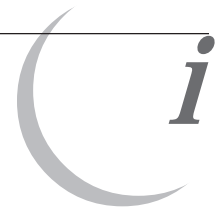

Introduction



This volume describes how a school calculates and pays Pell awards to eligible students and how it reports those payments to the Department.

THE FEDERAL PELL GRANT PROGRAM

The Federal Pell Grant Program provides grants to undergraduate students who have financial need and meet the other requirements for FSA assistance (see the *FSA Handbook: Student Eligibility [Volume 1]*).¹ Unlike other programs such as the campus-based programs, schools don't have to make decisions about who receives Pell funds or how much they receive. The Department pays Pell funds to all eligible students, and formulas determine how much each student receives. Schools do have many responsibilities in administering the program, and those responsibilities are discussed in this publication.

Although the Department calculates the student's Expected Family Contribution (EFC) and performs certain eligibility matches, schools are responsible for ensuring that a student is eligible for any aid they disburse (see the *FSA Handbook: Student Eligibility [Volume 1]*). In Chapter 1 of this volume, we discuss Pell-specific student eligibility requirements that schools need to be aware of.

Pell Volume Overview

The Department provides formulas for calculating the amount of a Pell Grant award. These formulas, as well as other factors relating to award calculation, are discussed in Chapter 2 of this volume. A school must report Pell disbursements to FSA using the Common Origination and Disbursement (COD) system. This system and the reporting requirements are discussed in Chapter 3 of this volume. In Chapter 4 of this volume, we discuss the rules governing Pell disbursements to students. Finally, in Chapter 5 of this volume, we discuss handling changes after disbursement, such as recalculations and overpayments.

Other Information Sources

Throughout the year, the Department provides updates to schools in the form of "Dear Partner" Letters and Action Letters. These letters, as well as other information from the Department, such as *Federal*

1. Note that in certain limited cases, students in a postbaccalaureate program can receive Pell Grants; see Chapter 1 of this volume.

Register notices, are available on the Information for Financial Aid Professionals (IFAP) web site at <<http://ifap.ed.gov>>. The Department also posts system updates and technical guidance announcements on the IFAP site.

The FSA Student Aid Internet Gateway website provides software, documentation, and system technical references for your reference and download. The website is located at: <<http://www.sfadownload.ed.gov>>

If you're looking for general Pell payment information, such as your school's current authorization level and the status of batches, or if you want to request specific Pell data or documents, you can contact Pell Customer Service at 1-800-4-PGRANT (1-800-474-7268). Your school's current authorization sometimes differs from the amount available to draw in GAPS. Schools may access GAPS info at the E-Grants on-line web page at <<http://e-grants.ed.gov/egHome.asp>>. In addition, there is a web page at <<http://www.pellgrantsonline.ed.gov>>, where you can check the current authorization and status of batches for the 2001-2002 award year. For the 2002-2003 award year and beyond, there will be a COD website beginning in late spring, 2002, at: <<http://cod.sfa.ed.gov>>. For specific questions about Pell, you can contact Customer Service at the number above or by e-mail at <pell.systems@ed.gov>.

The Department provides free software for packaging, tracking, calculation, and reporting Pell payments as part of EDExpress. EDExpress can be used as a stand alone financial aid database or in conjunction with a school's mainframe computer. Schools aren't required to use this software, but can instead develop their own or use software developed by someone else. For information on the operation of specific software, you should consult the documentation that comes with the software.

RECENT CHANGES

- The maximum annual award for 2002-2003 is \$4,000. The EFC cutoff for Pell eligibility for a full time student has increased to 3,800. Copies of the Payment and Disbursement Schedules using this maximum award are included in Chapter 2 of this volume.
- Just-In-Time Funding is a pilot program being tested as an alternative to the Advance Funding method used by most schools. 71 schools will participate in the program in 2002-2003. Because only a few schools are participating in this pilot, the details of this program are not discussed in this volume. The pilot schools should refer to the specific materials they've received as part of the pilot program.
- The Common Origination and Disbursement System (COD) is now used in Pell reporting. This subject is covered in detail in Chapter 3.