

Academic Calendar & Payment Periods

CHAPTER 1

Award limits are generally connected to a period of time. For instance, all of the programs except Federal Work-Study have a maximum amount that can be awarded for an academic year or award year. And in the cases of Pell Grants and Stafford loans, awards or award limits may have to be prorated based on the number of weeks in an academic year.

Measurement of calendar time is important for another reason. In most cases, awards from the FSA programs must be paid in at least two installments. For most programs, the amount and timing of the payments is based on the academic terms or payment periods in the program.

ACADEMIC YEAR REQUIREMENTS

Every eligible program, including graduate programs, must have a defined academic year. A school may have different academic years for different programs. For instance, it can set an academic year of 900 clock hours and 30 weeks of instructional time in one program and 1,200 clock hours and 40 weeks of instructional time in another.

A school might even define different academic years for two versions (day and night, for example) of the same academic program. If your school establishes separate versions of a program, with different academic years, but allows individual students to take courses from both versions, your school must be able to demonstrate which program the student is actually enrolled in. ***NEW*** Generally, to be considered enrolled in a particular version of a program, a student must be taking at least 50% of his or her coursework in that program.

A school may have different academic years for different programs, but must use the same academic year definition for **all** FSA awards for students enrolled in a particular program, and for all other FSA program purposes.

Credit/clock hours in an academic year

The law and regulations set the following minimum standards for coursework earned by a full-time student in an academic year in an *undergraduate* educational program:

- 24 semester or trimester credit hours or 36 quarter credit hours for a program measured in credit hours; or
- 900 clock hours for a program measured in clock hours.

CHAPTER 1 HIGHLIGHTS:

Academic year minimums

- 24 semester credits or 36 quarter credits; or 900 clock hours
- 30 weeks of instructional time

Academic calendars

- Term (Semester, quarter, or trimester)
- "Non-standard" term
- Non-term

Types of Payment Periods

- Credit hour; term-based programs
- Credit hour non-term programs
- Clock hour programs (always non-term)

Related topics

- Completion requirements for non-term programs—see Volume 4, Chapter 1.
- Timing of Stafford disbursements for non-term programs and programs with nonstandard terms of unequal length—see Volume 4, Chapter 1.
- See Volume 5 for discussion of payment periods if student re-enters a program after withdrawing.

Citations

- Award Year: 34 CFR 600.2
- Academic Year: 34 CFR 668.3
- Payment Period: 34 668.4
- Week of instructional time: 34 CFR 668.3 (b)

“Week of instructional time”

- As defined in 34 CFR 668.3(b):
- A week is a consecutive seven-day period.
 - A week of instructional time is any week in which at least one day of regularly scheduled instruction or examinations occurs or, after the last scheduled day of classes for a term or payment period, at least one scheduled day of study for examinations occurs.
 - Instructional time does not include any vacation periods, homework, or periods of orientation or counseling.

Weeks of instructional time are used in the Pell and Stafford calculations (chapters 3 and 4 of this Volume).

Note that the Department has not set a regulatory standard for the number of hours of instructional time that make up one day of instruction. This has been left to the reasonable interpretation of schools and their accrediting agencies.

Elimination of “12-hour rule”

Regulations published on November 1, 2002 eliminated the definition of a week of instructional time that was known as the 12-hour rule. The regulations were effective July 1, 2003, but schools had the option of implementing this rule as early as November 1, 2002.

Reductions in academic year length

The law permits schools that provide two-year or four-year associate or baccalaureate degree programs to apply to the Department if they want to establish a full academic year of less than 30 weeks of instructional time. The Department is permitted to grant a reduction in the length of an academic year to no less than 26 weeks of instructional time. For further details on the information required for submission of such a request, see 34 CFR 668.3 (c).

There is no hours component to the definition of an academic year for *graduate/professional* programs. The Department grants schools discretion to establish the number of credit hours a full-time graduate or professional student is expected to earn over an academic year.

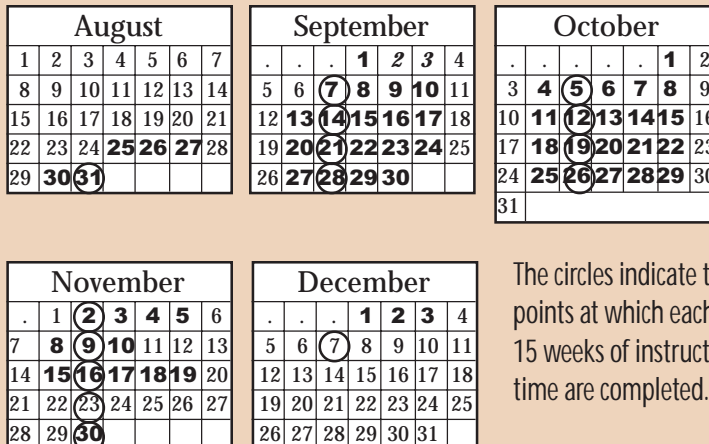
Thirty-week minimum of instructional time

The law and regulations also set a minimum standard of 30 weeks of instructional time for an academic year. In cases where the program uses an academic year that meets the standard for credit hours or clock hours, but the academic calendar provides less than 30 weeks of actual instructional time, you must prorate your Pell Grant awards and, in some cases, use adjusted annual loan limits for Stafford Loans (as discussed in Chapters 2, 3, and 4).

The number of *weeks of instructional time* are based on the period that begins on the first day of classes in the academic year and ends on the last day of classes or examinations. For all FSA programs, a *week of instructional time* is any period of 7 consecutive days in which at least one day of regularly scheduled instruction, examination, or (after the last day of classes) at least one scheduled day of study for examinations occurs. Instructional time does not include periods of orientation, counseling, homework, vacation, or other activity not related to class preparation or examination. Therefore, the weeks of instructional time may be less than the number of calendar weeks that elapse between the first day of classes and the last day of classes or examinations.

Counting weeks of instructional time **NEW**

This graphic illustrates how you would count weeks of instructional time in a program where classes are held Monday through Friday, beginning on August 25th and ending on November 19, with examinations held November 30-December 3. Note that the school holds no classes on Labor Day (September 6 on this calendar, Veterans Day and the day after (November 11-12), and Thanksgiving break (November 22-29).



The circles indicate the points at which each of the 15 weeks of instructional time are completed.

ACADEMIC CALENDARS & TERMS

Institutions offer programs with many kinds of academic calendars that differ from the traditional Fall-Spring school year. For purposes of the FSA programs, there are 3 basic types of academic calendar: standard term, non-standard term, and non-term.

Generally, a term is a period in which all classes are scheduled to begin and end within a set time frame. However, if these periods overlap within a program, they may not be treated as a term-based program for Title IV purposes. Term-based programs can have either standard terms or nonstandard terms.

Standard terms: semesters, trimesters, and quarters

According to traditional usage, semesters and trimesters are approximately 15 weeks long. A semester traditionally has two terms, in the fall and spring, and a trimester traditionally has three terms, in the fall, spring, and summer. Academic progress is measured in semester credit hours, and full time is at least 12 semester credits.

Similarly, quarter terms are approximately 10 to 12 weeks in length and the academic calendar includes three quarters in the fall, winter, spring, and often summer. Academic progress is measured in quarter credit hours, and full time is at least 12 quarter credits.

You may combine shorter terms or modules to meet the requirements of a standard term such as a semester. **NEW** For example: a program is offered in 8 nonstandard terms, each 6 weeks in length, and students earn 6 quarter credits in each term. The school may choose to combine each consecutive pair of nonstandard terms and consider the program to be offered in 4 quarters.

Nonstandard terms

Nonstandard terms are terms (where all coursework is expected to begin and end within a set period of time) that are not a semester, trimester, or quarter. In some cases, the terms may be of unequal length, though it is also possible for terms of equal length to be considered nonstandard. For instance, a school could offer a program with six 5-week modules, with each module counting as a nonstandard term.

Unlike standard terms, the length of the term is not necessarily associated with the type of credit hours awarded. Some nonstandard terms are the length of a semester (15 -16 weeks) but award quarter credits. Others are the length of a quarter (10 - 12 weeks) but award semester credits.

Typical length of standard terms

This issue was addressed in the preamble to General Provisions regulations published on November 29, 1996 (Federal Register, Volume 61, No. 231, Page 60581).

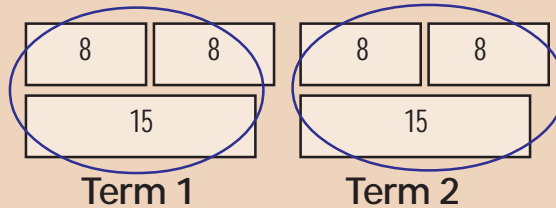
Non-term characteristics

If a program measures progress in clock hours, it is always treated as a non-term program. A program that measures progress in credit hours is considered to be using a non-term calendar if it has:

- courses that do not begin and end within a set period of time,
- courses that overlap terms,
- self-paced and independent study courses that span terms, or
- sequential courses that do not end within a term.

Combining concurrent terms

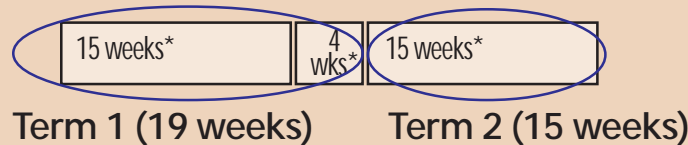
Clark University offers a program in both 15-week terms and 8-week terms. Clark University combined two 8-week terms with a 15-week term to make each semester; each semester provides 16 weeks of instructional time.



Combining consecutive terms

Lewis College offers a separate degree program in education with a short 4-week* term between two 15-week* semesters. The terms don't overlap.

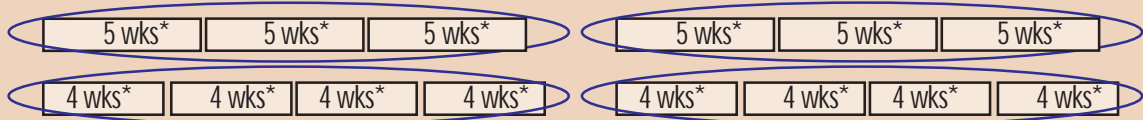
Lewis College has defined the academic year for this program as 24 semester hours and 34 weeks of instructional time. Lewis College could combine the short term with one of the standard terms and for purposes of FSA programs treat the program as being offered in two semesters:



Lewis College can also choose not to combine the terms. In this case, the program would have a nonstandard term (the 4-week term) and two semesters.

Treatment of modules **NEW**

A school may choose to group modules together and treat the entire period as a term. (For example, grouping three five-week* modules together may create a 15-week* semester; or grouping four one-month modules into a 16-week semester would be acceptable.)



On the other hand, programs that are offered in modules may sometimes be counted as programs measured in non-standard terms. For example, a program that offers six 5-week modules could treat each of the modules as a non-standard term. In addition, a school may choose to consider a program of consecutive modules as a non-term program. Whatever academic calendar a school adopts for a program, it must apply to all students enrolled in that program.

*Weeks in these examples are weeks of instructional time, as defined earlier in this chapter.

DEFINITION OF A PAYMENT PERIOD

The definition of a payment period is applicable to all FSA programs except FWS. The common definition is integral to requirements for the administration of FSA program funds. For example, FSA program disbursements (except FWS payments) generally must be made on a payment period basis (for more information, see **Volume 4 – Processing Aid and Managing FSA Funds**). **Note that FFEL and Direct Loan disbursements must still be made in accordance with the specific disbursement rules for those programs (see sidebar).**

Under the payment period definition, there are three sets of requirements: one for term-based credit hour programs, one for nonterm credit hour programs, and one for clock hour programs. There is no separate definition for clock hour programs that are offered in terms.

Payment period for term-based credit hour programs

For a program offered in semester, trimester, quarter, or other nonstandard academic terms and measured in credit hours, the payment period is the term. For example, if a loan period includes three quarters, the loan must be disbursed in three substantially equal payments.

Programs that are offered in modules are not necessarily counted as programs measured in terms. The phrase other academic terms (also known as nonstandard terms) refers to those structured educational intervals at a school that do not fit into a normally defined semester, trimester, or quarter term. For example, other academic terms could include six five-week terms. A school may choose to group modules together and treat the entire period as a standard term. (For example, grouping three five-week modules together to create a 15-week *semester*; or grouping four one-month modules into a 16-week *term* would be acceptable).

Term-Based Credit Hour Programs

Program offered in . . .

- semester
- trimester
- quarter
- other academic term

Payment Period is . . .

- semester
- trimester
- quarter
- other academic term

Payment period cites

Definition of payment periods: 34 CFR 668.4

→ Disburse FSA funds by payment periods
34 CFR 668.164(b)

→ Pell disbursements by payment period:
34 CFR 690.63

→ Perkins disbursements by payment period:
34 CFR 674.16(b)

→ FSEOG disbursements by payment period:
34 CFR 676.16(a)

→ Disbursing Stafford/PLUS funds by payment period or completion of coursework and calendar midpoint:

FFEL: 34 CFR 682.604 (c)(6), (7), and (8)

DL: 34 CFR 682.604 (b)(3), (5), and (6)

Reporting calendar dates to ED or a lender

Usually you will report only the following disbursement dates to ED (or FFEL lender):

- Pell disbursement dates
- Stafford/PLUS disbursement dates
- Stafford/PLUS loan period (start and end dates)

For instance, you can enter these dates in the DL module of EDEXpress for transmission to the Common Origination and Disbursement System.

EDEXpress and similar software packages usually do not collect the starting and ending dates of a program's academic year or payment periods. Your school is responsible for ensuring that disbursements are made within the appropriate date range, based on its academic calendar and the rules given in Volume 4, Chapter 1.

Completing a non-term period

In non-term programs, a student must successfully complete a payment period before he or she may receive a disbursement for the next payment period.

→ A student in a non-term program using clock hours must successfully complete the coursework in a payment period before receiving funds for the next payment period.

→ A student in a non-term program using credit hours must successfully complete the coursework and the weeks in a payment period before receiving Pell or Campus-Based funds for the next payment period. "Successfully completes" means passing the credit hours or, if grades are assigned, the clock hours.

Payment period for clock-hour programs of an academic year or less

If the program is an academic year or less in length, the first payment period is the period of time in which the student completes the first half of the program. The second payment period is the period of time in which the student completes the second half of the program.

Payment Period for Clock Hour Programs of One Academic Year or Less

First payment period

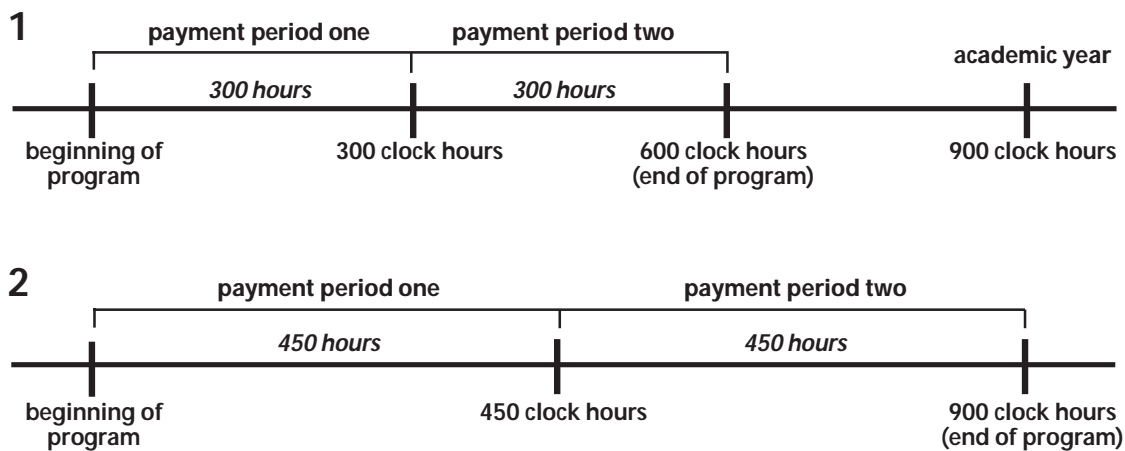
- period of time in which a student completes first half of the program

Second payment period

- period of time in which a student completes remainder of the program
-

For example, if a program is 600 clock hours and the academic year is defined as 900 clock hours, the first payment period is the period of time needed for the student to complete the first 300 clock hours. The second payment period would be the period of time needed for the student to complete the last 300 clock hours (see the example that follows). If the program were equal to the academic year (900 clock hours), the first payment period would be the period of time needed for the student to complete the first 450 clock hours. The second payment period would be the period of time needed for the student to complete the second 450 clock hours (see example 2 below).

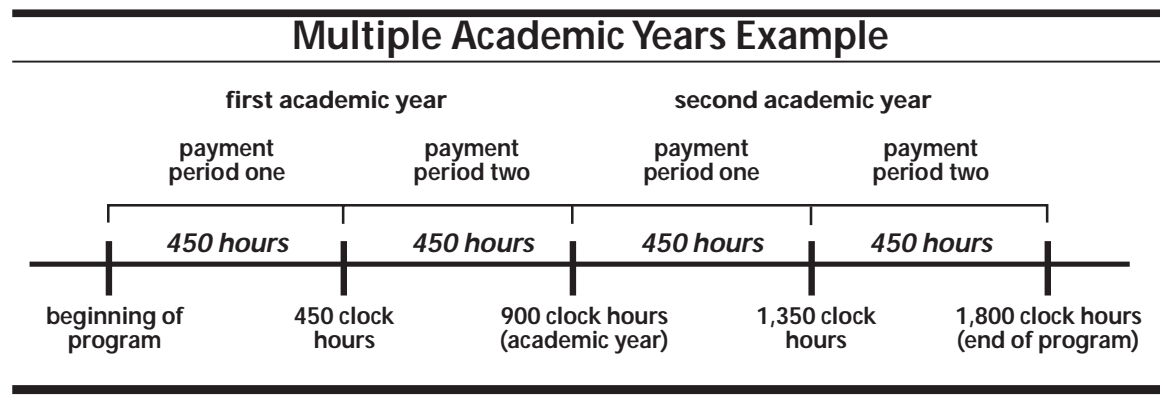
One Academic Year or Less Example



Payment period for clock-hour programs with two or more academic years

If the program is equal to two or more complete academic years, for the first academic year and any subsequent full academic year, the first payment period is the period of time in which the student completes the first half of the academic year, as measured in clock hours. The second payment period is the period of time in which the student completes the second half of the academic year as measured in clock hours.

For example, if a program is 1,800 clock hours and the academic year is defined as 900 clock hours, the first payment period for both the first and any subsequent academic year is the period of time needed for the student to complete the first 450 clock hours. The second payment period would be the period of time needed for the student to complete the next 450 clock hours.

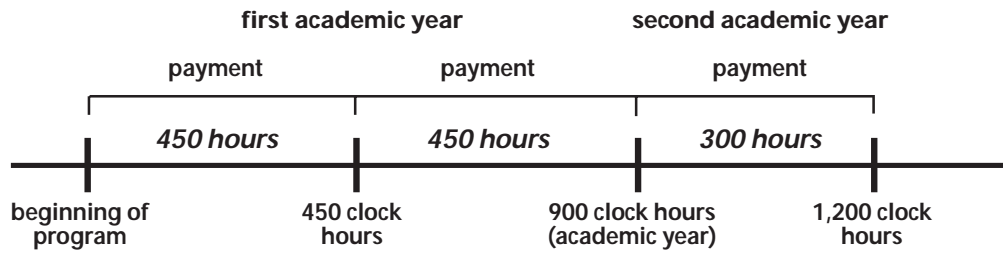


Clock-hour programs longer than an academic year with a remaining portion

If the program is longer than an academic year, but has a remaining portion of the program that is not equal to an academic year, for the first academic year and any subsequent full academic year, the first payment period is the period of time in which the student completes the first half of the academic year. The second payment period is the period of time in which the student completes the second half of the academic year. For the remaining portion of the program, if the remainder is equal to or shorter than one half of an academic year, the payment period is the remaining portion of the program.

For example, if a program is 1,200 clock hours and the academic year is defined as 900 clock hours, the first payment period for the first academic year is the period of time needed for the student to complete the first 450 clock hours. The second payment period is the period of time needed for the student to complete the next 450 clock hours. The first, and only, payment period for the second academic year is equal to the remaining portion of the program.

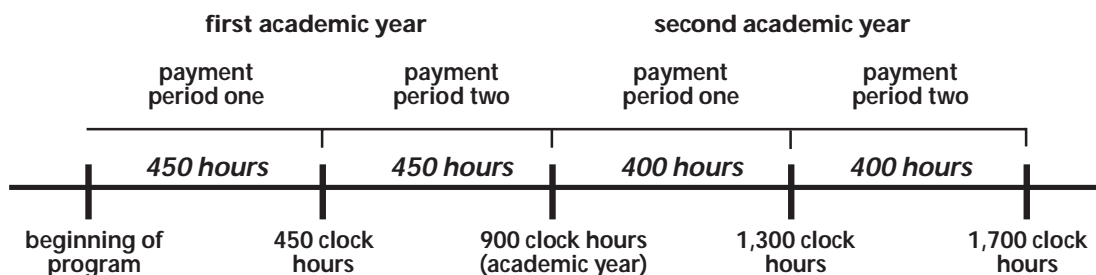
Remainder Equal To or Shorter Than Half an Academic Year Example



If the remaining portion of the program is more than one half of an academic year but less than a full academic year, for the remaining portion of the program the first payment period is the period of time in which the student completes the first half of the remaining portion of the program, as measured in clock hours. The second payment period is the period of time in which the student completes the second half of the remaining portion of the program as measured in credit or clock hours.

For example, if a program is 1,700 clock hours and the academic year is defined as 900 clock hours, the first payment period for the first academic year is the period of time needed for the student to complete the first 450 clock hours. The second payment period would be the period of time needed for the student to complete the next 450 clock hours. The first payment period for the second academic year would be the period of time needed for the student to complete the next 400 clock hours. The second payment period for the second academic year would be the period of time needed for the student to complete the final 400 clock hours.

Remainder Greater Than Half an Academic Year Example



Payment Period for Clock Hour Programs Longer Than One Academic Year

<i>Program Length (in clock hours)</i>	<i>First and subsequent full academic years</i>		<i>Remainder of program</i>	
	<i>First payment period</i>	<i>Second payment period</i>	<i>First payment period</i>	<i>Second payment period</i>
<i>multiples of a full academic year</i>	<i>period of time in which student completes first half of academic year</i>	<i>period of time in which student completes second half of academic year</i>	N/A	N/A
<i>longer than 1 academic year, remainder shorter than or equal to one half an academic year</i>	<i>period of time in which student completes first half of academic year</i>	<i>period of time in which student completes second half of academic year</i>	<i>period of time in which student completes remainder of program</i>	N/A
<i>longer than 1 academic year, remainder shorter than academic year, but longer than half an academic year</i>	<i>period of time in which student completes first half of academic year</i>	<i>period of time in which student completes second half of academic year</i>	<i>period of time in which student completes first half of remainder of the program</i>	<i>period of time in which student completes second half of remainder of the program</i>

Payment periods for programs that measure progress in credit hours and do not have academic terms (nonterm credit hour programs)

Payment periods for programs measured in credit hours without terms vary depending on whether the length of the program in credit hours and weeks of instructional time is

- one academic year or less,
- a multiple of a full academic year,
- longer than an academic year with a remainder shorter than or equal to one half of an academic year, or
- longer than an academic year with a remainder shorter than an academic year, but longer than one half of an academic year.

If you are determining the payment periods for a program for which one of the measures (either credit hours or length of instructional time) is less than an academic year and the other measurement is not, you follow the payment period rules for a program that is less than an academic year.

For all credit hour nonterm programs, a student must complete both the weeks of instructional time and the credits in a payment period in order to progress to the next period (and be eligible for additional Title IV funds).

If an institution is unable to determine when a student has completed half of the credit hours in a program in an academic year, or in the remainder of a program, the student is considered to have begun the second payment period of the program, academic year, or remainder of a program at the later of:

- The date the institution identifies as the point when the student has completed half of the academic coursework in the program, academic year, or the remainder of the program, or
- The calendar midpoint between the first and last scheduled days of class of the program, academic year, or the remainder of the program.

Payment period for programs measured in credit hours without academic terms where the program is one academic year or less

Note: For a program to be considered an academic year, both the credit hours and weeks of instructional time must meet the definition of an academic year.

For a student enrolled in an eligible program that is one academic year or less in length, the first payment period is the period of time in which the student completes half the number of credit hours in the program and half the number of weeks of instructional time in the program. The second payment period is the period of time in which the student completes the remainder of the program.

Payment periods for credit hour programs without academic terms that are two or more academic years

If the program is equal to two or more complete academic years, for the first academic year and any subsequent full academic year, the first payment period is the period of time in which the student completes half the number of credit hours in the academic year and half the number of weeks of instructional time in the academic year. The second payment period is the period of time in which the student completes the academic year.

Payment periods for credit hour programs without academic terms that are longer than an academic year with a remaining portion

If the program is longer than an academic year, but has a remaining portion that is not equal to an academic year, for the first academic year and any subsequent full academic year, the first payment period is the period of time in which the student

completes half the number of credit hours in the academic year and half the number of weeks of instructional time in the academic year. The second payment period is the period of time in which the student completes the remainder of the academic year.

For any remaining portion of an eligible program that is more than one-half an academic year in both weeks of instruction and credit hours but less than a full academic year in length, the first payment period is the period of time in which the student completes half the number of credit hours in the remaining portion of the program and half the number of weeks of instructional time remaining in the program. The second payment period is the period of time in which the student completes the remainder of the program.

For any remaining portion of an eligible program that is not more than half an academic year in both weeks of instruction and credit hours, the payment period is the remainder of the program. That is, if both are not greater than half an academic year, there is only one payment period in the remaining portion.

Academic coursework and loan periods

The term academic coursework does not necessarily refer to credits. It may refer to the lessons or other measures of learning within a course or a program. For instance, if a course or program is made up of 40 equal lessons, the student reaches the halfway point as follows:

- If the student completes the first 20 lessons before the calendar midpoint of the academic year, the second payment period does not begin until the calendar midpoint.
- If the student completes the first half of the academic year before completing the first 20 lessons, the second payment period does not begin until the student completes the first 20 lessons.

When a school chooses to have more than two payment periods per academic year

For a program measured in credit hours without terms and for clock hour programs, an institution may choose to have more than two payment periods in the program or academic year, as applicable. If an institution so chooses, the requirements for completing a payment period are modified to reflect the increased number of periods. For example, if an institution chooses to have three payment periods in an academic year in a program that measures progress in credit hours but does not have academic terms, each payment period must correspond to one-third of the academic year measured in both credit hours and weeks of instruction. Each subsequent payment period cannot begin until the student completes the credit hours and weeks of instruction in the previous payment period. If a school chooses to have more than

two payment periods per academic year, the school must have that policy in writing and must apply the policy to all students enrolled in the programs affected.

Payment periods and the return of Title IV funds

Schools that use payment periods as the basis for their return of funds calculations should note that making multiple disbursements within a payment period does not create a new or additional payment period. A student's Title IV education loan appropriately might be included as "Aid that Could Have Been Disbursed" even though under the late disbursement rules, the loan funds could not actually be disbursed. Please see Dear Colleague Letter DC-GEN-00-24, December 2000, DC-GEN-03-04, February 2004, and **Volume 5 – Overawards, Overpayments, and Withdrawal Calculations** to see how multiple disbursements within a period affect the return of funds calculation.

Note: While the program regulations permit schools flexibility in making disbursements, schools should recognize the added complexity that making Pell disbursements over different periods than loan disbursements might cause if a student withdraws. To avoid overly complicating their Return of Title IV funds calculations, we recommend that, whenever possible, schools disburse all Title IV funds in the same payment periods.

Payment periods and eligibility for FFEL or Direct loans

For certain academic programs, FFEL and Direct Loans are disbursed differently than other FSA funds.

For programs offered in standard terms, or nonstandard terms of substantially equal length, the payment period for FFEL and Direct Loans is the term. A student in this type of program does not have to successfully complete the coursework to move to the next payment period. If a single term is the loan period, a student may not receive a second disbursement until the calendar midpoint of the term (loan period) is reached.

However, if the program is a clock-hour, nonterm credit-hour, or nonstandard term credit-hour program with terms that are not substantially equal in length, loan proceeds for FFEL and DL are not disbursed by payment period. Instead, the loan program rules for scheduling disbursements apply. For a student to be eligible for the second half of his or her loan proceeds, the student must reach **BOTH** the calendar midpoint of the loan period **AND** successfully complete half the coursework of the loan period.

Consider a program with no terms that is 24 credit hours long and offered in successive 4-hour modules with two 12-hour payment periods. The student can not receive the second half of the loan

proceeds until the student successfully completes 12 hours and reaches the calendar midpoint. If the student fails the first module, s/he cannot progress to the next payment period until s/he has completed successfully 3 additional modules (a total of 12 hours) **and** reached the calendar midpoint of the loan period.

