Volume 3
Calculating Awards & Packaging
Table of Contents

Introduction.......................................................................................................................3-1

Chapter 1—Academic Calendar, Payment Periods
& Disbursements ...........................................................................................................3-5
ACADEMIC YEAR REQUIREMENTS..............................................................................3-5
ACADEMIC CALENDARS & TERMS...........................................................................3-9
CREDIT-HOUR DEFINITION.......................................................................................3-11
PAYMENT PERIODS .................................................................................................3-13
TIMING OF DISBURSEMENTS—GENERAL RULES.................................................3-22
TIMING OF FSA GRANT DISBURSEMENTS..............................................................3-28
INTERIM DISBURSEMENTS.....................................................................................3-30
DIRECT LOAN DISBURSEMENTS.............................................................................3-30
RETAKING COURSEWORK IN TERM PROGRAMS.....................................................3-35
TRANSFER, RE-ENTRY & REPEATING COURSEWORK WHEN PROGRESS IS NOT TRACKED BY TERMS........3-38

Chapter 2—Cost of Attendance (Budget)...............................................................3-41
ALLOWABLE COSTS ..................................................................................................3-42
COSTS FOR PERIODS OTHER THAN NINE MONTHS..................................................3-54

Chapter 3—Calculating Pell and Iraq & Afghanistan
Service Grant Awards .................................................................................................3-55
THE SEQUESTER AND IRAQ & AFGHANISTAN SERVICE GRANTS..........................3-56
SCHEDULED AWARD, AWARD YEAR, & ANNUAL AWARD......................................3-56
TERMS AND PAYMENT METHODS FOR CALCULATING PELL GRANTS.....................3-61
CREDIT-HOUR TERM-BASED PROGRAMS..................................................................3-62
FORMULA 1: CREDIT-HOUR TERM-BASED PROGRAMS............................................3-64
FORMULA 2: STANDARD-TERM PROGRAMS WITH LESS THAN 30 WEEKS IN FALL THROUGH SPRING.................................................................3-68
FORMULA 3: GENERAL FORMULA FOR ANY TERM-BASED PROGRAM....................3-68
FORMULA 4: CLOCK-HOUR AND NON-TERM CREDIT-HOUR PROGRAMS................3-72
SUMMER TERMS & OTHER CROSSOVER PAYMENT PERIODS..................................3-75
CALCULATING & AWARDING REMAINING ELIGIBILITY..........................................3-82
PELL RECALCULATIONS ............................................................................................3-91
CHAPTER 3 APPENDICES..........................................................................................3-95
APPENDIX A – PELL FORMULA 2: CALCULATIONS FOR STANDARD-TERM PROGRAMS WITH LESS THAN 30 WEEKS IN FALL THROUGH SPRING.................................................................3-96
APPENDIX B – PELL FORM. 5: CALCULATIONS FOR CORRESPONDENCE STUDY PROGRAMS.................................................................3-98
APPENDIX C – PELL FORMULA SUMMARIES............................................................3-102
Chapter 4—Calculating TEACH Grants.........................................................3-109
TEACH GRANT BASICS.................................................................................3-109
CALCULATING TEACH GRANT PAYMENTS FOR PAYMENT PERIODS........3-110
TEACH GRANT FORMULAS........................................................................3-112
PACKAGING TEACH GRANTS......................................................................3-113
RECALCULATING TEACH GRANTS..............................................................3-113

Chapter 5—Direct Loan Periods and Amounts.................................3-115
LOAN PERIODS, ACADEMIC TERMS, & PROGRAM LENGTH..................3-116
ANNUAL LOAN LIMITS..............................................................................3-121
ANNUAL LOAN LIMIT PROGRESSION.........................................................3-129
GRADE LEVEL PROGRESSION.................................................................3-141
PRORATING ANNUAL LOAN LIMITS FOR DIRECT SUB/UNSUB LOANS (UNDERGRADUATE ONLY)..........................3-144
REMAINING LOAN ELIGIBILITY FOR STUDENTS WHO TRANSFER OR CHANGE PROGRAMS..................................................3-150
AGGREGATE LOAN LIMITS........................................................................3-156
MANAGING DIRECT LOANS IN MODULES & INTERSESSIONS..................3-168
RECALCULATION & DIRECT LOANS..........................................................3-170
EFFECT OF OVERBORROWING THEN REGAINING ELIGIBILITY...................3-171

Chapter 6—Awarding Campus-Based Aid........................................3-175
GENERAL CAMPUS-BASED PROGRAM AWARD RULES.........................3-175
AWARDING FSEOG....................................................................................3-177
AWARDING FEDERAL WORK-STUDY (FWS)............................................3-179

Chapter 7—Packaging Aid ....................................................................3-183
DIRECT/DIRECT PLUS LOAN PACKAGING CONSIDERATIONS..................3-185
PELL GRANTS AS FIRST SOURCE OF AID.................................................3-185
PACKAGING RULES..................................................................................3-186
ESTIMATED FINANCIAL ASSISTANCE (EFA)............................................3-187
PACKAGING AID FOR CHILDREN OF IRAQ & AFGHANISTAN SOLDIERS..3-189
PACKAGING WHEN CHOOSING NOT TO BORROW SUBSIDIZED OR UNSUBSIDIZED DIRECT LOANS..................3-190
PACKAGING TEACH GRANTS....................................................................3-190
CONSIDERING GRANTS AND SUBSIDIZED LOANS FIRST..........................3-191
FSEOG & PELL LEU..................................................................................3-192
SUBSTITUTING FOR THE EFC.................................................................3-192
RECALCULATION.....................................................................................3-196
CROSSOVER PERIODS..............................................................................3-198
PACKAGING VETERANS BENEFITS, AMERICORPS, VOCATIONAL REHABILITATION FUNDS, & BIA GRANTS..................3-200
TREATMENT OF OVERAWARDS.............................................................3-202
APPENDIX A – FEDERAL EDUCATION BENEFITS TO BE EXCLUDED FROM EFA AS LISTED IN SECTION 480(C) OF THE HIGHER EDUCATION ACT..................................................3-203