

Federal Grants

Federal Grants: What They Are and How They Work

Information summarized from Federal Student Aid, U.S. Department of Education — studentaid.gov.

The U.S. Department of Education offers several types of federal grants to help students pay for college or career school. Grants are a form of financial aid that usually do not need to be repaid, unlike student loans.

However, there are certain situations where a student may be required to repay some or all of their grant—for example, if they withdraw from classes early or, in the case of a TEACH Grant, if they do not complete the required teaching service.

Types of Federal Grants

The federal government provides different grant programs for eligible students attending universities, community colleges, and career or technical schools. Below is a summary of the main grant programs:

Federal Pell Grant

For undergraduate students with significant financial need

Student must not already have a bachelor's, graduate, or professional degree

Maximum award for 2024–2025: up to \$7,395

Federal Supplemental Educational Opportunity Grant (FSEOG)

For undergraduates with exceptional financial need

Must not have earned a bachelor's, graduate, or professional degree

Maximum award: up to \$1,000 per year

TEACH Grant (Teacher Education Assistance for College and Higher Education)

For undergraduate, post-baccalaureate, and graduate students preparing to teach in a high-need field at the elementary or secondary level

Award amount: up to \$4,000 for grants first disbursed from Oct. 1, 2022–Sept. 30, 2024

Important: If service requirements are not completed, the grant converts into a Direct Unsubsidized Loan, which must be repaid with interest.

Grant Eligibility

To be considered for any federal grant, students must submit the FAFSA® each year. After you submit your FAFSA, your school will review your information and tell you:

Which grants you qualify for

The amount you may receive

When your grant will be disbursed

Some grants also have additional requirements. More details can be found on each specific grant's page at studentaid.gov.

Keeping Your Grant Eligibility

Each grant has its own rules for maintaining eligibility. In general, students must:

Continue meeting financial-need or program requirements

Maintain satisfactory academic progress

Stay enrolled in eligible coursework

For exact rules, students should review the requirements for their specific grant program.

When a Grant May Need to Be Repaid

A federal grant may need to be partially or fully repaid if:

You withdraw from school before completing the term

Your enrollment drops (e.g., from full-time to part-time) and your grant amount changes

You receive outside scholarships or aid that reduce your federal aid eligibility

You received a TEACH Grant but did not complete the required teaching service

You received Pell Grant funds from more than one school at the same time

Grant Repayment Process

If you must repay a grant, your school will notify you. You will have 45 days to:

Repay the amount in full or

Set up an approved repayment plan

If you choose a repayment plan, your school may either collect payments directly or send the debt to the U.S. Department of Education for collection.

If you do not take action within the required timeframe, you will lose eligibility for future federal student aid until the debt is resolved.

Source: Reworded and summarized from Federal Student Aid (U.S. Department of Education), available at studentaid.gov.

- [Federal Pell Grant](#)
- [Federal Supplemental Educational Opportunity Grant \(SEOG\)](#)
- [Federal TEACH Grant - Teacher Education Assistance for College and Higher Education](#)
- [Federal Work-Study](#)

Federal Pell Grant

Information adapted from Federal Student Aid (studentaid.gov).

Eligibility

Federal Pell Grants are generally awarded to undergraduate students who show significant financial need and who have not previously earned a bachelor's, graduate, or professional degree. In limited situations, students enrolled in certain post-baccalaureate teacher certification programs may also qualify.

Students who are incarcerated or confined may be eligible if they are enrolled in an approved Prison Education Program. Students who are under an involuntary civil commitment after serving a sentence for a sexual offense may also qualify.

Federal Student Aid also warns students not to accept unexpected or suspicious offers of financial aid—such as “pandemic grants” or “Biden loan forgiveness”—without confirming with their school that the offer is legitimate.

Unlike loans, Pell Grants usually do not need to be repaid, unless certain conditions apply (such as withdrawing from classes or receiving more funds than allowed). Students may only receive Pell Grant funds from **one school at a time**.

How to Apply

To be considered for a Pell Grant, students must complete the **Free Application for Federal Student Aid (FAFSA®)** each year. Schools use the FAFSA information to determine whether a student qualifies and how much they can receive.

Understanding the **cost of attendance (COA)** at your school is important because COA—such as tuition, fees, housing, meals, and other expenses—helps determine how much financial aid you may need.

Award Amounts

Pell Grant amounts change each year.

- For the **2025-2026 award year** (July 1, 2025–June 30, 2026), the **maximum Pell Grant** is **\$7,395**.

Your exact amount depends on:

- your Student Aid Index (from your FAFSA)

- your school's cost of attendance
- whether you attend full-time or part-time
- whether you attend for a full academic year or a shorter period

Some students may qualify for **up to 150%** of their scheduled Pell Grant in one academic year. This is sometimes called **“year-round Pell.”** For example, if you normally receive \$2,000 for the full year, you could receive an additional \$1,000 for extra terms if eligible.

Students can receive Pell Grants for **no more than 12 full-time terms** (about six years). Federal Student Aid notifies students who are approaching their limit.

If a student qualifies for Pell, the school receives enough federal funding to award the full eligible amount. Other forms of aid do **not** reduce Pell Grant eligibility.

Additional Eligibility

Students whose parent or guardian died while serving in the military or working as a public safety officer may be eligible for additional Pell Grant funds.

How Funds Are Delivered

- Pell Grant funds will be directly applied to the Student's Account balance
 - They will disburse for full term students on the 11th day of class and for part of term students on the 5th day of class.
 - Any excess funds after the grant has been applied to the balance will be sent to the student in the form of a refund by the Treasurer's Office
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Maintaining Eligibility

To continue receiving Pell Grants, students must:

- stay enrolled in an undergraduate program at an eligible institution, and
- complete a FAFSA form every year.

Students become ineligible once they earn a bachelor's or professional degree or once they use all 12 terms of Pell Grant eligibility.

Federal Supplemental Educational Opportunity Grant (SEOG)

The Federal Supplemental Educational Opportunity Grant (FSEOG) is a type of financial aid designed for undergraduate students who demonstrate **exceptional financial need**. This program is managed directly by Arkansas State University's Financial Aid Department.

How to Apply

To be considered for an FSEOG, students must complete the **Free Application for Federal Student Aid (FAFSA®)**. The information on the FAFSA helps the school determine each student's level of financial need. Schools award FSEOG funds to students with the highest need first. Like other federal grants, the FSEOG generally does not need to be repaid unless certain repayment situations apply. (Source: Federal Student Aid)

Award Amounts

Eligible students may receive **between \$100 and \$1,000 per year**, depending on their financial need, the timing of their application, the amount of other aid they receive, and how much FSEOG funding the school has available. Arkansas State University receives a limited allocation of FSEOG funds from the U.S. Department of Education. Once our school has awarded all of its available funds for the year, no additional FSEOG grants can be given. This is different from the Federal Pell Grant, which guarantees funding for every eligible student. For this reason, it is important to submit the FAFSA as early as possible and pay attention to your school's campus-based aid deadlines. (Source: Federal Student Aid)

How Funds Are Delivered

If you qualify for an FSEOG, your financial aid counselor can apply this grant towards your Financial Aid account.

Maintaining Eligibility

To continue receiving the FSEOG, students must remain enrolled as undergraduates and cannot already have a bachelor's degree. Eligibility for any federal student aid—including the FSEOG—requires completing the FAFSA each academic year. (Source: Federal Student Aid)

Federal TEACH Grant - Teacher Education Assistance for College and Higher Education

The **Teacher Education Assistance for College and Higher Education (TEACH) Grant** is a federal grant for students who plan to become teachers in certain high-need subject areas. Unlike most federal grants, the TEACH Grant requires you to complete a **teaching service commitment** after finishing your program. If you do not complete this service, the grant will be converted into a **Direct Unsubsidized Loan**, and you will have to repay it with interest.

(Source: Federal Student Aid)

How TEACH Grant Communication Works

Students who receive a TEACH Grant now work [directly](#) with the U.S. Department of Education to:

- Upload service-related forms and requests on [StudentAid.gov](https://studentaid.gov)
- Request a voluntary conversion or ask for a reconsideration if the grant converts to a loan
- Submit paperwork by mail or fax to:

Federal Student Aid Programs - TEACH

P.O. Box 300010

Greenville, TX 75403

Fax: 540-212-2415

(Source: Federal Student Aid)

Who Can Receive a TEACH Grant?

To qualify, a student must:

- Meet all general federal student aid requirements
- Submit the [FAFSA®](#) each year
- Attend a school that participates in the TEACH Grant Program
- Be enrolled in a program that prepares you to teach in a **high-need field**
- Meet academic guidelines (such as scoring in the top 25% on a college admissions test or maintaining at least a 3.25 GPA)
- Complete TEACH Grant counseling each year
- Sign a [TEACH Grant Agreement to Serve or Repay](#)

- Only students pursuing a first Bachelor's degree or a Master's degree are eligible for a TEACH Grant. Students pursuing only a teacher licensure or a second Bachelor's degree are not eligible for the TEACH Grant.
(Source: Federal Student Aid)

Undergraduate

- Students must be admitted to the TEACH Education program
- Students must have Taken the Praxis I
- Seeking a degree in one of the below high-need fields:
- BSE in Art
- BSE in Foreign Language (Spanish or French)
- BSE in Mathematics
- BSE in Science (Biology, Chemistry, Physics)
- BSE in Special Education K-12
- BSE in Social Science

Graduate

- Seeking a degree in one of the below high-need fields:
- MSE in Biology
- MSE in Chemistry
- MSE in Mathematics
- MSE in Reading
- MSE in Special Education K-12
- MSE in Special Education P-4
- MSE in Special Education 4-12
- MSE in Special Education Gifted, Talented and Creative
- MSE in Social Science
- MSE in Computer Science

Academic Requirements

Students must either earn a GPA of 3.25 or better) or have scored in the 75th percentile or better on a nationally-formed admission test (such as SAT or GRE) to qualify to receive and maintain the TEACH Grant award.

*Current teachers are not required to meet the GPA requirements upon initial TEACH Grant award but must maintain the 3.25 GPA requirement to continue eligibility.

Grant Amounts

The TEACH Grant can provide **up to \$4,000 per year**.

Due to federal budget rules, awards for any grant first paid between **Oct. 1, 2020, and Oct. 1, 2026** are reduced by **5.7%**, meaning the maximum award during this period is **\$3,772**.

(Source: Federal Student Aid)

Grant disbursed on or after October 1, 2021 (5.7% reduction rate)	A-State Online Only Registered Graduate Hours	Registered Graduate Hours	Registered Undergraduate Hours	Award Amount
Full-time	9 and above	9 and above	12 and above	\$1,886
Three-quarter time	6	7-11	7-11	\$1,414
Half-time	3	6	6	\$943
Below half-time	n/a	2 and below	5 and below	\$0
Summer Semester Enrollment Status	A-State Online Only Registered Graduate Hours	Registered Graduate Hours	Registered Undergraduate Hours	Award Amount
Full-time	6 and above	6 and above	12 and above	\$1,886
Three-quarter time	n/a	7-11	7-11	\$1,414
Half-time	3	3	6	\$943
Below-half-time	n/a	2 and below	5 and below	\$0

Grant disbursed on or after October 1, 2022 (5.7% reduction rate)	A-State Online Only Registered Graduate Hours	Registered Graduate Hours	Registered Undergraduate Hours	Award Amount
Full-time	9 and above	9 and above	12 and above	\$1,886
Three-quarter time	6	7-11	7-11	\$1,414
Half-time	3	6	6	\$943
Below half-time	n/a	2 and below	5 and below	\$0
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Half-time	3	3	6	\$943
Below-half-time	n/a	2 and below	5 and below	\$0

**Award amounts may change based upon sequestration amounts determined by the Federal Processor.*

Service Obligation (Your Teaching Requirement)

To keep the grant from turning into a loan, you must:

1. Teach **full-time** for **four years**
2. Work at a school or educational service agency that serves **low-income students**
3. Teach in a **high-need field** (such as math, science, special education, foreign language, or another subject listed on the Teacher Shortage Area Nationwide Listing)
4. Complete your four years of teaching within **eight years** after leaving your program
(Source: Federal Student Aid)

You must complete:

- **One four-year obligation** for all TEACH Grants received as an undergraduate, and
- **One four-year obligation** for all TEACH Grants received as a graduate student.

In some cases, the same teaching service period may count for both.

(Source: Federal Student Aid)

What Happens If You Do NOT Meet the Requirements?

If you do not complete the required service:

- Your TEACH Grants will automatically convert into **Direct Unsubsidized Loans**
- You must repay them with interest starting from the original date the funds were disbursed

You also have the **option** to request your grant be converted to a loan before completing the service if you already know you will not fulfill the teaching obligation.

****Please remember: Once a TEACH Grant has been converted to a loan, it cannot be converted back to a TEACH Grant.**

(Source: Federal Student Aid)

Programs That Qualify

A TEACH Grant-eligible program is one that:

- Leads to a bachelor's or master's degree
- Or is a post-baccalaureate program that prepares students to teach in a high-need field

Each college decides which of its programs qualify, so a program could be eligible at one school but not at another.

(Source: Federal Student Aid)

What Counts as a High-Need Field?

High-need subject areas include:

- Math
- Science (including computer science)
- Foreign language
- Bilingual education
- English language acquisition
- Reading specialist
- Special education
- Any field the state lists as high-need on the [Teacher Shortage Area Nationwide Listing](#)

[Listing](#)

(Source: Federal Student Aid)

To count, the subject must be listed:

- Either the year you start teaching, **or**
- The year you received your TEACH Grant

Where You Must Teach

Your teaching must take place at a school or educational service agency that serves **low-income students**. These schools are listed in the [Teacher Cancellation Low-Income Directory \(TCLI\)](#).

Schools run by the [Bureau of Indian Education \(BIE\)](#) also qualify automatically.

(Source: Federal Student Aid)

Suspensions of Your Service Deadline

You may request a temporary pause on the eight-year service window for reasons such as:

- Enrollment in a TEACH-eligible or state-approved teaching program
- Completing coursework for state certification
- Qualifying medical or family leave
- Military service
- Being a military spouse with significant relocation
- Living or working in a federally declared disaster area

Each suspension type has time limits, usually **up to 3 years**.

(Source: Federal Student Aid)

Your service obligation may be **discharged** (canceled) if:

- You pass away
- You become totally and permanently disabled

(Source: Federal Student Aid)

Submitting Proof of Teaching

Each year you complete teaching service, you must submit documentation, certified by your school's chief administrative officer, proving that:

- You taught in a qualifying low-income school
- You met state certification requirements
- You taught mostly in a high-need field

Forms can be uploaded on StudentAid.gov or mailed/faxed to the address provided earlier.
(Source: Federal Student Aid)

For additional information regarding the TEACH Grant please go online to
[https://studentaid.gov/teach-grant-program.](https://studentaid.gov/teach-grant-program)

Federal Work-Study

The **Federal Work-Study Program (FWS)** offers part-time job opportunities for eligible students to earn income that helps cover educational expenses while attending college or career school. Students at both the undergraduate and graduate levels who demonstrate financial need may participate. Work-Study positions can be on campus or with approved off-campus employers and, whenever possible, focus on community service or are related to the student's field of study.

How Do I apply for Federal Work-Study Funds?

Students must complete the Free Application for Federal Student Aid (FAFSA) at www.fafsa.gov and indicate they are interested in the work-study program. Students are encouraged to complete the FAFSA as early as possible as funds for this program are limited. Students must complete the FAFSA every year to receive FWS. Receipt of FWS one year does not automatically imply that the student will receive FWS the next year.

Types of Jobs

Federal Work-Study places emphasis on positions that involve community service or work connected to a student's field of study. *(Source: Federal Student Aid)*

Where Students Work

Jobs may be located:

- **On campus**, usually working for the school itself.
- **Off campus**, with a public or private nonprofit organization where the work must benefit the community.

Because funding is limited, students interested in Work-Study should complete the FAFSA as early as possible. *(Source: Federal Student Aid)*

Earnings

Students participating in Work-Study will earn at least the federal minimum wage, though some jobs may pay more depending on the role and required skill level. A student's total earnings are

determined by:

- How early they apply for aid
- Their financial need
- The amount of Work-Study funding available
- The number of hours that you work each week.
 - Most students work between 10 and 20 hours per week, and are paid every two weeks.

(Source: Federal Student Aid)

How Students Are Paid

Payment methods differ based on student classification:

- **Undergraduate students** are paid hourly.
- **Graduate and professional students** may be paid hourly or receive a salary depending on the job.

(Source: Federal Student Aid)

Students are paid every two weeks. Payment is applied to the student's account. Any excess funds will be processed as a refund by the Treasurer's Office.

Work Hours

Students cannot work unlimited hours. Earnings may not exceed the total amount of the student's Work-Study award. When assigning work schedules, the employer must consider the student's class schedule and ensure that work does not interfere with academic progress. *(Source: Federal Student Aid)*

What are my responsibilities as a FWS worker?

- As a student worker, it is your responsibility to be willing to work and perform your assigned duties to the best of your ability. You must sell your service and should be prepared for an orientation session with a prospective employer.
- Some jobs require weekend work. If you accept employment, you must work the hours and time scheduled for you.
- You must be dependable, prompt and reliable in attendance and work the required period of time.

- If you must be absent from work, your supervisor should be notified prior to your scheduled work time.
- You should not expect to be allowed to study while at work.