

NON-Term FA Calendars For Credit Hour Schools

Agenda

- Academic Calendars
- Non-Term Processing Rules
- Pell vs. Loan Rules
- Questions

Academic Calendars

An Academic Calendar is the way a program at your school is measured for determining the student's eligibility and delivery of Title IV program funds.

Every eligible program (including Grad Programs) must have a defined Academic Year. It may be defined program by program or may be the same for all programs.

- An FA Calendar consists of:
 - A defined Academic Year
 - Minimum weeks of instructional time
 - Minimum number of credit hours
 - Enrollment status
 - Payment Periods

Schools organize their academic calendars in a variety of ways. The method used affects the student's eligibility for and delivery of Title IV program funds.

Definitions

- Academic Calendar is based on the way the programs are offered.
 - Term
 - Standard Term
 - Non Standard Term
 - Non Term
 - Correspondence
- Academic Year is defined as measured in weeks and Credit Hours

Academic Year

- **Terms:**
 - Specific periods during which all courses are scheduled to begin and end.
 - Divided into two or three separate segments.
 - Could be : 15 weeks, 10 weeks, 12 weeks, 8 weeks
- **Clock hour programs are always treated as non-term.**

Payment Periods

- Term Programs
 - the **TERM** is the payment period,
 - with a disbursement at the start of every term, if at least $\frac{1}{2}$ time.
 - Quarters, will receive 3 disbursements –
 - Semesters, will receive 2 disbursements-
- Non-Term differs in that awarding aid is based on the length of the program:

Academic Year

- The FA Academic Year is defined for each Program
 - The definition consists of both **weeks and hours** but must meet the Federal minimums:
 - 30 Weeks, and
 - 24 Semester Hr, 36 Quarter Hr, 900 Clock Hr
 - Schools may have different definitions for different programs. But must use the same definition for all students in a particular program.

Non Term FA Calendars

- FT status is assumed
 - Because completion of hours is used to determine eligibility for all subsequent payments. For Example:
 - AY = 30 weeks and 24 semester hours;
 - » Complete at least 12 semester hours
 - » And
 - » 15 weeks
 - to be considered full time.
- Loans and Pell are not reduced for part-time enrollment **unless school knows the student will be enrolled less than a full academic year in hours or weeks.**

NON-Term Payment Periods

- If **1 Ac Yr or Less** then the payment period is the $\frac{1}{2}$ the time to complete the program for both credit hours and number of weeks.
- If **2 or more full Ac Yr**, the payment period is $\frac{1}{2}$ the time to complete the program for both credit hours and number of weeks in both academic years.
- If **longer than 1 Ac Yr with a remaining portion** – For the remaining portion:
 - If **less than $\frac{1}{2}$ of an Ac Yr**, the payment period is the time to complete the program.
 - If **greater than $\frac{1}{2}$ of the Ac Yr but less than (defined) Ac Yr**, the payment period is $\frac{1}{2}$ the time to complete the program.

Advantages

- Can disburse immediately on first day of PP.
- F-time is assumed - will pay aid at full time status.
- Subsequent Disbursements are based on actual credit hours **earned**.
- Usually, regardless of Clock, Sem or Qtr hour measurement there will be no more than two payment periods. (However only one in periods less than $\frac{1}{2}$ of an Ac Yr).

Loan Rules

- Schedule loan proceeds to be disbursed in substantially equal amounts.
- Deliver no more than $\frac{1}{2}$ of the loan before the student reaches calendar midpoint for the academic year and completes at least $\frac{1}{2}$ the coursework.

Pell Grant Formula # 4

- Non-term programs must use Pell Formula #4.
 - Basically, only 2 disbursements for each full academic year.
 - All students are considered to be full time (with some exceptions)
 - For full Academic Years the Full scheduled Pell will be awarded (with a few exceptions...)

Pell Grant Formula #4

Student's will not receive a full scheduled award if :

1. Period remaining to complete the program is less than a full Academic Year in credits or weeks.
2. The program is less than an Academic Year in credits or weeks.
3. The program crosses award years and the student's Pell in one of the award years is for a portion of the program that is less than a full Academic Year.
4. The program is a fast paced program in which the students complete hours quickly.

Non-Term Disbursements

- Unlike terms, disbursements must be made when a student **COMPLETES** a certain number of Credit Hours.
 - **Quarters 18,**
 - **Semesters 12,**
- **Transfer Credits are not hours completed.**

Pell Pro-Ration Formula

- **Step 1- Scheduled Award**

- # weeks in program
weeks in AY definition
- # wks in the ac yr (= #hrs in ac yr def / #hrs in prgm*wks in prgrm)
weeks in AY definition
- OR 1

Take the Smallest Number from Step 1 (*) Scheduled award and Multiply by Step 2

- **Step 2- Percentage of Academic Year in the Pay Period**

- # credits in payment period
credits in AY

- **Step 3 -Calculate the Payment for the pay period**

- **Results of step 1 (*) Results of step 2**

- *Always use the fraction for this calculation (do not convert to decimals). Per Fred Sellers, EAC Conference 2005.*
- *Multiply first then divide. Per 05-06 SFA Handbook –Vol3-Chpt3, p3-27*

Calculating Culinary Arts Program

Always use the fraction, not the decimal to complete these calculations.

Pell proration #1 = lesser of

wks in program/wks in ac yr= 60/30 or

wks for stu to compl ac yr($30/60 * 60 = \blacklozenge 30$)/wks in ac yr= $30/30 = 1$ or

1

◆ **round up** -Per NASFAA Conference 2005- Fred Sellers' presentation "Term and Nonterm Nontraditional Academic Calendars and Delivering Title IV Aid" Slide #221- Must round up any fractions.

Pell pro-ration #2 =

Results of # 1 = $30/30 * \text{scheduled award} = \text{Maximum Pell eligibility}$

Maximum Pell Eligibility *cr hrs in pay period/cr hrs in ac yr = $15/30 = \text{Disb amt}$

for example: OFC = $4050 * 30/30 = 4050$

$4050 * 15/30 = 2025$ 1st & 2nd pay period

The payment in a pay period is never greater than $\frac{1}{2}$ of the Scheduled Award

Clock to Credit Conversion

- Required unless the school offers an undergraduate program in credit hours, **and**
 - the program is at least two academic years in length and
 - provides an associate degree, a bachelor's degree, a professional degree, or an equivalent degree as determined by the Department; **or**
 - each course within the program is **acceptable** for full credit toward that institution's associate degree, bachelor's degree, professional degree, (or an equivalent degree as determined by the Department) and the degree offered by the school requires at least two academic years of study.
- Determines program eligibility and affects the amount of FSA a student enrolled in the program may receive.
- **For a semester or trimester hour program**
$$\frac{\text{Number of clock hours in the credit-hour program}}{30}$$
- **For a quarter hour program**
$$\frac{\text{Number of clock hours in the credit-hour program}}{20}$$

Clock to Credit Conversion

- Rounding prohibited.
 - Because the results of these formulas determine the eligibility of a program, the resulting number of credit hours **may not be rounded**. If a school applies the appropriate formula and finds that a program is eligible, the converted credit hours are used to determine the amount of FSA funds a student who is enrolled in the program is eligible to receive.
- If required it will be noted on the Bar Chart

Prorating

In the last pay period

- If the student has remaining Pell eligibility in the same Award Year (and has an ISIR on file)-
- Ex:
 - 30 hrs remaining
 - if Pell elig = Pell *30/30 = 4050 *15/30 = 2025
 - BUT 4050-4050 (already paid)= so \$0 remaining
- If the student has Pell eligibility in a subsequent Award Year (and has an ISIR on file)-
 - 30 hrs remaining
 - if Pell elig =Pell *30/30 = 4050 *15/30 = 2025

When # hrs remain are different for Pell vs. Loans

- Pell and Loans have different rules that must be followed.
- Standard Term programs usually turn out that everything works the same.
- When working with non-term or non-standard payment of aid-
 - FFEL Loans are paid on what the student is actually doing.
 - Hours already taken before the pay period do not count in the subsequent pay period.
 - Federal Pell is paid on what the student is doing per the definitions (or “in theory”).
 - Hours already taken before the pay period count toward the next pay period. That is, they are cumulative.

Questions or Comments?

