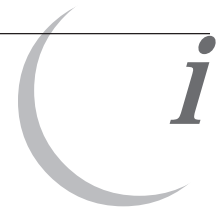# Introduction

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.[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. FSA 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 FSA 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. Your 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, FSA provides updates to schools in the form of "Dear Partner" Letters and Action Letters. These letters, as well as other information from FSA, such as *Federal Register* notices, are available on the Information for Financial Aid Professionals (IFAP) web site at <http://ifap.ed.gov>. FSA 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

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

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/egWelcome.asp. In addition, there is a web page at: http:/www.pellgrantsonline.ed.gov, for data on the 2001-2002 award year. For the 2002-2003 award year and beyond, there is a COD website at: http://cod.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 2003-2004 is $4050. The EFC cutoff for Pell eligibility for a full time student has increased to 3850. Copies of the Payment and Disbursement Schedules using this maximum award are included in Chapter 2 of this volume.

- The 12-hour rule has been eliminated. See Chapter 2 of this volume under "definitions" for a discussion of a week of instructional time.

- The definition of a payment period for non-term credit hour programs has changed to require a student to complete the requisite number of weeks of instructional time in that academic year or program, in addition to the credit hours. See Chapter 2 of this volume for details.

- The definition of a payment period for clock hour and non-term credit hour programs has also been changed to address cases in which a student withdraws from a program before the completion of the payment period for which he or she was paid and then either returns to the same school or transfers to another school. See Chapter 2 of this volume for details.

- A student is not liable for a Pell Grant overpayment that is less than $25 and is not a remaining balance. A student is also not liable for a Pell Grant overpayment if the school is liable for it. See Chapter 5 of this volume for details.

- A new verification status code, "S" has been added. See Chapter 3 for details.