

Session 10(c)

Calculating Federal Pell Grant Awards - Nonterm Credit-Hour & All-Clock-Hour Programs

Questions we will answer during this session:

How do you calculate Pell Grants using Formula 4?



How do you calculate Pell Grants using Formula 4?

Clock-hour programs and credit-hour programs without terms

STEP 1: Determine Enrollment Status 2002-2003

At least half time or less than half time

STEP 2: Calculate Pell COA 2002-2003

Full-time, full academic year costs

Cost for program or period not equal to academic year prorated.
Two fractions compared:

$$\frac{\text{Hours in program's definition of academic year}}{\text{Hours to which the costs apply}}$$

$$\frac{\text{Weeks of instructional time in program's definition of academic year}}{\text{Weeks of instructional time in the enrollment period to which the costs apply}}$$

The entire cost is multiplied by the lesser of the two fractions to determine Pell COA.

STEP 3: Determine Annual Award 2002-2003

Always taken from full-time Payment Schedule (equal to Scheduled Award)

STEP 4: Determine Payment Periods 2002-2003

Length of payment period measured in credit or clock hours.

Minimum of 2 equal payment periods required for programs shorter than an academic year, or 2 equal payment periods in each full academic year (or final portion longer than half an academic year) for programs longer than or equal to an academic year.

STEP 5: Calculate Payment for a Payment Period 2002-2003

Annual award is multiplied by two fractions:

(1) Annual award x the lesser of:

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in program}}{\text{Weeks of instructional time in program's definition of academic year}}$$

$$\text{OR}$$

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in academic year}}{\text{Weeks of instructional time in program's definition of academic year}}$$

$$\text{OR}$$

OR

One (1)

(2) The results of (1) are then multiplied by:

$$\frac{\text{Hours in a payment period}}{\text{Hours in program's definition of academic year}}$$

A single disbursement may not exceed 50% of the annual award

Remember, this chart and anything else you find in the Federal Student Financial Aid Handbook can be accessed and printed. Just go to the Internet site <http://ifap.ed.gov!!>





Practice – Formula 4, Steps 1 and 2

Tiptoe School of Ballet defines its academic year for all programs as 900 clock hours and 30 weeks. The school defines full time as 30 clock hours per week.

Helen’s program is 800 clock hours and 27 weeks of instructional time. Her COA is \$5,538, and her EFC is 375. Helen is enrolled for 30 clock hours per week.

Step 1: Enrollment Status

Helen’s enrollment status is: _____ at least 1/2 _____ less than 1/2

Step 2: COA

Multiply COA by lesser of two fractions below:

of hours in program’s definition of academic year*

of hours of actual instructional time

*statutory minimum 24 credit or 900 clock hours

of weeks in program’s definition of academic year**

of weeks of actual instructional time

**statutory minimum of 30 weeks

COA of program

Lesser of two fractions

Pell Grant COA

X

=



Practice – Formula 4, Step 3

Student: Helen
Enrollment: At least 1/2 time
Pell COA: \$6,153

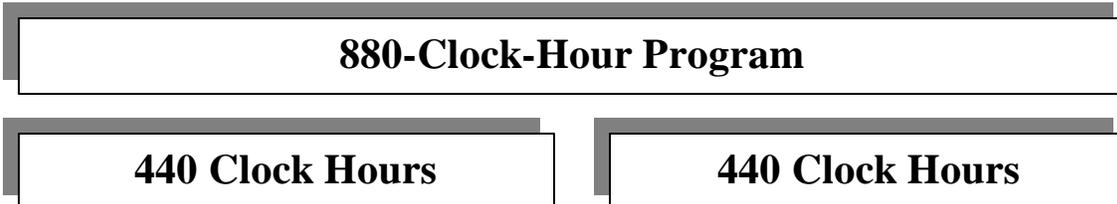
Step 3: Annual Award

Helen's Annual Award: \$ _____

Defining Payment Periods

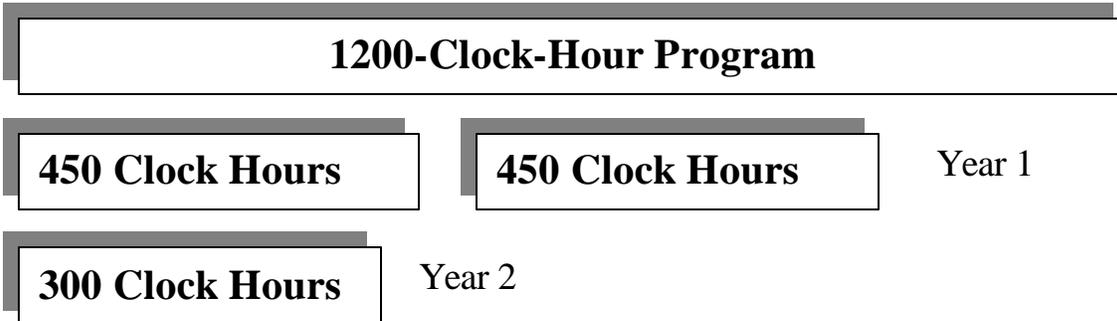
If the program is one academic year or less in length, divide it into at least two equal payment periods.

Example 1: 900 clock-hour academic year



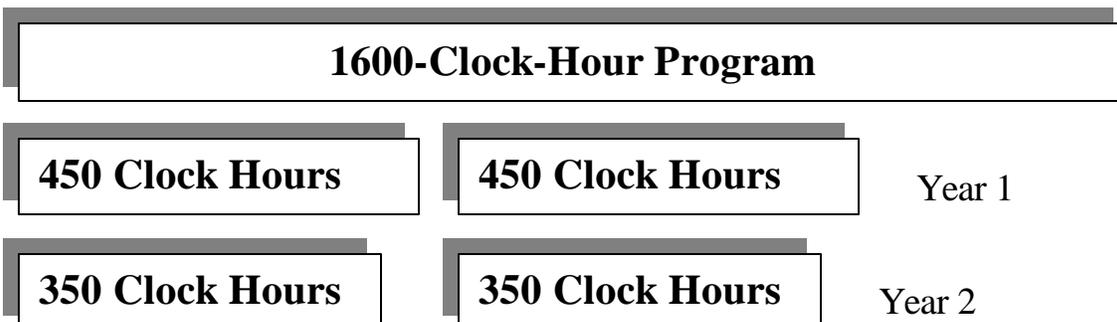
If the program is longer than one academic year, and the remainder of the program is less than or equal to one half of an academic year, the final payment period is the final portion of the program.

Example 2: 900 clock-hour academic year



If the program is longer than 1.5 year, but less than 2 years, the final portion of the program is divided into at least 2 equal payment periods.

Example 3: 900 clock-hour academic year





Checkpoint #1: Payment Periods

Hale University uses a 900-clock-hour academic year. Their mountain climbing program is 1650 clock hours long. Their taxidermy program is 1250 clock hours long.

Divide Mountain Climbing into payment periods:

1st Year:

2nd Year:

Divide Taxidermy into payment periods:



1st Year:

2nd Year:

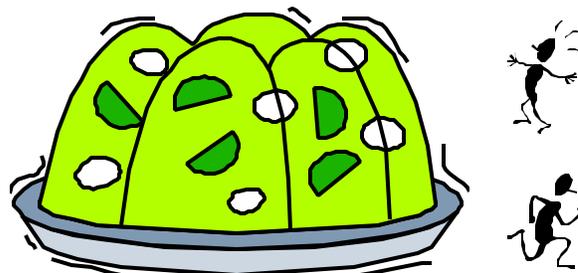
The Food Institute is a nonterm credit-hour school. Each academic year is 24 credit hours. Their Dessert Design program is 64 credit hours long.

Divide the Dessert Design program into payment periods:

1st Year:

2nd Year:

3rd Year:





Practice – Formula 4, Step 4

Now, back to Helen.

So far, we've determined the following: (see page 5)

Enrollment Status: _____

Pell COA: _____

Annual Award: _____

Remember, Helen's program is 800 clock hours and 24 weeks of instructional time.

Step 4: Determine Payment Periods

_____ hours & _____ hours

Rounding Rules (for use in Step 5):

- If the number of payment periods is *even*, alternate rounding; whether you round up or down to start depends on the size of the decimal of the 1st payment period only (up if .5 or higher); disregard the decimal for all other payment periods.
- If there are *three* payment periods, round one way for the first two, and the other for the 3rd; whether you round up or down the first two payment periods depends on the size of the decimal of the 1st payment period only (up if .5 or higher); disregard the decimal for all other payment periods.



Practice – Formula 4, Step 5

Step 5: Payment per Payment Period

Remember, the school defines its academic year as 900 clock hours and 30 weeks. The program is 800 clock hours and 27 weeks.

Determine the fractions:

Weeks of instructional time for a full-time student to complete hours in the program

Weeks of instructional time in program's definition of academic year (30 min.)

Weeks of instructional time for a full-time student to complete hours in the definition of academic year

Weeks of instructional time in program's definition of academic year (30 minimum)

Determine the adjusted annual award:

(lesser of two fractions above or 1)

$$\text{(Annual Award) \$ } \underline{\hspace{2cm}} \quad \times \quad \frac{\text{[]}}{\text{[]}} = \text{[]} \quad \text{(A)}$$

Calculate payment per payment period:

$$\text{(A) []} \times \frac{\text{[] Hours in payment period}}{\text{[] Hours in program's def. of academic year (min. 900)}} = \text{[]} \quad \& \quad \text{[]}$$

1st payment period
 ↓
 2nd payment period
 ↑

Helen receives two payments totaling \$ _____ for her program, enabling her to reach her artistic dream.



Computer Training College (CTC) defines full time as 30 clock hours per week. An 840-clock-hour certificate program takes a full-time student 28 weeks of instructional time to complete. The academic year is defined as 900 clock hours and 30 weeks. The cost of attendance for this program is \$9,807.

Zoe Marshall plans to attend CTC for this program. She has an EFC of 168. She will attend 30 clock hours per week. Please complete Steps 1 through 5 to calculate Zoe's Pell payments.

Step 1: Enrollment Status

Zoe's enrollment status is _____.

Step 2: Cost of Attendance

Given COA - **\$9,807**

Proration ratio fractions (choose lesser):

Hours in program's definition of academic year 900

Hours of actual instructional time _____

Weeks in program's definition of academic year 30

Weeks of actual instructional time _____

\$9,807 X _____ = \$_____ (Pell COA)

Lesser of two fractions

Step 3: Annual Award

Zoe's annual award = \$_____

Step 4: Determine Payment Periods

Zoe's program is 840 clock hours, which divides into two payment periods of _____ clock hours each.

Step 5: Payment per Payment Period

Determine the fractions:

Weeks of instructional time for a full-time student to complete hours in the program

Weeks of instructional time in program's definition of academic year (minimum 30) 30

Weeks of instructional time for a full-time student to complete hours in the definition of academic year 30

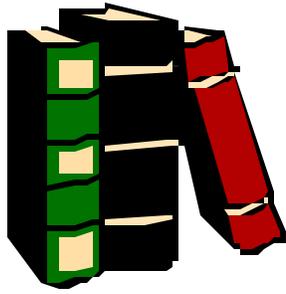
Weeks of instructional time in program's definition of academic year (minimum 30) 30

Determine the adjusted annual award:

(Annual Award) \$ _____ X $\frac{\text{[]}}{\text{[]}}$ =
Lesser of the two fractions or 1. (A)

Calculate payment per payment period:

(A) X $\frac{\text{[]}}{\text{[900]}}$ Hours in payment period = &
Payment Period 1 &
Payment Period 2



Resources

Resources

- ★ *Federal Student Financial Aid Handbook:
Federal Pell Grant Program Reference*
- ★ 34 CFR 690
- ★ Dear Colleague Letter P-99-2
(Pell Payment Schedules)

Answer



Key

Practice – Formula 4, Steps 1 and 2

Step 1: **at least half time**
Step 2: $\$5,538 \times (30/27) = \$6,153$

Practice – Formula 4, Step 3

Step 3: **\$2,775**

Checkpoint #1 – Payment Periods

Mountain Climbing (1650 clock hours)

First year: **2 payment periods of 450 clock hours each**
Second year: **2 payment periods of 375 clock hours each**

Taxidermy (1250 clock hours)

First year: **2 payment periods of 450 clock hours each**
Second year: **1 payment period of 350 clock hours**

Dessert Design (64 credit hours)

First year: **2 payment periods of 12 credit hours each**
Second Year: **2 payment periods of 12 credit hours each**
Third Year: **2 payment periods of 8 credit hours each**

Practice – Formula 4, Step 4

Step 4: **Two payment periods of 400 clock hours each**

Practice – Formula 4, Step 5

Step 5: Adjusted Annual Award - $\$2,775 \times (27/30) = \$2,497$
Payment per Payment Period - $\$2,497 \times (400/900) = \$1,110,$
\$1,109

Answer Key (cont' d)

Case Study – Zoe

- Step 1: **at least half time**
- Step 2: $\$9,807 \times (30/28)$ or $(900/840) = \mathbf{\$10,508}$
- Step 3: **\\$2,975**
- Step 4: **Two payment periods of 420 clock hours**
- Step 5: Adjusted Annual Award - $\$2,975 \times (28/30) = \mathbf{\$2,777}$
Payment per Payment Period - $\$2,777 \times (420/900) =$
\\$1,296 (P.P. 1) and \\$1,295 (P.P. 2)