Policy Name: Federal Pell Grant

Purpose: This document contains the Office of Financial Aid’s current policies and procedures for Federal Pell Grants.

Disclaimer: This policy is subject to change, without notice, in order to comply with administrative and regulatory requirements. All policies and procedures below are in accordance with Title 34; Subtitle B; Chapter VI; Part 668 of the Electronic Code of Federal Regulations (eCFR).

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Definitions and Terms:

COA – Cost of Attendance
DOE – Department of Education
EFC – Expected Family Contribution
FAFSA – Free Application for Federal Student Aid
NSLDS - National Student Loan Data System
OFA – Office of Financial Aid
UM – University of Mississippi
The Federal Pell Grant program provides need-based grants to low-income undergraduate and certain post-baccalaureate students to promote access to postsecondary education.

Grant amounts are dependent on: EFC (see below); the COA (as determined by the institution); the student's enrollment status (full-time or part-time); and whether the student attends for a full academic year or less.

Financial need is determined by DOE using a standard formula (established by Congress) to evaluate the financial information reported on the FAFSA. It represents the available resources a student/family has to pay for college. The fundamental elements in this formula are the student's income (and assets if the student is independent), the parents' income and assets (if the student is dependent), the family's household size, and the number of family members (excluding parents) attending postsecondary institutions.

The EFC is the sum of:

1. A percentage of net income (remaining income after subtracting allowances for basic living expenses and taxes) and

2. A percentage of net assets (assets remaining after subtracting an asset protection allowance).

Different assessment rates and allowances are used for dependent students, independent students without dependents, and independent students with dependents.

The lowest EFCs (based on a range determined by DOE) will qualify for Federal Pell Grant. After filing a FAFSA, the student receives notification if he or she is eligible. Students may not receive Federal Pell Grant funds from more than one school at a time.

Because UM is a traditional semester school, Federal Pell Grants can be calculated based on DOE’s Formula 1.

Summer is a combined term that is considered a cross-over period where schools may choose one to award Pell from the prior or the upcoming academic year’s FAFSA. At UM, Pell is awarded exclusively on the prior year’s FAFSA.

Federal Pell Grants are awarded to students who have not received their first bachelor's degree. There must be a FAFSA on file with a valid EFC while the student is still enrolled to be considered for Pell awarding. A student who meets this condition but is still in the process
of verification may receive Pell if verification is completed within the allowable window of
time and the student is otherwise eligible. However, the amount of the Pell Grant is then
based on an enrollment level that counts completed credit hours only.

To be awarded, a student must meet the basic Federal Title IV eligibility requirements (see
policy “2.0 Student Eligibility). They must also demonstrate significant financial need.
Unlike other need-based aid, the definition of “need” for Pell awarding is based solely on the
EFC, without regard to other aid in the financial aid package.

When Federal Title IV aid is packaged, Federal Pell Grants are awarded first since they are
considered to be the first source of aid to students who demonstrate financial need. Pell is
considered an entitlement and is not subject to reduction.

Once students have been awarded Pell, they are instructed to accept their awards online
through their myOleMiss website. This will allow them to review the terms and conditions of
their aid package. Students who do not wish to complete this process online should contact
the OFA to indicate that they want paper documents only. If a student who qualifies for Pell
does not accept their awards, the OFA staff will disburse them manually.

Per federal regulation, the duration of Federal Pell Grant eligibility is limited to 12 semesters
(or its equivalent). Since the maximum amount of Pell Grant funding a student can receive
each year is equal to 100%, this lifetime limit is called the 600% rule. (Refer to the Federal
Student Aid website at https://studentaid.ed.gov/types/grants-scholarships/pell/calculate-eligibility
for details.)

### Part 7.2 Federal Pell Grant Recalculations

The OFA will recalculate a Pell Grant due to a change in the EFC (as a result of
verification changes, a professional judgment, a correction to the FAFSA, etc.) In this
event, the Pell award is changed for the entire year. The OFA is alerted to EFC
changes when a new FAFSA is uploaded after packaging and/or verification processes
have already occurred. “Previously awarded” or “Already Verified” flags are set on
the student’s record that block disbursement until staff manually review the new
FAFSA transaction (and correct it as needed).

The OFA will also recalculate a Pell due to a change in enrollment status between terms.
However, a recalculation will not be performed if the student’s enrollment status changes
after disbursement has occurred during that same term.

The only exception is when the student doesn’t begin attendance in all classes within a term.
If so, then the student never actually qualified for a Pell award at the higher enrollment status.
A payback must be issued. A student is considered to have begun attendance in a class if
he/she attends at least one day of that class. These re-evaluations of eligibility are handled
manually by the OFA staff. Reports are run to locate Pell recipients with enrollment levels
that do not appear to match the Pell awards given to them. Based on research of each case, Pell is adjusted as needed. (In the OFA database system, separate aid codes are used to distinguish full-time Pell from \(\frac{3}{4}\)-time, \(\frac{1}{2}\) -time, and less than half-time – allowing easier identification of the enrollment assumption used for awarding purposes.)

**Part 7.3 Disbursement for Books & Supplies**

Per federal regulations, schools must provide a way for Pell recipients who have not yet received their grant disbursement for a given term to obtain or buy required books and supplies by the seventh day of the term. Certain conditions apply. Student should refer to policy “Book and/or Meal Voucher Requests”, section “Special Provisions for Federal Pell Grant Recipients”, at the following website: https://secure4.olemiss.edu/umpolicyopen/ShowDetails.jsp?istatPara=1&policyObjidPara=10647759.

**Part 7.4 Iraq and Afghanistan Service Grant Program**

A student may be eligible to receive the Iraq and Afghanistan Service Grant (IASG) if the student is not eligible for a Federal Pell Grant (based on the Expected Family Contribution), but:

- The student meets remaining Federal Pell Grant eligibility requirements, and
- The student’s parent or guardian was a member of the U.S. armed forces and died as a result of military service performed in Iraq or Afghanistan after the events of 9/11, and
- The student was under 24 years old or enrolled in college at least part-time at the time of the death of the student’s parent or guardian.

The IASG is equal to the amount of a maximum Federal Pell Grant for the award year but cannot exceed the student’s cost of attendance for that award year. This award is subject to reduction due to sequestration.

The OFA will identify qualifying recipients of this grant based on data contained within the student’s FAFSA (www.fafsa.gov). A diagnostic message is electronically set on the student’s financial aid record based on a match flag from the Department of Defense indicating, “You may be eligible for an Iraq/Afghanistan Service Grant”. Both students and staff can view these messages (via MyOleMiss and the financial aid database system, respectively).
NSLDS is DOE’s central database for Federal Title student aid (including Pell Grants, Iraq and Afghanistan Service Grants, TEACH Grants, Direct or Perkins Loans). If students receive funding under any of these programs, information related to those awards will be provided by UM to NSLDS and shall be accessible to eligible guaranty agencies, lenders, and colleges as authorized by DOE. Students may view their own data on NSLDS at nslds.ed.gov.

NSLDS is also used for “Transfer Monitoring”. If students transfer to UM during an award year, the OFA is responsible for reviewing their Federal Title IV financial aid history. This action is required to ensure proper awarding of Federal Pell Grant, Perkins Loan, Direct Loans, and/or Direct Grad PLUS Loans in the event that a student received aid at another school since the latest FAFSA received by UM. The historical information is available through the NSLDS database.

The OFA’s computer system receives batch data each night from the primary student system, including statuses that identify new transfer students and readmitted transfer students. Then OFA’s system will electronically send message class “Transfer Monitoring Inform” to place students on the NSLDS monitoring list.

NSLDS will monitor these students for a change in financial aid history that may affect their current awards and alert you when: a new loan or grant is being awarded, a new disbursement is made on a loan or grant, or a loan or grant (or a single disbursement) is cancelled. This process helps to ensure that Pell Grant annual and lifetime borrowing limits (as applicable) are not exceeded. If any changes are detected for a student, NSLDS will alert the school.

OFA will hold disbursements of financial aid for 8 days after the student has been placed on the monitoring list. This wait period allows time for NSLDS to send any relevant new information. Students who have received aid from multiple institutions must be manually reviewed before any disbursements will be made.