

**Off. of Postsecondary Educ., Education**

**§ 676.10**

Academic Competitiveness Grant (ACG) Program  
 Academic year  
 Award year  
 Clock hour  
 Enrolled  
 Expected family contribution (EFC)  
 Federal Family Education Loan (FFEL)  
 Federal Pell Grant Program  
 Federal Perkins Loan Program  
 Federal PLUS Program  
 Federal SLS Program  
 Federal Work-Study (FWS) Program  
 Full-time student  
 HEA  
 National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) Program  
 Payment period  
 Secretary  
 Teacher Education Assistance for College and Higher Education (TEACH) Grant Program  
 TEACH Grant  
 Undergraduate student

(b) The Secretary defines other terms used in this part as follows:

*\*Financial need:* The difference between a student's cost of attendance and his or her EFC.

*\*Institution of higher education (institution):* A public or private nonprofit institution of higher education, a proprietary institution of higher education, or a postsecondary vocational institution.

*\*Need-based employment:* Employment provided by an institution itself or by another entity to a student who has demonstrated to the institution or the entity (through standards or methods it establishes) a financial need for the earnings from that employment for the purpose of defraying educational costs of attendance for the award year for which the employment is provided.

(Authority: 20 U.S.C. 1070g, 1087aa-1087ii)

[52 FR 45778, Dec. 1, 1987, as amended at 53 FR 52582, Dec. 28, 1988; 57 FR 32357, July 21, 1992; 59 FR 61421, Nov. 30, 1994; 60 FR 61815, Dec. 1, 1995; 61 FR 60608, Nov. 29, 1996; 69 FR 12276, Mar. 16, 2004; 71 FR 38003, July 3, 2006; 72 FR 62030, Nov. 1, 2007; 73 FR 35495, June 23, 2008]

**§§ 676.3-676.7 [Reserved]**

**§ 676.8 Program participation agreement.**

To participate in the FSEOG program, an institution shall enter into a participation agreement with the Sec-

retary. The participation agreement provides, among other things, that the institution shall—

(a) Use the funds it receives solely for the purposes specified in this part; and

(b) Administer the FSEOG program in accordance with the HEA, the provisions of this part, and the Student Assistance General Provisions regulations, 34 CFR part 668.

(Authority: 20 U.S.C. 1070b *et seq.*, and 1094)

[52 FR 45778, Dec. 1, 1987, as amended at 59 FR 61421, Nov. 30, 1994]

**§ 676.9 Student eligibility.**

A student at an institution of higher education is eligible to receive an FSEOG for an award year if the student—

(a) Meets the relevant eligibility requirements contained in 34 CFR 668.32;

(b) Is enrolled or accepted for enrollment as an undergraduate student at the institution; and

(c) Has financial need as determined in accordance with part F of title IV of the HEA. A member of a religious order (an order, community, society, agency, or organization) who is pursuing a course of study at an institution of higher education is considered to have no financial need if that religious order—

(1) Has as its primary objective the promotion of ideals and beliefs regarding a Supreme Being;

(2) Requires its members to forego monetary or other support substantially beyond the support it provides; and

(3) Directs the member to pursue the course of study or provides subsistence support to its members.

(Authority: 20 U.S.C. 1070b-1, 1070b-2 and 1091)

[52 FR 45778, Dec. 1, 1987, as amended at 59 FR 61421, Nov. 30, 1994; 62 FR 50848, Sept. 26, 1997]

**§ 676.10 Selection of students for FSEOG awards.**

(a)(1) In selecting among eligible students for FSEOG awards in each award year, an institution shall select those students with the lowest expected family contributions who will also receive Federal Pell Grants in that year.

**§§ 676.11–676.15**

**34 CFR Ch. VI (7–1–08 Edition)**

(2) If the institution has FSEOG funds remaining after giving FSEOG awards to all the Federal Pell Grant recipients at the institution, the institution shall award the remaining FSEOG funds to those eligible students with the lowest expected family contributions who will not receive Federal Pell Grants.

(b) *Part-time and independent students.* If an institution's allocation of FSEOG funds is directly or indirectly based in part on the financial need demonstrated by students attending the institution as less-than-full-time or independent students, a reasonable portion of the allocation must be offered to those students.

(Authority: 20 U.S.C. 1070b-2)

[52 FR 45778, Dec. 1, 1987, as amended at 59 FR 61420, 61421, Nov. 30, 1994; 64 FR 58294, Oct. 28, 1999]

**§§ 676.11–676.15 [Reserved]**

**§ 676.16 Payment of an FSEOG.**

(a)(1) Except as provided in paragraphs (b) and (e) of this section, an institution shall pay in each payment period a portion of an FSEOG awarded for a full academic year.

(2) The institution shall determine the amount paid each payment period by the following fraction:

FSEOG

—  
N

where:

FSEOG=the total FSEOG awarded for an academic year and N=the number of payment periods that the institution expects the student will attend in that year.

(3) An institution may pay the student, within each payment period, at such times and in such amounts as it determines best meets the student's needs.

(b) If a student incurs uneven cost or estimated financial assistance amounts during an academic year and needs additional funds in a particular payment period, the institution may pay FSEOG funds to the student for those uneven costs.

(c) An institution shall disburse funds to a student or the student's ac-

count in accordance with the provisions in §668.164.

(d)(1) The institution shall return to the FSEOG account any funds paid to a student who, before the first day of classes—

(i) Officially or unofficially withdraws; or

(ii) Is expelled.

(2) A student who does not begin class attendance is deemed to have withdrawn.

(e) A correspondence student shall submit his or her first completed lesson before receiving an FSEOG payment.

(Approved by the Office of Management and Budget under control number 1840-0535)

(Authority: 20 U.S.C. 1070b. 1091)

[52 FR 45778, Dec. 1, 1987, as amended at 53 FR 49147, Dec. 6, 1988; 57 FR 32357, July 21, 1992; 59 FR 61420, 61421, Nov. 30, 1994; 59 FR 61722, Dec. 1, 1994; 61 FR 60396, Nov. 27, 1996; 61 FR 60608, Nov. 29, 1996; 71 FR 45698, Aug. 9, 2006; 72 FR 62030, Nov. 1, 2007]

**§ 676.17 [Reserved]**

**§ 676.18 Use of funds.**

(a) *General.* An institution may use its FSEOG allocation and reallocation only for—

(1) Making grants to eligible students; and

(2) Paying administrative expenses as provided for in 34 CFR 673.7.

(b) *Transfer back of funds to FWS.* An institution shall transfer back to the FWS program any funds unexpended at the end of the award year that it transferred to the FSEOG program from the FWS program.

(c) *Carry forward funds.* (1) An institution may carry forward and expend in the next award year up to 10 percent of the sum of its initial and supplemental FSEOG allocations for the current award year.

(2) Before an institution may spend its current year FSEOG allocation, it must spend any funds carried forward from the previous year.

(d) *Carry back funds.* An institution may carry back and expend in the previous award year up to 10 percent of the sum of its initial and supplemental FSEOG allocations for the current award year. The institution's official