



Clock Hour Transfer and Re-Entries

Dr. Jeanne Schurman
Thursday, May 25, 2023



Disclaimer

- Members of the Association recognize that one of the purposes of the Association is to provide training and informational services to its members through training conferences and periodic written material. While the Association shall utilize its best efforts to provide its members with the most current information available, there can be no assurances or warranty that its interpretation of any rule, regulation or statute will be in conformance with any present or future interpretation of such rule, regulation or statute by any appropriate governmental authority. Accordingly, each member shall hold the Association harmless from any claims, damages, or liability resulting from such member's use of any information, data, or interpretations as provided to such members by the Association.

A pair of black-rimmed glasses with a slight reflection on the lenses, resting on a stack of books. A red ribbon bookmark is visible on the left side of the books. The background is blurred, showing more books and a wooden surface.

Transfer Students

- Three questions to consider
 - Did the student attend a previous school?
 - Did the student receive Federal PELL Grant and/or a Direct Loan at the previous school?
 - Has the academic year at the previous school for which the loan was intended ended?

Calculating PELL for Transfer Students



- Determine percentage of scheduled award received year-to-date (prior school)
- Subtract percentage used from 150% and determine amount of initial PELL and additional PELL remaining.
- Multiply remaining percentage by the scheduled award at your school
- Addition steps involved if accepting hours.
- Remember: Use percentages, not dollars

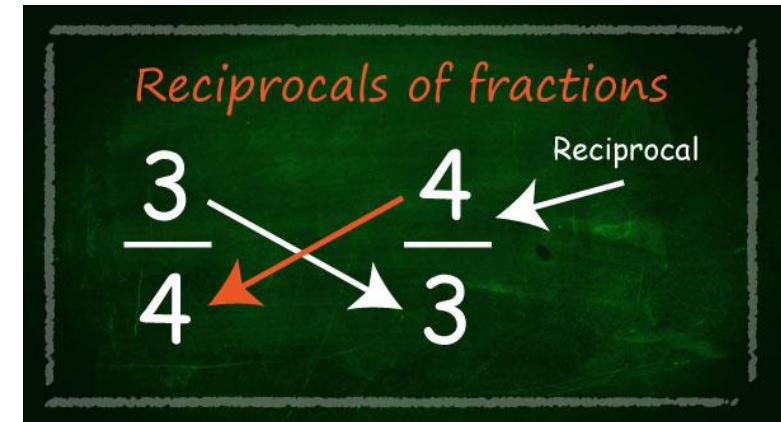
Calculating PELL for Transfer Students


- Determine percentage of PELL received at previous school during award year
 - $\frac{\text{PELL disbursed at prior school}}{\text{Scheduled Award at prior school}} = \% \text{ of Scheduled Award used}$
 - Subtract result from 150% (e.g. $150\% - 80\% = 70\%$)
- End result is maximum percentage of the Scheduled Award that the student may receive at the new school
 - Remember to break out initial PELL from additional PELL amounts to ensure enrollment status criteria met

- Multiply remaining % by the scheduled award at your school
 - Example: $70\% \times \$6895 = 4826.50$
- Pay the normal amount in each payment period, up to the remaining amount
- Give the student the full amount for each payment period, rather than trying to ration the remaining amount by splitting it evening across the remaining terms

Remember: If hours are transferred into a program, the length of the program is the number of clock hours and weeks that the transfer student will be required to complete in the new program.

Calculating PELL for Transfer Students



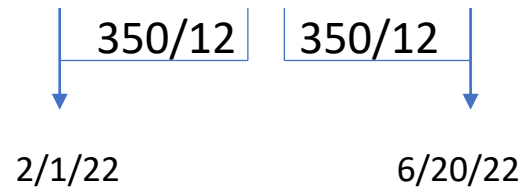


Example #1 (22/23) - Sebastian

- Sebastian transfers from **Avenger's Academy** from **Marvel Institute** during the 2022-2023 award year
- **Marvel Institute** scheduled award - \$5,000
- **Marvel Institute** disbursed in 2022-2023 - \$4,000
- Percentage used at **Marvel Institute** is $4000/5000 = 80\%$
- **Avenger's Academy** schedule award is \$6895 (0 EFC)
- $150\% - 80\% = 70\%$ remaining eligibility at **Avenger's Academy**
- 20% initial PELL; 50% additional PELL
- $\$6895 \times 70\% = \4336.50

Example #2 (22/23) - Ruth

- Ruth enrolls into a 1500 hour program at Avenger's Academy
- Avenger's Academy accepts 800 clock hours from Marvel Institute
- Ruth's program is $1500 - 800 = 700$ clock hours
 - Weeks based on what it will take Ruth to complete 700 hours
 - Avenger's Academy says it will take Ruth 24 wks to complete 700 hours
- Payment periods are 350 hrs/12 weeks; 350 hrs/12 wks



- AY definition at Avenger's Academy is 900 hours and 26 weeks



Example #2 (22/23) - Ruth

Scheduled award multiplied by *lesser by*:

$$\frac{\text{Clock hours in the payment period (350)}}{\text{Clock hours in the AY (900)}} = 0.39 \text{ (use hours since lesser)}$$

OR

$$\frac{\text{Weeks in the payment period (12)}}{\text{Weeks in the A/Y (26)}} = 0.46$$

Scheduled award: \$6,895; **70% remaining** at Avenger's Academy (\$4,826.50)

PP1: \$6,895 x 350/900 = \$2,681.39 – **38.9%** total PELL at Avenger's Academy

- \$1,379 initial PELL (20%)
- \$1,302.39 additional PELL (18.9%) – *must be ½ time*

PP2: \$6895 X 350/900 = \$2,681.39 – (**Only receive \$2,145.11**) – **70%** total PELL

- \$2,145.11 additional PELL (31.1%) – *must be ½ time*

Total PELL received at Avenger's Academy – \$2,681.39 + \$2,145.11 = \$4,826.50

Transfer Students in clock-hour programs

Direct Loans

When Overlapping Academic Years Occur

- Student withdraws from School A program before completing an academic year
 - Called an “Abbreviated Loan Period”
- Student begins attendance at School B before academic year from School A is complete
 - If new loan period is less than a defined academic year, then it must be prorated

Obtaining Academic Year Dates

- A school can obtain specific begin and end dates of the prior school's academic year by:
 - Obtaining documentation from the prior school,
OR
 - Look for the academic year dates of Direct Loans originated by the prior school on the “award detail information page” in COD





Transfer Student Example

- Student attends School A with an academic year beginning 9/18/21 and ending 3/13/22
- Student withdraws from School A on 11/29/21
- As grade level 1 student, this student received \$1,750 in Sub and \$1000 in Unsub
- Student begins attendance at School B as a grade level 1 student on 12/16/21
- Student may only receive remaining portion of loan not used until completion of School A's academic year.

Transfer Student Example

School A: Used \$1,750 Sub and \$1,000 Unsub

School A's Academic Year

9/18/21 —————→ **3/13/22**

School B Loan Period

12/16/21 —————→ **03/13/22**

School B: Student eligible for
remaining \$1,750 Sub and \$1,000
Unsub

**School B: New Loan
Period may begin on
3/14/22**

**Withdrew
11/29/21**





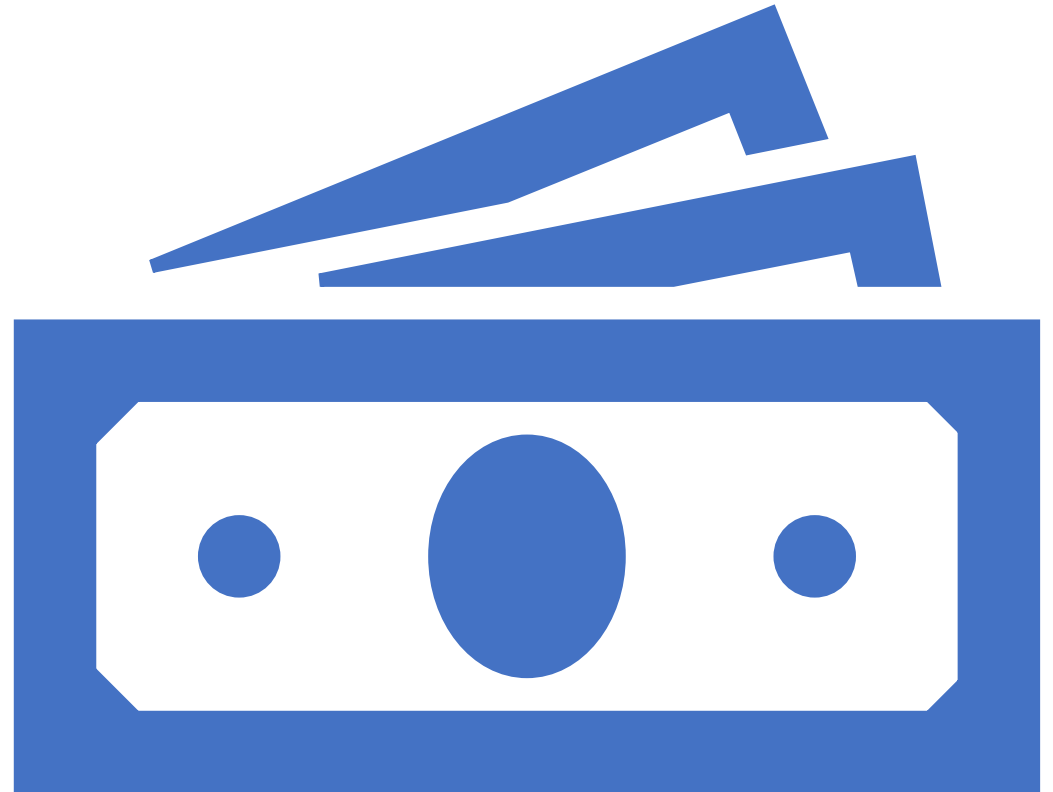
Basic Principles

- The abbreviated loan period starts when the student starts at school B
- The abbreviated loan period ends when the AY would have ended at School A and it does ***not matter how many hours or weeks of instructional time the student has completed***
- The amount that can be borrowed in the abbreviated loan period is the annual loan limit from School B minus any loan funds disbursed at School A for the overlapping Academic Year.



Basic Principles Cont.

- The first disbursement of the remaining balance loan borrowed, for attendance at School B, would be disbursed at the beginning of the loan period. The loan must be disbursed in at least two disbursements over the abbreviated loan period, unless School B is subject to the low CDR rule, with the second disbursement of the loan disbursed at the calendar midpoint of the abbreviated loan period regardless of how many clock-credit hours or weeks of instructional time have been completed.

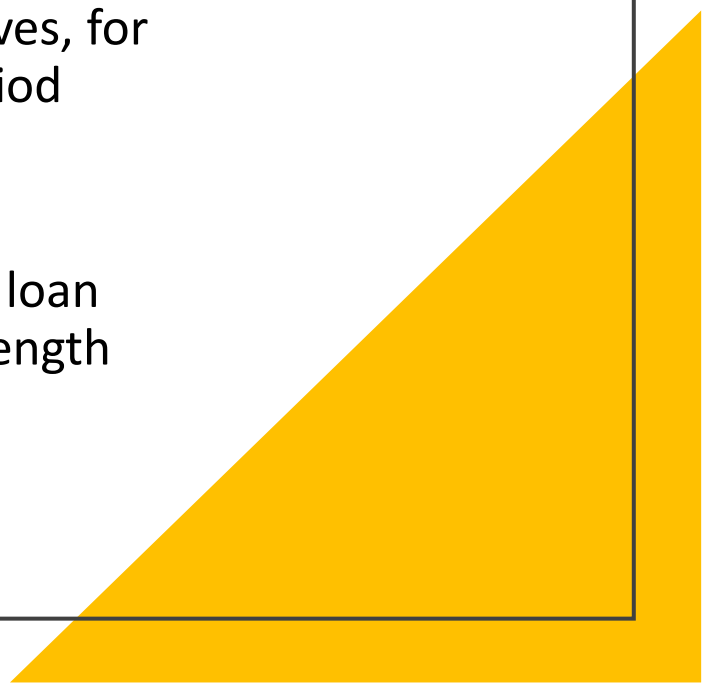


Basic Principles Cont.

- The next loan period at School B would begin the day after the last day of the abbreviated loan period.
- The next loan period would be subject to the normal BBAY3 rules in that the student must complete hours and weeks of instructional time before qualifying for the second disbursement and to progress to the next academic year for annual loan limit purposes.

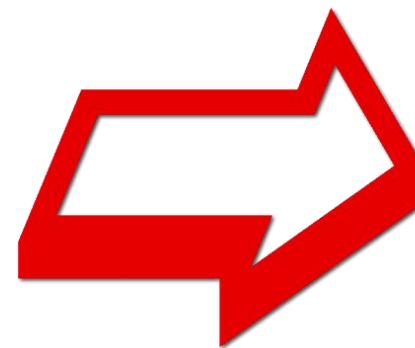
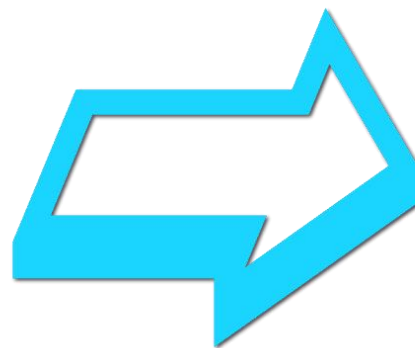
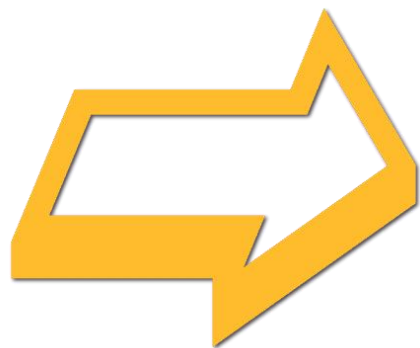


Basic Principles

- When a borrower transfers into a program that is shorter than an academic year the maximum loan amount that the student receives, for both the “abbreviated loan period” and any subsequent loan period combined, may not exceed the statutory prorated limit.
 - When determining the amount of loan funds for the abbreviated loan period, the school must use the actual COA associated with the length of the abbreviated loan period.
- 
- A large yellow right-angled triangle is positioned in the bottom right corner of the slide, pointing towards the top right.

Return/Re-entry after Withdrawal

SCHOOL



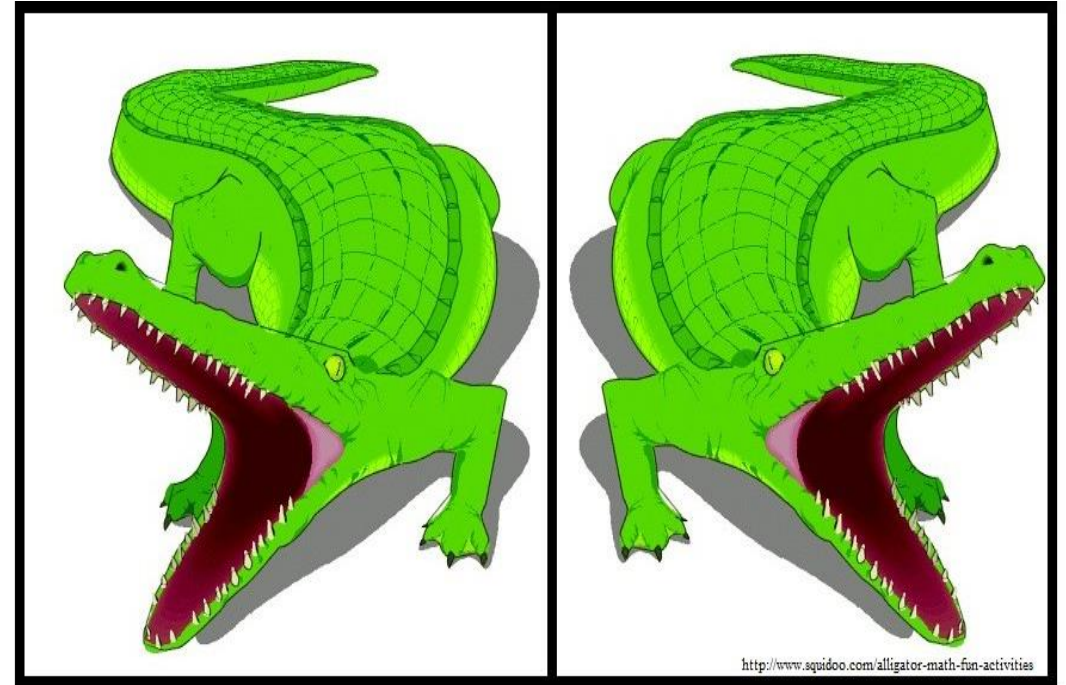
Re-Entry/Return <180 days

- Determine when the student's last day of attendance was from the program.
- Last day of attendance is less than 180 days (<) from their re-entry/return date, student is eligible for the funds that were returned to DoE from the R2T4 calculation.
- Payment period must be extended to complete the number of hours/weeks for the program's payment period within the academic year.

- Johnny left Avenger Academy and his LDA was 11/1/2022.
- R2T4 calculation yielded a refund to DoE for PELL in the amount of \$1400 (original award \$6895) He only completed 40% of Pay Period 1.
- His return date is 4/15/2023.
- Johnny is only entitled to \$1400 that was returned for the number of hours left to complete a 450 hour pay period.
- His original pay period end date will be extended to the end of the remaining 270 clock hours

Re-entry/Return > 180 days

- Student withdraws and returns after 180 days from his/her last day of attendance.
- The student is considered to have begun a “new program” and therefore their financial aid will start fresh
- Any clock hours that might transfer over must be taken into consideration and be treated as transfer hours.

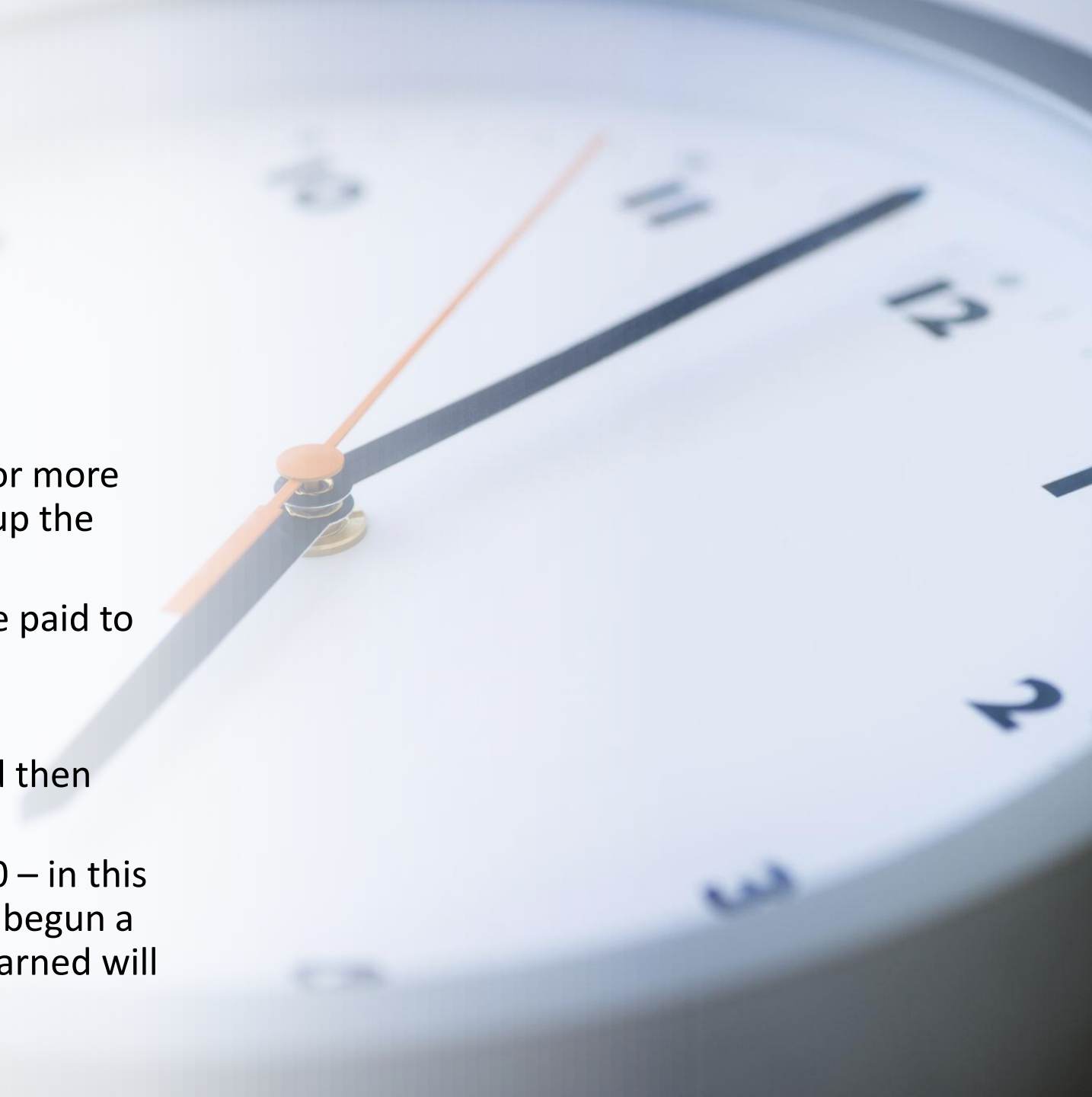


Greater/Lesser



Repeat Coursework

- A student can never be paid Title IV funds for more than the number of clock-hours that make up the official program definition.
- In a clock-hour program, students cannot be paid to repeat clock-hours in the same program
- Exception:
 - If a student completes the program and then retakes the entire program over again
 - Student withdraws and return after 180 – in this case, the student is considered to have begun a new program (though previous hours earned will still count towards SAP)





Resources

- FSA Handbook
 - Volume 3, chapter 1: Academic Year Definition, Pay Period Definition.
 - <https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2022-2023/vol3>
 - Volume 3, Chapter 3: Pell Calculations
 - <https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2022-2023/vol3/ch3-calculating-pell-and-iraq-and-afghanistan-service-grant-awards>
- Gen 17-06
 - Year-round PELL



Any
Questions