}{6} \text{ or half-time}$$

The student is enrolled in one 9-week term at three-quarter-time and the other 9-week terms at half-time.

COA COMPONENTS¹

As Specified by Law

Components	Amount Allowed
Tuition and fees	Amount normally assessed students in the same program of study. Includes mandatory fees and costs for rental or purchase of equipment. ²
Room and board	Minimum allowance: \$1,500 if student has no dependents and is living with parents; actual or average if without dependents and living in institutionally owned housing; and \$2,500 for all others.
Books, supplies, transportation, and miscellaneous expenses	Determined by school.
Dependent care for independent students	Actual or average amount determined by school. May not exceed the lesser of the costs the student is expected to incur or the costs of such care in student's community. ³
Disability-related expenses	Determined by school. May not include costs covered by other assisting agency. ⁴
Study abroad	Determined by school.
Cooperative education program employment-related expenses	Determined by school.
Loan fees, origination fees, or insurance premiums charged to students or parents on Title IV, federal, or other conventional student loan	Actual or average amount determined by school.

1. For Federal Pell Grant Program, all components of the COA are based on costs for a full-time student for a full academic year.
2. For telecommunication courses, costs of renting or purchasing equipment may not be included.
3. These expenses may be for one or more dependents and include time student is in class, studying, doing fieldwork, in an internship, or commuting.
4. These expenses may include costs for special services, personal assistance, transportation, equipment, and supplies.

OTHER STATUTORY COA REQUIREMENTS

Components	Enrollment at Least Half-Time	Enrollment Less Than Half-Time	Correspondence Study	Incarcerated Students*
Tuition and fees	Yes	Yes	Yes	Yes
Room and board	Yes	No	Only for required period of residential training	No
Books, supplies, transportation, and miscellaneous expenses	Yes	Only books, supplies, and transportation	For required period of residential training: books, supplies, and transportation	Only books and supplies related to course of study
Dependent care for independent students	Yes	Yes	No	No
Disability-related expenses	Yes	Yes, if professional judgment used	No	No
Study abroad	Yes	No	No	No
Cooperative education program employment-related expenses	Yes	No	No	No
Loan fees, origination fees, or insurance premiums charged to students or parents on Title IV, federal, or other conventional student loan	Yes	No	No	No

* Incarcerated students in federal or state penal institutions are ineligible to receive Federal Pell Grant assistance.

Example 2

Calculating Pell Grant Cost of Attendance



Term-Based Program

Program Information

- ◆ Program's definition of an AY is 24 semester hours.
- ◆ Program's definition of an AY is 30 weeks of instructional time.
- ◆ Two semesters in AY with 14 weeks of instructional time in each semester.
- ◆ Full-time is 12 semester hours in *all* terms.

Cost Components	Fall and Spring
Tuition and fees	\$2,600
Books and supplies	400
Room and board	5,900
Transportation	300
Dependent care	1,250
Miscellaneous	+ 650
TOTAL	<u>\$11,100</u>

Compare fractions to prorate COA components

- ◆ Using this method, the fraction for the calculation using weeks is:

$$\frac{\text{Weeks of instructional time in program's definition of an AY}^*}{\text{Weeks of instructional time for which costs apply}} = \frac{30}{28}$$

- ◆ Using this method, the fraction for the calculation using hours is:

$$\frac{\text{Hours in program's definition of an AY}^{**}}{\text{Credit or clock hours for which costs apply}} = \frac{24}{24}$$

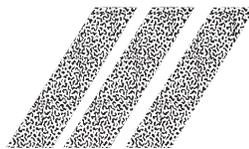
- ◆ The lesser of the two fractions is 24/24, which would be the multiplier for the total of the COA components.
- ◆ The full-time, full-year cost of attendance for Federal Pell Grant would be \$11,100 (\$11,100 x 24/24).

* Cannot be less than the statutory minimum of 30 weeks of instructional time.

** Cannot be less than the statutory minimum of 24 semester or trimester, 36 quarter, or 900 clock hours.

Example 3

Calculating Pell Grant Cost of Attendance



Clock-Hour Program Less Than 30 Weeks in Length

Program Information

- ◆ Program's definition of an AY is 900 clock hours.
- ◆ Program's definition of an AY is 30 weeks of instructional time.
- ◆ A full-time student would complete the program in 600 clock hours.
- ◆ A full-time student would complete the program in 25 weeks of instructional time.

Cost Components	Fall and Spring
Tuition and fees	\$2,600
Books and supplies	400
Room and board	5,900
Transportation	300
Dependent care	1,250
Miscellaneous	+ 650
TOTAL	\$11,100

Compare fractions to prorate COA components

- ◆ Using this method, the fraction for the calculation using weeks is:

$$\frac{\text{Weeks of instructional time in program's definition of an AY}^*}{\text{Weeks of instructional time for which costs apply}} = \frac{30}{25}$$

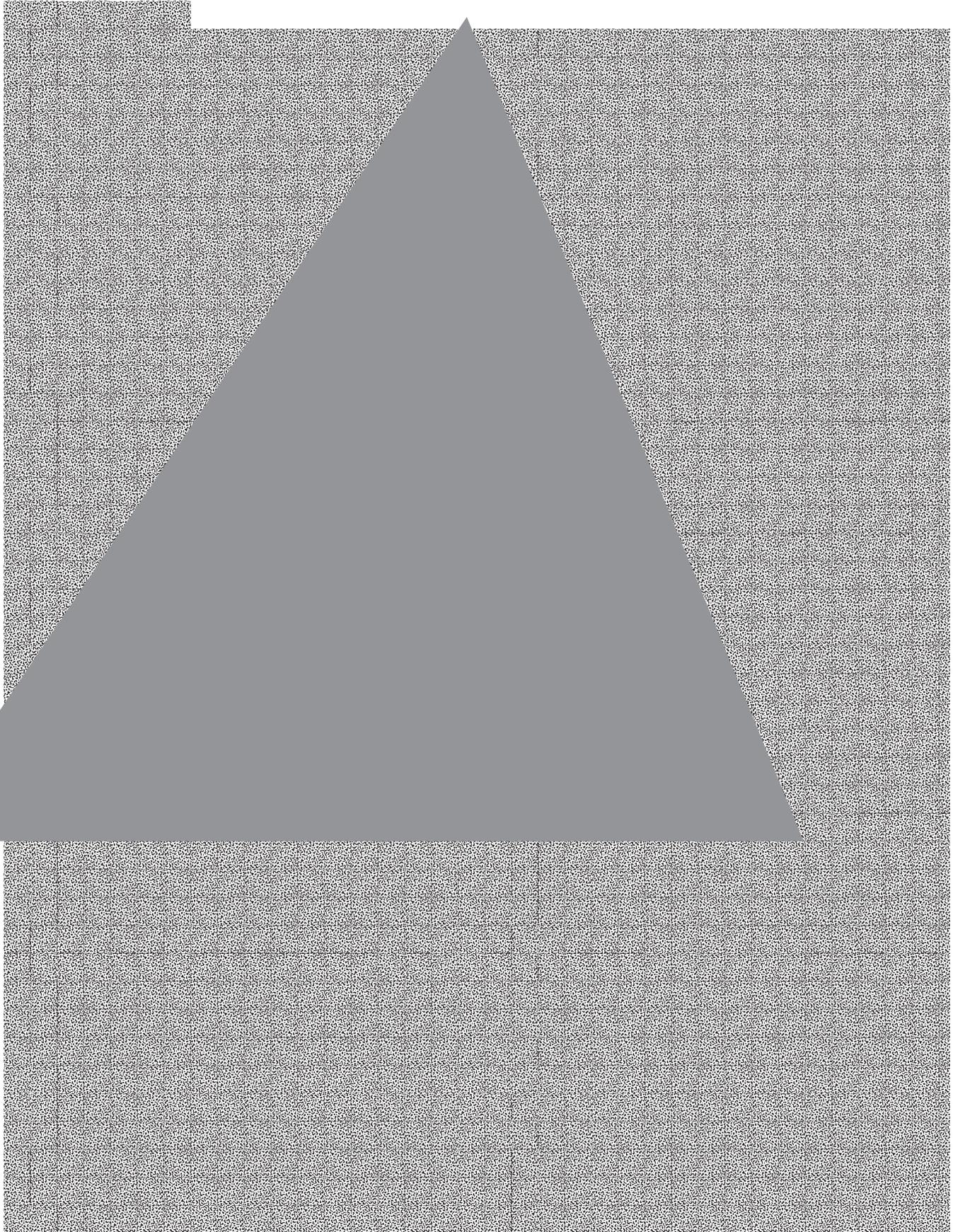
- ◆ Using this method, the fraction for the calculation using hours is:

$$\frac{\text{Hours in program's definition of an AY}^{**}}{\text{Credit or clock hours for which costs apply}} = \frac{900}{600}$$

- ◆ The lesser of the two fractions is 30/25, which would be the multiplier for the total of the COA components.
- ◆ The full-time, full-year cost of attendance for Federal Pell Grant would be \$13,320 (\$11,100 x 30/25).

* Cannot be less than the statutory minimum of 30 weeks of instructional time.

** Cannot be less than the statutory minimum of 24 semester or trimester, 36 quarter, or 900 clock hours.



Examples 5, 6, and 7

Minimum Regulatory Requirements for Determining the Payment Period



Clock-Hour
and Nonterm
Credit-Hour
Programs

Example 5

Arthur is enrolled in a 750-clock-hour program of study. The school is nonterm and defines the program's academic year as 900 clock hours and 30 weeks of instructional time.

- ◆ Since Arthur's program is shorter than an academic year, the two payment periods would be based on the length of his program in clock hours.
- ◆ Each payment period is one-half of the program, or 375 clock hours.

Example 6

Jill is enrolled in a 1,500-clock-hour program of study. The school is nonterm and defines the program's academic year as 900 clock hours and 30 weeks of instructional time.

- ◆ The length of Jill's program is longer than an academic year but shorter than two academic years.
- ◆ Each of the two payment periods in the first academic year is 450 clock hours.
- ◆ After the first year, 600 clock hours remain in the program.
- ◆ Since remaining portion is less than an academic year but greater than 50% of an academic year, two payment periods of 300 hours each would be required.

Example 7

Phyllis is enrolled in a 1,200-clock-hour program of study. The school is nonterm and defines the program's academic year as 900 clock hours and 30 weeks of instructional time.

- ◆ Phyllis' program of study is longer than one academic year but shorter than two academic years.
- ◆ Each of the two payment periods in the first academic year is 450 clock hours.
- ◆ After the first year, less than a full academic year in clock hours remains in the program (300 clock hours).
- ◆ Since remaining portion is less than half of an academic year, the third and final payment period is the remaining 300 clock hours.

Notes

For Formula 5A, payment period for nonterm component is period of time in which student completes lesser of first half of academic year or program, whichever comes first.

For Formula 5B, payment period for term-based component of nonresidential correspondence study is the term.

For term-based program in which summer term payment period crosses over two award years, school may pay student from either award year if:

1. School has, for the selected award year, student's valid SAR or ISIR;
2. Student has remaining eligibility for payment; and
3. No more than six months of payment period are in either award year.

Following overhead shows determination of payment periods for Case Study 5.

Case Study 5: Step 4

Program = 28 semester hours, 40 weeks

AY = 24 semester hours, 30 weeks

Payment Period 1 = 12 semester hours (Year 1)

Payment Period 2 = 12 semester hours (Year 1)

Payment Period 3 = 4 semester hours (Year 2)

January 21, 1997

7-20

WHEN TO RECALCULATE A FEDERAL PELL GRANT AWARD

	Must Recalculate	May Recalculate
EFC Changes		
◆ Corrections	Yes	
◆ Updating	Yes	
◆ Professional judgment	Yes	
Enrollment Status Changes*		
◆ From one term to the next in the same award year, student changes enrollment status	Yes, for affected terms	
◆ Student does not begin attendance in all classes used for projected enrollment status in a term	Yes	
◆ Student begins attendance in all classes in a term but subsequently drops to a lower enrollment status		Yes (School policy must apply to changes both up and down.)
Changes in Cost of Attendance		
◆ Changes between payment periods		Yes*
◆ Changes within a payment period		Yes*

* If school recalculates for change in enrollment status, changes in COA must be taken into account.

Group Discussion 2



Calculation of Federal Pell Grant Eligibility for Transfer Students

Exercise A

Background: Financial Aid Transcript from Eastern Technical College for John shows:

Federal Pell Grant:	Scheduled award	\$1,520
	Total disbursed to date	\$760

John is now attending Fallberg University. His scheduled award has not changed.

Question: What is John's maximum eligibility at Fallberg?



Exercise B

Background: Financial Aid Transcript from Andover Central College for Alexandra shows:

Federal Pell Grant:	Scheduled award	\$2,320
	Total disbursed to date	\$1,000

Alexandra is now attending Cabrillo Western State University. Her scheduled award has not changed.

Question: What is Alexandra's maximum eligibility at Cabrillo?



Exercise C

Background: Maria attended the University of Arlington, a semester school, for fall semester.

COA = \$10,000	Scheduled award = \$2,420
EFC = 90	Total disbursed to date = \$1,210

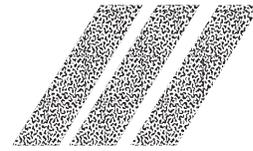
Maria now attends BMU, a quarter school. She is enrolled full-time for winter and spring quarters. Through verification, changes were processed on her SAR and her EFC increased.

COA = \$9,423	Scheduled award = \$2,320
EFC = 164	

Question: What is the actual dollar amount Maria can receive for winter and spring?

Group Discussion 2

Answers



Exercise A

John's maximum eligibility cannot exceed 100% of his scheduled Federal Pell Grant award in any award year. He used 50% of his eligibility ($760 \div 1,520 = 50\%$) at Eastern Technical College and still has 50% maximum eligibility at Fallberg University. The actual amount he could receive in each payment period would depend on whether the program he is enrolled in at Fallberg is a term or a nonterm program, whether progress is measured in credit or clock hours, and whether he enrolls full-time or less than full-time.

Exercise B

Alexandra used 43% of her scheduled Federal Pell Grant award at Andover Central College ($1,000 \div 2,320 = 43\%$). Her maximum eligibility at Cabrillo Western University would be 57% ($100\% - 43\% = 57\%$). The actual amount Alexandra could receive during each payment period would depend on the same factors indicated in Exercise A.

Exercise C

Maria received 50% of her scheduled Federal Pell Grant award at the University of Arlington ($1,210 \div 2,420 = 50\%$) and is eligible for 50% of her scheduled award at BMU. Using the COA of \$9,423, the new EFC of 164, and the full-time Federal Pell Grant Payment Schedule, Maria's scheduled award at BMU is \$2,320.

Since Maria has already used 50% of her scheduled award at the University of Arlington, she is entitled to a maximum eligibility of 50% of \$2,320 at BMU or a maximum dollar amount of \$1,160 ($50\% \times \$2,320 = \$1,160$).

BMU is a quarter school and Maria is attending full-time. The scheduled award of \$2,320 is divided by the number of payment periods (3) to determine the amount the student *should* be paid in each payment period ($\$2,320 \div 3 = \773).

If Maria is paid \$773 for winter and an additional \$773 for spring, she would receive a total of \$1,546, which exceeds the \$1,160 maximum amount we have already determined is her maximum dollar eligibility at BMU. She should be paid \$773 for winter and \$387 for spring rather than be rationed the \$1,160 for which she is eligible over the winter and spring quarters. If she decides not to return in the spring, she received the correct payment for winter.

*Please refer to
Federal Pell Grant Program
Payment Schedule.*

*Please refer to
Federal Pell Grant Program
Payment Schedule.*

*Please refer to
Federal Pell Grant Program
Payment Schedule.*

*Please refer to
Federal Pell Grant Program
Payment Schedule.*

GLOSSARY

Academic calendar — How the program is offered in calendar time (e.g., fall and spring or fall, spring, and summer).

Academic year — A minimum of 30 weeks of instructional time during which a full-time student is expected to complete a minimum of 24 semester or trimester credit hours, 36 quarter credit hours, or 900 clock hours.

Annual award — the Federal Pell Grant award amount a full-time student would receive under the Payment Schedule for a full academic year in an award year and the amount a three-quarter, half-time, or less-than-half-time student would receive under the appropriate Disbursement Schedule for being enrolled in that enrollment status for a full academic year in an award year.

Award year — The period beginning July 1 of one year and ending June 30 of the following year.

Costs associated with credit or clock hours — Tuition, fees, books, supplies, and loan fees and insurance premiums.

Costs associated with weeks of instructional time — Room, board, personal expenses, disability expenses, transportation, dependent care, study abroad, and reasonable costs associated with cooperative education employment.

Full-time student — School must define status subject to the following minimum requirements:

1. At least 12 semester, trimester, or quarter hours per term; or
2. 24 semester hours or 36 quarter hours per academic year for an educational program using credit hours but not using standard terms; or
3. 24 clock hours per week for an educational program using clock hours.

Nonstandard term — Any term configuration not defined in “standard term” (e.g., six 5-week terms). A term is considered nonstandard, even when it is called a semester, trimester, or quarter, if it does not conform to the traditional description of these standard terms. An example would be using semester hours at a quarter school to measure progress.

Scheduled award — The amount of Federal Pell Grant that would be paid for a specific COA and EFC to a full-time student for a full academic year. For a full-time student attending for the entire academic year, the annual award will be the same as the scheduled award. A student would receive an annual award that is less than a full scheduled award if he or she is enrolled less than full-time or is enrolled for less than a full academic year.

Standard term — Semester, trimester, or quarter.

Case Study 1

New West College



- ◆ 15-week semesters
- ◆ FT in each semester is 12 credits

Objective

To illustrate selection of correct Federal Pell Grant formula and calculation of Federal Pell Grant payments.



School Information

- ◆ New West College (NWC) offers a two-year associate degree program.
- ◆ AY is defined as 24 semester hours and 30 weeks of instructional time.
- ◆ NWC academic calendar has two 15-week semesters (fall and spring).
- ◆ Terms do not overlap.
- ◆ 10-week summer term is offered.
- ◆ Summer full-time is 12 credits.



Student Information

- ◆ Rex's EFC is 1145.
- ◆ Cost of Attendance* for 2 semesters:

\$3,000	Tuition and fees
3,500	Room and board
750	Books and supplies
550	Transportation
+ 1,275	<u>Personal expenses</u>
\$9,075	TOTAL
- ◆ Rex will enroll:

12 credits	Fall 1997
7 credits	Spring 1998
4 credits	Summer 1998

* Assume cost components for summer are the same.

Tasks

- ◆ Identify correct Federal Pell Grant formula.
- ◆ Calculate Federal Pell Grant payments for each term.



FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 1

Standard-term credit-hour programs
(Fall through spring terms equal to or greater than 30 weeks)

1. Enrollment Status:

- | | | | | | | | | |
|--------|--------------------------|-----------|--------------------------|----------|--------------------------|----------|--------------------------|------------|
| Term 1 | <input type="checkbox"/> | Full-time | <input type="checkbox"/> | 3/4-time | <input type="checkbox"/> | 1/2-time | <input type="checkbox"/> | < 1/2-time |
| Term 2 | <input type="checkbox"/> | Full-time | <input type="checkbox"/> | 3/4-time | <input type="checkbox"/> | 1/2-time | <input type="checkbox"/> | < 1/2-time |
| Term 3 | <input type="checkbox"/> | Full-time | <input type="checkbox"/> | 3/4-time | <input type="checkbox"/> | 1/2-time | <input type="checkbox"/> | < 1/2-time |
| Term 4 | <input type="checkbox"/> | Full-time | <input type="checkbox"/> | 3/4-time | <input type="checkbox"/> | 1/2-time | <input type="checkbox"/> | < 1/2-time |

- 2. Cost of Attendance:**
- | | | | |
|---|----|--|---|
| | \$ | | Tuition and fees |
| + | | | Room and board |
| + | | | Books, supplies, transportation, and miscellaneous expenses |
| + | | | Dependent care |
| + | | | Disability-related expenses |
| + | | | Study abroad |
| + | | | Employment-related cooperative education program expenses |
| + | | | Loan fees, loan origination fees, loan insurance premiums |
| = | \$ | | Total COA for AY |

- 3. Annual Award:** \$ _____
 From appropriate schedule based on term enrollment status
 (EFC _____)

- 4. Payment Periods:** Number of payment periods in academic year _____

5. Payment for a Payment Period:

- | | | | |
|---|---|----|--|
| •Annual award from appropriate schedule | | \$ | |
| •Number of payment periods in academic year | ÷ | | |
| •Payment for term (payment period) | = | \$ | |

FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 1 (CONT'D)

- Number of terms enrolled in award year _____
- First term expected disbursement \$ _____
- Second term expected disbursement + _____
- Third term expected disbursement + _____
- Fourth term expected disbursement + _____
- Expected Federal Pell Grant for the award year** **= \$ _____**

Case Study 1 Solution

New West College



Use the modeling example; the “Selecting Federal Pell Grant Formulas” chart, and the “Five Basic Calculation Steps” to select the proper Federal Pell Grant Formula and calculate the student’s award.

Formula Selection

Is the program measured in clock or credit hours?	Credit hours
Are there standard or nonstandard terms or no terms?	Standard
Does AY have 2 semesters in fall through spring?	Yes
Do terms overlap?	No
Does fall/spring period have minimum of 30 weeks of instructional time?	Yes
Is 12 credit hours considered to be full-time in all terms?	Yes

Based on the answers to the questions above, **Formula 1** can be used to calculate Federal Pell Grants for this student’s program.

Step 1 – Determine Enrollment Status

Enrollment for fall 1997 is 12 credits, which represents full-time enrollment. Spring 1998 enrollment is 7 credits which is greater than half-time but less than three-quarter-time so student is considered half-time. For summer 1998, 4 credits is less than half-time enrollment.

Step 2 – Calculate Cost of Attendance

The COA components indicated are full-time, full-year costs. Added together, the COA is \$9,075. An adjustment needs to be made for summer term. As you can see from the “Other Statutory COA Requirements,” for less-than-half-time enrollment, the only COA components allowed are: tuition, fees, books, supplies, and transportation (\$3,000 + \$750 + \$550 = \$4,300). AY COA = \$9,075 and summer COA = \$4,300.

Step 3 – Determine Annual Award

For fall, use the *Payment Schedule for Determining Full-Time Scheduled Awards in the 1996-97 Award Period*. Using COA from the far left column (\$9,075) and the appropriate EFC column from the top row (1145), the Federal Pell Grant annual award would be \$1,320.

Case Study 1 Solution: New West College (cont'd)

For spring, using the same COA and EFC, the *Disbursement Schedule for Determining Half-Time Annual Awards* shows a Federal Pell Grant annual award of 660.

For summer, using the Summer COA (\$4300) and the same EFC, the *Disbursement Schedule for Determining Less-Than-Half-Time Annual Awards* shows a Federal Pell Grant annual award of 400. (Note: even though the COA for summer was different than the AY COA, it was still in the same cell on the Schedule as the fall and spring COA.) **However, when determining a student's summer award, you need to consider what eligibility the student actually has remaining for a summer Federal Pell Grant award.** From a scheduled award of \$1,320 (calculated using the full-time Payment Schedule, EFC, and COA) the student has already used \$660 during fall term and \$330 during spring for a total of \$990. She has a remaining eligibility of only \$330 for summer ($\$1,320 - \$990 = \330). When the summer payment is calculated, you need to make sure that it does not exceed the student's remaining eligibility.

Step 4 – Determine Payment Periods

The payment period is the academic term. In this case, the school uses semesters so each semester would be a payment period.

Step 5 – Calculate Payment for a Payment Period

The payment for Formula 1 is calculated by dividing the annual award by the number of payment periods in the program's definition of AY. The institution has defined this program as having fall and spring semesters in its AY. The divisor for the annual award for each payment period is 2.

Because the enrollment status is different for each of the terms, we will use a different annual award for each semester. Using the annual award figures in the previous step:

Fall	\$1,320	÷	2	=	\$660
Spring	\$660	÷	2	=	\$330
Summer	\$400	÷	2	=	\$200
Total				=	\$1,190

The total payments for the AY (\$1,190) do not exceed the total Scheduled Award (\$1,320).

FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 1

Standard-term credit-hour programs (Fall through spring terms equal to or greater than 30 weeks)

1. Enrollment Status:

<i>Fall</i>	Term 1	<input checked="" type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time
<i>Spr</i>	Term 2	<input type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input checked="" type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time
<i>Smr</i>	Term 3	<input type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input checked="" type="checkbox"/> < 1/2-time
	Term 4	<input type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time

Smr

2. Cost of Attendance:

	\$ <u>3,000</u>	Tuition and fees	3,000
+	<u>3,500</u>	Room and board	
+	<u>2,575</u>	Books, supplies, transportation, and miscellaneous expenses	1,300
+	_____	Dependent care	
+	_____	Disability-related expenses	
+	_____	Study abroad	
+	_____	Employment-related cooperative education program expenses	
+	_____	Loan fees, loan origination fees, loan insurance premiums	<i>Total</i> COA
=	<u>\$ 9,075</u>	Total COA for AY	<i>Smr</i> <u>\$4,300</u>

3. Annual Award:

From appropriate schedule based on term enrollment status
(EFC 1145)

\$ 1,320

4. Payment Periods: Number of payment periods in academic year

2

5. Payment for a Payment Period:

	<i>Fall</i>	<i>Spr</i>	<i>Fall</i>
• Annual award from appropriate schedule	\$ <u>1,320</u>	660	400
• Number of payment periods in academic year	÷ <u>2</u>	2	2
• Payment for term (payment period)	= <u>\$ 660</u>	330	200

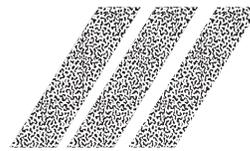
FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 1 (CONT'D)

	•Number of terms enrolled in award year <u> 3 </u>	
<i>Fall</i>	•First term expected disbursement	\$ <u> 660 </u>
<i>Spr</i>	•Second term expected disbursement	+ <u> 330 </u>
<i>Smr</i>	•Third term expected disbursement	+ <u> 200 </u>
	•Fourth term expected disbursement	+ <u> </u>
	•Expected Federal Pell Grant for the award year	= \$ <u> 1,190 </u>

Case Study 2

Alexandria State University



- ◆ 14-week semesters
- ◆ FT in each semester is 12 credits

Objective

To illustrate selection of correct Federal Pell Grant formula and calculation of Federal Pell Grant payments.



School Information

- ◆ Alexandria State University (ASU) offers a four-year BA program.
- ◆ AY is defined as 24 semester hours and 30 weeks of instructional time.
- ◆ ASU academic calendar has two 14-week semesters (fall and spring).
- ◆ Terms do not overlap.
- ◆ 10-week summer term is offered.
- ◆ Summer full-time is 12 credits.



Student Information

- ◆ Victoria's EFC is 676.
- ◆ Cost of Attendance for 2 semesters:

\$6,400	Tuition and fees
5,500	Room and board
750	Books and supplies
850	Transportation
+ 1,100	<u>Personal expenses</u>
\$14,600	TOTAL
- ◆ Victoria will enroll:

10 credits	Fall 1997
4 credits	Spring 1998
Not enrolled	Summer 1998

Tasks

- ◆ Identify correct Federal Pell Grant formula.
- ◆ Calculate Federal Pell Grant payments for each term.



FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 2

Standard-term credit-hour programs (Fall through spring terms fewer than 30 weeks)

1. Enrollment Status:

Term 1	<input type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time
Term 2	<input type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time
Term 3	<input type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time
Term 4	<input type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time

2. Cost of Attendance:

	\$ _____	Tuition and fees
+	_____	Room and board
+	_____	Books, supplies, transportation, and miscellaneous expenses
+	_____	Dependent care
+	_____	Disability-related expenses
+	_____	Study abroad
+	_____	Employment-related cooperative education program expenses
+	_____	Loan fees, loan origination fees, loan insurance premiums
=	\$ _____	Total COA for AY*

*No proration required as lesser fraction will always be at least one (1).

3. Annual Award: \$ _____

From appropriate schedule based on term enrollment status
(EFC _____)

4. Payment Periods: Number of payment periods in academic year _____

FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 2 (CONT'D)

5. Payment for a Payment Period:

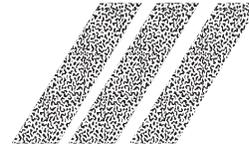
•Annual award from appropriate schedule			\$ _____
•Payment for each term (payment period)			
Annual award	x	$\frac{\text{Weeks of instructional time in fall through spring terms}^*}{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}$	÷
			Number of payment periods in the award year

•First term expected disbursement			\$ _____
•Second term expected disbursement		+	_____
•Third term expected disbursement		+	_____
•Fourth term expected disbursement		+	_____
•Expected Federal Pell Grant for the award year		=	\$ _____

*If summer term is included in academic year definition, just divide annual award by terms in award year.

Case Study 2 Solution

Alexandria State University



Formula Selection

Using the questions from the “Selecting Federal Pell Grant Formula” chart, ASU:

- ◆ Uses credit hours
- ◆ Has standard terms
- ◆ Has fall and spring semesters
- ◆ Does not have overlapping terms
- ◆ *Has fewer than 30 weeks of instructional time in fall through spring*

ASU cannot use Formula 1 because it has 28 weeks of instructional time (two 14-week semesters in fall through spring.) ASU must use either Formula 2 or Formula 3. ASU uses **Formula 2** because it meets all of the criteria specified in the formula.

Step 1 - Determine Enrollment Status

Enrollment for Fall 1997 is 10 units or three-quarter-time; Spring 1998 is 4 units which is less-than-half-time; and the student is not enrolled for the Summer 1998.

Step 2 - Calculate Cost of Attendance

COA is \$14,600. This particular program has 28 rather than 30 weeks of instructional time. The COA must be prorated so that full academic year, full-time costs are reflected for the Federal Pell Grant COA.

This student is attending less-than-half-time during spring so the COA components used to determine the student’s award for spring can only include the following: tuition, fees, books and supplies, and transportation. Use the lesser of the proration fractions calculated below to prorate the COA for both fall and winter terms.

$$\frac{\text{Weeks in statutory definition of AY}}{\text{Weeks for which costs apply}} = \frac{30}{28}$$

$$\frac{\text{Credit hours in statutory definition of AY}}{\text{Credit hours for which costs apply}} = \frac{24}{24}$$

Lesser fraction 24/24 is multiplied by the total COA for three-quarter-time enrollment during fall (\$14,600) and for less-than-half-time enrollment during spring (\$8,000).

Case Study 2 Solution: Alexandria State University (cont'd)

Step 3 - Determine Annual Award

EFC of 676 and COA of \$14,600 for a 3/4-time student yield a **fall** annual award of **\$1,365**. EFC of 676 and COA of \$8,000 for less-than-half-time enrollment yield a **spring** annual award of **\$455**.

Step 4 - Determine Payment Periods

Payment period is the academic term. Academic calendar has 2 semesters. Each semester would be a payment period.

Step 5 - Calculate Payment for a Payment Period

A student attending the minimum 30 weeks would be entitled to the full semester payment of Federal Pell Grant for fall. A student attending only 28 weeks, however, must have the annual award prorated. Using the fraction in Formula 2, Step 5, the fall annual award would be: $\$1,365 \times \frac{28}{30} = \$1,274$. Since there are 2 payment periods, you would divide $\$1,274$ by 2 for a fall payment of $\$637$. For spring, $\$455 \times \frac{28}{30} = \$424.66 \div 2 = \$212.33$ (rounded down to $\$212$).



Total payments for the award year ($\$849$) do not exceed the total Scheduled Award ($\$1,365$).

FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 2

Standard-term credit-hour programs (Fall through spring terms fewer than 30 weeks)

1. Enrollment Status:

<i>Fall</i>	Term 1	<input type="checkbox"/> Full-time	<input checked="" type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time
<i>Spr</i>	Term 2	<input type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input checked="" type="checkbox"/> < 1/2-time
	Term 3	<input type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time
	Term 4	<input type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time

2. Cost of Attendance:		<i>Spring</i>
	\$ <u>6,400</u> Tuition and fees	6,400
	+ <u>5,500</u> Room and board	1,600
	+ <u>2,700</u> Books, supplies, transportation, and miscellaneous expenses	
	+ _____ Dependent care	
	+ _____ Disability-related expenses	
	+ _____ Study abroad	
	+ _____ Employment-related cooperative education program expenses	
	+ _____ Loan fees, loan origination fees, loan insurance premiums	
	= \$ <u>14,600</u> Total COA for AY*	<u>\$8,000</u>

*No proration required as lesser fraction will always be at least one (1).

3. Annual Award:	<u>1,365</u> <i>Fall</i>
	\$ <u>455</u> <i>Spr</i>

From appropriate schedule based on term enrollment status
(EFC 676)

4. Payment Periods: Number of payment periods in academic year	<u>2</u>
---	----------

FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 2 (CONT'D)

5. Payment for a Payment Period:

	<i>1,365 Fall</i>	
•Annual award from appropriate schedule	\$ <i>455 Spr</i>	
•Payment for each term (payment period)		
Annual award	x	$\frac{\text{Weeks of instructional time in fall through spring terms}^*}{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}$
		÷
		Number of payment periods in the award year

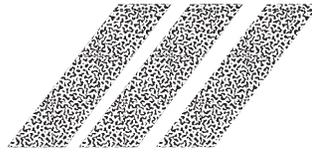
1,365 X 28/30 ÷ 2 = \$637 Fall
455 X 28/30 ÷ 2 = \$212 Spring

<i>Fall</i> •First term expected disbursement		\$ <u>637</u>
<i>Spr</i> •Second term expected disbursement	+	<u>212</u>
•Third term expected disbursement	+	<u> </u>
•Fourth term expected disbursement	+	<u> </u>
•Expected Federal Pell Grant for the award year	=	\$ <u>849</u>

*If summer term is included in academic year definition, just divide annual award by terms in award year.

Case Study 3

Julian Institute



- ◆ Three 10-week quarters
- ◆ FT for each quarter is 12 credits
- ◆ Summer minisession FT is less than 12 credits

Objective

To illustrate selection of correct Federal Pell Grant formula and calculation of Federal Pell Grant payments.



School Information

- ◆ The Julian Institute (JI) offers a two-year degree program.
- ◆ AY is defined as 36 quarter credits and 30 weeks of instructional time.
- ◆ JI has three 10-week quarters (fall, winter, spring).
- ◆ Terms do not overlap.
- ◆ Two summer minisessions offered – each is 5 weeks long.
- ◆ Summer full-time per minisession is 6 credits.



Student Information

- ◆ Marie's EFC is 1550.
- ◆ Cost of Attendance* for 3 quarters:

\$600	Tuition and fees
1,500	Room and board
100	Books and supplies
100	Transportation
+ 100	<u>Personal expenses</u>
<u>\$2,400</u>	TOTAL

- ◆ Marie will enroll:

12 credits	Fall 1997
12 credits	Winter 1998
Not enrolled	Spring 1998
6 credits	Summer #1 1998
6 credits	Summer #2 1998

* Assume cost components for summer are the same.

Tasks

- ◆ Identify correct Federal Pell Grant formula.
- ◆ Calculate Federal Pell Grant payments for each term.



FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 3

Term-based credit-hour programs

1. Enrollment Status:

- | | | | | | | | | |
|--------|--------------------------|-----------|--------------------------|----------|--------------------------|----------|--------------------------|------------|
| Term 1 | <input type="checkbox"/> | Full-time | <input type="checkbox"/> | 3/4-time | <input type="checkbox"/> | 1/2-time | <input type="checkbox"/> | < 1/2-time |
| Term 2 | <input type="checkbox"/> | Full-time | <input type="checkbox"/> | 3/4-time | <input type="checkbox"/> | 1/2-time | <input type="checkbox"/> | < 1/2-time |
| Term 3 | <input type="checkbox"/> | Full-time | <input type="checkbox"/> | 3/4-time | <input type="checkbox"/> | 1/2-time | <input type="checkbox"/> | < 1/2-time |
| Term 4 | <input type="checkbox"/> | Full-time | <input type="checkbox"/> | 3/4-time | <input type="checkbox"/> | 1/2-time | <input type="checkbox"/> | < 1/2-time |

Enrollment calculation for each nonstandard term:*

Full-time status:

$$\begin{array}{r} \text{Hours} \\ \text{in AY} \end{array} \times \frac{\text{Weeks of instructional time in nonstandard term}}{\text{Weeks of instructional time in program's definition of AY}}$$

If less-than-full-time status:

$$\frac{\text{Hours student takes in nonstandard term}}{\text{Hours required for full-time status in nonstandard term}}$$

**If semester, trimester, or quarter use regulatory minimum.*

- 2. Cost of Attendance:**
- | | | |
|---|----------|---|
| | \$ _____ | Tuition and fees |
| + | _____ | Room and board |
| + | _____ | Books, supplies, transportation, and miscellaneous expenses |
| + | _____ | Dependent care |
| + | _____ | Disability-related expenses |
| + | _____ | Study abroad |
| + | _____ | Employment-related cooperative education program expenses |
| + | _____ | Loan fees, loan origination fees, loan insurance premiums |
| = | \$ _____ | Total |
| x | _____ | Proration ratio (see next page) |
| = | \$ _____ | Total COA for AY |

FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 3 (CONT'D)

For proration ratio, use lesser of (1) or (2):

(1)
$$\frac{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}{\text{Weeks of instructional time for which costs apply}}$$

OR

(2)
$$\frac{\text{Credit hours in program's definition of AY (minimum 24 semester or 36 quarter credit hours)}}{\text{Credit hours to which costs apply}}$$

3. **Annual Award:** \$ _____
 From appropriate schedule based on term enrollment status
 (EFC _____)

4. **Payment Periods:** Number of payment periods in award year _____

5. **Payment for a Payment Period:***

•Annual award from appropriate schedule \$ _____

•Payment for each term (payment period)

Annual award x
$$\frac{\text{Weeks of instructional time in the term}}{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}$$

**A single disbursement may never exceed 50% of the annual award.*

•First term expected disbursement \$ _____

•Second term expected disbursement + _____

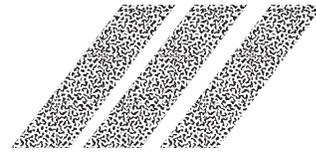
•Third term expected disbursement + _____

•Fourth term expected disbursement + _____

•**Expected Federal Pell Grant for the award year** = _____

Case Study 3 Solution

Julian Institute



Formula Selection

Using the questions from the “Selecting Federal Pell Grant Formula” chart, the Julian Institute:

- ◆ Uses credit hours
- ◆ *Summer is nonstandard term - 12 credits not full-time in each minisession (See Step 5 Second Option)*
- ◆ Has fall, winter, and spring quarters
- ◆ Does not have overlapping terms
- ◆ Has 30 weeks of instructional time in fall through spring

The Julian Institute must use **Formula 3** because Formula 1 requires at least 12 credits for full-time in all terms.

Step 1 - Determine Enrollment Status

Enrollment for fall and winter is full-time with 12 credits each term. Student is not enrolled spring and is enrolled full-time in summer minisession #1 and full-time in summer minisession #2.

Step 2 - Calculate Cost of Attendance

Since the COA listed for the AY is for full-time, full-year costs, it does not need to be prorated. The school uses the same costs for all terms so the Federal Pell Grant COA for summer would be the same as for the AY.

Step 3 - Determine Annual Award

Fall and **winter** annual award is taken from full-time schedule for **\$885**. Since 6 credits is considered full-time during the **summer**, the student is enrolled full-time in each minisession so **\$885** would also be used as the annual award for each summer session calculation.

Step 4 - Determine Payment Periods

The payment period would be the term.



Case Study 3 Solution: Julian Institute (cont'd)

Step 5 - Calculate Payment for a Payment Period

This formula allows for calculation of payments for a mix of both standard and nonstandard terms. See Formula 3, Step 5 for the fraction which allows a comparison of the weeks in each separate term to the total weeks in the program's definition of AY. ($\$885 \times 10/30 = \295 for both fall and winter). Student used \$590 of her scheduled award for fall and winter. She has remaining eligibility of \$295 for summer attendance. The calculation from Formula 3 for summer would be $5/30 \times \$885 = \147.50 rounded up to \$148 for the first summer minisession and rounded down to \$147 for the second summer minisession.

Fall	\$295	Summer #1	\$148
Winter	\$295	Summer #2	\$147



Second Option

- ◆ If the school chooses to combine both summer #1 and summer #2 into one summer term and consider full-time in that term to be 12 credits, the school could use Formula #1 to calculate all of its Federal Pell Grant awards for all of its terms. In this situation, 12 credits is considered full-time in all terms and summer becomes a standard term. Since the student is taking 6 credits in each summer minisession, the total projected enrollment for this student for summer term would be 12 credits or full-time.
- ◆ The payment period is the term. In Formula 1, Step 5 the payment in each payment period is calculated by dividing the annual award (\$885) by the number of payment periods in the program's definition of AY (3 quarterly payment periods). The student would be eligible for \$295 in each term in the fall through spring in which she enrolls full-time. In this case, the student has eligibility for summer only because she did not attend during spring quarter.

It would be a good policy decision for the institution to make multiple disbursements when multiple minisessions are combined and treated as a single term to avoid overpayments.

FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 3

Term-based credit-hour programs

1. Enrollment Status:

<i>Fall</i>	Term 1	<input checked="" type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time
<i>Wtr</i>	Term 2	<input checked="" type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time
<i>Smr 1</i>	Term 3	<input checked="" type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time
<i>Smr 2</i>	Term 4	<input checked="" type="checkbox"/> Full-time	<input type="checkbox"/> 3/4-time	<input type="checkbox"/> 1/2-time	<input type="checkbox"/> < 1/2-time

Enrollment calculation for each nonstandard term:*

Full-time status:

$$\text{Hours in AY} \times \frac{\text{Weeks of instructional time in nonstandard term}}{\text{Weeks of instructional time in program's definition of AY}}$$

36 X 5/30 = 6 credits for FT in summer mini-session

If less-than-full-time status:

$$\frac{\text{Hours student takes in nonstandard term}}{\text{Hours required for full-time status in nonstandard term}}$$

**If semester, trimester, or quarter use regulatory minimum.*

2. Cost of Attendance:	\$ <u>600</u>	Tuition and fees
	+ <u>1,500</u>	Room and board
	+ <u>300</u>	Books, supplies, transportation, and miscellaneous expenses
	+ _____	Dependent care
	+ _____	Disability-related expenses
	+ _____	Study abroad
	+ _____	Employment-related cooperative education program expenses
	+ _____	Loan fees, loan origination fees, loan insurance premiums
	= \$ <u>2,400</u>	Total
	x <u>30/30</u>	Proration ratio (see next page)
	= \$ <u>2,400</u>	Total COA for AY

FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 3 (CONT'D)

For proration ratio, use lesser of (1) or (2):

$$(1) \quad \frac{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}{\text{Weeks of instructional time for which costs apply}} = \frac{30}{30}$$

OR

$$(2) \quad \frac{\text{Credit hours in program's definition of AY (minimum 24 semester or 36 quarter credit hours)}}{\text{Credit hours to which costs apply}} = \frac{36}{36}$$

3. Annual Award: \$ 885
 From appropriate schedule based on term enrollment status
 (EFC 1550)

4. Payment Periods: Number of payment periods in award year 3

5. Payment for a Payment Period:*

•Annual award from appropriate schedule \$ 885

•Payment for each term (payment period)

$$\text{Annual award} \times \frac{\text{Weeks of instructional time in the term}}{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}$$

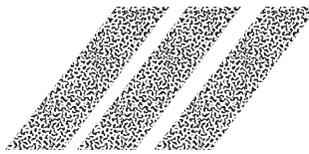
$$\begin{matrix} \text{Fall} \\ \text{Wtr} \end{matrix} > \$885 \times 10/30 = \$295 \quad \begin{matrix} \text{Smr 1} \\ \text{Smr 2} \end{matrix} > \$885 \times 5/30 = \$147.50$$

*A single disbursement may never exceed 50% of the annual award.

<i>Fall</i>	•First term expected disbursement	\$ 295
<i>Wtr</i>	•Second term expected disbursement	+ 295
<i>Smr 1</i>	•Third term expected disbursement	+ 148 <i>round up</i>
<i>Smr 2</i>	•Fourth term expected disbursement	+ 147 <i>round down</i>
	•Expected Federal Pell Grant for the award year	= 885

Case Study 4

McPherson Aeronautics



- ◆ Clock-hour school
- ◆ Nonterm

Objective

To illustrate selection of correct Federal Pell Grant formula and calculation and timing of Federal Pell Grant payments.



School Information

- ◆ McPherson Aeronautics offers a 720-clock-hour certificate program which most full-time students complete in 24 weeks of instructional time.
- ◆ AY is defined as 900 clock hours and 30 weeks of instructional time.



Student Information

- ◆ Zoe's EFC is 168.
- ◆ Cost of Attendance for the program:

\$2,600	Tuition and fees
2,500	Room and board
550	Books and supplies
700	Transportation
900	Personal expenses
2,447	Dependent care
+ 110	Loan fees
\$9,807	TOTAL
- ◆ Zoe will complete 30 clock hours per week

Tasks

- ◆ Identify correct Federal Pell Grant formula.
- ◆ Calculate Federal Pell Grant payments.



FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 4 (CONT'D)

5. Payment for a Payment Period:

(1) Annual award x the lesser of: \$ _____

$$\frac{\text{Weeks of instructional time for most full-time students to complete lesser of hours in program or AY}}{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}$$

OR

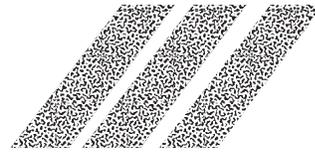
One (1)

(2) Result of (1) x $\frac{\text{Hours in payment period}}{\text{Hours in program's definition of AY (Minimum 24 or 36 credit or 900 clock hours)}}$

•Payments:	Hours _____ to _____		\$ _____
	Hours _____ to _____	+	_____
	Hours _____ to _____	+	_____
•Expected Federal Pell Grant for the program		=	\$ _____

Case Study 4 Solution

McPherson Aeronautics



Formula Selection

Using the questions from the “Selecting Federal Pell Grant Formula” chart, McPherson Aeronautics:

- ◆ Uses clock hours

You really don't need to ask the remainder of the questions as all programs using clock hours must use **Formula 4** to calculate Federal Pell Grant awards.

Step 1 - Determine Enrollment Status

For clock hour programs, enrollment status is only used to establish the components used in the cost of attendance. Less-than-half-time for clock hour programs is fewer than 12 clock hours per week of instruction. Since the student intends to complete 30 clock hours per week, she is considered to be enrolled at least half-time.

Step 2 - Calculate Cost of Attendance

The COA must be prorated to full-time, full-year costs. Prorate using one fraction:

$$\frac{\text{Weeks in program's definition of AY}}{\text{Weeks of instructional time for which costs apply}} = \frac{30}{24}$$

$$\frac{\text{Clock hours in program's AY definition}}{\text{Clock hours to which costs apply}} = \frac{900}{720}$$

Using the lesser of these two fractions (in this case they are the same) as the multiplier for the total COA: $30/24 \times \$9,807 = \$12,259$ prorated COA.

Step 3 - Determine Annual Award

The full-time Payment Schedule is always used for clock-hour programs. Adjustments for fewer hours and weeks in the program will be made when the payment for the payment period is calculated. Using 168 EFC and \$12,259 COA, the full-time annual award from the Payment Schedule is \$2,320.



Case Study 4 Solution: McPherson Aeronautics (cont'd)

Step 4 - Determine Payment Periods

Refer to Formula 4, Step 4. For nonterm clock-hour programs shorter than an AY in length, 2 equal payment periods are required and the payment period is the time it takes a full-time student to complete 1/2 of the program in clock hours. The program is 720 clock hours so each payment period is 360 clock hours.

Step 5 - Calculate Payment for a Payment Period

Refer to Formula 4, Step 5. For each payment period in this example, use the fractions indicated. The fraction in (1) adjusts the annual award for the reduced number of weeks in this particular program and the fraction in (2) adjusts for the reduced number of hours:

- (1) $24/30$ is less than one (1) so we will use this fraction as the multiplier for the annual award of \$2,320. Result: \$1,856
- (2) $360/900$ is used as the multiplier for \$1,856 or \$742.40. Round first payment up to \$743 for the first payment period of 360 clock hours and round down to \$742 for the second payment period of 360 clock hours.



Total payments for the award year are $\$743 + \$742 = \$1,485$. **Note that the second payment of \$742 cannot be made until the student has completed 360 clock hours.**

FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 4

All clock-hour programs and nonterm credit-hour programs

1. **Enrollment Status:** At least half-time < 1/2-time

2. Cost of Attendance:	\$	2,600	Tuition and fees	
	+	2,500	Room and board	
	+	2,150	Books, supplies, transportation, and miscellaneous expenses	
	+	2,447	Dependent care	
	+	_____	Disability-related expenses	
	+	_____	Study abroad	
	+	_____	Employment-related cooperative education program expenses	
	+	110	Loan fees, loan origination fees, loan insurance premiums	
	=	\$ 9,807	Total	
	x	30/24	Proration ratio (see below)	
	=	\$ 12,259	Total COA for AY	

For proration ratio, use lesser of (1) or (2):

$$(1) \quad \frac{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}{\text{Weeks of instructional time for which costs apply}} = \frac{30}{24}$$

OR

$$(2) \quad \frac{\text{Credit or clock hours in program's definition of AY (minimum 24 or 36 credit or 900 clock hours)}}{\text{Credit or clock hours to which costs apply}} = \frac{900}{720}$$

3. **Annual Award:** (from full-time Payment Schedule) (EFC 168) \$ 2,320

4. **Payment Periods:** Program length in credit or clock hours 720

Use A or B

A. Program length ≤ Academic year: Payment period = 1/2 x AY 360

B. Program length > Academic year: *Use (1) + [(2) or (3)]*

(1) For each full AY: Payment period = 1/2 x AY _____

(1) Final portion > 50%: Payment period = 1/2 x final portion _____

(2) Final portion ≤ 50%: Payment period = final portion _____

FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 4 (CONT'D)

5. Payment for a Payment Period:

(1) Annual award x the lesser of: \$ 2,320

$$\frac{\text{Weeks of instructional time for most full-time students to complete lesser of hours in program or AY}}{\text{Weeks of instructional time in program's definition of AY (minimum 30)}} = \frac{24}{30}$$

OR

One (1)

$$\$2,320 \times \frac{24}{30} = \$1,856$$

(2) Result of (1) x $\frac{\text{Hours in payment period}}{\text{Hours in program's definition of AY (Minimum 24 or 36 credit or 900 clock hours)}} = \frac{360}{900}$

$$\$1,856 \times \frac{360}{900} = \$742.40$$

•Payments:	Hours <u>1</u> to <u>360</u>		<u>\$ 743 round up</u>
	Hours <u>361</u> to <u>720</u>	+	<u>742 round down</u>
	Hours _____ to _____	+	_____
•Expected Federal Pell Grant for the program		=	<u>\$ 1,485</u>

Case Study 5

Riley Technical



Objective

To illustrate selection of correct
calculation of Federal Pell G

School Infor

- ◆ Riley Technica
28-semester-hour
which most full-tim
complete in 40 week
instructional time.
- ◆ AY is defined as 24 semes
hours and 30 weeks of
instructional time.
- ◆ School does not
use terms.

FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 4 (CONT'D)

5. Payment for a Payment Period:

(1) Annual award x the lesser of: \$ _____

$$\frac{\text{Weeks of instructional time for most full-time students to complete lesser of hours in program or AY}}{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}$$

OR

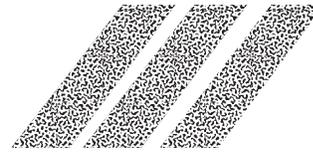
One (1)

(2) Result of (1) x $\frac{\text{Hours in payment period}}{\text{Hours in program's definition of AY (Minimum 24 or 36 credit or 900 clock hours)}}$

•Payments:	Hours _____ to _____		\$ _____
	Hours _____ to _____	+	_____
	Hours _____ to _____	+	_____
•Expected Federal Pell Grant for the program		=	\$ _____

Case Study 5 Solution

Riley Technical



Formula Selection

Using the questions from the “Selecting Federal Pell Grant Formula” chart, Riley Technical:

- ◆ Uses credit hours
- ◆ Is nonterm

All nonterm programs must use **Formula 4** to calculate Federal Pell Grant awards.

Step 1 – Determine Enrollment Status

For nonterm programs, enrollment status is used to establish the components used in the cost of attendance. Student is enrolled at least half-time.

Step 2 – Calculate Cost of Attendance

The COA must be prorated to full-time, full-year costs. Prorate using one fraction:

$$\frac{\text{Semester hours in AY}}{\text{Semester hours in program}} = \frac{24}{28} = \frac{6}{7}$$

$$\frac{\text{Weeks in school's definition of AY}}{\text{Weeks in program}} = \frac{30}{40} = \frac{3}{4}$$

Using the lesser of these two fractions (3/4) as the multiplier for the COA: $\frac{3}{4} \times \$6,675 = \$5,006$ prorated COA.

Step 3 – Determine Annual Award

The full-time Payment Schedule is always used for nonterm credit hour programs. In this case, using the prorated COA and the student's EFC of 0, the annual award is equal to the scheduled award and is \$2,470.



Case Study 5 Solution: Riley Technical (cont'd)

Step 4 – Determine Payment Periods

Refer to Formula 4, Step 4. For nonterm credit-hour programs longer than an AY in length, 2 equal payment periods are required *for each full academic year or remaining program portion greater than one-half of an academic year*. Each payment period for an AY is the period of time in which the student completes the number of credit hours representing one-half of the full AY. In this case, 24 semester hours is the minimum requirement for the AY. The student would be paid for the first 12 semester hours and again at the completion of those hours for the remaining 12 semester hours in the AY.

The student would still have 4 semester hours left ($28 - 24 = 4$) which would have to be completed during the second AY. The student's program is greater than an AY and the remaining portion of the program is less than one-half of an AY so the final payment period is the remaining portion of the program.

Step 5 – Calculate Payment for a Payment Period

Because this is a nonterm credit-hour program, the student cannot receive his second disbursement until the latter of the calendar midpoint or the point at which 1/2 of the academic coursework has been completed.

Refer to Formula 4, Step 5. The student will be attending full-time for one full AY and could receive a total of \$2,470; \$1,235 for the first 12 semester hours; at the completion of those hours another \$1,235 for the second 12 semester hours (as long as at least 15 weeks have elapsed).

The student then enrolls, in the second AY, in the remaining portion of his program which is shorter in length than one-half of an AY. For the purposes of this case study, assume the student submitted a new SAR for the second AY and the annual award is the same.

Using the fraction in Step 5, fraction (1) is 30/30 which is equal to (one).
 $\$2,470 \times 30/30 = \$2,470$

Fraction (2) is 4/24: $4/24 \times \$2,470 = \412 (rounded up)

Since the remaining portion of the student's program is less than one-half of an AY, the student could receive the total amount in one payment.



FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 4

All clock-hour programs and nonterm credit-hour programs

1. **Enrollment Status:** At least half-time < 1/2-time

2. Cost of Attendance:	\$	1,350	Tuition and fees	
	+	3,500	Room and board	
	+	1,825	Books, supplies, transportation, and miscellaneous expenses	
	+	_____	Dependent care	
	+	_____	Disability-related expenses	
	+	_____	Study abroad	
	+	_____	Employment-related cooperative education program expenses	
	+	_____	Loan fees, loan origination fees, loan insurance premiums	
	=	\$ 6,675	Total	
	x	30/40	Proration ratio (see below)	
	=	\$ 5,006	Total COA for AY	

For proration ratio, use lesser of (1) or (2):

$$(1) \quad \frac{\text{Weeks of instructional time in program's definition of AY (minimum 30)}}{\text{Weeks of instructional time for which costs apply}} = \frac{30}{40}$$

OR

$$(2) \quad \frac{\text{Credit or clock hours in program's definition of AY (minimum 24 or 36 credit or 900 clock hours)}}{\text{Credit or clock hours to which costs apply}} = \frac{24}{28}$$

3. **Annual Award:** (from full-time Payment Schedule) (EFC 0) \$ 2,470

4. **Payment Periods:** Program length in credit or clock hours 28
Use A or B

A. Program length ≤ Academic year: Payment period = 1/2 x AY _____

B. Program length > Academic year: *Use (1) + [(2) or (3)]*

(1) For each full AY: Payment period = 1/2 x AY 12 YR 1

(1) Final portion > 50%: Payment period = 1/2 x final portion _____

(2) Final portion ≤ 50%: Payment period = final portion 4 YR 2

FEDERAL PELL GRANT CALCULATION WORKSHEET

FORMULA 4 (CONT'D)

5. Payment for a Payment Period:

(1) Annual award x the lesser of: \$ 2,470

$$\frac{\text{Weeks of instructional time for most full-time students to complete lesser of hours in program or AY}}{\text{Weeks of instructional time in program's definition of AY (minimum 30)}} = \frac{30}{30}$$

OR

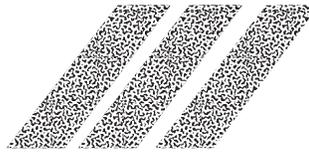
One (1)

(2) Result of (1) x $\frac{\text{Hours in payment period}}{\text{Hours in program's definition of AY (Minimum 24 or 36 credit or 900 clock hours)}}$

(1) X \$2,470 X 12/24 = \$1,235 YR 1
 (1) X \$2,470 X 4/24 = \$411.66 YR 2 (round up)

•Payments:	Hours <u>1</u> to <u>12</u>	<u>\$ 1,235</u>	> YR 1
	Hours <u>13</u> to <u>24</u>	+ <u>1,235</u>	
	Hours <u>25</u> to <u>28</u>	+ <u>412</u>	YR 2
•Expected Federal Pell Grant for the program		<i>Total</i> = <u>\$ 2,470</u>	YR 1
		<i>Total</i> <u>\$412</u>	YR 2

Case Study 6



- ◆ Transfer student
- ◆ Credit-hour school
- ◆ From semester school to semester school

Objective

To illustrate calculation of Federal Pell Grant remaining eligibility for a transfer student.



School A Information

- ◆ School A was not required to verify any of the information on the student's ISIR.
- ◆ EFC = 423
- ◆ COA = \$12,446
- ◆ Scheduled Award = \$2,020
- ◆ Fall semester payment was \$1,010



School B Information

- ◆ School B was required to verify information on the student's ISIR.
- ◆ Corrections to AGI via EDE.
- ◆ EFC = 635
- ◆ COA = \$9,648
- ◆ School B uses Formula 1 to determine Federal Pell Grant awards.

Student Information

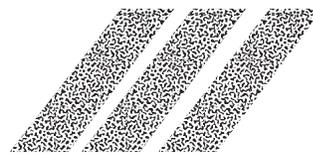
- ◆ Student attended School A full-time during fall semester and is currently enrolled full-time for spring semester at School B.

Tasks

- ◆ Identify Scheduled Award at School B.
- ◆ Calculate amount of Federal Pell Grant for which student is eligible during spring semester.



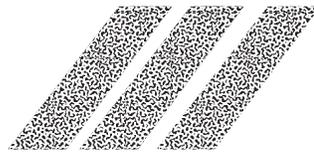
Case Study 6 Solution



- ◆ Looking at the Federal Pell Grant Payment Schedule for an EFC of 635 and a COA of \$9,648, the Scheduled Award is \$1,820 at School B.
- ◆ Since the student attended full-time at School A, his Annual Award and Scheduled Award were the same. He is currently enrolled full-time so his Annual Award and Scheduled Award at School B are the same. The student is entitled to 50% of his Scheduled Award at School A and 50% of his Scheduled Award at School B for a total Annual Award of 100%.
- ◆ The student had a Scheduled Award at School A of \$2,020 and a payment of \$1,010 for one semester. In order to calculate what percentage of the Scheduled Award the student received at School A, you need to divide \$1,010 by \$2,020. The student actually received 50% of his Scheduled Award at School A.
- ◆ At School B, the student is also entitled to 50% of his Scheduled Award. The Scheduled Award is \$1,820. Multiplying \$1,820 by 50%, the student's Federal Pell Grant award at School B for the spring semester is \$910.



Case Study 7



- ◆ Transfer student
- ◆ Credit-hour school
- ◆ From quarter school to semester school

Objective

To illustrate calculation of Federal Pell Grant remaining eligibility for a transfer student.



School A Information

- ◆ School A sent a FAT with the following information:

Scheduled Award at School A = \$1,320

Fall quarter disbursement = \$308



School B Information

- ◆ School B has two 15-week semesters and no overlapping terms.
- ◆ AY is defined as 24 semester hours and 30 weeks of instructional time.
- ◆ EFC = 1192
- ◆ COA = \$8,365



Student Information

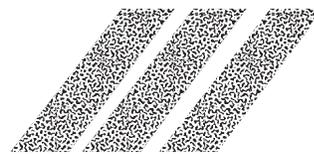
- ◆ Student will be attending full-time during spring semester at School B.

Tasks

- ◆ Calculate the fall term percentage of award year Federal Pell Grant the student received at School A.
- ◆ Calculate the Scheduled Award for spring semester at School B.
- ◆ Calculate the spring term payment at School B.
- ◆ Calculate any remaining percentage eligibility the student may have available for summer school attendance.



Case Study 7 Solution



- ◆ The student received \$308 for fall quarter at School A. To calculate the percentage of the Scheduled Award the student received: $308 \div 1320$ (Scheduled Award from FAT) = 23%.
- ◆ School B can use Formula 1 to calculate its awards. The EFC is still the same and although the COA is different at School B, it still falls in the same 2470-99999 cell on the Payment Schedule. The student's Scheduled Award is still \$1,320.

Step 1 – Determine Enrollment Status

Student will be enrolled full-time.

Step 2 – Calculate Cost of Attendance

In Formula 1, the COA is already for full-time, full-year academic costs.

Step 3 – Determine Annual Award

Since student is full-time, the Annual Award and the Scheduled Award are the same.



Step 4 – Determine Payment Periods

The payment period is the semester.

Step 5 – Calculate Payment for a Payment Period

Payment for the semester is calculated by dividing the Annual Award by 2. The payment for spring semester at School B is \$660.

- ◆ A student can never receive more than 100% of a Scheduled Award in one award year. This student received 23% of the Scheduled Award at School A. The maximum eligibility remaining for the student at School B is 77% ($100\% - 23\%$).
- ◆ The \$660 calculated for the student at School B is 50% of a Scheduled Award. With the amount received from School A, the student is receiving a total of $23\% + 50\%$ or 73% of a Scheduled Award. This amount is less than the maximum eligibility remaining of 77% calculated in the previous step.

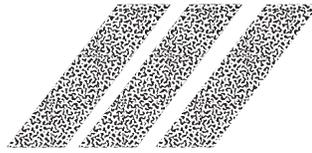
Case Study 7 Solution (cont'd)

- ◆ If the student uses 73% for fall and spring, he or she would have 27% remaining eligibility for summer. The amount of grant the student could actually receive during the summer would depend on COA, length of the summer program, enrollment status, etc.

NOTE: If student had attended fall and winter quarters full-time at School A; student would have used 33.33% of a Scheduled Award for fall + 33.33% for winter for a total of 67.67% (rounded up). Student's remaining eligibility for a Scheduled Award at School B would be 33.33% – (100% – 67.67% = 33.33%). Even though \$660 was the calculated award for spring semester in Step 5, student does not have remaining eligibility for \$660. Student only has remaining eligibility for 33.33% of the Scheduled Award of \$1,320 or \$440. When the Scheduled Award is the same at both School A and School B, you can also calculate remaining eligibility by subtraction. In this case, \$1,320 – \$440 received fall – \$440 received winter = \$440 eligibility for spring semester at School B.



Case Study 8



Objective

To illustrate calculation of Federal Pell Grant remaining eligibility for a transfer student.



School A Information

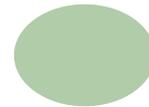
- ◆ School A sent a FAT with the following information:

Scheduled Award at School A =
\$2,420

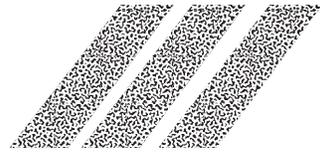
Total Disbursed = \$605

School B Information

- ◆ Program has 675 clock hours, and it takes most full-time students 25 weeks of instructional time to complete the program.
- ◆ AY is defined as 900 clock hours and 30 weeks of instructional time.
- ◆ COA = \$7,485



Case Study 8 Solution



- ◆ Student received $\$605 \div \$2,420 = 25\%$ of the Scheduled Award at School A.
- ◆ Student therefore has $100\% - 25\%$ used = **75% eligibility available**
75% of Scheduled Award of $\$2,420 = \mathbf{\$1,815}$ available

Step 1 – Determine Enrollment Status

Full-time for clock hour programs is 30 hours per week. Student plans to complete 20 hours per week. $20 \div 30 = 2/3$ which is at least half-time enrollment.



Step 2 – Calculate Cost of Attendance

Use the one fraction method of proration:

$$900 \div 675 = 4/3 \text{ hours fraction}$$

$$30 \div 25 = 6/5 \text{ weeks fraction}$$

The lesser of the two fractions is $6/5$. [$\$7,485 \times 6/5 = \$8,982$]

Step 3 – Determine Annual Award

Annual award from full-time Payment Schedule is: $\$2,420$

Step 4 – Determine Payment Periods

The payment period for a clock-hour program shorter than an AY in length is the time period it takes a full-time student to complete $1/2$ of the program in clock hours. A full-time student in this program should complete the program at the end of 675 clock hours. $675 \div 2 = 337.5$ clock hours. Round up to 338 for the first payment period and round down to 337 for the second payment period.

Step 5 – Calculate Payment for a Payment Period

Use the fractions from Formula 4, Step 5 to calculate the payments:

- | | | |
|-----|--|-------------------|
| (1) | Use the lesser of: [$25 \div 30 = 5/6$] or One (1) | 5/6 |
| | Multiply $5/6$ by the annual award ($\$2,420$) = | \$2,016.67 |





This Page Left Blank Intentionally