

## PART 690--FEDERAL PELL GRANT PROGRAM

### PART 690--FEDERAL PELL GRANT PROGRAM

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Authority: 20 U.S.C. 1070a, unless otherwise noted

#### Subpart A--Scope, Purpose and General Definitions

##### Sec. 690.1 Scope and purpose.

The Federal Pell Grant Program awards grants to help financially needy students meet the cost of their post-secondary education.

(Authority: 20 U.S.C. 1070a)

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### Sec. 690.2 Definitions.

(a) The definitions of the following terms used in this part are set forth in subpart A of the Student Assistance General Provisions, 34 CFR part 668:

Accredited  
Award year  
Clock hour  
Correspondence course  
Educational program  
Eligible student  
Payment period  
Recognized equivalent of high school diploma  
Regular student  
Secretary  
State

(b) Definitions of the following terms used in this part are described in Subpart A of the Student Assistance General Provisions, 34 CFR Part 668:

Academic year  
Dependent student  
Eligible program  
Eligible student  
Enrolled  
Federal Pell Grant Program  
Federal Perkins Loan Program  
Federal Supplemental Educational Opportunity Grant Program  
Federal Work-Study Program  
Full-time student  
HEA  
Independent student  
Parent  
State Student Incentive Grant Program

(c) Other terms used in this part are:

*Annual award:* The Federal Pell Grant award amount a full-time student would receive under the Payment Schedule for a full academic year in an award year, and the amount a three-quarter-time, half-time, and less-than-half-time student would receive under the appropriate Disbursement Schedule for being enrolled in that enrollment status for a full academic year in an award year.

*Central processor:* An organization under contract with the Secretary that calculates an applicant's expected family contribution based on the applicant's application information, transmits an ISIR to each institution designated by the applicant, and submits reports to the Secretary on the correctness of its computations of the expected family contribution amounts and the accuracy of the answers to questions on application forms for the previous award year cycle.

*Disbursement Schedule:* A table showing the annual awards that three-quarter, half-time, and less-than-half-time students at term-based institutions using credit hours would receive for an academic year. This table is published annually by the Secretary and is based on--

(1) A student's expected family contribution, as determined in accordance with title IV, part F of the HEA; and

(2) A student's attendance costs as defined in title IV, part F of the HEA.

(3) The amount of funds available for making Federal Pell Grants.

*Electronic Data Exchange:* An electronic exchange system between the central processor and an institution under which--

(1) A student is able to transmit his or her application information to the central processor through his or her institution and an ISIR is transmitted back to the institution;

(2) A student through his or her institution is able to transmit any changes in application information to the central processor; and

(3) An institution is able to receive an ISIR from the central processor for a student.

*Enrollment status:* Full-time, three-quarter-time, half-time, or less-than-half-time depending on a student's credit-hour work load per academic term at an institution using semesters, trimesters, quarters, or other academic terms and measuring progress by credit hours.

*Expected family contribution (EFC):* The amount, determined under title IV, part F of the HEA, which the student and the student's family may be reasonably expected to contribute toward the student's postsecondary education for the academic year.

*Half-time student:* (1) Except as provided in paragraph (2), an enrolled student who is carrying a half-time academic work load--as determined by the institution--which amounts to at least half the work load of the appropriate minimum requirement outlined in the definition of a full-time student.

(2) A student enrolled solely in a program of study by correspondence who is carrying a work load of at least 12 hours of work per week, or is earning at least 6 credit hours per semester, trimester, or quarter. However, regardless of the work, no student enrolled solely in correspondence study is considered more than a half-time student.

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*Institution of higher education (Institution):* An institution of higher education, or a proprietary institution of higher education, or a postsecondary vocational institution as defined in 34 CFR part 600.

*Institutional Student Information Record (ISIR):* A paper document or a computer-generated electronic record that the central processor transmits to an institution that includes an applicant's--

- (1) Personal identification information;
- (2) Application data used to calculate the applicant's EFC; and
- (3) EFC calculated by the central processor.

*Less-than-half-time student:* An enrolled student who is carrying less than half the work load of the appropriate minimum requirement outlined in the institution's definition of a full-time student.

*Payment Data:* An electronic or magnetic record that is provided to the Secretary by an institution showing a student's expected family contribution, cost of attendance, enrollment status, and student disbursement information.

*Payment Schedule:* A table showing a full-time student's Scheduled Federal Pell Grant for an academic year. This table, published annually by the Secretary, is based on--

- (1) The student's expected family contribution, as determined in accordance with part F of title IV of the HEA; and
- (2) The student's cost of attendance as defined in part F of title IV of the HEA.
- (3) The amount of funds available to the Secretary for making Federal Pell Grants.

*Scheduled Federal Pell Grant:* The amount of a Federal Pell Grant which would be paid to a full-time student for a full academic year.

*Student Aid Report (SAR):* A report provided to an applicant showing the amount of his or her expected family contribution.

*Three-quarter-time student:* An enrolled student who is carrying a three-quarter-time academic work load--as determined by the institution--which amounts to at least three quarters of the work of the appropriate minimum requirement outlined in the definition of a "full-time student."

*Undergraduate student:* A student enrolled in an undergraduate course of study at an institution of higher education who--

(1) Has not earned a baccalaureate or first professional degree; and

(2) Is in an undergraduate course of study which usually does not exceed 4 academic years, or is enrolled in a 4 to 5 academic year program designed to lead to a first degree. A student enrolled in a program of any other length is considered an undergraduate student for only the first 4 academic years of that program.

*Valid Institutional Student Information Record (valid ISIR):* An ISIR on which all the information used in calculating the applicant's expected family contribution is accurate and complete as of the date the application is signed.

*Valid Student Aid Report:* A Student Aid Report on which all of the information used in calculating the applicant's expected family contribution is accurate and complete as of the date the application is signed.

(Authority: 20 U.S.C. 1070a, unless otherwise noted)

Note: (a) and (b) redesignated (b) and (c), respectively, and amended, and new paragraph (a) added November 6, 1991, effective December 28, 1991. (a), (b), and (c) amended November 1, 1994, effective July 1, 1995. "Payment Voucher" definition removed and "Payment Data" definition added December 1, 1995, effective July 1, 1996. Definition of "Comparable State income tax return" removed and definition of "Annual award" revised November 27, 1996, effective July 1, 1997. Section heading and (a) introductory clause amended and "Payment period" added to (a) November 29, 1996, effective July 1, 1997.

### **Sec. 690.3 [Removed and reserved]**

Note: Section removed and reserved November 29, 1996, effective July 1, 1997.

### **Secs. 690.4 and 690.5 [Removed and Reserved]**

### **Sec. 690.6 Duration of student eligibility.**

(a) A student is eligible to receive a Federal Pell Grant for the period of time required to complete his or her first undergraduate baccalaureate course of study.

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(b) An institution shall determine when the student has completed the academic curriculum requirements for that first undergraduate baccalaureate course of study. Any noncredit or remedial course taken by a student, including a course in English language instruction, is not included in the institution's determination of that student's period of Federal Pell Grant eligibility.

(Authority: 20 U.S.C. 1070a)

Note: (b) amended November 1, 1994, effective July 1, 1995.

### Sec. 690.7 Institutional participation.

(a) If an institution begins participation in the Federal Pell Grant Program during an award year, a student enrolled and attending that institution is eligible to receive a Federal Pell Grant for the payment period during which the institution enters into a program participation agreement with the Secretary and any subsequent payment period.

(b) If an institution becomes ineligible to participate in the Federal Pell Grant Program during an award year, an eligible student who was attending the institution and who submitted a valid SAR to the institution before the date the institution became ineligible is paid a Federal Pell Grant for that award year for--

(1) The payment periods that the student completed before the institution became ineligible; and

(2) The payment period in which the institution became ineligible.

(c) An institution which becomes ineligible shall, within 45 days after the effective date of loss of eligibility, provide to the Secretary--

(1) The name and enrollment status of each eligible student, who, during the award year, submitted a valid SAR to the institution before it became ineligible;

(2) The amount of funds paid to each Federal Pell Grant recipient for that award year;

(3) The amount due each student eligible to receive a Federal Pell Grant through the end of the payment period during which the institution became ineligible; and

(4) An accounting of the Federal Pell Grant expenditures for that award year to the date of termination.

(Authority: 20 U.S.C. 1070a)

Note: (a)(1)(i) amended November 6, 1991, effective December 28, 1991. (a)(1) removed and (a)(2) redesignated as (a) December 1, 1995, effective July 1, 1996.

### Sec. 690.8 Enrollment status for students taking regular and correspondence courses.

(a) If, in addition to regular coursework, a student takes correspondence courses from either his or her own institution or another institution having an agreement for this purpose with the student's institution, the correspondence work may be included in determining the student's enrollment status to the extent permitted under paragraph (b) of this section.

(b) Except as noted in paragraph (c) of this section, the correspondence work that may be included in determining a student's enrollment status is that amount of work which--

(1) Applies toward a student's degree or certificate or is remedial work taken by the student to help in his or her course of study;

(2) Is completed within the period of time required for regular course work; and

(3) does not exceed the amount of a student's regular course work for the payment period for which the student's enrollment status is being calculated.

(c)(1) Notwithstanding the limitation in paragraph (b)(3) of this section, a student who would be a half-time student based solely on his or her correspondence work is considered a half-time student unless the calculation in paragraph (b) of this section produces an enrollment status greater than half-time.

(2) A student who would be a less-than-half-time student based solely on his or her correspondence work or a combination of correspondence work and regular course work is considered a less-than-half-time student.

(d) The following chart provides examples of the rules set forth in this section. It assumes that the institution defines full-time enrollment as 12 credits per term, making the half-time enrollment equal to 6 credits per term.

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Under Sec. 690.8	No. of credit hours regular work	No. of credit hours correspondence	Total course load in credit hours to determine enrollment status	Enrollment status
(b)(3)	3	3	6	Half-time.
(b)(3)	3	6	6	Half-time.
(b)(3)	3	9	6	Half-time.
(b)(3)	6	3	9	Three-quarter time.
(b)(3)	6	6	12	Full-time.
(b)(3)&(c)	2	6	6	Half-time.
(c) <sup>1</sup>	...	...	...	Less-than-half-time.

<sup>1</sup> Any combination of regular and correspondence work that is greater than 0, but less than 6 hours.

(Authority: 20 U.S.C. 1070a)

Note: (c) and (d) amended November 1, 1994, effective July 1, 1995.

**Sec. 690.9 Written agreements between two or more eligible institutions.**

(a) A student who is enrolled in an eligible program at one eligible institution and taking courses at one or more other eligible institutions which apply toward his or her degree or certificate at the first institution may receive Federal Pell Grant assistance for attendance at both institutions only if there is a written agreement between the institutions.

(1) The institution at which the student is enrolled and expects to receive his or her degree or certificate shall determine and pay the student's Federal Pell Grant assistance. However, the other institution may determine and pay the student's Federal Pell Grant assistance if the institutions agree in writing to that agreement.

(2) The institution which determines and pays the Federal Pell Grant assistance shall--

(i) Take into account all courses which apply to the student's degree or certificate taken by the student at each eligible institution participating in the agreement when determining the student's enrollment status and cost of attendance; and

(ii) Maintain all records regarding the student's eligibility for and receipt of Federal Pell Grant assistance.

(Authority: 20 U.S.C. 1070a)

**Sec. 690.10 Administrative cost allowance to participating schools.**

(a) Subject to available appropriations, the Secretary pays to each participating institution \$5.00 for each student who receives a Federal Pell Grant at that institution for an award year.

(b) All funds an institution receives under this section must be used solely to pay the institution's cost of administering the Federal Pell Grant, Federal Perkins Loan, Federal Work-Study, and Federal Supplemental Educational Opportunity Grant programs.

(c) If an institution enrolls a significant number of students who are attending less-than-full-time or are independent students, the institution shall use a reasonable proportion of these funds to make financial aid services available during times and in places that will most effectively accommodate the needs of those students.

(Authority: 20 U.S.C. 1096)

Note: (c) added November 1, 1994, effective July 1, 1995. (b) revised November 27, 1996, effective July 1, 1997.

**Sec. 690.11 Federal Pell Grant payments from more than one institution.**

A student is not entitled to receive Federal Pell Grant payments concurrently from more than one institution or from the Secretary and an institution.

(Authority: 20 U.S.C. 1070a)

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### Subpart B--Application Procedures for Determining Expected Family Contribution

#### Sec. 690.12 Application.

(a) As the first step to receiving a Federal Pell Grant, a student shall apply on an approved application form to the Secretary to have his or her expected family contribution calculated. A copy of this form is not acceptable.

(b) The student shall submit an application to the Secretary by--

(1) Providing the application form, signed by all appropriate family members, to the institution at which the student attends or plans to attend so that the institution can transmit electronically the application information to the Secretary under EDE; or

(2) Sending an approved application form to the Secretary.

(c) The student shall provide the address of his or her residence unless the student is incarcerated and the educational institution has made special arrangements with the Secretary to receive relevant correspondence on behalf of the student. If such an arrangement is made, the student shall provide the address indicated by the institution.

(d) For each award year the Secretary, through publication in the **Federal Register**, established deadline dates for submitting these applications and for making corrections to the information contained in the applications.

(Authority: 20 U.S.C. 1070a)

(Approved by the Office of Management and Budget under control number 1840-0681)

Note: (a), (b), and (c) amended November 1, 1994, effective July 1, 1995. (b)(2) amended May 2, 1995, effective July 1, 1995. OMB control number amended June 12, 1995, effective July 1, 1995. (b)(1) amended November 27, 1996, effective July 1, 1997.

#### Sec. 690.13 Notification of expected family contribution.

The Secretary sends a student's application information and EFC as calculated by the central processor to the student on an SAR and allows each institution designated by the student to obtain an ISIR for that student.

(Approved by the Office of Management and Budget under control number 1840-0681)

(Authority: 20 U.S.C. 1070a)

Note: Section amended November 27, 1996, effective July 1, 1997.

#### Sec. 690.14 Applicant's request to recalculate expected family contribution because of a clerical or arithmetic error or the submission of inaccurate information.

(a) An applicant may request that the Secretary recalculate his or her expected family contribution if--

(1) He or she believes a clerical or arithmetic error has occurred; or

(2) The information he or she submitted was inaccurate when the application was signed.

(b) The applicant shall request that the Secretary make the recalculation described in paragraph (a) of this section by--

(1) Having his or her institution transmit that request to the Secretary under EDE; or

(2) Sending to the Secretary an approved form, certified by the student, and one of the student's parents if the student is a dependent student.

(c) If an institution transmits electronically the student's recalculation request to the Secretary, the corrected information must be supported by--

(1) Information contained on an approved form, that is certified by the student, and if the student is a dependent student, one of the student's parents; or

(2) Verification documentation provided by a student under 34 CFR 668.57.

(d) The recalculation request must be received by the Secretary no later than the deadline date established by the Secretary through publication in the **Federal Register**.

(Authority: 20 U.S.C. 1070a)

Note: Section amended November 27, 1996, effective July 1, 1997.

### Subpart C through E--[Removed and Reserved]

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### Subpart F--Determination of Federal Pell Grant Awards

#### Sec. 690.61 Disbursement conditions and deadlines.

(a) Submission process. (1) Except as provided in paragraph (a)(2) of this section, an institution must disburse a Federal Pell Grant to an eligible student who is otherwise qualified to receive that disbursement if--

- (i) The student submits a valid SAR to the institution;
- or
- (ii) The institution obtains a valid ISIR for the student.

(2) In determining a student's eligibility to receive his or her Federal Pell Grant, an institution is entitled to assume that SAR information or ISIR information is accurate and complete except under the conditions set forth in 34 CFR 668.16(f) and 668.60.

(b) Student Aid Report or Institutional Student Information Record deadline. Except as provided in 34 CFR 668.60, for a student to receive a Federal Pell Grant for an award year, the student must submit the relevant parts of the SAR to his or her institution or the institution must obtain a valid ISIR by the earlier of--

(1) The last date that the student is still enrolled and eligible for payment at that institution; or

(2) By the deadline date established by the Secretary through publication of a notice in the **Federal Register**.

(Authority: 20 U.S.C. 1070a)

Note: Section amended November 1, 1994, effective July 1, 1995. (a)(1)(ii) and (b)(2) amended November 27, 1996, effective July 1, 1997.

#### Sec. 690.62 Calculation of a Federal Pell Grant.

(a) The amount of a student's Federal Pell Grant for an academic year is based upon the payment and disbursement schedules published by the Secretary for each award year.

(b) No payment may be made to a student if the student's annual award is less than \$200. However, a student who is eligible for an annual award that is equal to or greater than \$200, but less than or equal to \$400, shall be awarded a Federal Pell Grant of \$400.

(Authority: 20 U.S.C. 1070a (a)(2))

Note: (b) amended November 1, 1994, effective July 1, 1995.

#### Sec. 690.63 Calculation of a Federal Pell Grant for a payment period.

(a)(1) Programs using standard terms with at least 30 weeks of instructional time. A student's Federal Pell Grant for a payment period is calculated under paragraphs (b) or (d) of this section if--

(i) The student is enrolled in an eligible program that--

- (A) Measures progress in credit hours;
- (B) Is offered in semesters, trimesters, or quarters;

(C) Requires the student to enroll for at least 12 credit hours in each term in the award year to qualify as a full-time student; and

(D) Is not offered with overlapping terms; and

(ii) The institution offering the program--

(A) Provides the program using an academic calendar that includes two semesters or trimesters in the fall through the following spring, or three quarters in the fall, winter, and spring; and

(B) Provides at least 30 weeks of instructional time in the terms specified in paragraph (a)(1)(ii)(A) of this section.

(2) Programs using standard terms with less than 30 weeks of instructional time. A student's Federal Pell Grant for a payment period is calculated under paragraph (c) or (d) of this section if--

(i) The student is enrolled in an eligible program that--

- (A) Measures progress in credit hours;
- (B) Is offered in semesters, trimesters, or quarters;

(C) Requires the student to enroll in at least 12 credit hours in each term in the award year to qualify as a full-time student; and

(D) Is not offered with overlapping terms; and

(ii) The institution offering the program--

(A) Provides the program using an academic calendar that includes two semesters or trimesters in the fall through the following spring, or three quarters in the fall, winter, and spring; and

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(B) Does not provide at least 30 weeks of instructional time in the terms specified in paragraph (a)(2)(ii)(A) of this section.

(3) Other programs using terms and credit hours. A student's Federal Pell Grant for a payment period is calculated under paragraph (d) of this section if the student is enrolled in an eligible program that--

(i) Measures progress in credit hours; and

(ii) Is offered in academic terms other than those described in paragraphs (a)(1) and (a)(2) of this section.

(4) Programs not using terms or using clock hours. A student's Federal Pell Grant for any payment period is calculated under paragraph (e) of this section if the student is enrolled in an eligible program that--

(i) Is offered in credit hours but is not offered in academic terms; or

(ii) Is offered in clock hours.

(5) Programs of study offered by correspondence. A student's Federal Pell Grant payment for a payment period is calculated under Sec. 690.66 if the program is offered by correspondence courses.

(6) Programs for which an exception to the academic year definition has been granted under 34 CFR 668.3. If an institution receives a waiver from the Secretary of the 30 weeks of instructional time requirement under 34 CFR 668.3, an institution may calculate a student's Federal Pell Grant payment for a payment period using the following methodologies:

(i) If the program is offered in terms and credit hours, the institution uses the methodology in--

(A) Paragraph (b) of this section provided that the program meets all the criteria in paragraph (a)(1) of this section, except that in lieu of paragraph (a)(1)(ii)(B) of this section, the program provides at least the same number of weeks of instructional time in the terms specified in paragraph (a)(1)(ii)(A) of this section as are in the program's academic year; or

(B) Paragraph (d) of this section.

(ii) The institution uses the methodology described in paragraph (e) of this section if the program is offered in credit hours without terms or clock hours.

(iii) The institution uses the methodology described in Sec. 690.66 if the program is correspondence study.

(b) Programs using standard terms with at least 30 weeks of instructional time. The Federal Pell Grant for a payment period, i.e., an academic term, for a student in a program using standard terms with at least 30 weeks of instructional time in two semesters or trimesters or in three quarters as described in paragraph (a)(1)(ii)(A) of this section, is calculated by--

(1) Determining his or her enrollment status for the term;

(2) Based upon that enrollment status, determining his or her annual award from the Payment Schedule for full-time students or the Disbursement Schedule for three-quarter-time, half-time, or less-than-half-time students; and

(3) Dividing the amount described under paragraph (b)(2) of this section by--

(i) Two at institutions using semesters or trimesters or three at institutions using quarters; or

(ii) The number of terms over which the institution chooses to distribute the student's annual award if--

(A) An institution chooses to distribute all of the student's annual award determined under paragraph (b)(2) of this section over more than two terms at institutions using semesters or trimesters or more than three quarters at institutions using quarters; and

(B) The number of weeks of instructional time in the terms, including the additional term or terms, equals the weeks of instructional time in the program's academic year.

(c) Programs using standard terms with less than 30 weeks of instructional time. The Federal Pell Grant for a payment period, i.e., an academic term, for a student in a program using standard terms with less than 30 weeks of instructional time in two semesters or trimesters or in three quarters as described in paragraph (a)(2)(ii)(A) of this section, is calculated by--

(1) Determining his or her enrollment status for the term;

(2) Based upon that enrollment status, determining his or her annual award from the Payment Schedule for full-time students or the Disbursement Schedule for three-quarter-time, half-time, or less-than-half-time students;

(3) Multiplying his or her annual award determined under paragraph (c)(2) of this section by the following fraction as applicable:

In a program using semesters or trimesters--

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The number of weeks of instructional time offered in  
the program in the fall and spring semesters  
The number of weeks in the program's academic year  
; or  
In a program using quarters--

The number of weeks of instructional time offered in  
the program in the fall, winter, and spring quarters  
The number of weeks in the program's academic year  
; and

(4)(i) Dividing the amount determined under paragraph (c)(3) of this section by two for programs using semesters or trimesters or three for programs using quarters; or

(ii) Dividing the student's annual award determined under paragraph (c)(2) of this section by the number of terms over which the institution chooses to distribute the student's annual award if--

(A) An institution chooses to distribute all of the student's annual award determined under paragraph (c)(2) of this section over more than two terms for programs using semesters or trimesters or more than three quarters for programs using quarters; and

(B) The number of weeks of instructional time in the terms, including the additional term or terms, equals the weeks of instructional time in the program's academic year definition.

(d) Other programs using terms and credit hours. The Federal Pell Grant for a payment period, i.e., an academic term, for a student in a program using terms and credit hours, other than those described in paragraphs (a)(1) or (a)(2) of this section, is calculated by--

(1)(i) For a student enrolled in a semester, trimester, or quarter, determining his or her enrollment status for the term; or

(ii) For a student enrolled in a term other than a semester, trimester, or quarter, determining his or her enrollment status for the term by--

(A) Dividing the number of weeks of instructional time in the term by the number of weeks of instructional time in the program's academic year;

(B) Multiplying the fraction determined under paragraph (d)(1)(ii)(A) of this section by the number of credit hours in the program's academic year to determine the number of hours required to be enrolled to be considered a full-time student; and

(C) Determining a student's enrollment status by comparing the number of hours in which the student enrolls in the term to the number of hours required to be considered full-time under paragraph (d)(1)(ii)(B) of this section for that term;

(2) Based upon that enrollment status, determining his or her annual award from the Payment Schedule for full-time students or the Disbursement Schedule for three-quarter-time, half-time, or less-than-half-time student;

(3) Multiplying his or her annual award determined under paragraph (d)(2) of this section by the following fraction:

$$\frac{\text{The number of weeks of instructional time in the term}}{\text{The number of weeks of instructional time in the program's academic year ;}}$$

and

(4) Paying the student the amount determined under paragraph (d)(3) of this section.

(e) Programs using clock hours or credit hours without terms. The Federal Pell Grant for a payment period for a student in a program using credit hours without terms or using clock hours is calculated by--

(1) Determining the student's Scheduled Federal Pell Grant using the Payment Schedule;

(2) Multiplying the amount determined under paragraph (e)(1) of this section by the lesser of--

(i) The number of weeks of instructional time required for a full-time student to complete the lesser of the clock or credit hours in the  
program or the academic year  
The number of weeks of instructional time in the program's academic year

; or

(ii) One; and

(3) Multiplying the amount determined under paragraph (e)(2) of this section by--

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

(f) A single disbursement may not exceed 50 percent of any award determined under paragraph (d) or (e) of this section. If a payment for a payment period calculated under paragraphs (d) or (e) of this section would require the

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disbursement of more than 50 percent of a student's annual award in that payment period, the institution shall make at least two disbursements to the student in that payment period. The institution may not disburse an amount that exceeds 50 percent of the student's annual award until the student has completed the period of time in the payment period that equals, in terms of weeks of instructional time, 50 percent of the weeks of instructional time in the program's academic year.

(g)(1) Notwithstanding paragraphs (b), (c), (d), and (e) of this section and 34 CFR 668.66, the amount of a student's award for an award year may not exceed his or her Scheduled Federal Pell Grant award for that award year except as provided in Sec. 690.67.

(2) For purposes of this section and Sec. 690.66, an institution must define an academic year for each of its eligible programs in terms of the number of credit or clock hours and weeks of instructional time in accordance with the requirements of 34 CFR 668.2 and 668.3.

(Authority: 20 U.S.C. 1070a)

Note: Section amended November 1, 1994, effective July 1, 1995.

### **Sec. 690.64 Calculation of a Federal Pell Grant for a payment period which occurs in two award years.**

(a) If a student enrolls in a payment period which is scheduled to occur in two award years--

(1) The entire payment period must be considered to occur within one award year.

(2) The institution shall determine for each Federal Pell Grant recipient the award year in which the payment period will be placed subject to the restrictions set forth in paragraph (a)(3) of this section.

(3) The institution shall place a payment period with more than six months scheduled to occur within one award year in that award year.

(4) If an institution places the payment period in the first award year, it shall pay a student with funds from the first award year.

(5) If an institution places the payment period in the second award year, it shall pay a student with funds from the second award year.

(b) An institution may not make a payment which will result in the student receiving more than his or her Scheduled Federal Pell Grant for an award year.

(Authority: 20 U.S.C. 1070a)

### **Sec. 690.65 Transfer student: attendance at more than one institution during an award year.**

(a) If a student who receives a Federal Pell Grant at one institution subsequently enrolls at a second institution in the same award year, the student may receive a Federal Pell Grant at the second institution only if--

(1) The student submits a valid SAR to the second institution; or

(2) The second institution obtains a valid ISIR.

(b) The second institution shall calculate the student's award according to Sec. 690.63.

(c) The second institution may pay a Federal Pell Grant only for that portion of the academic year in which a student is enrolled at that institution. The grant amount must be adjusted, if necessary, to ensure that the grant does not exceed the student's Scheduled Federal Pell Grant for that award year except as provided under Sec. 690.67.

(d) If a student's Scheduled Federal Pell Grant at the second institution differs from the Scheduled Federal Pell Grant at the first institution, the grant amount at the second institution is calculated as follows--

(1) The amount received at the first institution is compared to the Scheduled Federal Pell Grant at the first institution to determine the percentage of the Scheduled Federal Pell Grant that the student has received.

(2) That percentage is subtracted from 100 percent.

(3) The remaining percentage is the percentage of the Scheduled Federal Pell Grant at the second institution to which the student is entitled.

(e) The student's Federal Pell Grant for each payment period is calculated according to the procedures in Sec. 690.63 unless the remaining percentage of the Scheduled Federal Pell Grant at the second institution, referred to in paragraph (d)(3) of this section, is less than the amount the student would normally receive for that payment period. In that case, the student's Federal Pell Grant is equal to that remaining percentage.

(f) A transfer student shall repay any amount received in an award year that exceeds--

(1) His or her Scheduled Federal Pell Grant; or

(2) The amount which he or she was eligible to receive for the award year under Sec. 690.67.

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(Authority: 20 U.S.C. 1070a)

Note: (a), (c) and (f) amended November 1, 1994, effective July 1, 1995.

### Sec. 690.66 Correspondence study.

(a) An institution calculates the Federal Pell Grant for a payment period for a student in a program of study offered by correspondence courses without terms, but not including any residential component by--

(1) Determining the student's annual award using the half-time Disbursement Schedule;

(2) Determining the length of the correspondence program in weeks of instructional time by--

(i) Preparing a written schedule for submission of lessons that reflect a workload of at least 12 hours of preparation per week; and

(ii) Determining the number of weeks of instructional time in the program of study using the written schedule for submission of lessons;

(3) Multiplying the annual award determined from the Disbursement Schedule for a half-time student by the lesser of--

(i) The number of weeks of instructional time as determined under paragraph (a)(2)(ii) of this section for a student to complete the lesser of the credit hours in the program or the academic year

The number of weeks of instructional time in the program's academic year definition

; or

(ii) One; and

(4) Multiplying the amount determined under (a)(3) of this section by--

          The number of credit

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### **Sec. 690.67 Receiving up to two Scheduled Federal Pell Grant awards during a single award year.**

(a) The Secretary announces in the **Federal Register** whether an institution may award up to a second Scheduled Federal Pell Grant to a student in a particular award year.

(b) Based on the announcement described in paragraph (a) of this section, an institution may award up to a second Scheduled Federal Pell Grant award to a student in that award year if--

(1) The student is enrolled as a full-time student in an eligible program that is at least 2 academic years as measured in credit hours and weeks of instructional time and leads to an associate or baccalaureate degree at an institution;

(2) The student is enrolled only in coursework required for completing his or her associate or baccalaureate degree, including courses in his or her major area of study or electives that fulfill the student's graduation requirements, during any payment period in which the student is paid any portion of his or her second Scheduled Federal Pell Grant award;

(3) In the previous payment periods in the award year the student has completed the number of credit hours required in an academic year leading to his or her associate or baccalaureate degree program; and

(4) The student has completed the weeks of instructional time required for an academic year or will complete them in the first payment period for which he or she will receive a payment from his or her second Scheduled Federal Pell Grant award.

(c) If an institution awards a student up to a second Scheduled Federal Pell Grant award, the institution must make such awards to all students who qualify under paragraph (a) of this section.

(Authority 20 U.S.C. 1070a)

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(2) Provides subsistence support to its members, or has directed the member to pursue the course of study.

(Authority: 20 U.S.C. 1070a)

(Approved by the Office of Management and Budget under control number 1840-0681)

Note: (a)(3) amended November 6, 1991, effective December 28, 1991. (a)(2) and (b) amended November 1, 1994, effective July 1, 1995. OMB control number added June 12, 1995, effective July 1, 1995. (a)(2) and (e) amended November 27, 1996, effective July 1, 1997. (b) removed and (c), (d), and (e) redesignated as (b), (c), and (d), respectively, November 29, 1996, effective July 1, 1997.

### Sec. 690.76 Frequency of payment.

(a) In each payment period, an institution may pay a student at such times and in such installments as it determines will best meet the student's needs.

(b) The institution may pay funds in one lump sum for all the prior payment periods for which the student was an eligible student within the award year. The student's enrollment status must be determined according to work already completed.

(Authority: 20 U.S.C. 1070a)

Note: (b) amended November 6, 1991, effective December 28, 1991.

### Sec. 690.77 [Removed and Reserved]

### Sec. 690.78 Method of disbursement--by check or credit to a student's account.

(a) An institution shall disburse funds to a student or the student's account in accordance with the provisions in Sec. 668.164.

(b) The institution shall return to the Federal Pell Grant account any funds paid to a student who, before the first day of classes--

(1) Officially or unofficially withdraws; or

(2) Is expelled.

(c)(1) An institution that intends to pay a student directly must notify the student in accordance with Sec. 668.165(a).

(2) If a student does not pick up the check on time, the institution shall still pay the student if he or she requests payment within 20 days after the last date that his or her enrollment ends in that award year.

(3) If the student has not picked up his or her payment at the end of the 20-day period, the institution may credit the student's account only for any outstanding charges for tuition and fees and room and board for the award year incurred by the student while he or she was eligible.

(4) A student forfeits the rights to receive the payment if her or she does not pick up a payment by the end of the 20 day period.

(5) Notwithstanding paragraphs (d)(4) of this section, the institution may, if it chooses, pay a student who did not pick up his or her payment, through the next payment period.

(6) An institution shall make a late disbursement to an ineligible student in accordance with the provisions in 34 CFR 668.164(g).

(Authority: 20 U.S.C. 1070a)

Note: (d)(3) amended November 6, 1991, effective date December 28, 1991. (b) removed, (c) and (d) redesignated as (b) and (c), respectively, and (a) and (c)(1) amended December 1, 1994, effective July 1, 1995. (c)(2), (c)(3), (c)(4), and (c)(6) amended November 27, 1996, effective July 1, 1997. (a) amended November 29, 1996, effective July 1, 1997.

### Sec. 690.79 Recovery of overpayments.

(a)(1) The student is liable for any Federal Pell Grant overpayment made to him or her.

(2) The institution is liable for any overpayment if the overpayment occurred because the institution failed to follow the procedures set forth in this Part. The institution shall restore those funds to its Federal Pell Grant account even if it cannot collect the overpayment from the student.

(b) If an institution makes an overpayment for which it is not liable, it shall help the Secretary recover the overpayment by--

(1) Making a reasonable effort to contact the student and recover the overpayment; and, if unsuccessful,

(2) Providing the Secretary with the student's name, social security number, amount of overpayment, and other relevant information.

(c) If an institution refers to a student who received an overpayment for which it is not liable to the Secretary for recovery, the student remains ineligible for further title IV HEA

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program assistance for attendance at any institution until the student repays the overpayment or the Secretary determines the overpayment has been resolved.

(Authority: 20 U.S.C. 1070a)

Note: (c) amended November 6, 1991, effective December 28, 1991.

### Sec. 690.80 Recalculation of a Federal Pell Grant award.

(a) *Change in expected family contribution.* (1) The institution shall recalculate a Federal Pell Grant award for the entire award year if the student's expected family contribution changes at any time during the award year. The change may result from--

(i) The correction of a clerical or arithmetic error under Sec. 690.14; or

(ii) A correction based on information required as a result of verification under 34 CFR part 668, Subpart E.

(2) Except as described in 34 CFR 668.60(c), the institution shall adjust the student's award when an overaward or underaward is caused by the change in the expected family contribution. That adjustment must be made--

(i) Within the same award year--if possible--to correct any overpayment or underpayment; or

(ii) During the next award year to correct any overpayment that could not be adjusted during the year in which the student was overpaid.

(b) *Change in enrollment status.* (1) If the student's enrollment status changes from one academic term to another term within the same award year, the institution shall recalculate the Federal Pell Grant award for the new payment period taking into account any changes in the cost of attendance.

(2)(i) If the student's projected enrollment status changes during a payment period after the student has begun attendance in all of his or her classes for that payment period, the institution may (but is not required to) establish a policy under which the student's award for the payment period is recalculated. Any such recalculations must take into account any changes in the cost of attendance. If such a policy is established, it must apply to all students.

(ii) If a student's projected enrollment status changes during a payment period before the student begins attendance in all of his or her classes for that payment period, the institution shall recalculate the student's enrollment status to

reflect only those classes for which the student actually began attendance.

(c) *Change in cost of attendance.* If the student's cost of attendance changes at any time during the award year and his or her enrollment status remains the same, the institution may (but is not required to) establish a policy under which the student's award for the payment period is recalculated. If such a policy is established, it must apply to all students.

(Authority: 20 U.S.C. 1070a)

Note: (a) and (b)(1) amended November 1, 1994, effective July 1, 1995.

### Sec. 690.81 Fiscal control and fund accounting procedures.

(a) An institution shall follow provisions for maintaining general fiscal records in this part and in 34 CFR 668.24(b).

(b) An institution shall maintain funds received under this part in accordance with the requirements in Sec. 668.164.

(Authority: 20 U.S.C. 1070a)

(Approved by OMB under control number 1840-0536)

Note: (b) amended December 1, 1994, effective July 1, 1995. (c) removed November 27, 1996, effective July 1, 1997. (a) amended November 27, 1996, effective July 1, 1997.

### Sec. 690.82 Maintenance and retention of records.

(a) An institution shall follow the record retention and examination provisions in this part and in 34 CFR 668.24.

(b) For any disputed expenditures in any award year for which the institution cannot provide records, the Secretary determines the final authorized level of expenditures.

(Approved by the Office of Management and Budget under control number 1840-0681)

(Authority: 20 U.S.C. 1070a, 1232f)

Note: Section amended November 27, 1996, effective July 1, 1997.

### Sec. 690.83 Submission of reports.

(a) (1) An institution may receive either a payment from the Secretary for an award to a Federal Pell Grant recipient, or a corresponding reduction in the amount of

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Federal funds received in advance for which it is accountable, if--

(i) The institution submits to the Secretary the student's Payment Data for that award year in the manner and form prescribed in paragraph (a)(2) of this section by September 30 following the end of the award year in which the grant is made, or, if September 30 falls on a weekend, on the first weekday following September 30; and

(ii) The Secretary accepts the student's Payment Data.

(2) The Secretary accepts a student's Payment Data that is submitted in accordance with procedures established through publication in the **Federal Register**, and that contain information the Secretary considers to be accurate in light of other available information including that previously provided by the student and the institution.

(3) An institution that does not comply with the requirements of this paragraph may receive a payment or reduction in accountability only as provided in paragraph (d) of this section.

(b) (1) An institution shall report to the Secretary any change in enrollment status, cost of attendance, or other event or condition that causes a change in the amount of a Federal Pell Grant for which a student qualifies by submitting to the Secretary the student's Payment Data that discloses the basis and result of the change in award for each student. Through publication in the **Federal Register**, the Secretary divides the award year into periods and establishes the deadlines by which the institution shall report changes occurring during each period. The institution shall submit the student's Payment Data reporting a change to the Secretary by the end of that reporting period that next follows the reporting period in which the change occurred.

(2) An institution shall submit in accordance with deadline dates established by the Secretary, through publication in the **Federal Register**, other reports and information the Secretary requires in connection with the funds advanced to it and shall comply with the procedures the Secretary finds necessary to ensure that the reports are correct.

(3) An institution that timely submits, and has accepted by the Secretary, the Payment Data for a student in accordance with this section shall report a reduction in the amount of a Federal Pell Grant award that the student received when it determines that an overpayment has occurred, unless that overpayment is one for which the institution is not liable under Sec. 690.79(a).

(c) In accordance with 34 CFR 668.84 the Secretary may impose a fine on the institution if the institution fails to

comply with the requirements specified in paragraphs (a) or (b) of this section.

(d) (1) Notwithstanding paragraphs (a) or (b) of this section, if an institution demonstrates to the satisfaction of the Secretary that the institution has provided Federal Pell Grants in accordance with this part but has not received credit or payment for those grants, the institution may receive payment or a reduction in accountability for those grants in accordance with paragraphs (d)(4) and either (d)(2) or (d)(3) of this section.

(2) The institution must demonstrate that it qualifies for a credit or payment by means of a finding contained in an audit report of an award year that was the first audit of that award year and that was conducted after December 31, 1988 and timely submitted to the Secretary under 34 CFR 668.23(c).

(3) An institution that timely submits the Payment Data for a student in accordance with paragraph (a) of this section but does not timely submit to the Secretary, or have accepted by the Secretary, the Payment Data necessary to document the full amount of the award to which the student is entitled, may receive a payment or reduction in accountability in the full amount of that award, if--

(i) A program review demonstrates to the satisfaction of the Secretary that the student was eligible to receive an amount greater than that reported in the student's Payment Data timely submitted to, and accepted by the Secretary; and

(ii) The institution seeks an adjustment to reflect an underpayment for that award that is at least \$100.

(4) In determining whether the institution qualifies for a payment or reduction in accountability, the Secretary takes into account any liabilities of the institution arising from that audit or program review or any other source. The Secretary collects those liabilities by offset in accordance with 34 CFR part 30.

(Authority: 20 U.S.C. 1070a, 1094, 1226a-1)

(Approved by the Office of Management and Budget under control number 1840-0688)

Note: Section and authority citation amended November 6, 1991, effective December 28, 1991. (c)(1)(ii) amended June 25, 1992, effective August 9, 1992. (e) added April 29, 1994, effective July 1, 1994. (a) through (d) amended December 1, 1995, effective July 1, 1996. (e) removed February 1 1996, effective July 1, 1996.

**Sec. 690.84 [Removed]**

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Note: Section removed November 6, 1991, effective December 28, 1991.

### **Subpart H--[Removed and Reserved]**