

Awarding and Disbursing in Nonstandard & Nonterm Calendars


2013 MASFAP Spring Conference

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Academic Calendar Looking Different Now?

Semester 16 Weeks				Semester 16 Weeks			
Mod 1 4 weeks	Mod 2 4 weeks	Mod 3 4 weeks	Mod 4 4 weeks	Mod 5 4 weeks	Mod 6 4 weeks	Mod 7 4 weeks	Mod 8 4 weeks
Mod A 8 weeks		Mod B 8 weeks		Mod C 8 weeks		Mod D 8 weeks	
Mod 1a 5 weeks	Mod 2a 5 weeks	Mod 3a 5 weeks	J term 1 week	Mod 4a 5 weeks	Mod 5a 5 weeks	Mod 6a 5 weeks	
Mod 1b 8 weeks		Mod 2b 16 weeks			Mod 3b 8 weeks		



Applicable Citations

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



Academic Calendar & Terms

- Standard Terms
 - Semester & Trimester
 - Generally 14-17 weeks
 - Progress measured in credit hours
 - Academic Year is 24 credit hours/30 weeks
 - Quarters
 - Generally 10-12 weeks
 - Progress measured in quarter hours
 - Academic Year is 36 quarter hours/30 weeks

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Enrollment Status

- Pell
 - Must recalculate if student doesn't begin attendance in all classes
- Loans
 - Are not required to recalculate loan need based on a change in enrollment status after origination
 - May not deliver undisbursed proceeds if student drops below half-time

* Begin Attendance Cite: 34 CFR 668.21

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Delivering Pell & Loan

- Pell – Traditional Calendar may use Formula 1 (if FT is 12) or Formula 3
- DL – If loan period is more than one payment period, must disburse at least once per payment period
- DL – If loan period is one payment period, must make at least two disbursements with second after calendar midpoint*


* Unless meets low CDR exception

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Formula 3 Highlights

- Enrollment status is different for nonstandard terms
- Cost of attendance proration may apply
- Pell payment per payment period is determined using number of weeks in the nonstandard term

Process – Pell, Term Based




Academic Calendars

Nonstandard Terms

- Nonstandard Terms
 - All coursework is expected to begin and end within a set period of time that are not semester, trimester or quarter terms
 - May not be able to use standard term's dates for disbursement purposes*


* Is becoming more of a compliance issue recently



Enrollment Status

Nonstandard Terms

- Undergraduate program must be calculated for each term based on:
 - Academic Year in weeks and hours, and
 - Weeks of Instructional Time in the term
- When calculating full-time and other enrollment statuses, all fractions are rounded up



Enrollment Status

Nonstandard Terms

- Pell
 - Must recalculate if student doesn't begin attendance in all classes
- Loans
 - Not required to recalculate based on change in enrollment status
 - May not deliver undisbursed proceeds if student drops below half-time

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Delivering Pell & Loan

Nonstandard Terms

- Pell – Non-Traditional Calendar *MUST* use Formula 3
- DL – Minimum loan period is generally lesser of academic year or program
 - May be greater than an academic year
- DL – If terms are substantially equal, the loan period may be a term

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Delivering Pell & Loan

Nonstandard Terms

- DL – Loan Period may not exceed 12 months
- DL – If terms are substantially equal in length, delivery is in substantially equal amounts by payment period
- DL – If loan period is one payment period, must be at least two disbursements* and second must be after midpoint

* Unless meets low CDR exception

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Delivering Pell & Loan

Nonstandard Terms

- DL – If terms are not substantially equal in length, delivery is not by payment period
- DL – Delivery of the second half of the loan proceeds after the later of –
 - Calendar midpoint between start and last scheduled days in the loan period
 - The date the student has completed half of academic coursework in the loan period

Nonstandard Term Disbursement Timing

16 week semester, Nonstandard Terms, not substantially equal in length and timing of disbursements, FALL ONLY and 2 disbursements required, Pell by term and Loans after ½ weeks and ½ hours

Nonstandard Terms

Nonstandard Term Not Substantially Equal in Length Example

School defines Academic Year as 24 credit hours and 30 weeks with 3 nonstandard terms that are not substantially equal in length Mod NSE1 is 10 weeks, Mod NSE2 is 6 weeks, Mod NSE3 is 14 weeks, Pell and CB are disbursed by term and Direct Loan payment periods would be 15 weeks long

Nonstandard Terms

Academic Calendars

Nonterm

- Nonterm characteristics
 - Clock hour programs are always nonterm
 - Progress measured in successfully completed credit hours is nonterm if it has:
 - Courses that don't begin & end in a set period of time;
 - Courses that overlap terms;
 - Self-paced and independent study that overlap terms; or
 - Sequential courses that do not begin and end within a term

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Academic Calendars

Nonterm

- Nonterm characteristics
 - Payment periods are divisions of the academic program based on hours and, if clock hours, weeks of instructional time

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Enrollment Status

Nonterm

- Full time = academic year definition
- Pell:
 - Clock hours – Full time
 - Credit hour, Nonterm – Must be at least half-time or less-than-half-time for COA
- Loans: at least half-time for determining eligibility

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Nonterm

Delivering Pell & Loan

- Pell – Formula 4
- DL – Loan Period
 - Minimum loan period is the lesser of:
 - The academic year, or
 - The length of the program
 - If program is greater than an academic year, the remaining portion, if less than academic year, may be a loan period

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Nonterm

Delivering Pell and Loan

- DL
 - The school may not deliver the 2nd half of the loan proceeds until the later of:
 - The calendar midpoint between the first and last scheduled days of the loan period; or
 - The date that the student has completed half of the academic coursework in the loan period

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Nonterm program Example

School has a nonterm credit hour program comprised of scheduled 4 week courses. School doesn't consider the program to be self-paced. Academic Year is 24 credit hours and 32 weeks with 8 nonterm modules. School can't make 2nd disbursement until student successfully completes ½ the hours and ½ the weeks.

Mod 1 4 weeks	Mod 2 4 weeks	Mod 3 4 weeks	Mod 4 4 weeks
Mod 5 4 weeks	Mod 6 4 weeks	Mod 7 4 weeks	Mod 8 4 weeks

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Disbursement by Payment Period Required Chart

2012-13 FSA Handbook
Page 3-18

Table 3 — Calculating Awards & Packaging, 2012-13

Disbursement by Payment Period Required
(except as provided in the discussion following this chart)

Program Type	Direct Loan	Fed, TEACH, FSEOG, & Perkins Loan
Credit hour programs offered in standard terms: 6 nonstandard term programs offered in terms that are substantially equal in length.	Term	Term
Credit hour programs offered in nonstandard terms that are not substantially equal in length.¹	The payment period is the successful completion of: <ul style="list-style-type: none"> • half of the weeks of instructional time in the academic year/program less than an academic year; and • half of the credit hours in the academic year/program less than an academic year. For the remainder of a program equal to or less than half of an academic year, the payment period is the remainder of the program.	Term
Clock hour programs and nonterm credit hour programs.	The payment period is the successful completion of: <ul style="list-style-type: none"> • half of the weeks of instructional time in the academic year/program less than an academic year; and • half of the clock/credit hours in the academic year/program less than an academic year. For the remainder of a program equal to or less than half of an academic year, the payment period is the remainder of the program.	The payment period is the successful completion of: <ul style="list-style-type: none"> • half of the weeks of instructional time in the academic year/program less than an academic year; and • half of the clock/credit hours in the academic year/program less than an academic year. For the remainder of a program equal to or less than half of an academic year, the payment period is the remainder of the program.

The payment period is the successful completion of:

- half of the weeks of instructional time in the academic year/program less than an academic year; and
- half of the clock/credit hours in the academic year less than an academic year.

Nonstandard completion means that the student has earned a passing grade or otherwise received credit for the weeks or clock hours in the payment period. If a program is offered in a combination of standard and nonstandard terms and the program does not qualify to use a "50% Plan" for Direct Loan purposes, the program is subject to the disbursement requirements that apply to nonstandard programs that are not substantially equal in length.

Program offered in Modules


- 668.22(l)(6)
 - A program is “offered in modules if a course or courses in the program do not span the entire length of the payment period or period of enrollment
- Student considered to be a withdrawal if does not complete ALL days scheduled to complete within payment period

Academic Calendar Looking Different Now - Revisited

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Mod A 8 weeks		Mod B 8 weeks		Mod C 8 weeks		Mod D 8 weeks	
Mod 1a 5 weeks	Mod 2a 5 weeks	Mod 3a 5 weeks	<small>J term 1 week</small>	Mod 4a 5 weeks	Mod 5a 5 weeks	Mod 6a 5 weeks	
Mod 1b 8 weeks		Mod 2b 16 weeks			Mod 3b 8 weeks		

Timing of Disbursement


- Standard Terms
 - Generally 10 days before the first day of classes for that payment period
 - Student's period of enrollment begins with their first day of attendance
 - Eg. Doesn't enroll in the first module of the semester
- Credit Hour Nonterm & clock hour
 - 10 days before first day of classes for payment period, or
 - The date the student completed the previous payment period for which they received FSA funds



Not enrolled in first module


Mod 1 4 weeks	Mod 2 4 weeks	Mod 3 4 weeks	Mod 4 4 weeks
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- When does this student's loan period begin?
 - First day of class of Mod 2
 - Actual first day of expected attendance
 - How early can you disburse?
 - Cash Mgmt Rules: Disburse 10 days before begins attendance
 - New borrower, 30 day count starts on day 1 of Mod 2



Disbursement Timing Citations

- Disbursement by payment period:
 - 34 CFR 668.164(b),
 - HEA Sec. 428G(a)
- Early disbursements: 34 CFR 668.164(f)
 - 30-day delay for 1st-time Stafford borrowers:
 - 34 CFR 685.303(b)(3)
- Disbursement of 2nd & subsequent disbursements:
 - 34 CFR 685.301(b)(3)



Questions ???




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29 US Department of Education



THANK YOU

Feedback on Training

Presentation Evaluation Survey for this presentation:
<https://s.zoomerang.com/s/DavidBartlett>

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30 US Department of Education
