



# Calculating Pell Grants: Clock-Hour & Nonterm

Carney McCullough  
Office of Postsecondary Education  
U.S. Department of Education

---

---

---

---

---

---

---

---

---

---

## Academic Year



---

---

---

---

---

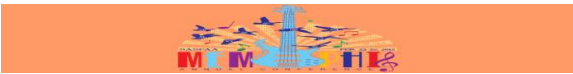
---

---

---

---

---



## Academic Year



- Must be defined for each eligible program
  - May be the same for all programs
  - May be different for some or all programs
  - Credit-hour and clock-hour programs will have different academic years
- Must contain at least 900 clock hours and 26 weeks of instructional time (clock-hour program)
- Must contain a minimum 24 semester credits and 30 weeks of instructional time (non-term credit-hour program)
  - A week of instructional time is any 7 consecutive days in which at least 1 day of instruction, exams or preparation for exams occurs
  - Need not correspond to a "calendar" week

---

---

---

---

---

---

---

---

---

---



## Academic Year Minimums

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	26 weeks

\*Number of hours that a student enrolled full time is expected to complete in a full academic year.  
 \*\*A week is a 7-day period in which there is at least 1 day of instruction or exams.

30-week minimum for credit hour programs

---

---

---

---

---

---

---

---

---

---

---

---



## Defining the Academic Year

- Full-time for an undergraduate clock-hour program must be at least 24 clock hours a week
- Half-time must be at least 12 clock hours per week (needed for loan eligibility)
- Reminder: weekly attendance schedule impacts academic year definition
  - A student attending 24 hours per week will complete 900 hours in 37.5 weeks
  - A student attending 30 hours per week will complete 900 hours in 30 weeks
  - A student attending 35 hours per week will complete 900 hours in 26 weeks

5

---

---

---

---

---

---

---

---

---

---

---

---



## Defining the Academic Year

- A program may be shorter than, equal to, or longer than the defined academic year
  - 600-, 900-, and 1300-hour programs could all have an academic year of 900 clock hours/30 weeks, or
  - A 1050 clock-hour/35-week program could have an AY definition equal to the program
    - Receive one annual Pell and one annual loan for program
- The academic year determines the period of time for which Title IV aid will be awarded and disbursed
- Might NOT conform to school's academic calendar

6

---

---

---

---

---

---

---

---

---

---

---

---



## Your School's Academic Year

- Is the Academic Year defined in your P&P manual?
- You'll need to revisit the definition so your credit-hour programs and your clock-hour programs have the required components



7

---

---

---

---

---

---

---

---



## Payment Periods

---

---

---

---

---

---

---

---



## Defining Payment Periods

- Based on the academic year definition of the program and the defined length of the program, in clock hours and weeks of instructional time
- Rules for
  - Programs equal to or shorter than an academic year, in either clock hours or weeks
  - Programs longer than an academic year



9

---

---

---

---

---

---

---

---



## Defining Payment Periods

- Programs equal to or shorter than an academic year
  - Divide the program/academic year in half
  - First payment period equals half the clock hours and half the weeks
  - Second payment period equals the other half of the clock hours and weeks
    - Example 1: Program of 900 clock hours and 30 weeks will have two payment periods of 450 clock hours and 15 weeks
    - Example 2: Program of 750 clock hours and 24 weeks will have two payment periods of 375 clock hours and 12 weeks

10

---

---

---

---

---

---

---

---

---

---



## Defining Payment Periods

- Programs longer than an academic year with remaining period equal to or less than half an academic year
  - Use rule for one academic year for each full academic year in the program
  - Final portion is one payment period with remaining clock hours and weeks

**Program: 1230 clock hours/41 weeks; AY 900 hours/30 weeks (attend 30 hrs. wk.)**

PP1: 450 clock hrs/15 wks	PP2: 450 clock hrs/15 wks	PP3: 330 clock hrs/11 wks
------------------------------	------------------------------	------------------------------

**Program: 1050 clock hours/42 weeks; AY 900 hours/36 weeks (attend 25 hrs. wk.)**

PP1: 450 clock hrs/18 wks	PP2: 450 clock hrs/18 wks	PP3: 150 clock hrs/6 wks
------------------------------	------------------------------	-----------------------------

11

---

---

---

---

---

---

---

---

---

---



## Defining Payment Periods

- Programs longer than an academic year with remaining period greater than half an academic year
  - Use the rule for one academic year for each full academic year in the program
  - Remaining portion is divided into two equal payment periods, each with half the remaining hours/weeks

**Program: 1600 clock hours/46 weeks; AY 900 hours/26 weeks (attend 35 hr. wk.)**

PP1: 450 clock hrs/13 wks	PP2: 450 clock hrs/13 wks	PP3: 350 clock hrs/10 wks	PP4: 350 clock hrs/10 wks
------------------------------	------------------------------	------------------------------	------------------------------

**Program: 1440 clock hours/54 weeks; AY 900 hours/34 weeks (attend 27 hrs. wk.)**

PP1: 450 clock hrs/17 wks	PP2: 450 clock hrs/17 wks	PP3: 270 clock hrs/10 wks	PP4: 270 clock hrs/10 wks
------------------------------	------------------------------	------------------------------	------------------------------

12

---

---

---

---

---

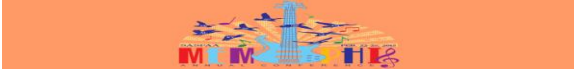
---

---

---

---

---



## Defining Payment Periods

- Schools cannot create more payment periods for a program than what is specified in the regulations
- These rules for defining lengths of payment periods do not change based on conditions such as
  - Student progress through the program
  - Terms for credit-hour programs
  - The award year in which the payment period falls
- However, there are two exceptions.....

13

---

---

---

---

---

---

---

---

---

---



## Defining Payment Periods

- Exception #1: transfer students
  - If you accept transfer hours, the hours/weeks remaining for the student to complete the program at your school make up the program length, and payment periods are defined accordingly
    - Example: Student transfers 300 hours into an 1170-hour program, which leaves 870 hours remaining. Program will be treated as one shorter than an academic year and will have two payment periods, each with 435 hours and the number of weeks to complete those hours

14

---

---

---

---

---

---

---

---

---

---



## Defining Payment Periods

- Exception #2: second-year loans
  - If program is longer than an academic year, the second-year loan must be prorated by the hours student has remaining to complete at the end of the first academic year
  - Example: Student enrolled in 1650-hour program and attended more hours than scheduled, so at the end of the first academic year in weeks, student had completed 1000 hours rather than 900. Year 2 loan would be prorated based on 650 remaining hours
    - Payment periods would be determined according to normal rules, in this case, 325-hour payment periods; will not line up with Pell payment periods

15

---

---

---

---

---

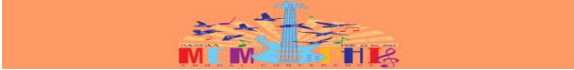
---

---

---

---

---



## Defining Payment Periods

- Three BIG DIFFERENCES for clock-hour programs
  - For Title IV purposes, there are NO TERMS; repeat, there are NO TERMS
  - Clock hour payment periods may not line up with the terms for credit-hour programs
    - Example: 750 clock-hour/24-week program will have 2 payment periods, each with 375 clock hours and 12 weeks. The first payment period will end 12 weeks into the first "term," and the second payment period will overlap "terms" 1 and 2

16

---

---

---

---

---

---

---

---

---

---



## Defining Payment Periods

- A payment period ends only when an individual student successfully completes the clock hours AND the weeks in the payment period
  - "Successfully completes" means the student has attended and passed the coursework associated with the clock hours/weeks in the payment period
  - Students may complete payment periods at different times, for instance, due to absences or failing coursework



17

---

---

---

---

---

---

---

---

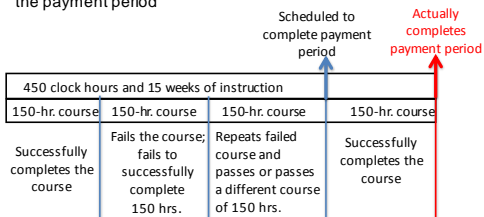
---

---



## Defining Payment Periods

- If programs have individual courses within a payment period and a student fails a course, the student will take longer to complete the payment period



18

---

---

---

---

---

---

---

---

---

---



### Excused Absences 34 CFR 668.164(b)(3)

- Optional
- Separate from attendance and SAP policies
- Written policy permitting excused absences
- An absence that a student does not have to make up
- Excused absences cannot exceed the lesser of
  - Accrediting agency policy on excused absences
  - State licensing agency policy on excused absences OR
  - 10% of the clock hours in a payment period
- Example
  - 45 hours in a 450 clock-hour payment period can be counted as excused absences (count as completed hours)

19

---

---

---

---

---

---

---

---

---

---



### Crossover Payment Periods

- Defined as any payment period that begins prior to July 1 and ends on/after July 1
- Process for defining length of payment periods DOES NOT CHANGE if the program or payment period crosses over award years
- Number and length of payment periods as originally determined remain the same even when payment periods fall into different award years

20

---

---

---

---

---

---

---

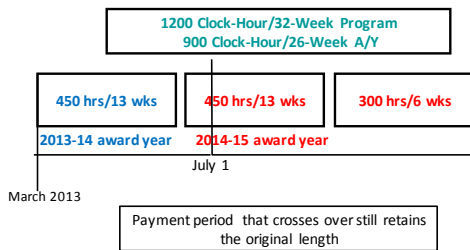
---

---

---



### Crossover Payment Periods



21

---

---

---

---

---

---

---

---

---

---



## Payment Period Disbursements

- As with term-based programs, may make the first disbursement up to 10 days prior to the first day of the first payment period
- Subsequent disbursements cannot be made until the student successfully completes the credit or clock hours and the weeks in the previous payment period



22

---

---

---

---

---

---

---

---

---

---



## Payment Period Disbursements

- Disbursements made by clock-/credit-hour payment period
- Cannot choose to have more payment periods than those defined in regulation
  - Can make multiple installments of a disbursement within a payment period to best meet needs of the student; however, does not create more payment periods, nor does it change amount student is eligible to receive for the payment period
- Cannot delay making disbursement until the student has completed at least 60% of the payment period in order to avoid having to return funds from an R2T4 calculation

23

---

---

---

---

---

---

---

---

---

---



## Pell Grant Calculations



24

---

---

---

---

---

---

---

---

---

---





## Pell Ground Rules

- Fractions
  - Multiply first, then divide
- Rounding
  - COD accepts cents and whole dollars (for Pell)
  - Round up if decimal is .50 or higher; round down if less than .50
  - For student enrolled in more than one payment period, alternate rounding up and down
  - The amount used to round is carried forward to the next payment period and applied before the rounding calculation for that payment period
  - School's policy must be applied equally to all students
- Rounding rule does not apply if the amount disbursed would exceed the Scheduled Award or put the student's LEU over 600%

25

---

---

---

---

---

---

---

---

---

---



## Calculation of Pell



- Always use Pell Formula 4 for clock-hour/credit-hour non-term programs
- Five steps in the formula
  - Determine enrollment status
  - Calculate Pell COA
  - Determine annual award
  - Determine appropriate payment periods
  - Calculate aid amount for the payment period

26

---

---

---

---

---

---

---

---

---

---



## Calculation of Pell

- Step 1: Determine enrollment status
  - Unlike credit-hour programs that have different payment charts based on enrollment status (full-time, 3/4 time etc.), you will always use the full-time Pell payment chart for clock-hour/credit-hour non-term programs, even if a student is attending at a "part-time" schedule (night classes, morning-only classes)
  - Student must be enrolled at least half-time for loan eligibility (12 clock hours a week)
  - If enrolled less than half-time, some COA components must be removed

27

---

---

---

---

---

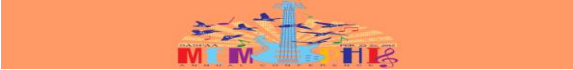
---

---

---

---

---



## Calculation of Pell



- Step 2: Pell cost of attendance
  - Always use the cost for a full-time student for a full academic year (as you define it)
  - If program shorter than an academic year, prorate Pell COA up to what it would be for a full academic year
  - If program is longer than a full academic year and the COA is for the entire program, prorate Pell COA down to what it would be for a full academic year

28

---

---

---

---

---

---

---

---

---

---



## Calculation of Pell

- Step 3: Determine annual award
  - Always use the full-time Pell payment chart (GEN-14-01)

Full-Time ← Full-Time Scheduled Awards for the 2014-2015 Award Year \$5,750 Maximum  
January 2014 Page 1 of 2

Level of enrollment	Credit hours											
	12	11	10	9	8	7	6	5	4	3	2	1
Full-time	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750
Three-quarter	\$4,312	\$4,312	\$4,312	\$4,312	\$4,312	\$4,312	\$4,312	\$4,312	\$4,312	\$4,312	\$4,312	\$4,312
Two-quarter	\$2,875	\$2,875	\$2,875	\$2,875	\$2,875	\$2,875	\$2,875	\$2,875	\$2,875	\$2,875	\$2,875	\$2,875
One-quarter	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437

29

---

---

---

---

---

---

---

---

---

---



## Calculation of Pell

- Step 4: Determine payment periods based on program academic year and program length
  - Programs equal to or shorter than an academic year
  - Programs longer than an academic year with a remaining portion equal to or shorter than half an academic year
  - Programs longer than an academic year with a remaining portion greater than half an academic year but less than a full academic year
  - Exception for transfer students with clock hours accepted

30

---

---

---

---

---

---

---

---

---

---



## Calculation of Pell

- Step 5: Calculate disbursement by payment period

Scheduled award is multiplied by the lesser of:

$$\frac{\text{Clock hours in the payment period}}{\text{Clock hours in the program's defined academic year}}$$

OR

$$\frac{\text{Weeks of instructional time in the payment period}}{\text{Weeks of instructional time in the program's defined academic year}}$$

31

---

---

---

---

---

---

---

---

---

---



## Example: Non-Term Credit-Hour Program

- A nursing program has 44 credit-hours of instruction over 52 weeks of instructional time. The program's academic year is defined as 24 credit-hours and 30 weeks of instructional time. The COA for the entire program is \$28,000.00
- Program is greater than 1 academic year but less than 2 academic years
- EFC = 1004
  - For purposes of this example, we will assume the EFC and Pell Grant are the same in both award years

32

---

---

---

---

---

---

---

---

---

---



## Determining Cost of Attendance

Number of credit hours in the program's definition of an academic year	24	
-----	44	
Number of credit hours to which costs apply	44	
	<b>Lesser of 2 fractions</b>	<b>= 0.5454</b>
OR		
Number of weeks of instructional time in the program's definition of an academic year	30	
-----	52	
Number of weeks of instructional time in the enrollment period to which the costs apply	52	= 0.5769

33

---

---

---

---

---

---

---

---

---

---



## Determining Cost of Attendance

COA for entire program      Lesser of 2 fractions      Pell COA

$\$28,000 \times (24 / 44) = \$ 15,273$

34

Cost of Attendance	Expected Family Contribution																														
	0	1	101	201	301	401	501	601	701	801	901	1001	1101	1201	1301	1401	1501	1601	1701	1801	1901	2001	2101	2201	2301	2401	2501	2601	2701	2801	2901
3800 - 3900	3800	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900
4000 - 4099	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000
4100 - 4199	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100	4100
4200 - 4299	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200
4300 - 4399	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300	4300
4400 - 4499	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400	4400
4500 - 4599	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500
4600 - 4699	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600	4600
4700 - 4799	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700	4700
4800 - 4899	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800	4800
4900 - 4999	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900	4900
5000 - 5099	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
5100 - 5199	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100
5200 - 5299	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200
5300 - 5399	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300
5400 - 5499	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400
5500 - 5599	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500
5600 - 5699	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600	5600
5700 - 5799	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700	5700
5800 - 5899	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800	5800
5900 - 5999	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900	5900

Determine Annual Award

Annual Award = \$ 4,680.00

35



## Determine Payment Periods

12 credit hours/15 weeks Payment Period 1	12 credit hours/15 weeks Payment Period 2	Year 1
10 credit hours /11 weeks Payment Period 1	10 credit hours/11 weeks Payment Period 2	Year 2

44 credit-hour program  
Offered over 52 weeks

36



### Calculate Payment for a Payment Period for the First Year

$$\frac{\text{The number of credit or clock hours in the payment period}}{\text{The number of credit or clock hours in the program's academic year}} = \frac{12}{24} = 0.5$$

OR

$$\frac{\text{The number of weeks of instructional time in the payment period}}{\text{The number of weeks of instructional time in the program's academic year}} = \frac{15}{30} = 0.5$$

37

---

---

---

---

---

---

---

---

---

---



### Multiply Annual Award by the Lesser Value

$$\begin{array}{rclcl} \text{Annual award} & & \text{Lesser of} & & \text{Payment for} \\ \$4,680.00 & \times & 2 \text{ fractions} & = & \text{payment period} \\ & & (12 / 24) & & \$2,340.00 \end{array}$$

38

---

---

---

---

---

---

---

---

---

---



### Calculate Payment for a Payment Period for the Second Year

$$\frac{\text{The number of credit or clock hours in the payment period}}{\text{The number of credit or clock hours in the program's academic year}} = \frac{10}{24} = .4166$$

OR

$$\frac{\text{The number of weeks of instructional time in the payment period}}{\text{The number of weeks of instructional time in the program's academic year}} = \frac{11}{30} = .3666$$

\*The Federal Pell Grant Payment and Disbursement Schedules are published each award year based on the passage of an appropriations bill. We will assume for this example that the annual award remains the same for the second year.

39

---

---

---

---

---

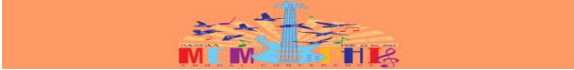
---

---

---

---

---



### Multiply the Annual Award by the Lesser Value

Annual award \$4,680.00 X Lesser of 2 fractions (11 / 30) = Payment for a payment period \$1,716.00

40

---

---

---

---

---

---

---

---

---

---



### Calculation of Pell (Clock Hour)

All examples will use an A/Y definition of 900/30  
**Example #1:** Program 1200 clock hours/40 weeks  
 Payment periods: 450/15, 450/15, 300/10

Clock hrs. in the payment period (450) (300)  
 Clock hours in the A/Y (900)  
 OR  
Weeks in the payment period (15) (10)  
 Weeks in the A/Y (30)

Both fractions are the same for all 3 payment periods, so can use either fraction  
 Scheduled Award: \$5730  
 PP1: \$5,730 x 450/900 = \$2,865  
 PP2: \$5,730 x 450/900 = \$2,865  
 PP3: \$5,730 x 300/900 = \$1,910

41

---

---

---

---

---

---

---

---

---

---



### Calculation of Pell

All examples will use an A/Y definition of **900/30**  
**Example #2:** Program 720 clock hours/28 weeks  
 Payment periods: 360/14, 360/14

Clock hrs. in the payment period (360)  
 Clock hours in the A/Y (900) = 0.4  
 OR  
Weeks in the payment period (14)  
 Weeks in the A/Y (30) = 0.46

Clock hours are lesser  
 Scheduled Award: \$5,280  
 PP1: \$5,280 x 360/900 = \$2,112  
 PP2: \$5,280 x 360/900 = \$2,112

42

---

---

---

---

---

---

---

---

---

---



### Calculation of Pell

All examples will use an A/Y definition of **900/30**

**Example #3:** Program 1650 clock hours/48 weeks

Payment periods: 450/15, 450/15, 375/9, 375/9

Calculation for second year

Clock hrs. in the payment period (375)

Clock hours in the A/Y (900) = 0.416

OR

Weeks in the payment period (9)

Weeks in the A/Y (30) = 0.3

**Clock hours/weeks are same for first 2 payment periods**

Scheduled award: \$5,730

PP1: \$5,730 x 450/900 = \$2,865  
 PP2: \$5,730 x 450/900 = \$2,865

**Weeks are lesser for last 2 payment periods**

PP3: \$5,730 x 9/30 = \$1,719  
 PP4: \$5,730 x 9/30 = \$1,719

---

---

---

---

---

---

---

---

---

---

---

---



### Calculation of Pell

- Will a student always receive Pell each payment period? It depends on

- Pell LEU (600%)
- Number of payment periods in program and remaining eligibility in award year
- Crossover payment periods and eligibility in new award year

44

---

---

---

---

---

---

---

---

---

---

---

---



### Final Step: COD

- Send origination records electronically to COD
- Send actual disbursement records electronically to COD
  - No funds in G5 until COD accepts the records
  - Disbursement date must reflect actual date of disbursement
- Resolve all rejects!! (see COD Technical Reference, Volume II, Section 4: Edits)

45

---

---

---

---

---

---

---

---

---

---

---

---

## Pell Lifetime Eligibility Used (LEU)



---

---

---

---

---

---

---

---



## Pell Grant Lifetime Eligibility Used (LEU)

- Student's maximum duration of Pell eligibility is 6 Scheduled Awards (600%)
  - As measured by percentage of Lifetime Eligibility Used (LEU) field in COD
- Student is ineligible to receive further Pell Grant awards if he or she has reached or exceeded the 600% limit
- 600% limit is tracked to the beginning of the Pell Grant program (1973-74)
- Rounding rules do not apply if amount disbursed would place student's LEU over 600%

47

---

---

---

---

---

---

---

---



## Pell Grant LEU

- ED provides weekly Pell LEU reports through the SAIG Mailbox for school's Pell eligible applicants (and students listing the school's school code on their FAFSA)
    - Only students with lifetime LEU greater than or equal to 450%
    - Message Class PGLEXXOP (where XX= the year)
  - COD website shows current LEU level for all aid recipients
    - COD also provides LEU for Pell MRR\*, Pell Reconciliation Report and Pell Year to Date file
- \*Multiple Reporting Record.

48

---

---

---

---

---

---

---

---





## Pell Grant LEU

- COD will return warning edit 177 or 178 where Pell LEU is near or exceeds 600%
- LEU data also in Common Record Response, CPS reports, SARS and ISIRS (LEU limit flags and percentages), and NSLDS
- COD calculates LEU to 3 decimal places
  - Use conventional Pell rounding rules but may not round up if the result if it causes the student to exceed her Scheduled Award or 600% LEU

49

---

---

---

---

---

---

---

---

---

---



## Pell Grant LEU on the ISIR

- Code "N" under Lifetime Limit Flag
  - Student not on report
  - Students in this category have LEU of less than 400%
- Code "H" under Lifetime Limit Flag
  - LEU greater than 400% but less than or equal to 500%
- Code "C" under Lifetime Limit Flag
  - LEU greater than 500% but less than or equal to 600%
- Code "E" under Lifetime Limit Flag
  - LEU 600% or higher
  - No Pell eligibility for award year covered by the ISIR
    - Student may have already exceeded the maximum lifetime eligibility used amount

50

---

---

---

---

---

---

---

---

---

---



## Pell Grant LEU: Reduced Eligibility

- Calculating an award for a student whose LEU will reduce his or her eligibility (LEU greater than 500% but less than 600%)
  - Subtract LEU percentage from 600%, then multiply the student's Scheduled Award by the result
  - Example: Scheduled Award = \$5,645; LEU = 534%
    - $600\% - 534\% = 66\%$  Scheduled Award remaining
    - $\$5,645 \times .66 = \$3,725.70$  (may truncate to \$3,725 or pay \$3,725.70, but not round up)

51

---

---

---

---

---

---

---

---

---

---

## Thank You

Carney McCullough  
202-502-7639  
[carneymccullough@ed.gov](mailto:carneymccullough@ed.gov)

---

---

---

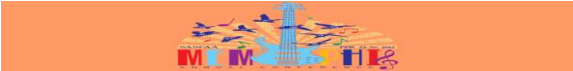
---

---

---

---

---



## Questions?



---

---

---

---

---

---

---

---