

Session 18a - Calculating Federal Pell Grant Award Amounts—Term-Based Using Credit Hours

By the end of this session, you will be able to:

- *select appropriate Pell Grant formulas for different programs and*
- *calculate students' expected Pell Grant disbursements for term-based, credit-hour programs.*

RESOURCES

The 1997-98 Federal Student Financial Aid Handbook, Chapter 4

SESSION CONTENTS

1. Need to Know

- ◆ List — Five Steps to Determine Pell Grant Award
- ◆ List — Rules for Rounding
- ◆ Chart — Statutory Definition of an Academic Year
- ◆ List — Special Program Considerations
- ◆ Chart — Selecting Federal Pell Grant Formulas

SESSION CONTENTS (CONT'D)

2. Practice

- ◆ Exercise A — Selecting Which Formula to Use
- ◆ Exercise B1 — Steps 1, 2, and 3 for Formula 1
 - ◇ Table — Pell Payment and Disbursement Schedules
- ◆ Exercise B2 — Steps 4 and 5 for Formula 1
- ◆ Exercise C — Formula 1 Calculation
- ◆ Case Study — Formula 3: Term-Based, Credit-Hour Programs

3. Back at the Office

4. Answer Key

NEED TO KNOW

Five Steps to Determine Pell Grant Award

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

Rules for Rounding

1. Determine the total number of payment periods that require rounding.
2. If the number of payment periods that require rounding is even, round the first disbursement up, the second down, the third up, and so on.

NEED TO KNOW (cont'd)

1. If three payment periods require rounding, round up for the first two disbursements and down for the third disbursement.
2. If five payment periods require rounding, round up for the first three disbursements and down for the last two.

NEED TO KNOW (cont'd)

Statutory Definition of an Academic Year		
Academic Progress Measured by:	Minimum Completion Requirement*	Minimum Instructional Time Requirement
Semester Hours	24 semester hours	30 weeks
Trimester Hours	24 trimester hours	30 weeks
Quarter Hours	36 quarter hours	30 weeks
Clock Hours	900 clock hours	30 weeks
*Number of hours that a student enrolled full time is expected to complete in a full academic year.		

Special Program Considerations

- Consortium agreements (among eligible schools)
- Cooperative education
- Correspondence study combined with regular study
- Foreign study
- Incarcerated students
- Job training (JTPA) programs
- Remedial course work
- Summer mini-sessions

NEED TO KNOW (cont'd)

Selecting Federal Pell Grant Formulas				
Formula 1	Formula 2	Formula 3*	Formula 4	Formula 5
Credit-Hour Programs			Credit or Clock-Hour Programs	Correspondence Study**
Standard terms (academic calendar = 2 semesters/trimesters or 3 quarters) May include summer as long as full time is 12 credits		Nonstandard terms or standard terms	Credit hours without terms or any clock-hour programs	Correspondence coursework
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 hours per week (nonterm) or 30 hours per semester/trimester or 20 hours per quarter
No overlapping terms		Terms may overlap	Not applicable	Not applicable
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, less, or equal to 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
Full-time 12 credit hours for every term in the award year		Standard term: Full-time 12 credit hours Non standard term: Full-time is calculated according to formula 690.63(d)	(Full-time Payment Schedule is always used, award is adjusted based on scheduled hours)	(Half-time Disbursement Schedule is always used)
<p>* For a summer mini-session, use Formula 3.</p> <p>** Refers to correspondence only; awards for any residential portion are calculated using Formula 3 or Formula 4, as applicable.</p> <p>*** Under certain circumstances, the U.S. Department of Education (ED) may grant a school permission to use an academic year of fewer than 30 weeks. In such cases, the number of weeks of instruction used to determine the formula type is the reduced number approved by ED.</p>				