

# Awards and Disbursements in Modules

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# Why this Topic?

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- Academic calendar impacts how Title IV aid is administered for program of study
- Modules can in some cases significantly impact a program's academic calendar, which in turn affects Title IV
- Academic programs continue to innovate around course scheduling and delivery, and Financial Aid Administrators need to know (and be able to communicate) how this impacts student aid



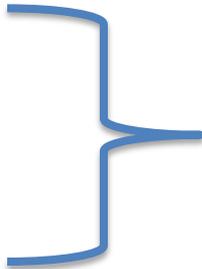
# Modules

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## What is a module?

- Any period of enrollment that is shorter than a school's regularly scheduled academic periods that either falls within but does not span an entire term, and/or falls between a school's regularly scheduled academic periods
- Sometimes schools have other names for modules:

- Mini-session
- J-term
- Intersession
- Segment



Regardless of what the school calls these sessions, ED considers them to be modules

# What do Modules Look Like?

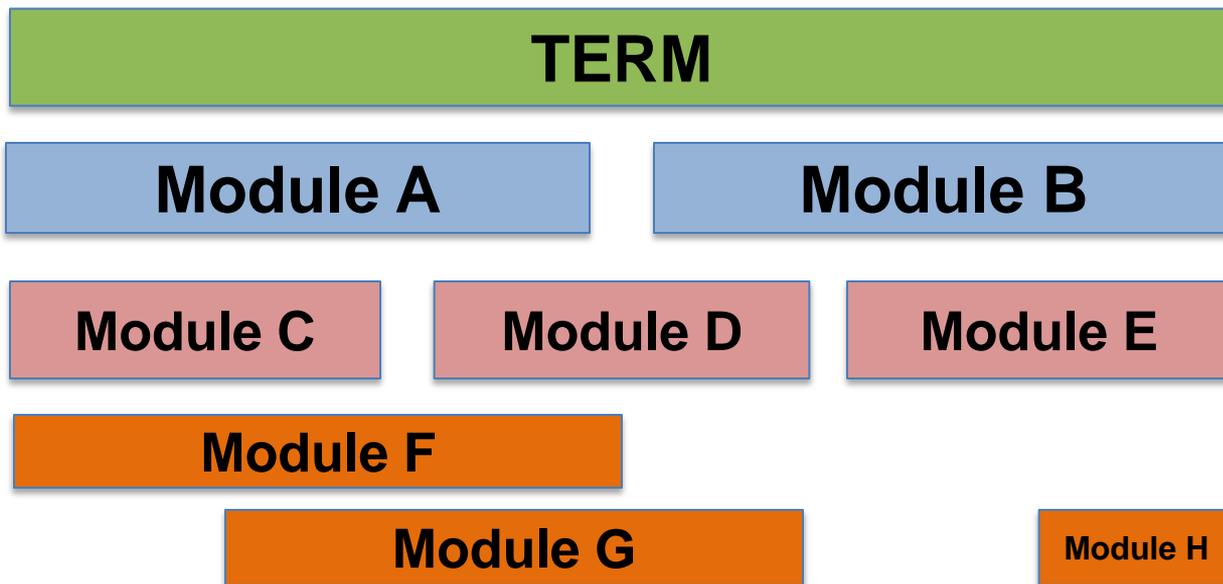
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**TERM**

**Module A**

**Module B**

# What do Modules Look Like?



# Modules and Nonterm Calendars

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- In a nonterm calendar, modules have very little impact
- There are no terms to be affected by modules
- Student completes a payment period by successfully completing hours (clock or credit), and completing weeks of instruction
- Whether the instruction is presented in modules or not generally does not affect the payment periods
- It is possible that a school may not be able to determine if hours have been successfully completed until the conclusion of a module

# Modules and Nonstandard Terms

## Modules Are Contained Within Longer Nonstandard Terms

In most cases, the term is the payment period

Treated similarly to how modules are handled in a standard term program

## Modules Themselves are Freestanding Terms

If SE: The term is the payment period

If NSE: The term is the payment period **except** for DL, which is disbursed as though nonterm

# Standard Term Example

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- Standard term, semester-based program
  - Academic year is 32 weeks, consisting of two 16 week semesters
- Semester contains two 8 week modules
- Classes may last the entire term or occur within modules
  - Students may enroll in any combination of classes
- Full-time enrollment is 12 semester hours



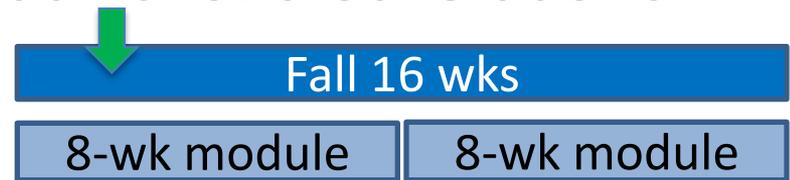
# Disbursement Considerations

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- Payment period is the entire standard term (semester)
  - Regardless of student's enrollment in classes over the entire semester, modules, or both
- Payment of Title IV (except FWS) is calculated on a payment period basis, not by individual module
  - However, it is allowable to break up the payment for the payment period into multiple disbursements
- Earliest disbursement date is 10 days before the first day of **classes** for a payment period
  - This is centered around when the **student's** classes begin

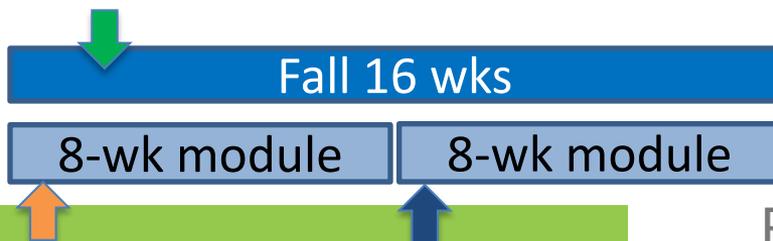
# Pell Recalculation Considerations

- School uses Example 1 calendar and has a Pell recalculation date of September 21, which falls before the start of Module 2
- As of the Pell recalculation date, John is enrolled for 9 credits
- On September 23, 2 days after the Pell recalculation date, John adds 3 credits from Module 2; Pell enrollment status must not be changed to add the additional credits due to school's Pell recalculation policy



# Pell Recalculation Considerations

- A different school uses Example 1 calendar and uses multiple Pell recalculation dates and must recalculate Pell up to the Pell recalculation date for the last class in which the student enrolls
  - September 7 for Module 1 (Orange arrow)
  - September 21 for the full semester (Green arrow)
  - November 1 for Module 2 (Blue arrow)
- As of September 21 Pell recalculation date, Paul enrolled for, and began 12 credits from full semester
- On October 3, he drops 6 credits
- On October 20, he adds 3 credits from module 2
- As of the November 1 Pell recalculation date for Module 2, Paul is enrolled for 9 credits; final Pell enrollment status is  $\frac{3}{4}$  time



# Pell Grant Considerations

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- Student must begin every class used to determine enrollment status
  - At school using Example 1 calendar with a single Pell recalculation date, George enrolls for 6 credits in Module 1 and 6 credits in Module 2
  - As of the September 21 Pell recalculation date, he is still enrolled for all 12 credits (enrollment status = full time) with a disbursement made based on that enrollment status
  - However, on September 25, George drops the 6 credits in Module 2
  - Although the Pell recalculation date is past, his enrollment status must be adjusted to ½ time and his award recalculated because he never attended any class(es) in Module 2
  - This is a mandatory Pell Recalculation

# Direct Loan Considerations

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## Loan period

- Shortest period for which a loan may be originated is the term, not a module
- Student enrolls for Spring semester only, taking 6 credits all from Module 1; loan period is the entire semester, not Module 1
- Loan eligibility for a term-only loan is COA – EFC (for subsidized loans) – EFA up to the applicable annual loan limit, not one half or some other portion of the annual loan limit

# Direct Loan Considerations

- Enrollment status
  - Census date (PRD) is not applicable to Direct Loan, only Pell/TEACH Grant/Iraq-Afghanistan Service Grant
  - Enrollment status is checked at the time of disbursement
  - Recalculations are not required
  - Ringo enrolls for 6 credits (3 in Module 1 and 3 in Module 2); student begins attendance in Module 1; loan is disbursed (enrollment status ½ time); he never begins attendance in Module 2
    - Loan disbursement is correct; no adjustment or recovery of loan funds
    - Must adjust Pell if it was included in his award package
    - Possible R2T4 issues associated with student not taking all modules he was scheduled to take

# Summer Terms

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- Many Summer terms contain multiple or mini-sessions (e.g., Summer 1, Summer 2, and Summer 3)
  - These are considered modules
- School has options
  - Combine modules into a single term
    - Numerous advantages
  - Treat modules as stand-alone terms
    - Could result in entire program being a nonstandard term program
- Awards of Title IV aid **must** be made for Summer
  - Option to simply not pay Title IV aid for enrollment in Summer, intersessions, J terms, Maymester, etc., does not exist

# Summer Terms: Pell

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- If term-based program offers a series of modules that occur in the Summer, they may be combined and treated as if it was one term and that term will be the payment period (which will have modules)
- If program qualifies for Formula 1 or 3, use the same formula to calculate Pell for Summer
  - If program does not define full-time for Summer as 12 credit-hours, Formula 3 must be used for **all** calculations in the award year
    - Full-time definition for Summer must be applied across all programs
- When modules are combined into a single term:
  - Weeks of instructional time in the combined term are weeks from beginning of the first module to date the last module ends
  - Student's enrollment status for the payment period is based on the total number of credits for all modules

# Summer Terms: Pell

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- If a combined summer term crosses over the award year, the combined term is treated as a crossover payment period, regardless of which modules the student attends
- If mini-sessions are **not** combined into a single term:
  - Each mini-session is generally treated as a separate nonstandard term
  - Pell Formula 3 generally must be used

# Summer Terms: Direct Loan

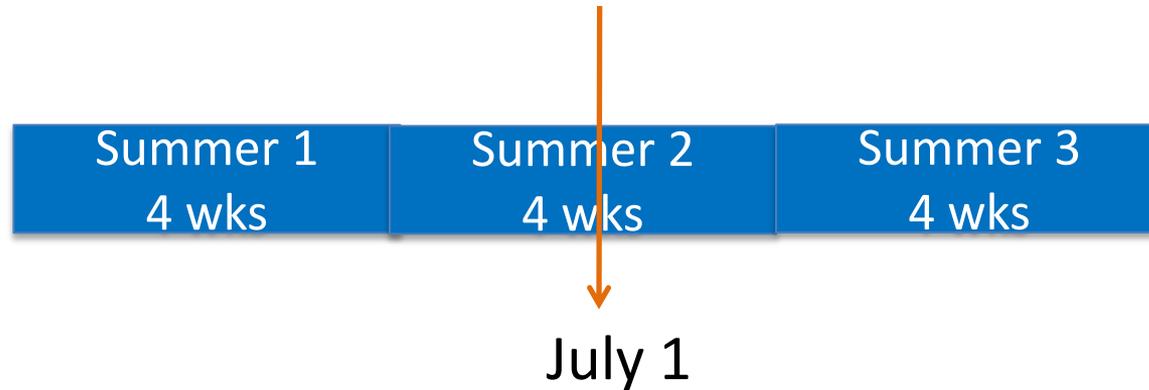
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- SAY and modules
  - May be grouped together into either a header or trailer to the SAY
- BBAY and modules
  - **Must** be grouped together as a single term in order to use BBAY
  - BBAY containing Summer term (regardless of whether comprised of modules) does not have to be 30 weeks in length—applies to BBAY 1 only
- Loan period
  - Shortest period of time a loan may be originated for is the term
    - Even if the student is attending fewer modules than comprise the term
- COA for Summer loans cannot include costs for modules the student is not expected to be enrolled

# Summer Example 1

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- Summer modules 1, 2, and 3 combined to make 1 Summer payment period (term)
- Full-time enrollment is defined as 12 semester hours



# Summer Example 2

- School does not wish to define full-time enrollment status as 12 credit-hours
- Each Summer session becomes a nonstandard term

- Enrollment status = 
$$\text{Credit-hours in Academic year} \times \frac{\text{Weeks in nonstandard term}}{\text{Weeks in academic year}}$$

- Only Summer 2 is a crossover payment period

Summer 1  
4 wks

Summer 2  
4 wks

Summer 3  
4 wks

**REMEMBER!** These are **NOT** modules, they are non-standard terms

July 1

**This choice results in the entire Program being nonstandard term.** Pell Formula 3 must be used and the disbursement rules for nonstandard terms not substantially equal in length followed.

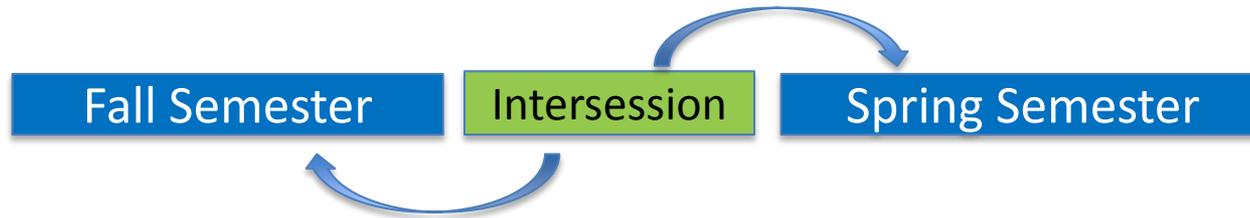
# Summer Enrollment Awareness

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- Student may enroll in multiple Summer modules and complete one or more, but not all of them
  - e.g., Student enrolls in Summer 1, 2, and 3, completes Summer 1 and 2, but does not return for Summer 3
  - Typically, students do not see this as a withdrawal; *however*, under current regulations, R2T4 may apply
- Important that students enrolling in multiple Summer modules are instructed to withdraw from or drop the subsequent session(s) prior to completing the previous one if they do not intend to return
  - This will help prevent the student from being subject to R2T4

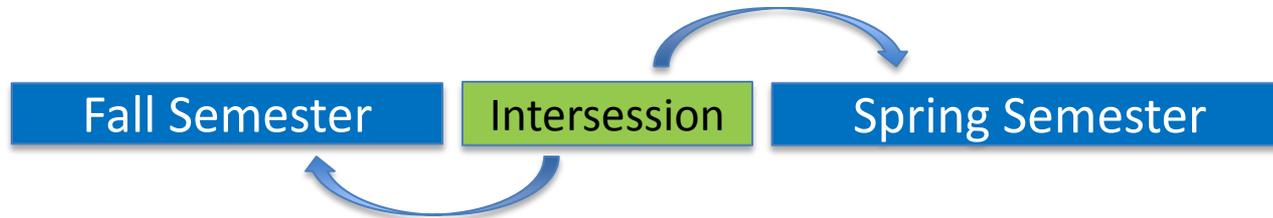
# Standard Terms: Intersessions

- Sometimes modules fall between scheduled terms
  - J-terms
  - Maymester
  - Mini-session
- How to deal with intersessions or other additional terms and keep your program standard?
- Add the intersession to one standard term or the other
  - Treat the entire combined term as one payment period



# Standard Terms: Intersessions

- Doesn't adding the intersession make a nonstandard term?
- FSA's guidance states that for a program already using established standard terms, adding a term that is immediately prior to or after the standard term, which does not overlap with another term, keeps the standard terms as standard



- Does create a term with modules
  - Intersession is a module
  - Standard term is a module

# Standard Terms: Interessions

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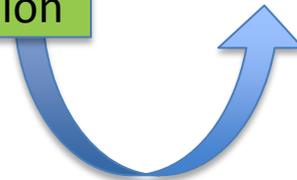
- Sometimes the interession will overlap with the term to which it is attached

Fall Semester

Spring Semester

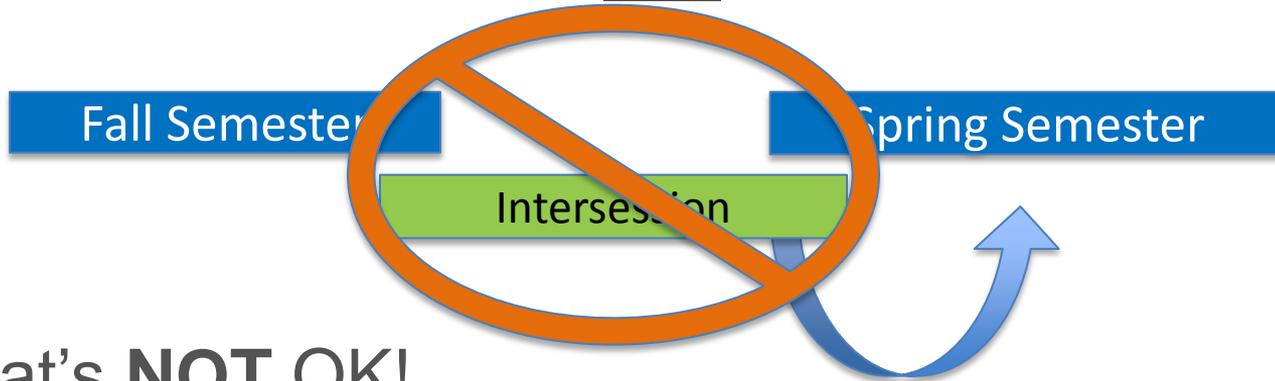
Interession

- That's OK!
- **Modules** can overlap



# Standard Terms: Intersessions

- Sometimes the intersession will overlap with the term to which it is attached and the other term



- That's **NOT** OK!
- These are now overlapping terms, which created a nonterm calendar

# Standard Terms: Interessions

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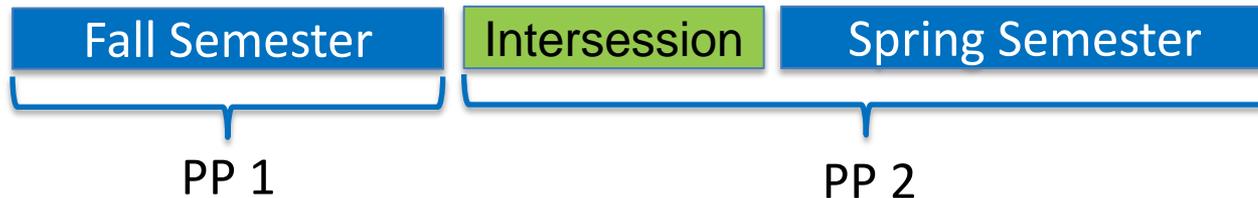
- Local Community College has two 15-week semesters with a 4-week interession between them
- School attaches the interession to Spring semester
  - If school does not attach the interession it would create a non-standard term



Local Community College

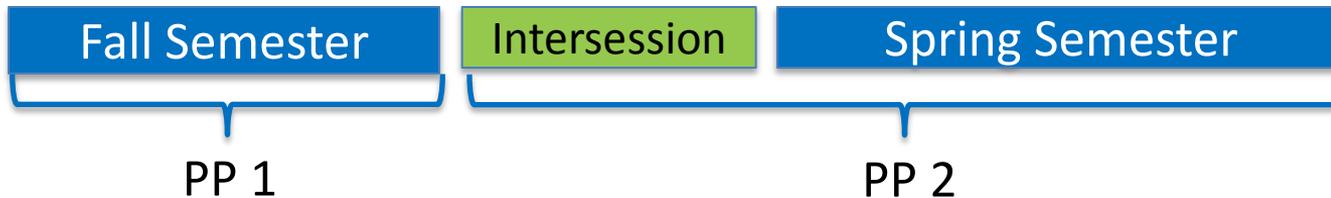
# Payment Periods: Pell

- Fall semester is Payment Period (PP) 1
- The combined intersession and Spring semester is PP 2
- School may still use Pell Formula 1
  - Terms are still considered standard
  - Must use 12 hours (or more) as full-time
  - The Pell disbursements for each payment period will be equal
- Hours in intersession count toward Spring enrollment status
- Pell COA is for full year, full-time costs regardless of whether or not student has hours in intersession



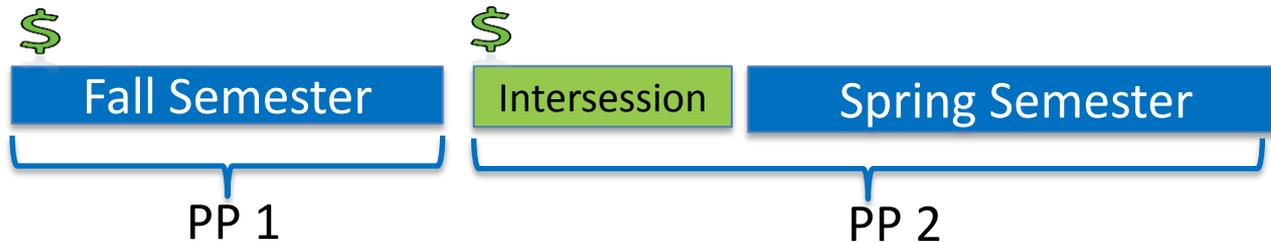
# Payment Periods: DL

- Fall semester is Payment Period (PP) 1
- The combined intersession and Spring semester is PP 2
  - PP 2 now has two modules, the intersession and the 15 week semester
- School may use SAY or BBAY 1
- Hours in intersession count toward Spring enrollment status
- COA for loans reflects costs associated with all terms that school knows student will pursue at time of origination



# Payment Periods: DL

- Kathryn takes 9 hours in the Fall, 3 hours in the intersession and 3 hours in the Spring
- Kathryn's COA includes costs for all 3 periods
- Kathryn is at least half time in PP 1 and receives her disbursement for PP 1 at or about the beginning of PP 1, assuming she is not subject to delayed disbursement
- Kathryn is at least half time in PP 2 and receives her second disbursement at or about the beginning of PP 2, which is the beginning of the intersession



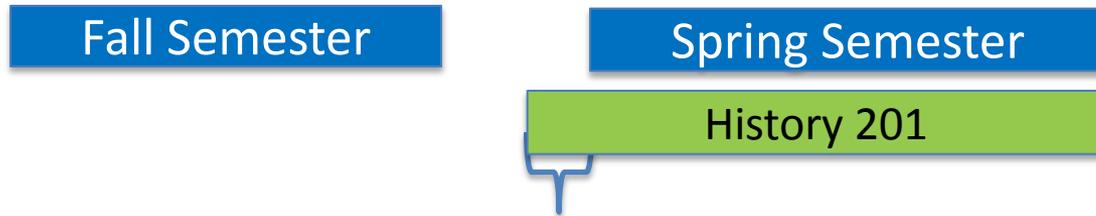
# Explanatory Guidance – Clinical Work and Standard Terms

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- Some programs follow a strictly standard term calendar until the student progresses to a part of the program that involves work outside of the classroom but still part of their academic program
  - We will refer to this as clinical work
- Often found in medical related fields and in programs preparing educators
- This clinical work may not coincide with the institution's standard terms
  - Usually due to the clinical work having a different calendar

# Explanatory Guidance – Two Week Tolerance

- The two weeks must not overlap another term

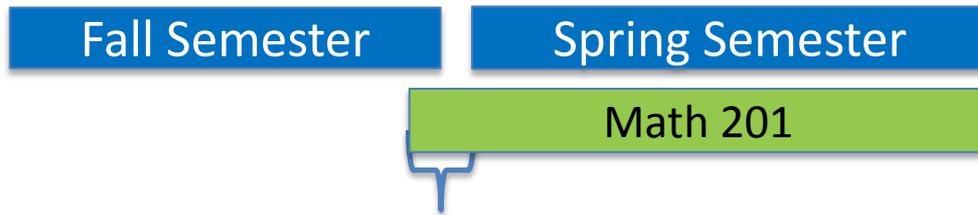


Two week extension of Hist 201

- History 201 (a Spring Semester class) is not exceeding the two week tolerance and it is not overlapping another term

# Explanatory Guidance – Two Week Tolerance

- The two weeks must not overlap another term



Two week extension of Math 201

- Math 201, a Spring Semester class is not exceeding the two week tolerance, but it is overlapping another term
- **Overlapping terms = a non-term calendar/program**

# Explanatory Guidance – Clinical Work and Standard Terms

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- Institutions may allow, for Title IV purposes, the clinical work to be treated as if it were being offered on the school's standard term calendar, if ALL of the following apply:
  - All students in the program must participate in the practicum or clinical experience and its completion is a requirement for graduates to apply for licensure or the authorization to practice the occupation those students intend to pursue
  - The institution has little or no control over the length or start/end dates of the practicum or clinical experience. This may be the result of constraints imposed by outside licensing bodies, or the need to accommodate the schedules of entities with which students are being placed (e.g., school districts and hospitals)
  - Credit hours associated with the practicum or clinical experience must be associated with the term in which most of the training occurs, even if the starting and ending dates do not exactly align with the term dates and/or overlap with another term exists

## Explanatory Guidance – Clinical Work and Standard Terms

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- If the clinical work meets all of the requirements on the previous slide
  - The clinical work will not create nonstandard terms
  - The clinical work will not create a nonterm calendar even if the clinical work is overlapping another term

# Explanatory Guidance – Clinical Work and Standard Terms

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## Rules to remember for clinical work in this category

- Policies and Procedures must explain how this aspect of Title IV administration is being handled by the school
- The academic year and loan period for Direct Loans should be determined using the actual training dates and the loan should reflect the cost of attendance and estimated family contribution for the actual training period
- Return of Title IV funds (R2T4) calculations are based on a payment period or period of enrollment that reflects the actual training dates

# Resources

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- FSA Handbook
  - Volume 3: Chapter 1 (Academic Calendars), Chapter 3 (Pell), Chapter 5 (DL)
  - Volume 5 (R2T4)
- Program Integrity Q & A website
  - <http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/integrity-qa.html>
- Dear Colleague Letter GEN-11-14 (July, 2011)
- FSA Assessments
  - Direct Loan and R2T4 modules
  - <http://www.ifap.ed.gov/qahome/fsaassessment.html>
- FSA E-Training Website
  - R2T4 Course
  - <http://fsatraining.info>

# Contacts

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- Boston/New York School Participation Division
  - Main Number: (212) 428-3750
  - Barbara Wingle – IIS (646) 428-3760
- Training Officers
  - Nautochia Webb (646) 428-3758
  - Pam Gilligan (617) 289-0022
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# Training Feedback

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To ensure quality training we ask all participants to please fill out an online session evaluation

- Go to <https://www.surveymonkey.com/s/AnitaOlivencia>
- Evaluation form is specific to Anita Olivencia
- This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for “listening” to our customers
- Additional feedback about training can be directed to JoAnn.Borel@ed.gov; 409-579-3776