

*A school must ensure that each recipient meets the eligibility requirements for the Federal Pell Grant Program. In this chapter, we discuss Pell-specific eligibility requirements.*

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## GENERAL FSA ELIGIBILITY REQUIREMENTS

To receive a Pell Grant, the student must meet the general eligibility requirements for FSA aid. These requirements are discussed in detail in Chapter 3 of the *FSA Handbook: Student Eligibility (Volume 1)*.

## PELL SPECIFIC REQUIREMENTS

Two Pell-specific eligibility requirements are that the student must either be an undergraduate or be enrolled in an eligible postbaccalaureate teaching credential program, and not be incarcerated in a federal or state penal institution.

### *Undergraduate Student*

In general, a student must be an undergraduate to receive a Pell Grant (see “Eligible Postbaccalaureate Program” for an exception). For Pell purposes, the regulations define an undergraduate as one who is enrolled in an undergraduate course of study **and** who hasn’t earned a baccalaureate degree or its equivalent or a first professional degree. (“Professional degree” means a degree offered by professional programs such as pharmacy, dentistry, or veterinary medicine.)

### *Length of undergraduate study*

An undergraduate course of study under the Pell definition is one that usually doesn’t exceed 4 academic years or is a program of 4 to 5 academic years designed to lead to a baccalaureate or first professional degree. If the program is longer than 5 years (for example, a 6-year pharmacy program), then students enrolled in that program are considered undergraduate students only for the first 4 academic years of the program.

### *Foreign or unaccredited degree*

If a student’s baccalaureate or professional degree is from an unaccredited or foreign school, or isn’t accepted or recognized at the school of current enrollment, this is irrelevant, and they are ineligible for Pell Grant funds. Also, if a student makes an undocumented claim of a degree on the FAFSA, they are likewise

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**Undergraduate Student  
Definition and Requirement Cite**  
34 CFR 690.2, 34 CFR 690.6, HEA Sec 401(c)

### Incorrect Reporting on FAFSA

When an undergraduate student incorrectly reports on the Free Application for Federal Student Aid (FAFSA) that he or she will be a graduate student or has a bachelor's degree, this information **must** be corrected. Because the application information shows that the student isn't an undergraduate, the Department's records will show that he or she is ineligible for Pell. If the application information isn't corrected, the school won't be able to award Pell funds from the Department for that student.

### Postbaccalaureate Program Eligibility Cite

34CFR 690.6(c)

### Eligible Postbaccalaureate Program and the FAFSA

Normally, a student who indicates on the FAFSA that he or she has a bachelor's degree won't be listed in the Department's records as a Pell-eligible student, and the school won't be able to receive Pell funds for the student. However, in order to allow students who are eligible under the postbaccalaureate program provision to be paid, students who correctly report that they have a bachelor's degree but also indicate on the FAFSA that they're in a teaching credential program will be listed as Pell-eligible students. Of course, you must determine whether the student actually qualifies for the Pell under the eligible postbaccalaureate program provision.

### Completing Bachelor's Requirements Without Receiving a Degree

Occasionally, a student will complete all the requirements for a bachelor's degree but will continue taking undergraduate courses without accepting the degree. The school must decide at what point it considers the student to have completed the baccalaureate course of study. If the school considers the student to have completed the baccalaureate course of study, the student is no longer eligible to receive a Pell Grant.

ineligible for Pell. However, in some cases, there may be written documentation that the baccalaureate degree from the foreign school is not equivalent to the baccalaureate degree awarded in the United States. In that event, the school in the United States may determine that the student does not have a baccalaureate degree. This documentation may include information about the type of institution and total years of education leading to the foreign degree.

### *Degrees below the baccalaureate level*

A student who has already received an associate degree, but who enrolls in another undergraduate program, is considered an undergraduate student until he or she has completed the academic curriculum requirements for a first bachelor's degree. (This is true for **any** student who has received a certificate or diploma below the baccalaureate level.)

### *Eligible Postbaccalaureate Program*

Certain students who have received a bachelor's degree can receive a Pell Grant when enrolled in postbaccalaureate teacher certification programs. This is a very limited exception to the requirement that a Pell Grant recipient must be an undergraduate student enrolled in an undergraduate program. Because of the restrictions that apply to this provision, only a limited number of programs exist where students will be eligible for Pell Grants.

An otherwise eligible student who has a bachelor's degree, and is enrolled in a postbaccalaureate teacher certification or licensure program, is eligible to receive a Pell Grant for the period of time necessary to complete the program only if:

- the program consists of the courses required by a state to receive a professional certification or licensing credential necessary for employment as a teacher in an elementary or secondary school in that state;
- the program does not lead to a graduate degree;
- the school offering the program does not also offer a bachelor's degree in education;
- the student is pursuing an initial teacher certification or licensing credential within a state;
- the student is enrolled at least half-time; and
- the program is a postbaccalaureate program.

Under this very limited provision, a postbaccalaureate program is defined as a program that generally requires a student to have a bachelor's degree before being admitted to the program. Accordingly, a program in which undergraduate students are routinely allowed to enroll would not meet the definition of a postbaccalaureate program

for this purpose, nor would a program that is generally open to undergraduates but that also admits students with bachelor's degrees.

For FSA purposes, a school must treat a student who receives a Pell Grant under this provision as an undergraduate student enrolled in an undergraduate program. Note, however, that a student enrolled in a postbaccalaureate teacher certification or licensure program is not eligible for FSEOG funds. Also, if qualified for Pell funds under an eligible postbaccalaureate program, then the student is eligible for fifth year undergraduate, not graduate student, Stafford/Direct loan limits.

### **Financial Aid History**

One of the general eligibility requirements is that the school must obtain a financial aid history for any student who attended another school showing how much FSA funding they have received. Chapter 3 of the *FSA Handbook: Student Eligibility (Volume 1)* discusses how a school gets a financial aid history.

### **Incarcerated Students**

Students incarcerated in federal and state penal institutions aren't eligible for Pell Grants. However, students incarcerated in local penal institutions can still receive Pell Grants. Students incarcerated by jurisdictions defined as a state in the law (such as the District of Columbia) are considered to be incarcerated in a state penal institution and aren't eligible for Pell Grants. A student isn't considered incarcerated if he or she is in a halfway house or home detention, or sentenced to serve only on weekends.

The costs of attendance for incarcerated students are limited to tuition and fees and those books and supplies specifically related to the student's course of study. For more information on the cost of attendance, see the *FSA Handbook: Student Eligibility (Volume 1)* and Chapter 2 of this volume.

## **SPECIAL PROGRAMS**

Some programs, such as correspondence programs, have additional requirements, or other factors that need to be considered in awarding Pell Grants.

### **Correspondence Study**

Students enrolled in correspondence courses are eligible for aid under FSA Programs only if the courses are part of a program leading to an associate, a bachelor's, or a graduate degree. Also, to be eligible, a correspondence program must meet the criteria for an eligible program (see the *FSA Handbook: Institutional Eligibility and Participation [Volume 2]*). In Chapter 2 of this volume, we discuss special provisions for calculating Pell Grants for correspondence programs.

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#### **Incarcerated Students and Pell Cite**

HEA Sec. 401(b)(8), 34 CFR 668.32(c)(2)(ii),  
"Dear Colleague" Letter P-94-7

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#### **COA for Incarcerated Students Cite**

HEA Sec. 472(6)

### **Foreign Study**

A student can be paid a Pell Grant for study at a foreign school only if the coursework is taken as part of an eligible program at an eligible U.S. school. The foreign study arrangement must be covered by a written agreement between the two schools. Such an arrangement would have to meet the same requirements as a contractual agreement (see the discussion in the *FSA Handbook: Institutional Eligibility and Participation, [Volume 2], Chapter 9*). Students enrolled in study abroad programs with costs of attendance higher than those of the home school should have those costs reflected in the COA, which may result in a higher Pell award, not to exceed the Pell award maximum.

### **Workforce Investment Act (WIA) Programs**

If a program conducted with funding provided through the Workforce Investment Act (previously called the Job Training Partnership Act, or JTPA) is offered by an eligible school and meets the definition of an eligible program in Volume 2 of the FSA Handbook, eligible students in that program can receive Pell assistance.

### **ESL as an Eligible Program**

Schools may pay Pell Grants to students enrolled in English as a Second Language (ESL) programs if such programs consist solely of ESL coursework, meet the definition of an eligible program (see the *FSA Handbook: Institutional Eligibility and Participation [Volume 2]*), and enroll only undergraduate students who need the program to be able to use already existing knowledge, training, or skills. The school needs to request an eligibility determination for the program from FSA.

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ESL as an Eligible Program Cite  
34 CFR 668.8(j)

## **FINANCIAL NEED**

To receive a Pell Grant, a student must have financial need. The Expected Family Contribution (EFC) formula is the standard formula used in determining financial need for FSA programs. The formula produces an EFC number.

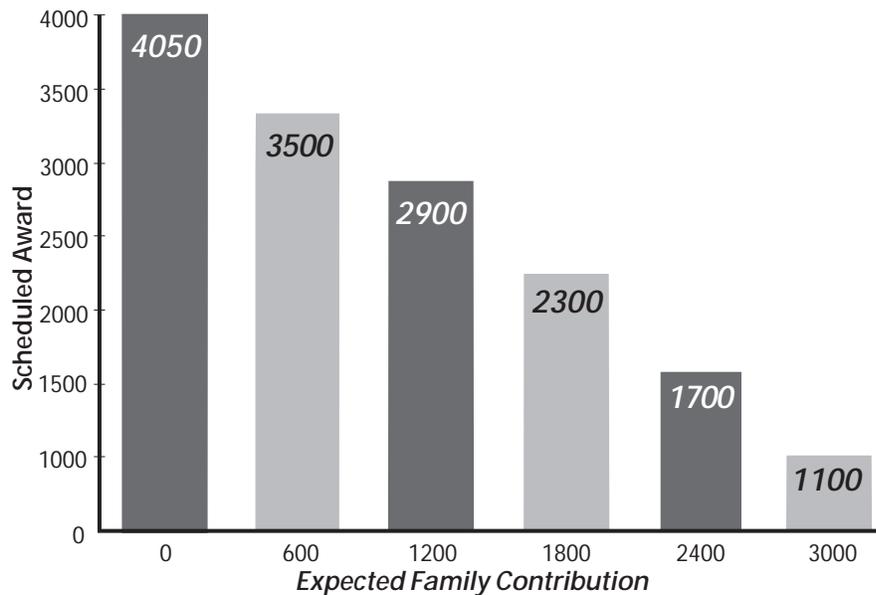
The lower the EFC, the greater the student's financial need. Thus, the neediest students will have an EFC of 0 and may be eligible for the maximum Pell award of \$4050 if their cost of attendance is high enough and if they will be attending full time for a full academic year.

As the EFC increases, the student's need is less and so the amount of the award decreases; after the maximum EFC of 3850, eligibility for Pell funds becomes \$0.

The EFC is computed by the Central Processing System (CPS) and is based on the information the student reported on the FAFSA. The EFC is included, along with the student's application information, on the student's output document (i.e. a SAR or ISIR). For more information on the EFC, see the *FSA Handbook, Student Eligibility (Volume 1)*.

## Scheduled Awards Example

*Scheduled Awards based on a cost of attendance of at least \$4,050. As the EFC increases, the Scheduled Award decreases. Do not use this example to make awards.*



### Professional Judgment & Reporting Changes

The financial aid administrator, using professional judgment, can adjust one or more of the data elements used to calculate the EFC. Aid administrators cannot adjust the EFC formula. The FAA may also use professional judgment to adjust the student's COA. See the *FSA Handbook: Application and Verification Guide* for information on using professional judgment. Any change that would result in a change to the amount of the student's Pell award has to be reported back through the CPS for reprocessing.

## DOCUMENTING THE STUDENT'S ELIGIBILITY FOR PAYMENT

To pay a student a Pell Grant, the school must have appropriate documentation of the student's eligibility. In particular, the school must have a valid output document for the student. A valid output document is one where all the information used to calculate the EFC is complete and accurate. The school must have received a valid output document containing an eligible nine-month EFC while the student is still enrolled and eligible. Once the school has received a valid output document, assuming all other eligibility requirements are met, the school must pay the student.

### Output Documents

There are two types of output documents, Institutional Student Information Records (ISIRs) and Student Aid Reports (SARs). An ISIR is a computer-generated electronic record sent to a school by the CPS. The SAR is a paper document sent to the student by the CPS. These output documents (ISIRs and SARs) contain the student's

### Religious Orders and Need

In most cases, if a student is a member of a religious order, he or she is eligible **only** for unsubsidized loans (see the *FSA Handbook: Student Eligibility* [Volume 1]).

### Valid Output Document Definitions Cite

34 CFR 690.2

application information, the EFC, and the results of the database matches. (See *The FSA Handbook: Application and Verification Guide, Chapter 1* for more information)

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**Valid Output Document Requirement Cite**

34 CFR 690.61(a)

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**Output Document Deadline Cite**

34 CFR 690.61(b)

The school isn't required to provide students with a copy of the ISIR it received from the CPS, even if the school sent in the student's application through the Electronic Data Exchange (EDE). All students receive a SAR with their information from the CPS. Students who apply through the mail or FAFSA on the Web receive a two-part SAR, called a SAR Information Acknowledgment. For purposes of documenting the student's eligibility for payment, the SAR Information Acknowledgment is the same as a two-part SAR: A school must pay an eligible student who submits either a valid two-part SAR or a valid SAR Information Acknowledgment.

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**Signature for Correction Cite**

34 CFR 690.14(b), (c)

**Signature Requirements**

The student isn't required to sign an output document. Note that the student is still required to sign the statement on the FAFSA certifying that the information provided is correct. (See the *FSA Handbook: Application and Verification Guide, Chapter 2*, for more on signature requirements.)

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**Recordkeeping Format Cite**

34 CFR 668.24(d)(3)

**Record Keeping**

A school needs to keep the output document used to determine the student's eligibility (see the *FSA Handbook: Institutional Eligibility and Participation [Volume 2], Chapter 8*, for complete record keeping requirements). The school can store an ISIR in its electronic format, rather than printing and storing paper. Regulations require that you store the electronic record exactly as received from the CPS.

**Deadlines**

For the 2003-2004 award year, the school must submit disbursement information no later than the earlier of:

- 30 calendar days after your school makes a disbursement or
- becomes aware of the need to make an adjustment to previously reported disbursement data, or
- September 30, 2004.

After September 30, 2004, your school may submit disbursement information only:

- for a downward adjustment of a previously reported award; or
- based upon a program review or initial audit finding per 34 CFR 690.83.

As mentioned above, the student must still be enrolled and eligible for payment at the time the school receives the output document. If the student leaves school or completes the program and the school doesn't have a valid output document, the student is not eligible for a

Pell Grant. The date the school received the ISIR is the processing date on the ISIR transaction.

***Verification extension***

The deadline is extended for students being verified. This allows the student to submit a revised output document after the student's last day of enrollment. However, the school must have received some output document with an eligible EFC while the student was enrolled. For 2003-2004, a school can accept a student's revised output document up to **120 days after** the student's last day of enrollment, but the extension can't go beyond September 17th, 2004. Note that if a student submits a revised output document after his or her last day of enrollment, that output document can't be used to increase the amount of the Pell Grant the student receives, only to decrease it.

