

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(2) A student who does not begin class attendance is deemed to have withdrawn.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

Off. of Postsecondary Educ., Education

§ 676.21

allocation letter represents the Secretary's approval to carry back funds.

(e) *Use of funds carried forward and carried back.* An institution may use the funds carried forward or carried back under paragraphs (c) and (d) of this section, respectively, for activities described in paragraph (a) of this section.

(f) *Carry back funds for summer FSEOG awards.* An institution may carry back and expend in the previous award year any portion of its initial and supplemental FSEOG allocations for the current award year to make awards to eligible students for payment periods that begin on or after May 1 of the previous award year but end prior to the beginning of the current award year.

(Authority: 20 U.S.C. 1070b *et seq.*, 1095 and 1096)

[52 FR 45778, Dec. 1, 1987, as amended at 57 FR 32357, July 21, 1992; 59 FR 61420, 61421, Nov. 30, 1994; 61 FR 60396, Nov. 27, 1996; 64 FR 58294, Oct. 28, 1999]

§ 676.19 Fiscal procedures and records.

(a) *Fiscal Procedures.* (1) In administering its FSEOG program, an institution shall establish and maintain an internal control system of checks and balances that insures that no office can both authorize payments and disburse funds to students.

(2) An institution shall maintain funds received under this part in accordance with the requirements in § 668.163.

(b) *Records and reporting.* (1) An institution shall follow the record retention and examination provisions in this part and in 34 CFR 668.24.

(2) An institution shall establish and maintain program and fiscal records that are reconciled at least monthly.

(3) Each year an institution shall submit a Fiscal Operations Report plus other information the Secretary requires. The institution shall insure that the information reported is accurate and shall submit it on the form

and at the time specified by the Secretary.

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

(Authority: 20 U.S.C. 1070b, 1094, and 1232f)

[52 FR 45778, Dec. 1, 1987, as amended at 53 FR 49147, Dec. 6, 1988; 59 FR 61421, Nov. 30, 1994; 59 FR 61722, Dec. 1, 1994; 60 FR 61815, Dec. 1, 1995; 61 FR 60493, Nov. 27, 1996; 62 FR 50848, Sept. 26, 1997]

§ 676.20 Minimum and maximum FSEOG awards.

(a) An institution may award an FSEOG for an academic year in an amount it determines a student needs to continue his or her studies. However, except as provided in paragraph (c) of this section, an FSEOG may not be awarded for a full academic year that is—

- (1) Less than \$100; or
- (2) More than \$4,000.

(b) For a student enrolled for less than a full academic year, the minimum allowable FSEOG may be proportionately reduced.

(c) The maximum amount of the FSEOG may be increased from \$4,000 to as much as \$4,400 for a student participating in a program of study abroad that is approved for credit by the home institution, if reasonable costs for the study abroad program exceed the cost of attendance at the home institution.

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

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

§ 676.21 FSEOG Federal share limitations.

(a) Except as provided in paragraph (b) of this section, for the 1993-94 award year and subsequent award years, the Federal share of the FSEOG awards made by an institution may not exceed 75 percent of the amount of FSEOG awards made by that institution.

(b) The Secretary authorizes, for each award year, a Federal share of 100 percent of the FSEOGs awarded to students by an institution that—

(1) Is designated as an eligible institution under—

- (i) The Developing Hispanic-Serving Institutions Program (34 CFR part 606);
- (ii) The Strengthening Institutions Program, American Indian Tribally