

11.0 Federal Pell Grant Program

11.1 HISTORY AND DESCRIPTION

This program was authorized in 1972 as part of the 1972 Amendments to the Higher Education Act of 1965. The purpose of the Pell Grant Program is to award grants to help financially needy students meet the cost of their post secondary education.

The Pell Grant Program is centrally administered by the Federal government. A student's eligibility for Pell does not depend on the availability of funds at the school. Instead, the Department of Education provides funds to each participating school to pay eligible students based on the Payment Data the school submits to the Department. Because the Department pays Pell awards to all eligible students, the school is not responsible for selecting recipients. However, the school must ensure that each recipient meets the eligibility requirements for the Federal Pell Grant Program.

11.2 GENERAL STUDENT ELIGIBILITY REQUIREMENTS

Most student eligibility requirements for the Pell Grant Program are common to all the Student Financial Assistance Programs. Generally, at St. Cloud Technical and Community Colleges, the student must:

- * be either a US citizen or eligible non-citizen
- * have a high school diploma or GED
- * be maintaining satisfactory academic progress
- * file a Statement of Education and a Certification Statement on Refunds and Defaults (included now on the FAFSA)
- * be enrolled as a regular student in an eligible program
- * not be in default on any SFA loan nor owe a repayment due to an overaward on any SFA grant
- * if required, be registered with the Selective Service Systems

11.3 INSTITUTIONAL ELIGIBILITY

For purposes of this manual, we only review the Institution of Higher Education requirements as this is the category under which the St. Cloud Technical and Community Colleges are designated.

The college must enter into a "program participation agreement" with the Department of Education.

11.4 SAR/ISIR

To pay a student his or her Pell award, the school must have received a valid SAR or ISIR containing an eligible nine-month EFC (Effective Family Contribution) while the student is still enrolled and eligible. Once it is received, assuming all other eligibility requirements are met, the school **must** pay the student.

A valid SAR or ISIR is defined as one where all information is complete and accurate. The student is not required to sign either the SAR or ISIR.

The school must receive the valid SAR or ISIR no later than August 30 following the end of the award year, or the student's last day of enrollment. The deadline is extended for students undergoing verification. The verification deadline allows the school to accept a student's revised SAR or ISIR up to 60 days after the student's last day of enrollment. However, the extension cannot go beyond the August 30 deadline mentioned earlier.

11.5 CANCELLATION OF PELL GRANT AWARD

There are five basic steps to calculating a Pell award:

1. Determine enrollment status
2. Calculate Cost of Attendance
3. Determine Annual or Scheduled Award
4. Determine Payment Periods
5. Calculate Expected Disbursement for a Payment Period

11.6 ENROLLMENT STATUS

Based on the number of credit hours for which the student is enrolled. Full-time status = 12 or more credits per term; three quarter semester time = 9, 10, or 11 credits per term; half-time = 6, 7, or 8 credits per term; less than half time = 3, 4, or 5 credits per term.

Enrollment Deadline

The deadline for adding classes for Pell consideration is the end of the add/drop period each semester. Registration for all classes must be completed by this date, including Second Block classes, in order to be counted towards Pell eligibility. The fall and spring deadline is Friday of the first week of the semester.

11.7 REPEATED COURSES

If a student repeats a course because they failed it the previous term St. Cloud Technical and Community College allows these credits to be included in the total number of credits for determining the enrollment status. As long as, the student is considered to be making satisfactory progress and they will receive full academic credit for the repeated course.

11.8 AUDITED COURSES

When determining a student's enrollment status, the school does not include courses being audited.

11.9 TEST-OUT CREDITS

The St. Cloud Technical and Community Colleges allow a student to earn credits toward graduation by passing an examination in certain subject areas. Credits earned by examination without the student being required to enroll in a course are not counted in determining enrollment status.

11.10 COST OF ATTENDANCE

Schools must use the same components for calculating a student's cost of attendance for the Federal Pell Grant Program as for the other SFA programs. The Pell COA is always based on costs for a **full-time student for a full academic year**. If the student is enrolled less than half time, the aid administrator may include in the Pell COA only those cost components allowable for less-than-half time enrollment which are tuition and fees, an allowance for books and supplies, and transportation.

11.11 ANNUAL AWARD

The annual award is the maximum amount a student would receive during a full academic year for a given enrollment status, EFC, and COA. The Payment Schedule issued annually by the Department of Education is used to

look up the student's annual award using the student's already determined enrollment status, cost of attendance and EFC figure.

11.12 PAYMENT PERIOD

St. Cloud Technical and Community College's academic year is divided into two semesters. Each semester or term constitutes one payment period. If a student is enrolled for all three semesters of a financial aid year, the Pell Grant disbursement will be calculated on the two-semester academic year. For example, if a student attends summer semester, he or she will be paid for summer, fall and spring terms using the full scheduled award divided by the two semester payment periods. The student will not receive a disbursement for summer semester as they would have already received their full entitlement for the award year in the two semesters (assuming full-time attendance of 12 or more credits each semester). If a student attends all three semesters of a financial aid year but was not full-time during the entire period, the student may be eligible for the remaining scheduled award in the spring term.

Summer is processed as a "trailer" for financial aid payments through the 2009-10 award year. All summer 2010 financial aid, including Pell Grant awards, will be paid based on a student's 2009-2010 FAFSA and will be paid using 2009-2010 fiscal year funds. In order to receive any portion of the second scheduled Pell Grant award, at least one of a student's summer 2010 credits must be attributable to his/her next academic year. Beginning with summer 2010, SCSU's academic year is defined as 34 weeks and 24 credit hours.

11.13 CALCULATING THE EXPECTED DISBURSEMENT FOR THE PAYMENT PERIOD

A student may receive a Pell payment only for those terms in which they are enrolled. The St. Cloud Technical and Community Colleges use Formula 1 to calculate the Pell Grant awards. To qualify for Formula 1, the program must be offered in semesters (standard terms), use an academic calendar of three semesters, not have overlapping terms, and define full-time enrollment for each term as at least 12 credit hours. Once the formula is chosen, the school must use that same formula for all students in the same program of study for the entire award year. To determine the amount of payment, the annual scheduled award is divided by the number of payment periods (semesters) in the academic year. Students who attend less than an academic year or who enroll less than full-time, will not receive a full scheduled award. These enrollment variations are taken into account in the student's payment for that particular payment period.

11.14 TRANSFER STUDENTS

The Pell payment for a transfer student is calculated in the same way as for any new student. The school divides the annual award into payments for each payment period. However, before paying a transfer student, the school must also make sure the student does not receive more than 100% of their scheduled award during the award year. Using COD, the College will find the percentage of the Pell received at the prior school. This percentage is then subtracted from 100%. The result is the maximum percentage of the scheduled award that the student may receive at St. Cloud Technical and Community College. A transfer student receives the same payments as any other student until the limit of 100% of a scheduled award is reached.

11.15 CONSORTIUM AGREEMENTS

The Federal Pell Grant Program regulations prohibit a student from receiving a Pell from more than one school at a time. However, a school is allowed to pay a student enrolled in one of its eligible programs for courses taken at other eligible schools if those courses apply to the degree or certificate in the first school's program. To pay such a student, the school, must first have a written consortium agreement with the other school(s), the student is attending.

11.16 METHOD OF PAYMENT

The St. Cloud Technical and Community Colleges pay their students by crediting the individual accounts for any outstanding educational expenses. If those funds exceed the student's charges, the school pays the funds directly to the student within 14 days. The school uses Pell Grant funds to pay other charges (over and above tuition and fees)

at the school such as book store charges if the student has excess funding available. St. Cloud Technical and Community Colleges do not participate in the early payment option but waits until the end of the add/drop period each semester or after to credit the student accounts for the Pell Grant.

Procedure used for payment:

1. Aid applied/Funds applied is run every Tuesday, Thursday and Friday starting at the end of the add/drop period
2. Financial aid staff submit Pell records to ED for payment
3. When the moneys are received, disbursements are made by the Business Office.
4. The student can see the posting of Pell grant to his/her Full Account Detail when logged into online registration. This shows the amount of the grant and the payment period that it covers.

11.17 RECALCULATING FEDERAL PELL GRANT AWARDS

The St. Cloud Technical and Community College will automatically recalculate Pell Grant awards during the award year due to corrections made either by the student or the school, due to updating through verification and due to the use of professional judgment.

St. Cloud Technical and Community Colleges' Policy of recalculating an award if a student's enrollment status changes within the add/drop period. If the enrollment status changes after the add/drop period, the student remains paid on their initial calculation, unless the student did not attend all of his/her classes. Awards calculations will include both increases and decreases in awards. The exception to this is when a student does not submit a SAR or complete the required verification until after the enrollment status has changed. The Pell calculation then would be based on the current enrollment status at that time, regardless of the relationship to the add/drop period.

11.18 OVERPAYMENTS/OVERAWARDS

If St. Cloud Technical and Community College overpays or overawards a student as a result of its own error, the school repays the overpayment itself to the Pell Grant program. The student then owes an institutional debt and not a Pell overpayment or overaward. The student remains eligible for future Pell Grant payments.

11.19 REPORTING PROCEDURES

St. Cloud Technical and Community College participates in the automated method of reporting information through the Electronic Data Exchange (EDE) Electronic Payments Service. The school, using software supplied by the Department of Education, transmits initial payment data and any changes thereafter to the previously reported payment data. The School submits an acceptable record for each Pell recipient at the school for each award year. Changes to Processed Payment Data, for those students whose awards have changed, are submitted within 30 days of the date on which the school became aware of the change. St. Cloud Technical and Community College routinely submits a Pell Grant Institutional Payment Summary and Batch Report each week to reflect all changes.

11.20 MAINTENANCE AND RETENTION OF RECORDS

Regulations require that Pell Grant records be kept for three years from the last day of the award year. At this time, St. Cloud Technical and Community College retains all Pell Grant records for a minimum of five years from the acceptance of its Fiscal operations Reports for that year.

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