

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

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**PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG)
AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO
RETAIN TALENT GRANT (NATIONAL SMART GRANT)
PROGRAMS**

Subpart A—Scope, Purpose and General Definitions

Sec. 691.1 Scope and purpose.

(a) The ACG Program awards grants to help eligible financially needy first- and second-year undergraduate students, who complete rigorous secondary school programs of study, meet the cost of their postsecondary education.

(b) The National SMART Grant Program awards grants to help eligible financially needy third- and fourth-year undergraduate students who are pursuing eligible majors in the physical, life, or computer sciences, mathematics, technology, or engineering or a critical foreign language meet the cost of their postsecondary education.

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Subpart A—Scope, Purpose and General Definitions

Sec. 691.2 Definitions.

(a) The following definitions used in this part are in the regulations for Institutional Eligibility under the Higher Education Act of 1965, as amended, 34 CFR part 600:

Award year
Clock hour
Correspondence course
Eligible institution
Regular student
Secretary
State
Title IV, HEA program

(b) The following definitions used in this part are in subpart A of the Student Assistance General Provisions, 34 CFR part 668:

Academic year
Enrolled
Expected family contribution
Federal Pell Grant Program
Full-time student
HEA
Payment period
Undergraduate student

(c) The following definitions used in this part are in 34 CFR part 77:

Local educational agency (LEA)
State educational agency (SEA)

(d) Other terms used in this part are:

ACG Scheduled Award: The amount of an ACG that would be paid to a full-time student for a full academic year.

Classification of Instructional Programs (CIP): A taxonomy of instructional program classifications and descriptions developed by the U.S. Department of Education's National Center for Education Statistics used to identify eligible majors for the National SMART Grant Program. Further information on CIP can be found at <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2002165>.

Eligible major: A major, as identified by the Secretary under Sec. 691.17, in one of the physical, life, or computer sciences, mathematics, technology, engineering, or a critical foreign language.

Eligible program: An eligible program as defined in 34 CFR 668.8 that—

(1) For purposes of the ACG Program, leads to an associate's degree or a bachelor's degree; is a two-academic-year program acceptable for full credit toward a bachelor's degree; or is a graduate degree program that includes at least 3 academic years of undergraduate education; or

(2) For purposes of the National SMART Grant Program, leads to a bachelor's degree in an eligible major or is a graduate degree program in an eligible major that includes at least 3 academic years of undergraduate education.

Institutional Student Information Record (ISIR): An electronic record that the Secretary transmits to an institution that includes an applicant's—

(1) Personal identification information;

(2) Application data used to calculate the applicant's EFC; and

(3) EFC.

National SMART Grant Scheduled Award: The amount of a National SMART Grant that would be paid to a full-time student for a full academic year.

Payment Data: An electronic record that is provided to the Secretary by an institution showing student disbursement information.

Student Aid Report (SAR): A report provided to an applicant by the Secretary showing the amount of his or her expected family contribution.

~~*Undergraduate student:* A student enrolled in an undergraduate course of study at an institution of higher education who—~~

~~(1) Has not earned a baccalaureate or first professional degree; and~~

~~(2) Is in an undergraduate course of study which usually does not exceed 4 academic years, or is enrolled in a 4 to 5 academic year program designed to lead to a first degree. A student enrolled in a program of any other length is considered an undergraduate student for only the first 4 academic years of that program.~~

Valid Institutional Student Information Record (valid ISIR): An ISIR on which all the information used in calculating the applicant's expected family contribution is accurate and complete as of the date the application is signed.

Valid Student Aid Report (valid SAR): A Student Aid Report on which all of the information used in calculating the applicant's expected family contribution is accurate and complete as of the date the application is signed.

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Subpart A—Scope, Purpose and General Definitions

Sec. 691.6 Duration of student eligibility— undergraduate course of study.

(a) A student is eligible to receive up to one ACG Scheduled Award during each of the student's first and second academic years of enrollment over the course of the student's ~~undergraduate education~~ **enrollment at an institution** in all eligible programs as defined in Sec. 691.2(d).

(b) A student is eligible to receive up to one National SMART Grant Scheduled Award during each of the student's third and fourth academic years of enrollment over the course of the student's ~~undergraduate education~~ **enrollment at an institution** in all eligible programs as defined in Sec. 691.2(d).

(c) A student may not receive more than two ACG Scheduled Awards and two National SMART Grant Scheduled Awards **during the student's undergraduate education in all eligible programs.**

~~(d) For an eligible student enrolled in a summer term of an eligible program for which the institution determines payments under Sec. 691.63(b) and (c), the student's summer term is considered to be—~~

~~(1) For an eligible program offered in semesters or trimesters with a single summer term that provides at least 12 semester or trimester hours of coursework, one-half of an academic year in weeks of instructional time under Sec. 691.63(b)(3)(i) and (c)(4)(i), or one-third of an academic year in weeks of instructional time under Sec. 691.63(b)(3)(ii) and (c)(4)(ii); or~~

~~(2) For an eligible program offered in quarters with a single summer term that provides at least 12 quarter hours of coursework, one-third of an academic year in weeks of instructional time under Sec. 691.63(b)(3)(i) and (c)(4)(i), or one-fourth of an academic year in weeks of instructional time under Sec. 691.63(b)(3)(ii) and (c)(4)(ii).~~

(d)(1)(i) Institutions must count credit or clock hours earned by a student toward a student's completion of the credit or clock hours of an academic year if the institution accepts those hours toward the student's eligible program, including credit or clock hours that are earned—

(A) From Advanced Placement (AP) programs, International Baccalaureate (IB) programs, testing out, life experience, or similar competency measures; or

(B) At an institution while not enrolled as a regular student in an eligible program.

(ii) Institutions may not count credit or clock hours awarded for coursework that is at less than the postsecondary level, such as remedial coursework. These credit or clock hours may not be considered in determining the credit or clock hours that a student has completed in an academic year.

(2)(i) An institution may not assign any weeks of instructional time to credit or clock hours accepted toward meeting the student's eligible program if the student earned the credit or clock hours—

(A) From Advanced Placement (AP) programs, International Baccalaureate (IB) programs, testing out, life experience, or similar competency measures;

(B) At a postsecondary institution while not enrolled as a regular student in an eligible program except as provided in paragraph (d)(2)(ii) of this section; or

(C) For coursework that is not at the postsecondary level, such as remedial coursework.

(ii) An institution must assign weeks of instructional time to determining National SMART Grant eligibility for periods in which a student was enrolled in an ACG eligible program prior to declaring, or certifying his or her intent to declare, an eligible major.

(3)(i) Except as provided in paragraph (d)(2)(ii) of this section, for a transfer student, an institution determining the academic years completed by the student must count—

(A) The number of credit or clock hours earned by the student at prior institutions that comply with paragraph (d)(1) of this section, and that the institution accepts on transfer into the student's eligible program; and

(B) The weeks of instructional time, except as prohibited in paragraph (d)(2) of this section, determined by multiplying the number of credit or clock hours that the institution accepts on transfer by the number of weeks of instructional time in the academic year and dividing the product of the multiplication by the credit or clock hours in the academic year.

(ii) For a student who transfers into an eligible program for which an institution determines estimated weeks of instructional time under paragraph (h) of this section, the institution must apply the credits accepted on transfer into the student's eligible program when determining the student's grade level in accordance with paragraphs (d)(2) and (h) of this section.

(e)(1) Except as provided in paragraph (e)(2) of this section, an institution must determine a student's progression in the weeks of instructional time of an academic year through an exact accounting of those weeks of instructional time.

(2) Except as provided in paragraph (h)(2)(iii) of this section, an institution may use, on an eligible program-by-program basis, an alternative method to determine the weeks of instructional time taken by its students during an academic year under paragraphs (f), (g), and (h) of this section if the institution—

(i) Determines payments for the student's eligible program under Sec. 691.63(b) or (c);

(ii) Uses, for all students enrolled in the eligible program for whom an exact accounting is not performed, the same alternative method described in paragraph (f), (g), or (h) of this section to determine the students' progression in the weeks of instructional time of an academic year; and

(iii) Upon request from a student, performs an exact accounting of the student's academic year progression for that student based on the actual weeks of instructional time the student attended in all eligible programs at the institution and on any qualifying credit or clock hours accepted on transfer into the student's eligible program.

(3) An institution may not use an alternative method under paragraphs (f), (g), or (h) of this section if it performs an exact accounting for a student, including an accounting pursuant to paragraph (e)(2)(iii) of this section. Once an institution initiates an exact accounting for a student under this section, the institution must use the determination for that student based on the exact accounting and not the determination based on an alternative method.

(f)(1) For an eligible program for which the institution determines payments under Sec. 691.63(b) or (c), an institution may determine a student's completion of the weeks of instructional time in an academic year under the procedures set forth in paragraphs (f)(2) and (f)(3) of this section.

(2) For an eligible student enrolled in an eligible program that has a single summer term that provides at least 12 semester, trimester, or quarter hours of coursework and for which payments are calculated under Sec. 691.63(b), the student's term is considered to be—

(i) For an eligible program offered in semesters or trimesters, one-half of an academic year in weeks of instructional time if payments may be determined under Sec. 691.63(b)(3)(i), or one-third of an academic year in weeks of instructional time if payments may be determined under Sec. 691.63(b)(3)(ii); or

(ii) For an eligible program offered in quarters that has a single summer term, one-third of an academic year in weeks of instructional time if payments may be determined under Sec. 691.63(b)(3)(i), or one-fourth of an academic year in weeks of instructional time if payments may be determined under Sec. 691.63(b)(3)(ii).

(3) For an eligible student enrolled in an eligible program with a single summer term that provides at least 12 semester, trimester, or quarter hours of coursework for which the institution may determine payments under Sec. 691.63(c), the student's term is considered to be—

(i) For an eligible program offered in semesters or trimesters, one-half of the weeks of instructional time in the fall through spring terms if payments may be determined under Sec. 691.63(c)(4)(i), or one-third of an academic year in weeks of instructional time if payments may be determined under Sec. 691.63(c)(4)(ii); or

(ii) For an eligible program offered in quarters, one-third of the weeks of instructional time in the fall through spring terms if payments may be determined under Sec. 691.63(c)(4)(i), or one-fourth of an academic year in weeks of instructional time if payments may be determined under Sec. 691.63(c)(4)(ii).

(g)(1) Except as provided in paragraph (d)(2) of this section, an institution with an eligible program for which the institution determines payments under Sec. 691.63(b) or (c) may determine a student's completion of the weeks of instructional time in an academic year under the procedures set forth in paragraph (g)(2) or (g)(3) of this section.

(2) For an eligible student enrolled in an eligible program for which payments may be determined under Sec. 691.63(b), an institution must determine the number of weeks a student is considered to have completed in an academic year by multiplying the number of credit hours a student has earned in an eligible program by the number of weeks of instructional time in the academic year and dividing the product of the multiplication by the credit or clock hours in the academic year.

(3) For an eligible student enrolled in an eligible program for which payments may be determined under Sec. 691.63(c), an institution must determine the number of weeks a student is considered to have completed in an academic year by multiplying the number of credit hours a student has earned in an eligible program by the number of weeks of instructional time in the fall through spring terms and dividing the product of the multiplication by the credit or clock hours in the academic year.

(h)(1) Except as provided in paragraph (d)(2) of this section, an institution with an eligible program for which the institution determines payments under Sec. 691.63(b) or (c) may determine a student's completion of the weeks of instructional time in an academic year under the procedures set forth in paragraph (h)(2) and (h)(3) of this section.

(2) A student at a grade level can be assumed to have completed an academic year for each of the prior grade levels if for each grade level of a student's eligible program—

(i) A student has completed at least the minimum credit hours for the prior academic years for that program in accordance with this section; and

(ii) Most full-time students in the student's eligible program complete the weeks of instructional time of an academic year during the period of completing each grade level as determined in accordance with paragraph (h)(3) of this section.

(3)(i) For purposes of an award year, in making a determination under paragraph (h)(2)(ii) of this section, an institution must first determine that at least two-thirds of the full-time, full-year students complete at least the weeks of instructional time of an academic year while completing each grade level during the three most recently completed award years prior to the award year immediately preceding the award year for which the determination is made.

(ii) For each of the ACG or National SMART Grant Programs, an institution may make a determination under paragraph (h)(3)(i) of this section on an eligible program basis or an institutional basis.

(iii) An institution that makes a determination under paragraph (h)(3)(i) of this section on an institutional basis must use the alternative method in paragraph (h) of this section for all students at the institution for whom it does not perform an exact accounting of the weeks of instructional time completed.

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Subpart A—Scope, Purpose and General Definitions

Sec. 691.7 Institutional participation.

(a) An institution that offers one or more eligible programs, as defined in Sec. 691.2(d), for purposes of the ACG Program, and that participates in the Federal Pell Grant Program under 34 CFR part 690 must participate in the ACG Program.

(b) An institution that offers one or more eligible programs, as defined in Sec. 691.2(d), for purposes of the National SMART Grant Program, and that participates in the Federal Pell Grant Program under 34 CFR part 690 must participate in the National SMART Grant Program.

(c) If an institution begins participation in the ACG or National SMART Grant Program during an award year, a student enrolled and attending that institution is eligible to receive a grant under this part for the payment period during which the institution begins participation and any subsequent payment period.

(d) If an institution becomes ineligible to participate in the ACG or National SMART Grant Program during an award year, a student who was eligible for a grant under Sec. 691.15 who was attending the institution and who submitted a valid SAR to the institution, or for whom the institution obtained a valid ISIR, before the date the institution became ineligible is paid a grant for that award year for—

(1) The payment periods that the student completed before the institution became ineligible; and

(2) The payment period in which the institution became ineligible.

(e)(1) If an institution loses its eligibility to participate in the Federal Pell Grant Program under the provisions of subpart M of 34 CFR part 668, it also loses its eligibility to participate in the ACG or National SMART Grant Program for the same period of time.

(2) That loss of eligibility must be in accordance with the provisions of 34 CFR 668.187.

(f) An institution that becomes ineligible shall, within 45 days after the effective date of loss of eligibility, provide to the Secretary—

(1) The name of each eligible student under Sec. 691.15 who, during the award year, submitted a valid SAR to the institution or for whom it obtained a valid ISIR before it became ineligible;

(2) The amount of funds paid to each grant recipient for that award year;

(3) The amount due each student eligible to receive a grant through the end of the payment period during which the institution became ineligible; and

(4) An accounting of the ACG or National SMART Grant Program expenditures for that award year to the date of termination.

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Subpart A—Scope, Purpose and General Definitions

Sec. 691.8 Enrollment status for students taking regular and correspondence courses.

(a) If, in addition to regular coursework, a student takes correspondence courses from either his or her own institution or another institution having an agreement for this purpose with the student's institution, the correspondence work may be included in determining the student's enrollment status to the extent permitted under paragraph (b) of this section.

(b) Except as noted in paragraph (c) of this section, the correspondence work that may be included in determining a student's enrollment status is that amount of work that—

(1) Applies toward a student's degree or is remedial work taken by the student to help in his or her eligible program;

(2) Is completed within the period of time required for regular coursework; and

(3) Does not exceed the amount of a student's regular coursework for the payment period for which the student's enrollment status is being calculated.

~~(c) A student taking correspondence courses is considered a full-time student if—~~

~~(1) The student is taking coursework that is commensurate with the institution's standard for full-time students; and~~

~~(2) The student's noncorrespondence coursework constitutes at least one-half of the institution's required minimum coursework for full-time students.~~

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Subpart A—Scope, Purpose and General Definitions

Sec. 691.11 Payments from more than one institution.

A student is not entitled to receive grant payments under this part concurrently from more than one institution. A student may only receive an ACG or a National SMART Grant at the same institution from which the student receives his or her Federal Pell Grant award.

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Subpart B—Application Procedures

Sec. 691.12 Application.

(a) As the first step to receiving a grant under this part, a student shall apply on an approved application form to the Secretary to have his or her expected family contribution calculated and to determine the student's Federal Pell Grant eligibility. A copy of this form is not acceptable.

(b)(1) The student shall provide any information requested by the Secretary in addition to the information necessary to establish eligibility for a Federal Pell Grant.

(2) The additional information may include, but is not limited to, information about the rigorous secondary school program of study completed by a student applying for an ACG.

(c) The student shall submit an application to the Secretary by—

(1) Providing the application form, signed by all appropriate family members, to the institution which the student attends or plans to attend so that the institution can transmit the application information to the Secretary electronically; or

(2) Sending an approved application form to the Secretary.

(d) The student shall provide the address of his or her residence unless the student is incarcerated and the educational institution has made special arrangements with the Secretary to receive relevant correspondence on behalf of the student. If such an arrangement is made, the student shall provide the address indicated by the institution.

(e) For each award year, the Secretary, through publication in the **Federal Register**, establishes deadline dates for submitting this application and additional information and for making corrections to the information provided.

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

Subpart B—Application Procedures Sec. 691.15 Eligibility to receive a grant.

(a) *General.* A student who meets the requirements of 34 CFR part 668, Subpart C, is eligible to receive an ACG or a National SMART Grant if the student—

- (1) Is a U.S. citizen;
- (2) Is receiving a Federal Pell Grant disbursement in the same award year; and
- (3) Is enrolled full-time.

(b) *ACG Program.* (1) A student is eligible to receive an ACG if the student—

- (i) Meets the eligibility requirements in paragraph (a) of this section;
- (ii) For the first academic year of his or her eligible program—

(A) Has received a high school diploma or, for a home-schooled student, a high school diploma or the certification of completion of a secondary school education by the cognizant authority;

~~(A)~~ (B) Has successfully completed, after January 1, 2006, as determined by the institution, a rigorous secondary school program of study recognized by the Secretary under Sec. 691.16; and

~~(B)~~ (C) Has not previously been enrolled as a regular student in an eligible program while—

- (1) ~~e~~Enrolled in high school; and
- (2) Being at or below the age of compulsory school attendance; and

(iii) For the second academic year of his or her eligible program—

(A) Has received a high school diploma or, for a home-schooled student, a high school diploma or the certification of completion of a secondary school education by the cognizant authority;

~~(A)~~ (B) Has successfully completed, after January 1, 2005, as determined by the institution, a rigorous secondary school program of study recognized by the Secretary under Sec. 691.16; and

~~(B)~~ (C) Has successfully completed the first academic year of his or her eligible program; and

~~(C)~~ (D) For the first academic year of his or her eligible program, obtained a grade point average (GPA) of 3.0 or higher on a 4.0 scale, or the numeric equivalent, consistent with other institutional measures for academic and title IV, HEA program purposes.

(2)(i) An institution must document a student's successful completion of a rigorous secondary school program of study under paragraphs (b)(1)(ii)(A), (b)(1)(ii)(B), and (b)(1)(iii)(A) and (b)(1)(iii)(B) of this section using—

(A) Documentation provided directly to the institution by the cognizant authority;
or

(B) Documentation from the cognizant authority provided by the student.

(ii) If an institution has reason to believe that the documentation provided by the student under paragraph (b)(2)(i)(B) of this section is inaccurate or incomplete, the institution shall **must** confirm the student's successful completion of a rigorous secondary school program of study by using documentation provided directly to the institution by the cognizant authority.

(3) For purposes of paragraph (b)(2) of this section—

(i) A cognizant authority includes, but is not limited to—

(A) An LEA;

- (B) An SEA or other State agency;
- (C) A public or private high school; or
- (D) A testing organization such as the College Board or State agency; or

(ii) ~~For a~~ **A** home-schooled student, the student's parent or guardian is the cognizant authority for purposes of providing the documentation required under paragraph (b)(2)(i) of this section. ~~of~~ **This documentation must show that the home-schooled student successfully completed** a rigorous secondary school program under Sec. 691.16(d)(2). ~~including~~ **This documentation may include** a transcript or the equivalent or a detailed course description listing the secondary school courses completed by the student.

(4) For a student who transfers from an eligible program at one institution to an eligible program at another institution, the institution to which the student transfers may rely upon the prior institution's determination that the student **successfully** completed a rigorous secondary school program of study in accordance with paragraphs (b)(1)(ii)(A), **(b)(1)(ii)(B), and (b)(1)(iii)(A), and (b)(1)(iii)(B)** of this section based on documentation that the prior institution may provide, or based on documentation of the receipt of an ACG disbursement at the prior institution.

(5)(i) If a student self-certifies on an application under Sec. 691.12, or otherwise self-identifies to the institution, that he or she completed a rigorous secondary school program of study recognized by the Secretary under Sec. 691.16, an institution must attempt to collect the documentation described under paragraph (b)(2) of this section.

(ii) Notwithstanding 34 CFR 668.16(f), an institution is not required to determine the ACG eligibility of a student if the student does not self-certify on his or her application, or otherwise self-identify to the institution, the completion of a rigorous secondary school program of study.

(c) *National SMART Grant Program.* A student is eligible to receive a National SMART Grant for the third or fourth academic year of his or her eligible program if the student—

- (1) Meets the eligibility requirements in paragraph (a) of this section;

(2)(i)(A) In accordance with the institution's academic requirements, formally declares an eligible major; or

(B) ~~If the institution's~~ **Is at an institution where the** academic requirements do not allow a student to declare an eligible major in time to qualify for a National SMART Grant on that basis—

~~(1) D and the student~~ demonstrates his or her intention to declare an eligible major ~~as documented by the institution~~ **in accordance with paragraph (d) of this section;** and

~~(2) Formally declares an eligible major as soon as allowed under the institution's academic requirements;~~ and

(ii) Enrolls in the courses necessary both to complete the degree program and to fulfill the requirements of the ~~intended~~ eligible major **as determined and documented by the institution in accordance with paragraph (e) of this section;**

(3) Has a cumulative GPA through the most recently completed payment period of 3.0 or higher on a 4.0 scale, or the **numeric** equivalent **measure**, consistent with other institutional measures for academic and title IV, HEA program purposes, in the student's eligible program;

(4) For the third academic year, has successfully completed the second academic year of his or her eligible program; and

(5) For the fourth academic year, has successfully completed the third academic year of his or her eligible program.

~~(d) Transfer student's grade point average. Under the ACG and National SMART Grant programs, if a student transfers from another institution, the institution to which the student transfers—~~

~~(1) Must calculate the student's GPA for the student's first payment period of enrollment using the grades earned by the student in the coursework from any prior institution that it accepts towards the student's eligible program; or~~

~~(2) If the institution accepts no credits towards the student's eligible program, must consider the student to be ineligible until the student completes at least one payment period in an eligible program with a qualifying GPA.~~

~~(d) *Intent to declare a major.* (1) For a student whose institution's academic policies do not allow the student to declare an eligible major in time to qualify for a National SMART Grant disbursement, the institution must obtain and keep on file a recent self-certification of intent to declare an eligible major that is signed by the student.~~

~~(2) The student described in paragraph (d)(1) of this section must formally declare an eligible major when he or she is able to do so under the institution's academic requirements.~~

~~(e) *Documentation of progression in the major.* The institution must document a student's progress in taking the courses necessary to complete the intended or declared major that establishes eligibility for a National SMART Grant. Documentation of coursework progression in the eligible program and major under paragraph (c)(2)(ii) of this section may include, but is not limited to:~~

~~(1) Written counselor or advisor tracking of coursework progress toward a degree in the intended or declared eligible major.~~

~~(2) Written confirmation from an academic department within the institution that the student is progressing in coursework leading to a degree in the intended or declared eligible major. This confirmation must be signed by a departmental representative for the intended eligible major.~~

~~(3) Other written documentation of coursework that satisfies the ongoing nature of monitoring student coursework progression in the intended or declared eligible major.~~

~~(f) *Transfer students.* (1)(i) Under the ACG Program, if a student transfers to an institution that accepts for enrollment at least the credit or clock hours for one academic year but less than the credit or clock hours for two academic years from all prior postsecondary institutions attended by the student, the GPA to determine second-year eligibility for an ACG is calculated using the grades from all coursework accepted by the current institution into the student's eligible program.~~

(ii) Under the ACG Program, if a student transfers to an institution that accepts for enrollment less than the credit or clock hours for one academic year from all prior postsecondary institutions attended by the student, the GPA to determine second-year eligibility for an ACG is calculated using the grades from—

(A) All coursework accepted from all prior postsecondary institutions by the current institution into the student's eligible program; and

(B) The coursework earned at the current institution through the payment period in which the student completes the credit or clock hours of the student's first academic year in an eligible program based on the total of the credit or clock hours accepted on transfer and the credit or clock hours earned at the current institution.

(2) Under the National SMART Grant Program, if a student transfers from one institution to the current institution, the current institution must determine that student's eligibility for a National SMART Grant for the first payment period using either the method described in paragraph (f)(2)(i) of this section or the method described in paragraph (f)(2)(ii) of this section, whichever method coincides with the current institution's academic policy. For an eligible student who transfers to an institution that—

(i) Does not incorporate grades from coursework that it accepts on transfer into the student's GPA at the current institution, the current institution, for the courses accepted in the eligible program upon transfer—

(A) Must calculate the student's GPA for the first payment period of enrollment using the grades earned by the student in the coursework from any prior postsecondary institution that it accepts toward the student's eligible program; and

(B) Must, for all subsequent payment periods, apply its academic policy and not incorporate the grades from the coursework that it accepts on transfer into the GPA at the current institution; or

(ii) Incorporates grades from the coursework that it accepts on transfer into the student's GPA at the current institution, an institution must use the grades assigned to the coursework accepted by the current institution into the eligible program as the student's cumulative GPA to determine eligibility for the first payment period of enrollment and all subsequent payment periods in accordance with its academic policy.

(g) *Numeric equivalent.* (1) If an otherwise eligible program measures academic performance using an alternative to standard numeric grading procedures, the institution must develop and apply an equivalency policy with a numeric scale for purposes of establishing ACG or National SMART Grant eligibility. That institution's equivalency policy must be in writing and available to students upon request and must include clear differentiations of student performance to support a determination that a student has performed at a level commensurate with at least a 3.0 GPA on a 4.0 scale in that program.

(2) A grading policy that includes only "satisfactory/unsatisfactory", "pass/fail", or other similar nonnumeric assessments qualifies as a numeric equivalent only if—

(i) The institution demonstrates that the "pass" or "satisfactory" standard has the numeric equivalent of at least a 3.0 GPA on a 4.0 scale awarded in that program, or that a student's performance for tests and assignments yielded a numeric equivalent of a 3.0 GPA on a 4.0 scale; and

(ii) The institution's equivalency policy is consistent with any other standards the institution may have developed for academic and other title IV, HEA program purposes, such as graduate school applications, scholarship eligibility, and insurance certifications, to the extent such standards distinguish among various levels of a student's academic performance.

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

Subpart B—Application Procedures

Sec. 691.16 Recognition of a rigorous secondary school program of study.

(a) For an award year, the Secretary recognizes in each State at least one rigorous secondary school program of study as established by an SEA or, if legally authorized by the State to establish a separate secondary school program of study, an LEA.

(b) For each award year, the Secretary establishes a deadline for SEAs and LEAs to submit information about the secondary school program or programs that the SEA or LEA ~~identifies~~ **establishes** as a rigorous secondary school program of study, and, in the case of an LEA, documentation that the LEA is legally authorized by the State to establish a separate secondary school program of study. **An SEA and LEA, if applicable, may submit information—**

(1) **For students graduating during the current school year; and**

(2) **For students graduating during one or more specified upcoming school years.**

(c) In ~~identifying~~ **establishing** a rigorous secondary school program of study, the SEA, or the LEA if applicable, must consider separate identifiable secondary programs that—

(1) Are offered by secondary schools in the State, including public, charter, private, tribal, and home schools;

(2) Are considered by the SEA, or by the LEA if applicable, to prepare a student to **successfully** pursue postsecondary education ~~successfully~~; and

(3) Are not General Education Development (GED) Certificate programs.

(d) In addition to those programs ~~identified~~ **established** by States or LEAs and recognized by the Secretary as rigorous under paragraphs (b) and (c) of this section, the Secretary recognizes the following secondary school programs of study as rigorous:

(1) Advanced or honors secondary school programs established by States and in existence for the 2004-2005 ~~or 2005-2006~~ school year **or later school years**, as identified by the Secretary.

(2) Any secondary school program in which a student **successfully** completes at a minimum the following courses:

(i) Four years of English.

(ii) Three years of mathematics, including algebra I and a higher-level class such as algebra II, geometry, or data analysis and statistics.

(iii) Three years of science, including one year each of at least two of the following courses: biology, chemistry, and physics.

(iv) Three years of social studies.

(v) One year of a language other than English.

(3) A secondary school program identified by a State-level partnership that is recognized by the State Scholars Initiative of the Western Interstate Commission for Higher Education (WICHE), Boulder, Colorado.

(4) Any secondary school program for a student who completes at least two courses from an International Baccalaureate Diploma Program sponsored by the International Baccalaureate Organization, Geneva, Switzerland, and receives a score of "4" or higher on the examinations for at least two of those courses.

(5) Any secondary school program for a student who completes at least two Advanced Placement courses and receives a score of "3" or higher on the College Board's Advanced Placement Program Exams for at least two of those courses.

(e) For each award year, the Secretary publishes a list of rigorous secondary school programs of study that the Secretary recognizes.

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

Subpart B—Application Procedures Sec. 691.17 Determination of eligible majors.

(a) *Eligible major.* For each award year, the Secretary identifies the eligible majors in the physical, life, or computer sciences, mathematics, technology, engineering, or, as determined under paragraph (b) of this section, critical foreign languages.

(b) *Critical foreign languages.* For each award year, the Secretary identifies the foreign languages that are critical to the national security of the United States after consulting with the Director of National Intelligence.

(c) *Designation of eligible majors.* For each award year, the Secretary publishes a list of eligible majors identified by CIP code.

(d) *Designation of an additional eligible major.* For each award year, the Secretary establishes a deadline for an institution to request designation of an additional eligible major.

(1) Requests for designation of an additional eligible major must include—

(i) The CIP code and program title of the additional major;

(ii) The reason or reasons the institution believes the additional major should be considered an eligible program under this part; and

(iii) Documentation showing that the institution has actually awarded or plans to award a bachelor's degree in the requested major.

(2) For each award year, the Secretary will confirm the final list of eligible majors.

~~(e)~~ (e) *Duration of eligible major.* A major that ceases to be listed as an eligible major under paragraph (a) of this section for an award year remains an eligible major in subsequent award years for a student who pursues that major and receives a National SMART Grant in the award year in which the major was an eligible major.

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

Subpart F— Determination of Awards

Sec. 691.61 Submission process and deadline for a Student Aid Report or Institutional Student Information Record.

(a) *Submission process.* (1) Except as provided in paragraph (a)(2) of this section, an institution must disburse an ACG or a National SMART Grant to a student who is eligible under Sec. 691.15 and is otherwise qualified to receive that disbursement and electronically transmit disbursement data to the Secretary for that student if—

- (i) The student submits a valid SAR to the institution; or
- (ii) The institution obtains a valid ISIR for the student.

(2) In determining a student's eligibility to receive a grant under this part, an institution is entitled to assume that the SAR information or ISIR information is accurate and complete except under the conditions set forth in 34 CFR 668.16(f) and 668.60.

(b) *Student Aid Report or Institutional Student Information Record deadline.* Except as provided in the verification provisions of 34 CFR 668.60 and the late disbursement provisions of 34 CFR 668.164(g) of this chapter, for a student to receive a grant under this part in an award year, the student must submit the relevant parts of the valid SAR to his or her institution or the institution must obtain a valid ISIR by the earlier of—

- (1) The last date that the student is still enrolled and eligible for payment at that institution; or
- (2) By the deadline date established by the Secretary through publication of a notice in the **Federal Register**.

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

Subpart F—Determination of Awards

Sec. 691.62 Calculation of a grant.

(a)(1) For each award year, the Secretary establishes and announces the ACG and National SMART Grant Scheduled Awards depending on the availability of funds for all students who are eligible for a grant under Sec. 691.15.

(2) The Secretary may revise the ACG and National SMART Grant Scheduled Awards in an award year depending on the availability of funds for all students who are eligible for a grant under Sec. 691.15.

(b)(1) The maximum ACG Scheduled Award for an eligible student may be up to—

(i) \$750 for the first academic year of the student's eligible program; and

(ii) \$1,300 for the second academic year of the student's eligible program.

(2) The maximum National SMART Grant Scheduled Award for an eligible student may be up to \$4,000 for each of the third and fourth academic years of the student's eligible program.

(c) The amount of a student's grant under this part for an academic year, in combination with the student's EFC and other student financial assistance available to the student, including the student's Federal Pell Grant, may not exceed the student's cost of attendance. Other student financial assistance is estimated financial assistance as defined in 34 CFR 673.5(c).

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

Subpart F—Determination of Awards

Sec. 691.63 Calculation of a grant for a payment period.

(a)(1) *Programs using standard terms with at least 30 weeks of instructional time.*
A student's payment **grant** for a payment period is calculated under paragraphs (b) or (d) of this section if—

(i) The student is enrolled in an eligible program that—

(A) Measures progress in credit hours;

(B) Is offered in semesters, trimesters, or quarters; **and**

(C) Requires the student to enroll for at least 12 credit hours in each term in the award year to qualify as a full-time student; **and**

~~(D) Is not offered with overlapping terms; and~~

(ii) The ~~institution offering the program~~ **uses an academic calendar that provides at least 30 weeks of instructional time in—**

~~(A) Provides the program using an academic calendar that includes two~~ **Two** semesters or trimesters in the fall through the following spring, or three quarters in the fall, winter, and spring, **none of which overlaps any other term (including a summer term) in the program; and or**

~~(B) Provides at least 30 weeks of instructional time in the terms specified in paragraph (a)(1)(ii)(A) of this section.~~ **Any two semesters or trimesters, or any three quarters where—**

(1) The institution starts its terms for different cohorts of students on a periodic basis (e.g., monthly);

(2) The program is offered exclusively in semesters, trimesters, or quarters; and

(3) Students are not allowed to be enrolled simultaneously in overlapping terms and must stay with the cohort in which they start unless they withdraw from a term (or skip a term) and reenroll in a subsequent term.

(2) Programs using standard terms with less than 30 weeks of instructional time. A student's payment for a payment period is calculated under paragraph (c) or (d) of this section if—

(i) The student is enrolled in an eligible program that—

(A) Measures progress in credit hours;

(B) Is offered in semesters, trimesters, or quarters;

(C) Requires the student to enroll in at least 12 credit hours in each term in the award year to qualify as a full-time student; and

(D) Is not offered with overlapping terms; and

(ii) The institution offering the program—

(A) Provides the program using an academic calendar that includes two semesters or trimesters in the fall through the following spring, or three quarters in the fall, winter, and spring; and

(B) Does not provide at least 30 weeks of instructional time in the terms specified in paragraph (a)(2)(ii)(A) of this section.

(3) Other programs using terms and credit hours. A student's payment for a payment period is calculated under paragraph (d) of this section if the student is enrolled in an eligible program that—

(i) Measures progress in credit hours; and

(ii) Is offered in academic terms other than those described in paragraphs (a)(1) and (a)(2) of this section.

(4) Programs not using terms or using clock hours. A student's payment for any payment period is calculated under paragraph (e) of this section if the student is enrolled in an eligible program that—

- (i) Is offered in credit hours but is not offered in academic terms; or
- (ii) Is offered in clock hours.

(5) Programs for which an exception to the academic year definition has been granted under 34 CFR 668.3. If an institution receives a waiver from the Secretary of the 30 weeks of instructional time requirement under 34 CFR 668.3, an institution may calculate a student's payment for a payment period using the following methodologies:

(i) If the program is offered in terms and credit hours, the institution uses the methodology in—

(A) Paragraph (b) of this section provided that the program meets all the criteria in paragraph (a)(1) of this section, except that in lieu of paragraph (a)(1)(ii)(B) of this section, the program provides at least the same number of weeks of instructional time in the terms specified in paragraph (a)(1)(ii)(A) of this section as are in the program's academic year; or

(B) Paragraph (d) of this section.

(ii) The institution uses the methodology described in paragraph (e) of this section if the program is offered in credit hours without terms or clock hours.

(b) *Programs using standard terms with at least 30 weeks of instructional time.* The payment for a payment period, i.e., an academic term, for a student in a program using standard terms with at least 30 weeks of instructional time in two semesters or trimesters or in three quarters as described in paragraph (a)(1)(ii)(A) of this section, is calculated by—

- (1) Confirming his or her full-time enrollment status for the term;
- (2) Determining his or her ACG or National SMART Grant Scheduled Award; and

(3) Dividing the amount described under paragraph (b)(2) of this section by—

(i) Two at institutions using semesters or trimesters or three at institutions using quarters; or

(ii) The number of terms over which the institution chooses to distribute the student's ACG or National SMART Grant Scheduled Award if—

(A) An institution chooses to distribute all of the student's ACG or National SMART Grant Scheduled Award determined under paragraph (b)(2) of this section over more than two terms at institutions using semesters or trimesters or more than three quarters at institutions using quarters; and

(B) The number of weeks of instructional time in the terms, including the additional term or terms, equals the weeks of instructional time in the program's academic year.

(c) *Programs using standard terms with less than 30 weeks of instructional time.* The payment for a payment period, i.e., an academic term, for a student in a program using standard terms with less than 30 weeks of instructional time in two semesters or trimesters or in three quarters as described in paragraph (a)(2)(ii)(A) of this section, is calculated by—

(1) Confirming his or her full-time enrollment status for the term;

(2) Determining his or her ACG or National SMART Grant Scheduled Award;

(3) Multiplying his or her ACG or National SMART Grant Scheduled Award determined under paragraph (c)(2) of this section by the following fraction as applicable: In a program using semesters or trimesters—

The number of weeks of instructional time offered in the program in the fall and spring semesters or trimesters

The number of weeks in the program's academic year

; or

In a program using quarters—

The number of weeks of instructional time offered in a program in the fall, winter, and spring quarters

The number of weeks in the program's academic year

; and

(4)(i) Dividing the amount determined under paragraph (c)(3) of this section by two for programs using semesters or trimesters or three for programs using quarters; or

(ii) Dividing the student's ACG or National SMART Grant Scheduled Award determined under paragraph (c)(2) of this section by the number of terms over which the institution chooses to distribute the student's ACG or National SMART Grant Scheduled Award if—

(A) An institution chooses to distribute all of the student's ACG or National SMART Grant Scheduled Award determined under paragraph (c)(2) of this section over more than two terms for programs using semesters or trimesters or more than three quarters for programs using quarters; and

(B) The number of weeks of instructional time in the terms, including the additional term or terms, equals the weeks of instructional time in the program's academic year definition.

(d) *Other programs using terms and credit hours.* The payment for a payment period, i.e., an academic term, for a student in a program using terms and credit hours, other than those described in paragraphs (a)(1) or (a)(2) of this section, is calculated by—

(1)(i) For a student enrolled in a semester, trimester, or quarter, determining his or her full-time enrollment status for the term; or

(ii) For a student enrolled in a term other than a semester, trimester, or quarter, determining his or her full-time enrollment status for the term by—

(A) Dividing the number of weeks of instructional time in the term by the number of weeks of instructional time in the program's academic year;

(B) Multiplying the fraction determined under paragraph (d)(1)(ii)(A) of this section by the number of credit hours in the program's academic year to determine the number of hours required to be enrolled to be considered a full-time student; and

(C) Determining a student's enrollment status by comparing the number of hours in which the student enrolls in the term to the number of hours required to be considered full-time under paragraph (d)(1)(ii)(B) of this section for that term;

(2) Based upon that full-time enrollment status, determining his or her ACG or National SMART Grant Scheduled Award; and

(3) Multiplying his or her ACG or National SMART Grant Scheduled Award determined under paragraph (d)(2) of this section by the following fraction:

$$\frac{\text{The number of weeks of instructional time in the term}}{\text{The number of weeks of Instructional time in the program's academic year}}$$

(e) *Programs using ~~clock hours or credit hours without terms~~ or clock hours.* The payment grant for a payment period for a student in a program using credit hours without terms or using clock hours is calculated by—

(1) Determining that the student is attending at least full-time;

(2) Determining the student's ACG or National SMART Grant Scheduled Award;

(3) Multiplying the **ACG or National SMART Grant** amount determined under paragraph (e)(2) of this section by the lesser of—

(i)
$$\frac{\text{The number of credit or clock hours in a payment period}}{\text{The number of credit or clock hours in the program's academic year}}$$

or

(ii)
$$\frac{\text{The number of weeks of instructional time required for a full-time student to complete the lesser of clock or credit hours offered in the program or the academic year in the payment period}}{\text{The number of weeks of instructional time in the program's academic year}}$$

~~;~~ or

~~(ii) One; and~~

~~(4) Multiplying the amount determined under paragraph (e)(3) of this section by—~~

~~$$\frac{\text{The number of credits or clock hours in a payment period}}{\text{The number of credits or clock hours in the program's academic year}}$$~~

(f) *Maximum disbursement.* A single disbursement may not exceed 50 percent of any award determined under paragraph (d) or (e) of this section. If a payment for a payment period calculated under paragraphs (d) or (e) of this section would require the disbursement of more than 50 percent of a student's ACG or National SMART Grant Scheduled Award in that payment period, the institution shall make at least two disbursements to the student in that payment period. The institution may not disburse an amount that exceeds 50 percent of the student's ACG or National SMART Grant Scheduled Award until the student has completed the period of time in the payment period that equals, in terms of weeks of instructional time, 50 percent of the weeks of instructional time in the program's academic year.

(g) *Definition of academic year.* For purposes of this section, an institution must define an academic year for each of its eligible programs in terms of the number of credit or clock hours and weeks of instructional time in accordance with the requirements of 34 CFR 668.3.

(h) *Payment period with two academic years.* In a payment period, if a student is completing the remaining portion of the first academic year or second academic year for an ACG or the third academic year for a National SMART Grant Scheduled Award, the student's payment for the payment period—

(1) Is from the ACG or National SMART Grant Scheduled Award of the academic year being completed; and

(2) Is calculated based on the total credit or clock hours, ~~and, for a credit-hour program,~~ and weeks of instructional time, in the payment period.

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

Subpart F—Determination of Awards

Sec. 691.64 Calculation of a grant for a payment period which occurs in two award years.

(a) If a student enrolls in a payment period that is scheduled to occur in two award years—

(1) The entire payment period must be considered to occur within one award year;

(2) The institution shall determine for each ACG or National SMART Grant recipient the award year in which the payment period will be placed subject to the restrictions set forth in paragraphs (a)(3) and (a)(6) of this section;

(3) The institution shall place a payment period with more than six months scheduled to occur within one award year in that award year;

(4) If the institution places the payment period in the first award year, it shall pay a student with funds from the first award year;

(5) If the institution places the payment period in the second award year, it shall pay a student with funds from the second award year; and

(6) The institution must assign the payment period for both the ACG or National SMART Grant and the Federal Pell Grant to the same award year.

(b) An institution may not make a payment that results in the student receiving more than his or her ACG or National SMART Grant Scheduled Award for an academic year of the student's eligible program.

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

Subpart F—Determination of Awards

Sec. 691.65 Transfer student: Attendance at more than one institution during an academic year.

(a) If a student who receives a grant under this part at one institution subsequently enrolls at a second institution in the same award year, the student may receive a grant at the second institution only if—

- (1)(i) The student submits a valid SAR to the second institution; or
- (ii) The second institution obtains a valid ISIR; and
- (2) The student is receiving a Federal Pell Grant in the same award year.

(b) The second institution shall calculate the student's award according to Sec. 691.63.

(c) The second institution may pay a grant only for that portion of the academic year of the student's eligible program in which a student is enrolled at that institution. The grant amount must be adjusted, if necessary, to ensure that the grant does not exceed the student's ACG or National SMART Grant Scheduled Award for that academic year.

(d) If a student transfers between award years and the student's ACG or National SMART Grant Scheduled Award at the second institution differs from the ACG or National SMART Grant Scheduled Award at the first institution for that academic year of the student's eligible program, the grant amount at the second institution is calculated as follows—

(1) The amount received at the first institution is compared to the ACG or National SMART Grant Scheduled Award at the first institution to determine the percentage of the ACG or National SMART Grant Scheduled Award that the student has received.

(2) That percentage is subtracted from 100 percent.

(3) The remaining percentage is the percentage of the ACG or National SMART Grant Scheduled Award at the second institution to which the student is entitled.

(e) The student's ACG or National SMART Grant payment for each payment period is calculated according to the procedures in Sec. 691.63 unless the remaining percentage of the ACG or National SMART Grant Scheduled Award at the second institution, referred to in paragraph (d)(3) of this section, is less than the amount the student would normally receive for that payment period. In that case, the student's payment is equal to that remaining percentage.

(f) A transfer student shall repay any amount received that exceeds his or her ACG or National SMART Grant Scheduled Award for an academic year in accordance with Sec. 691.79.

**PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG)
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Subpart G—Administration of Grant Payments

Sec. 691.71 Scope.

This subpart deals with program administration by an eligible institution.

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

Subpart G—Administration of Grant Payments

Sec. 691.75 Determination of eligibility for payment.

(a) For each payment period, an institution may pay a grant under this part to a student only after it determines that the student—

(1) Qualifies as a student who is eligible under Sec. 691.15;

(2) Is enrolled as an undergraduate student in an eligible program;

(3) If enrolled in a self-paced credit-hour program without terms or a self-paced clock-hour program, as described in paragraph (e), is progressing as a full-time student after completing at least—

(i) Fifty percent of the credit or clock hours of the payment period for which the student is being paid; or

(ii) For a credit-hour program, 50 percent of the academic coursework of the payment period for which the student is being paid if the institution is unable to determine when the student has completed one-half of the credit hours of the payment period; and

(4) If enrolled in a credit-hour program without terms or a clock-hour program, has completed the payment period as defined in 34 CFR 668.4 for which he or she has been paid a grant.

(b)(1) If an institution determines at the beginning of a payment period that a student is not maintaining satisfactory progress, but reverses that determination before the end of the payment period, the institution may pay a grant under this part to the student for the entire payment period.

(2) For purposes of the ACG Program, if an institution determines at the beginning of a payment period that a student enrolled in the second academic year of

his or her eligible program is not maintaining the necessary GPA for an ACG under Sec. 691.15(b)(1)(iii)~~(C)~~(D), but reverses that determination before the end of the payment period, the institution may pay an ACG to the student for the entire payment period.

(3) For purposes of the National SMART Grant Program, if an institution determines at the beginning of a payment period that a student is not maintaining the necessary GPA for a National SMART Grant under Sec. 691.15(c)(3) or is not pursuing a required major under Sec. 691.15(c)(2), but reverses that determination before the end of the payment period, the institution may pay a National SMART Grant to the student for the entire payment period.

(c) If an institution determines at the beginning of a payment period that a student is not maintaining satisfactory progress or the necessary GPA for an ACG under Sec. 691.15(b)(1)(iii)~~(C)~~(D), a National SMART Grant under Sec. 691.15(c)(3), or, in the case of a National SMART Grant is not pursuing a required major under Sec. 691.15(c)(2), but reverses that determination after the end of the payment period, the institution may neither pay the student an ACG or a National SMART Grant for that payment period nor make adjustments in subsequent payments to compensate for the loss of aid for that period.

(d) Subject to the requirement of paragraph (d)(2), an institution may make one disbursement for a payment period to an otherwise eligible student if—

(1)(i) For the first payment period of the student's ACG for the second academic year, a student's GPA for the first academic year under Sec. 691.15(b)(1)(iii)~~(C)~~(D) is not yet available; or

(ii) For a payment period for a National SMART Grant, a student's cumulative GPA through the prior payment period under Sec. 691.15(c)(3) for the student's enrollment in the eligible program through the prior payment period under Sec. 691.15(c)(3) is not yet available; and

(2) The institution assumes liability for any overpayment as a result of the student failing to meet the required GPA to qualify for the disbursement.

(e) For purposes of this section, a self-paced program is an educational program without terms that allows a student—

(1) To complete courses without a defined schedule for completing the courses;
or

(2) At the student's discretion, to begin courses within a program either at any time or on specific dates set by the institution for the beginning of courses without a defined schedule for completing the program.

**PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG)
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Subpart G—Administration of Grant Payments

Sec. 691.76 Frequency of payment.

(a) (a) In each payment period, an institution may pay a student at such times and in such installments as it determines will best meet the student's needs.

(b) The institution may pay funds in one lump sum for all the prior payment periods for which the student was eligible under Sec. 691.15 within the award year. The student must have completed the prior payment period as a full-time student.

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

Subpart G—Administration of Grant Payments

Sec. 691.78 **Reserved** ~~Method of disbursement—by check or credit to a student's account.~~

~~(a) An institution shall disburse funds to a student or the student's account in accordance with the provisions in 34 CFR 668.164.~~

~~(b)(1) An institution that intends to pay a student directly must notify the student in accordance with 34 CFR 668.165(a).~~

~~(2) If a student does not pick up the check on time, the institution shall still pay the student if he or she requests payment within 20 days after the last date that his or her enrollment ends in that award year.~~

~~(3) If the student has not picked up his or her payment at the end of the 20-day period, the institution may credit the student's account only for any outstanding charges for tuition and fees and room and board for the award year incurred by the student while he or she was eligible.~~

~~(4) A student forfeits the right to receive the payment if he or she does not pick up a payment by the end of the 20-day period.~~

~~(5) Notwithstanding paragraph (c)(4) of this section, the institution may, if it chooses, pay a student who did not pick up his or her payment, through the next payment period.~~

~~(6) An institution shall make a late disbursement to an ineligible student in accordance with the provisions in 34 CFR 668.164(g).~~

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

Subpart G—Administration of Grant Payments

Sec. 691.79 Liability for and recovery of grant overpayments.

(a)(1) Except as provided in paragraphs (a)(2) and (a)(3) of this section, a student is liable for any grant overpayment made to him or her under this part.

(2) The institution is liable for a grant overpayment if the overpayment occurred because the institution failed to follow the procedures set forth in this part or 34 CFR part 668. The institution must restore an amount equal to the overpayment to its ACG or National SMART Grant account, as applicable.

(3) A student is not liable for, and the institution is not required to attempt recovery of or refer to the Secretary, a grant overpayment under this part if the amount of the overpayment is less than \$25 and is not a remaining balance.

(b)(1) Except as provided in paragraph (a)(3) of this section, if an institution makes an overpayment under this part for which it is not liable, it must promptly send a written notice to the student requesting repayment of the overpayment amount. The notice must state that failure to make that repayment, or to make arrangements satisfactory to the holder of the overpayment debt to repay the overpayment, makes the student ineligible for further title IV, HEA program funds until final resolution of the overpayment.

(2) If a student objects to the institution's overpayment determination on the grounds that it is erroneous, the institution must consider any information provided by the student and determine whether the objection is warranted.

(c) Except as provided in paragraph (a)(3) of this section, if the student fails to repay an overpayment under this part or make arrangements satisfactory to the holder of the overpayment debt to repay the overpayment, after the institution has taken the action required by paragraph (b) of this section, the institution must refer the overpayment to the Secretary for collection purposes in accordance with procedures required by the Secretary. After referring the overpayment to the Secretary under this section, the institution need make no further efforts to recover the overpayment.

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

Subpart G—Administration of Grant Payments

Sec. 691.80 Redetermination of eligibility for a grant award.

(a) *Change in receipt of Federal Pell Grant.* If, after the beginning of an award year, a student otherwise eligible for an ACG or a National SMART Grant begins or ceases to receive a Federal Pell Grant in that award year, the institution must redetermine the student's eligibility for an ACG or a National SMART Grant in that award year.

(b) *Change in enrollment status.* (1) If the student's enrollment status changes from one payment period to another within the same award year, the institution shall determine whether the student qualifies for an ACG or a National SMART Grant for the new payment period.

(2)(i) If the student's projected enrollment status changes during a payment period after the student has begun attendance in all of his or her classes for that payment period, the institution may (but is not required to) establish a policy under which the institution may redetermine eligibility for the student's award for the payment period. If such a policy is established, it must apply to all students and be the same as the policy established for the Federal Pell Grant Program.

(ii) If a student's projected enrollment status changes to less- than-full-time during a payment period before the student begins attendance in all of his or her classes for that payment period, the institution shall determine that the student is ineligible for a grant under this part for that payment period.

**PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG)
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Subpart G—Administration of Grant Payments

Sec. 691.81 Fiscal control and fund accounting procedures.

(a) An institution shall follow provisions for maintaining general fiscal records in this part and in 34 CFR 668.24(b).

(b) An institution shall maintain funds received under this part in accordance with the requirements in 34 CFR 668.164.

**PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG)
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Sec. 691.82 Maintenance and retention of records.

(a) An institution shall follow the record retention and examination provisions in this part and in 34 CFR 668.24.

(b) For any disputed expenditures in any award year for which the institution cannot provide records, the Secretary determines the final authorized level of expenditures.

PART 691—ACADEMIC COMPETITIVENESS GRANT (ACG) AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT (NATIONAL SMART GRANT) PROGRAMS

Subpart G—Administration of Grant Payments

Sec. 691.83 Submission of reports.

(a)(1) An institution may receive either a payment from the Secretary for an award to an ACG or a National SMART Grant recipient, or a corresponding reduction in the amount of Federal funds received in advance for which it is accountable, if—

(i) The institution submits to the Secretary the student's Payment Data for that award year in the manner and form prescribed in paragraph (a)(2) of this section by September 30 following the end of the award year in which the grant is made, or, if September 30 falls on a weekend, on the first weekday following September 30; and

(ii) The Secretary accepts the student's Payment Data.

(2) The Secretary accepts a student's Payment Data that is submitted in accordance with procedures established through publication in the **Federal Register**, and that contains information the Secretary considers to be accurate in light of other available information including that previously provided by the student and the institution.

(3) An institution that does not comply with the requirements of this paragraph may receive a payment or reduction in accountability only as provided in paragraph (d) of this section.

(b)(1) An institution shall report to the Secretary any change in the amount of a grant for which a student qualifies including any related Payment Data changes by submitting to the Secretary the student's Payment Data that discloses the basis and result of the change in award for each student. The institution shall submit the student's Payment Data reporting any change to the Secretary by the reporting deadlines published by the Secretary in the **Federal Register**.

(2) An institution shall submit, in accordance with deadline dates established by the Secretary, through publication in the **Federal Register**, other reports and information the Secretary requires and shall comply with the procedures the Secretary finds necessary to ensure that the reports are correct.

(3) An institution that timely submits, and has accepted by the Secretary, the Payment Data for a student in accordance with this section shall report a reduction in the amount of an award that the student received when it determines that an

overpayment has occurred, unless that overpayment is one for which the institution is not liable under Sec. 691.79(a).

(c) In accordance with 34 CFR 668.84, the Secretary may impose a fine on the institution if the institution fails to comply with the requirements specified in paragraphs (a) or (b) of this section.

(d)(1) Notwithstanding paragraph (a) or (b) of this section, if an institution demonstrates to the satisfaction of the Secretary that the institution has provided ACGs or National SMART Grants in accordance with this part but has not received credit or payment for those grants, the institution may receive payment or a reduction in accountability for those grants in accordance with paragraphs (d)(4) and either (d)(2) or (d)(3) of this section.

(2) The institution must demonstrate that it qualifies for a credit or payment by means of a finding contained in an audit report of an award year that was the first audit of that award year and timely submitted to the Secretary under 34 CFR 668.23(a).

(3) An institution that timely submits the Payment Data for a student in accordance with paragraph (a) of this section but does not timely submit to the Secretary, or have accepted by the Secretary, the Payment Data necessary to document the full amount of the award to which the student is entitled, may receive a payment or reduction in accountability in the full amount of that award, if—

(i) A program review demonstrates to the satisfaction of the Secretary that the student was eligible to receive an amount greater than that reported in the student's Payment Data timely submitted to, and accepted by the Secretary; and

(ii) The institution seeks an adjustment to reflect an underpayment for that award that is at least \$100.

(4) In determining whether the institution qualifies for a payment or reduction in accountability, the Secretary takes into account any liabilities of the institution arising from that audit or program review or any other source. The Secretary collects those liabilities by offset in accordance with 34 CFR part 30.