



# Federal Work-Study Funding Guide

Supervisor Procedures for FWS Exhaustion

Maverick Student Employment in consultation with the Office of Financial  
Support and Scholarships

5/12/26

## Table of Contents

|  |   |
|--|---|
| Table of Contents .....                                    | 1 |
| Purpose .....  | 2 |
| What Federal Work-Study Is and Is Not.....                 | 2 |
| Two Different Running Out Scenarios.....                   | 3 |
| Supervisor Responsibilities Before Hiring .....            | 3 |
| Supervisor Responsibilities During Employment .....        | 4 |
| When an Individual Student's FWS Award Is Running Out..... | 4 |
| When the School's FWS Allocation Is Running Out .....      | 5 |
| Decision Path for Supervisors .....                        | 5 |
| Communication Guidance.....                                | 5 |
| Recommended language for students.....                     | 5 |
| Recommended language for supervisors .....                 | 6 |
| Documentation Expectations.....                            | 6 |
| Best Practices Going Forward .....                         | 6 |
| FAQ.....   | 7 |
| Sources .....  | 8 |

## Purpose

Federal Work-Study is a valuable student employment funding source, but it is not unlimited. A student's individual Federal Work-Study award can run out, and departments should plan accordingly. At the institutional level, Federal Work-Study funding must be fully expended each academic year in accordance with federal requirements. Historically, the university has consistently exhausted its allocation, and failure to do so can result in financial penalties. Supervisors should plan for these constraints before hiring, monitor usage during the appointment, and communicate with students early enough to avoid disruptions.

The core principle is simple: students must be paid for all hours worked, but they may not continue to be paid from Federal Work-Study funds once their Federal Work-Study eligibility or award limit has been exhausted. If the department wants the student to keep working after Federal Work-Study is no longer available, the department must have another approved funding source ready and must follow the correct personnel and payroll process.

This guide is intended for supervisors of student employees. It does not replace direction from Financial Support and Scholarships, Human Resources, Payroll, Student Employment, or federal regulation. When a funding or eligibility question affects institutional policy, payroll, or a student's financial aid package, the supervisor should escalate rather than improvise.

## What Federal Work-Study Is and Is Not

Federal Work-Study is earned through work. It is not a grant paid to the student up front. UNO's Federal Work-Study guidance explains that Federal Work-Study is awarded as part of an eligible student's aid package, but it is not a guarantee of employment. The student still must apply for and be hired into an eligible job. If hired, the student may earn up to the amount of the Federal Work-Study award.<sup>1</sup>

At UNO, work-study employment should be understood as temporary, part-time student employment that is secondary to the student's pursuit of a degree. Student employment guidance also expects enrollment in at least one credit hour and generally frames student employment within the student's academic commitments.<sup>2</sup>

For wage planning, supervisors should also remember that Nebraska's minimum wage is \$15 per hour effective January 1, 2026. Federal Work-Study wages must meet the applicable federal, state, or local minimum wage, whichever is higher.<sup>3</sup>

Supervisors should avoid treating Federal Work-Study as free labor. FWS may reduce the departmental wage burden, but it does not remove supervisory responsibility for scheduling, timesheet approval, budget awareness, onboarding, or student support.

- 
- <sup>1</sup> . UNO Financial Support and Scholarships, Federal Work-Study (FWS).
  - <sup>2</sup> . UNO Maverick Student Employment, Student Employee Resources.
  - <sup>3</sup> . Nebraska Department of Labor, Labor Standards: Minimum Wage.

## Two Different Running Out Scenarios

There are two different issues supervisors need to understand. The first is individual award exhaustion. This happens when a student earns the full amount they were authorized to earn through Federal Work-Study, or when their aid package changes, and their remaining eligibility is reduced. The Financial Support and Scholarships office reviews Federal Work-Study earnings for each payroll cycle and will notify supervisors as a student approaches or reaches their funding limit. In that situation, the student may not continue to be paid from Federal Work-Study funds unless Financial Support and Scholarships confirms additional eligibility or increases the award..

The second is institutional allocation exhaustion. This is a federal requirement: the university is expected to fully expend its Federal Work-Study allocation each academic year. Once the allocation has been used, no additional wages may be charged to Federal Work-Study funds. If funding is exhausted during a payroll cycle, Payroll will make the necessary adjustments to ensure wages are no longer charged to Federal Work-Study. Supervisors should expect direction from Financial Support and Scholarships and Student Employment as limits are approached. Departments should not assume they can continue charging student wages to Federal Work-Study after a stop date or funding limit has been communicated.

Federal regulation also limits how FWS funds may be used when the student exceeds need, and the institutional share of wages must be handled from allowed sources. Supervisors do not need to interpret the regulation alone, but they do need to stop and ask before allowing additional work when eligibility or funding is uncertain.<sup>4</sup>

## Supervisor Responsibilities Before Hiring

Before offering a Federal Work-Study position, the supervisor should confirm that the student has a Federal Work-Study award, confirm the expected wage rate, estimate the number of hours the student is likely to work, and determine whether the department has backup funding if the FWS award runs out. This should happen before the student begins work, not after a payroll problem appears.

A basic estimate should be made before the student starts. Divide the student's available FWS award by the hourly wage. That gives the approximate total number of work hours available under FWS. Then divide that number by the expected weekly schedule to estimate how many weeks the award will last. For example, a \$2,000 remaining FWS award at \$15 per hour supports about 133 hours. At 10 hours per week, the award lasts about 13 weeks. At 20 hours per week, the award lasts about 6.5 weeks.

Supervisors should not treat the student's award as a full-semester staffing plan unless the math supports it. This is where many problems start. A student can be approved to work 15 or 20 hours per week, but the funding may only support that schedule for part of the term.

---

<sup>4</sup> . 34 CFR Part 675, Federal Work-Study Program regulations, including sections 675.26 and 675.27.

The job description should also be clear. Federal Student Aid recommends written job descriptions for FWS positions as part of institutional control procedures. UNO's PeopleAdmin process also requires student position information such as student title code, cost center, budgeted amount, and FTE for student postings.<sup>5</sup>

## Supervisor Responsibilities During Employment

Supervisors should monitor Federal Work-Study usage every pay period. The supervisor should know the student's original award, the remaining balance, the student's scheduled hours, the student's actual submitted hours, and the estimated date the FWS award will be exhausted.

Timesheet accuracy is not optional. Federal Student Aid requires adequate timesheets or records of hours worked. Those records must show hours separately for each day and the total hours worked during the pay cycle. They must match the hours paid, and the timesheet must be certified by the supervisor or other appropriate official.

Supervisors should not approve extra hours casually. If a student is budgeted for 10 hours per week but routinely works 15, the student's award will run out faster than planned. That may create a payroll, compliance, and student-relations problem.

A practical internal control is to review usage at 50 percent, 75 percent, and near-exhaustion. At each point, the supervisor should decide whether the current schedule still makes sense, whether a reduction is needed, and whether departmental backup funding is available. This is not just a financial aid practice; it is basic student employment management.

## When an Individual Student's FWS Award Is Running Out

Once a student reaches a warning threshold, the supervisor should immediately review the student's remaining award, upcoming work schedule, expected end date, and department funding options. The supervisor should not wait until the student has already exceeded the award.

If the department wants the student to continue working, the supervisor should determine whether the department can pay the student from departmental student-worker funds once Federal Work-Study ends. If yes, the supervisor should coordinate with the department's business manager or PAF coordinator and Student Employment to make sure the funding change is documented correctly. UNO PAF/SAP guidance routes Student Worker and Work Study actions through the appropriate departments: Financial Support/Scholarship (when applicable), Student Employment, and Human Resources.<sup>6</sup>

If the department cannot pay the student after the FWS award is exhausted, the supervisor should reduce or end the student's work schedule before the student exceeds the available award. This should

---

<sup>5</sup> . UNO Human Resources, PeopleAdmin User Guide, updated December 12, 2025.

<sup>6</sup> . UNO Human Resources, PAF/SAP Code Reference, 2021.

be handled professionally and with as much notice as possible. The message should be that this is a funding limitation, not a performance issue.

A supervisor should never ask or allow the student to volunteer in the same role after funding runs out. If the student is performing work, they must be paid for all hours worked. This is not negotiable.

## When the School's FWS Allocation Is Running Out

If the institution's FWS allocation is at risk of being exhausted, the response should be centralized. Financial Support and Scholarships should confirm the available balance, projected burn rate, and stop date or reduction plan. Student Employment should help translate that into supervisor-facing guidance.

Supervisors should be told three things clearly: an estimated date after which new Federal Work-Study hours may not be charged, whether already-worked hours are expected to be covered, and what options departments have if they want to continue employing students. Estimates are provided in coordination with accountants in the Controller's Office and are based on projected spending; exact timing cannot be confirmed until payroll is processed, and funding is fully reconciled.

Departments that can cover wages from their own funds may continue employment only after the funding source is corrected. Departments that cannot cover wages should end or reduce the appointment in a timely manner through the correct separation or appointment-change process.

The institution should avoid presenting this as a student performance issue. The use of all Federal Work-Study allocations during an academic year is a federal requirement, and available funds are limited. A student reaching their funding limit or being affected by allocation exhaustion is not a disciplinary matter. The student should not be told they lost the job because they did something wrong unless there is a separate, documented performance issue.

## Decision Path for Supervisors

Start by asking whether the student still has FWS eligibility and remaining FWS award funds. If yes, the student may continue working within the approved schedule, but the supervisor should keep monitoring the remaining balance. If no, ask whether Financial Support and Scholarships has approved an award increase or correction. If yes, wait for confirmation before allowing additional FWS-coded work.

If no additional FWS eligibility has been approved, ask whether the department has an approved non-FWS funding source. If yes, complete the funding change process and continue employment only after the appropriate department and payroll steps are underway. If no, reduce hours or separate the student from the position using the appropriate PAF process.

That decision path should be communicated before the student begins work. It is better to say that the position is supported by limited Federal Work-Study funds than to let the student assume the position is guaranteed for the full academic year.

## Communication Guidance

### Recommended language for students

Use plain language. A supervisor can say: Your Federal Work-Study award is the maximum amount you may earn through Federal Work-Study. It is not a lump-sum payment and it is not unlimited. Based on your current wage and schedule, your award is projected to last until approximately [date]. We will monitor your remaining balance during the semester. If your award is close to running out, we will discuss whether your schedule needs to be reduced or whether the department has another approved funding source available.

If funding is nearly exhausted, a supervisor can say: Your Federal Work-Study award is nearly exhausted. Because Federal Work-Study funds cannot be used after your eligibility or award limit is reached, we need to adjust your schedule effective [date]. The department is reviewing whether another funding source is available. Until that is confirmed, do not work beyond the approved schedule.

If the department cannot continue the position, a supervisor can say: Your Federal Work-Study funding will be exhausted as of [date/pay period]. The department does not have another approved funding source available for this position, so your last day in this role will be [date]. This is a funding limitation, not a reflection of your performance. Please make sure your final timesheet is submitted by [deadline].

### Recommended language for supervisors

Supervisor-facing communication should be direct but not accusatory. Student Employment can say: Please review your Federal Work-Study student's remaining award balance before approving additional hours. If the student works beyond the available FWS award, those wages may need to be covered by departmental funds. Federal Work-Study cannot be used once the student's eligibility or award limit has been exhausted. If you want the student to continue working after FWS funds are exhausted, coordinate with your business manager or PAF coordinator and Student Employment before the student works additional hours.

This preserves the supervisor's ownership of scheduling and budgeting while still giving them the rule and the path forward.

## Documentation Expectations

The supervisor should maintain documentation of the student's schedule, approved hours, timesheets, FWS award balance checks, communications about award exhaustion, and any decision to continue employment using departmental funds. Documentation should be clear enough that another person could reconstruct what happened without relying on memory.

At UNO, student employment actions should also be documented through the appropriate PeopleAdmin, PAF, SAP, HR, and Student Employment workflows. The broader NU recruitment and

selection policy reinforces job-related criteria, documentation, confidentiality, and recordkeeping as baseline principles for employment processes.<sup>7</sup>

## Best Practices Going Forward

Supervisors should build a Federal Work-Study funding check into the hiring process, the first-week onboarding process, and each payroll approval cycle. This does not need to be complicated. The supervisor should know the student's remaining FWS award, hourly rate, average weekly schedule, projected exhaustion date, and whether departmental backup funding exists.

The broader higher education consensus generally recommends clear written job descriptions, routine balance monitoring, supervisor training, consistent wage schedules across funding types, and cross-campus coordination among Student Employment, Financial Aid, Payroll, and departments.<sup>8</sup>

This also fits UNO's stated Maverick Student Employment mission. MSE is not just a payroll clearinghouse. It is intended to support student development, supervisor tools, retention, career readiness, and a stronger student employment experience.<sup>9</sup>

## FAQ

### **Does a Federal Work-Study award guarantee a job?**

No. Federal Work-Study may appear in the student's aid package, but the student still has to apply for and be hired into an eligible job.

### **Does the student receive Federal Work-Study money up front?**

No. Federal Work-Study is earned through wages. If the student is not hired into a Federal Work-Study position, the award does not pay out automatically.

### **Can a student keep working after their FWS award runs out?**

Yes, but not on Federal Work-Study funds unless Financial Support and Scholarships confirms additional eligibility. If the department has another approved funding source, the student may be able to continue as a regular student worker after the funding source is corrected. If the department does not have another funding source, the student's hours must be reduced or the appointment must end.

### **Can a supervisor let the student work unpaid after Federal Work-Study funding has been exhausted or is no longer available?**

No. If the student is performing work, they must be paid. Unpaid work in the same paid role is not an acceptable workaround.

---

7 . University of Nebraska System, HR-05 Recruitment and Selection Policy.

8 . NASFAA, Examining Federal Work-Study Task Force Report.

9 . UNO Maverick Student Employment, About Maverick Student Employment.

**What happens if a supervisor approves more hours than the FWS award can cover?**

The department may need to cover wages from departmental funds. Supervisors should prevent this by monitoring remaining award balances before approving additional hours.

**How often should supervisors check remaining FWS balances?**

At minimum, supervisors should review usage each pay period before approving timesheets. A stronger practice is to review the student's award at the start of employment, at 50 percent usage, at 75 percent usage, and again when the award is near exhaustion.

**Can the department increase the student's Federal Work-Study award?**

No. Departments cannot increase FWS awards on their own. The student's eligibility and award amount must be handled by Financial Support and Scholarships.

**Should supervisors reduce hours before the student runs out?**

Yes, if no alternate funding sources are confirmed. Reducing hours before exhaustion is the cleanest way to prevent overages, student confusion, and payroll corrections.

**Can a department choose to pay the student fully from department funds instead?**

Generally, yes, if the department has the budget and follows the proper personnel and payroll process. The funding source must be approved and documented before additional work is performed.

**Is running out of Federal Work-Study a performance issue?**

No. FWS exhaustion is a funding and eligibility issue. Do not frame it as discipline unless there is a separate, documented performance problem.

**What if the student has multiple campus jobs?**

The supervisor should coordinate with Student Employment and Financial Support and Scholarships. Multiple jobs can draw down available eligibility faster, and the student's total FWS earnings still cannot exceed their authorized amount.

**What if the whole school is running out of FWS?**

This is expected. The university is required to fully expend Federal Work-Study allocations each academic year, and supervisors should plan accordingly. Once Federal Work-Study funding is no longer available, supervisors should not approve additional FWS-coded hours.

Departments that can continue employment should transition the student to a non work–study (student worker) funding source before any additional work is performed. Departments that are unable to cover wages should pause or end the position until the next academic year.

**What final step is required if the student stops working?**

Supervisors should complete the appropriate separation or appointment-change process and ensure the student's final timesheet is submitted and approved.

## Sources

1. Federal Student Aid. 2025-2026 Federal Student Aid Handbook, Volume 6, Chapter 2, "The Federal Work-Study Program." <https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2025-2026/vol6/ch2-federal-work-study-program>
2. University of Nebraska at Omaha, Financial Support and Scholarships. "Federal Work-Study (FWS)." <https://www.unomaha.edu/admissions/financial-support-and-scholarships/types-of-aid/work-aid.php>
3. University of Nebraska at Omaha, Maverick Student Employment. "Student Employee Resources." <https://www.unomaha.edu/maverick-student-employment/resources/index.php>
4. Nebraska Department of Labor. Labor Standards: Minimum Wage. <https://dol.nebraska.gov/laborstandards>
5. Code of Federal Regulations. 34 CFR Part 675, Federal Work-Study Program, including sections 675.26 and 675.27. <https://www.law.cornell.edu/cfr/text/34/part-675>
6. University of Nebraska at Omaha Human Resources. PeopleAdmin User Guide, updated December 12, 2025.
7. University of Nebraska at Omaha Human Resources. PAF/SAP Code Reference, 2021.
8. University of Nebraska System. HR-05 Recruitment and Selection Policy. <https://nebraska.edu/-/media/unca/docs/offices-and-policies/policies/policies/hr-05-recruitment-and-selection-policy.pdf>
9. National Association of Student Financial Aid Administrators. "Examining Federal Work-Study Task Force Report." [https://www.nasfaa.org/examining\\_fws\\_task\\_force\\_report](https://www.nasfaa.org/examining_fws_task_force_report)
10. University of Nebraska at Omaha, Maverick Student Employment. "About Maverick Student Employment." <https://www.unomaha.edu/maverick-student-employment/about-us/index.php>