

Federal Supplemental Educational Opportunity Grant (FSEOG) Institutional Policy

Effective Date: 10-08-2025

Policy Owner: Office of Financial Aid

Approved By: Methodist College

Last Reviewed: 10-08-2025

1. Purpose and Scope

The purpose of this policy is to establish standardized, compliant procedures for awarding and disbursing funds through the Federal Supplemental Educational Opportunity Grant (FSEOG) Program. This ensures the institution meets all regulatory requirements set forth by the U.S. Department of Education and prioritizes students with exceptional financial need.

This policy applies to all financial aid staff and administrators involved in the awarding, disbursing, and reporting of FSEOG funds at [Institution Name].

2. Regulatory Authority

- Title IV of the Higher Education Act of 1965, as amended
 - 34 CFR Part 676
 - Federal Student Aid (FSA) Handbook – Campus-Based Programs
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3. Eligibility Criteria

To receive FSEOG funds, a student must:

- Be a U.S. citizen or eligible non-citizen;
- Be enrolled or accepted for enrollment in an eligible program at [Institution Name];
- Demonstrate exceptional financial need;

- Have a valid FAFSA on file;
- Be eligible for and have received a Federal Pell Grant for the award year; and
- Maintain Satisfactory Academic Progress (SAP) in accordance with institutional policy.

Note: Students with the lowest Student Aid Index (SAI) who are Pell Grant recipients must receive priority consideration for FSEOG funds.

4. Awarding Priorities

- **Priority Group 1:** Pell Grant recipients with the lowest SAI, as determined by the FAFSA and institutional packaging policy.
 - **Priority Group 2:** Remaining eligible students with demonstrated need, if funds remain after Priority Group 1 is awarded.
 - Awards must not cover unpaid balances for students who have not accepted other financial aid or whose accounts reflect errors.
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5. Award Amounts

- Minimum annual award: \$100
 - Maximum annual award: \$4,000 (or up to institutional cost of attendance, as applicable)
 - The exact amount awarded to each student will be determined by the availability of funds, number of eligible students, and packaging policy.
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6. Disbursement Procedures

- Awards will be disbursed through the institution's regular financial aid disbursement schedule.
- Funds are credited directly to the student's account to pay allowable institutional charges or refunded to the student, in accordance with federal regulations.

- FSEOG funds cannot be held to resolve account errors or institutional debts outside of allowable educational expenses.
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7. Internal Controls and Oversight

To ensure compliance:

- Awarding decisions must be documented in the student's financial aid file.
 - Separation of duties is maintained between staff awarding and staff disbursing funds.
 - The Financial Aid Director (or designee) reviews FSEOG awarding at least once per semester.
 - Periodic reconciliations are completed between the Business Office and Financial Aid Office.
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8. Risk Management and Audit Readiness

The institution will:

- Maintain records of all awarding methodologies and transactions for at least three years after the end of the award year;
- Conduct internal reviews to verify compliance with 34 CFR 676;
- Address findings or discrepancies immediately with corrective action plans;
- Cooperate fully with external audits and program reviews.

Potential risks:

- Noncompliance with awarding priority rules;
- Over-awarding or use of funds for ineligible purposes;
- Failure to document financial need.

Mitigation measures: staff training, reconciliation procedures, written policy adherence,

and monitoring.

9. Reporting Requirements

- All FSEOG expenditures and student-level data will be reported in the Fiscal Operations Report and Application to Participate (FISAP) on time each year.
 - Any required adjustments will be reported promptly to maintain compliance with federal funding allocations.
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10. Policy Review and Revision

This policy will be reviewed annually by the Office of Financial Aid and updated as needed to ensure compliance with federal regulations and institutional practices. All updates must be approved by the Director of Financial Aid.

Appendices

- Appendix A: Regulatory References (34 CFR 676)
- Appendix B: Awarding Flowchart
- Appendix C: Risk and Control Matrix
- Appendix D: Sample Awarding Worksheet