§ 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)

§ 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.

(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)

§§ 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 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)

§§ 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.

(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 account 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 with-
   draws; 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 les-
son before receiving an FSEOG pay-
ment.

(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 60398, Nov. 29, 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 stu-
   dents; 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 trans-
  ferred to the FSEOG program from the
   FWS program.
   (c) Carry forward funds. (1) An insti-
   tution may carry forward and expend
   in the next award year up to 10 percent
   of the sum of its initial and supple-
   mental FSEOG allocations for the cur-
   rent 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 pre-
   vious 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
   allocation letter represents the Sec-
   retary’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 sec-
   tion.
   (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 supple-
   mental FSEOG allocations for the cur-
   rent award year to make awards to eli-
   gible students for payment periods that
   begin on or after May 1 of the previous
   award year but end prior to the begin-
   ning 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 60398, Nov. 27, 1996; 64 FR
58294, Oct. 29, 1999]

§ 676.19 Fiscal procedures and records.
   (a) Fiscal Procedures. (1) In admin-
   istering its FSEOG program, an insti-
   tution 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 ac-
   cordance with the requirements in §668.163.
   (b) Records and reporting. (1) An insti-
   tution 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 re-
   quires. The institution shall insure
   that the information reported is accu-
   rate and shall submit it on the form
   and at the time specified by the Sec-
   retary.
   (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]