

## GENERAL ELIGIBILITY REQUIREMENTS

To receive a Federal Supplemental Educational Opportunity Grant (FSEOG), a student must meet the applicable eligibility requirements listed in *Volume 1 - Student Eligibility*. In addition, an eligible recipient must be an undergraduate student and must have financial need.

An undergraduate student is defined under the FSEOG Program as a student who is enrolled in an undergraduate course of study at an institution of higher education and who:

- has not earned a bachelor's degree or first professional degree; and
- is in an undergraduate course of study that usually does not exceed four academic years or is enrolled in a four- to five-academic-year program designed to lead to a first degree.<sup>1</sup>

A student who has earned a bachelor's or first professional degree is **not** eligible to receive an FSEOG to pursue an **additional** undergraduate degree<sup>2</sup>, based on the above definition of undergraduate student. A school must make FSEOG funds reasonably available (to the extent of available funds) to all eligible students.

## PRIORITY ORDER FOR FSEOGs

In determining the priority order in which students will be awarded FSEOG funds in any given award year, a school must first choose those students with exceptional financial need—that is, those with the lowest Expected Family Contributions (EFCs) who will also receive Federal Pell Grants in that award year. We will refer to this group of students as the “first selection group.”

### Student eligibility cite

34 CFR 676.9

### FSEOG undergraduate student definition cite

34 CFR 676.2(b)

1. A student enrolled in a program of any other length is considered an undergraduate student for only the first four academic years of that program.

2. Note that the definition of undergraduate student in the FSEOG regulations (676.2) differs from the definition in the Federal Perkins Loan and FWS program regulations (see 34 CFR 674.2 and 675.2). The definition of undergraduate student in the Federal Perkins Loan and FWS program regulations does permit a person with a bachelor's or first professional degree to receive aid from those programs to pursue an additional undergraduate degree.

## First and second selection groups cite

34 CFR 676.10(a)

If the school has FSEOG funds remaining after awarding FSEOG funds to the entire first selection group, the school must next award FSEOG funds to those eligible students with the lowest EFCs who will not receive Federal Pell Grants in that award year. We will refer to this group of students as the “second selection group.”

## CONSIDERING FEDERAL PELL GRANT ELIGIBILITY

A student who will also receive a Federal Pell Grant in that award year is a student who has demonstrated Pell Grant eligibility for the same award year based upon:

- a Student Aid Report (SAR) the student submits to the school;
- an Institutional Student Information Record (ISIR) the school receives from the Central Processing System; or
- a manual calculation.

The school must keep the appropriate Pell Grant eligibility information on file and must confirm Pell Grant eligibility prior to disbursement of the FSEOG. If the school determines a student’s Pell Grant eligibility by one of the above methods and disburses an FSEOG based on that determination but the FSEOG recipient does not actually receive a Pell Grant during the award year, the school relied on the demonstrated eligibility in good faith and, thus, is not required to recover the FSEOG funds. If the student loses Pell Grant eligibility prior to disbursement of the FSEOG, the school must retract the FSEOG award.

### *Crossover payment period*

Certain flexibilities exist when determining whether a student is considered to be in the FSEOG first selection group during a crossover payment period, that is, a payment period that begins before July 1 of any award year and ends after July 1 of that same award year. If a student receives a Pell Grant during a crossover payment period and the student is among those students with the lowest EFCs, the student satisfies the FSEOG first selection group awarding requirements for that same crossover payment period regardless of to which award year the Pell Grant funds are attributed.

Also, a student does not necessarily have to receive a Pell Grant in the same crossover payment period to be awarded FSEOG funds under the first selection group requirements for that payment period. A student can be awarded FSEOG funds under the first selection group requirements during a crossover payment period, from either award year’s allocation, as long as the student will also receive a Pell Grant in the award year to which the crossover payment period is attributed for Pell Grant purposes.

### **Crossover payment period first selection group example**

For example, Steve and Bill are enrolled at Scruples Business School in a program that begins in June 2003 and ends in August 2003, and both are among those students with the lowest EFCs who will also receive Pell Grants **in that payment period**. Even though Steve is receiving a 2002-2003 Pell Grant disbursement for that payment period and Bill is receiving a 2003-2004 Pell Grant disbursement for that payment period, both students have met the first-selection-group requirements for that payment period.

“Payment period” is defined as a semester, trimester, or quarter; for a school not using those academic periods, it is the period between the beginning and the midpoint or between the midpoint and the end of an academic year.

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**Payment period definition cite**

34 CFR 668.4

## LESS-THAN-FULL-TIME AND INDEPENDENT STUDENTS

If a school’s allocation of FSEOG funds is directly or indirectly based in part on the financial need demonstrated by its less-than-full-time or independent students, a school is required to offer a reasonable proportion of its FSEOG allocation to such students. A school cannot exclude less-than-half-time students from its definition of less-than-full-time students. Additional information is in *Volume 4 - Campus-Based Common Provisions*.

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**Less-than-full-time and independent students cite**

34 CFR 676.10(b)

## MAKING FSEOGs AVAILABLE THROUGHOUT THE YEAR

A school must develop written selection procedures to ensure that FSEOG recipients are selected on the basis of the lowest EFC and Pell Grant priority requirements over the entire award year in accordance with the selection provisions found in 34 CFR 676.10. For a school that enrolls students as often as monthly or weekly, FSEOG funds can be reserved for use throughout that award year (on the basis of institutional experiences from previous periods), and selection practices can be applied in a manner that would assure a reasonable consistency over the entire award year.

## ESTABLISHING CATEGORIES OF STUDENTS

The school is allowed to establish categories of students to be considered for FSEOGs as a means of administering its packaging policies. Categories may be based on class standing, enrollment status, program, date of application, or a combination of factors. By establishing these categories, the school is attempting to ensure that the students in each category have an opportunity to be awarded FSEOG funds. The percentage or dollar amount of funds assigned to each category is also at the school’s discretion; there is no requirement to make the percentage or dollar amount proportional to the need of students in a particular category or even to the number of students in the category.

Categorization may not be used to exclude certain students or groups of students from consideration. If the school knows that its funds are so limited as to effectively exclude year after year categories that come later in the sequence, the school may not be in compliance with the “reasonably available” provision. This principle would not

apply to a category made up of students whose applications are received after a specific deadline; there is no requirement to reserve funds for late applicants although the school is not precluded from doing so.

A school would not be in compliance with the Higher Education Act of 1965, as amended, and with the FSEOG regulations were it to award FSEOGs on a first-come, first-served basis or were it to arbitrarily set expected EFC benchmarks (cutoffs) from below which it would select FSEOG recipients. Such a practice might exclude otherwise eligible students from the selection process. Furthermore, professional judgment is not an appropriate means of attempting to resolve the indicated circumstance; professional judgment is applicable only to making an adjustment or adjustments to an expected EFC or to a cost of attendance amount, not as a means to circumvent the FSEOG selection policy.