

Treatment of Title IV Aid When a Student Withdraws or Stops Attending 34 CFR 668.22

The law specifies how the school must determine the amount of Title IV program assistance a student has earned once they stop attending or withdrawal from school.

Policy

Federal funds are awarded to students under the assumption they will complete the payment period or period of enrollment. When a student withdraws or ceases to attend classes or submit required assignments the institution must determine if the student is eligible for the aid they received or was scheduled to receive.

SMWC does not take attendance; however, we monitor student's interaction by their physical presence in class, interaction with their instructor and submission of required assignments. The faculty documents the date(s) of the above activities, and that date is used when completing the Return to Title IV calculation.

34 CFR §668.22(c)(1)(iii) an institution that does not require attendance to be taken should use the midpoint of the payment period or period of enrollment when a student is determined to have unofficially withdrawn. However, under 34 CFR §668.22(c)(3)(i) an institution may use a student's last date of attendance at an academically related activity that documents the student's attendance at the activity.

For a student who withdraws, without providing notification, from a school that is not required to take attendance, the school must determine the withdrawal date no later than 30 days after the end of the earlier of (1) the payment period or the period of enrollment (as applicable), (2) the academic year, or (3) the student's educational program.

The Registrar's Office notifies the Financial Aid office of any student that has officially or unofficially withdrew from a payment period or period of enrollment. When the Financial Aid office receives this notification, they will begin the recalculation process and determine if any/all funds must be returned to the Title IV program. The Financial Aid office will use the date provided on the student's transcript as the withdraw date and request documentation from the faculty to support that date.

If a student has a credit balance after the Return of Title IV (R2T4) calculation; the Business Office has 14 days to issue any credit balance to the student or parent.

Procedure

The Financial Aid office will receive notification of official withdraws from the Registrar's office via "official withdraw forms".

The official withdraw process begins when the student provides official notification to the school of his or her intent to withdraw. The forms are completed by the Registrar's office and distributed to offices related to the student's program and the Financial Aid office.

An unofficial withdraw occurs when the school determines the student has ceased attendance or interaction. The Financial Aid office will begin the process of determining these students the day after final grades is due to the Registrar. There is a two-step process to determine students who have unofficially withdrawn from the semester. A report will be created from CampusNexus to determine the student's GPA and which class is to be used for the last academic event. The report from CampusNexus will be created by going to: reports>academics records>Academic History and Advising report.

The Financial Aid Office will indicate students on this report who received all "I, F or W" (incompletes, failing grades or withdraws) and complete the Return to Title IV calculation to determine the percentage of aid earned. To determine the student's recent academic event in CampusNexus, the staff member will go to the "Attendance" portion of CampusNexus and review the class with the recent date that is entered. This date will be used as the most recent academic event.

If funds are required to be returned per the R2T4, the Financial Aid Office will return those funds to the Title IV program and notify the student of the action.

Process

Official Withdrawals

- The Registrar's Office is designated as the primary contact point for students who wish to officially withdraw. If a student notifies a staff or faculty member of their intent to withdraw this is communicated to the Registrar's office. The student will be contacted by the Registrar's Office to complete the required withdraw process. They can receive a withdrawal from the Registrar's Office or online (www.smwc.edu).
- The Registrar's office completes the official withdraw form and forwards copies of the withdrawal information to other offices according to the student's program. The Financial Aid Office will receive the form and begin the R2T4 process.
- The withdrawal date is determined by the date the student actually withdraws per the Registrar's Office.
- The Financial Aid office calculates the return of Title IV funds using the formula as determined by the Department of Education. The Financial Aid Office uses the form "*Treatment of Title IV funds when a Student Withdraws from a Credit-Hour Program*" as provided on the Central Processing System (CPS) website.
- The Financial Aid Office verifies the "amount disbursed" by reviewing the student's ledger card. This information is inserted into the required fields on the form.
- The R2T4 calculation is reviewed by another Financial Aid staff member for accuracy. Both the preparer and the reviewer will initial the form.
- If the calculation requires aid to be returned the Financial Aid office will create a file to export to Common Origination & Disbursement to remove or reduce aid from the appropriate Title IV program. The correction file will be returned and imported into the CampusNexus software. The Financial Aid office will create a disbursement file to remove the disbursements from CampusNexus and send that to the Business Office for posting to the student ledger account.

- If the calculation results in returning aid, the Financial Aid office and the Business Office will notify the student of his or her obligation to repay funds by sending a letter and billing statement via US postal mail, email and via the student portal.
- If the calculation requires any earned post-withdrawal disbursement the Financial Aid office will disburse those funds by adding/adjusting the award on CampusNexus and creating a disbursement roster for the Business Office to post to the student's account. If applicable, the Business Office will issue a refund check to the student for any credit balance.
- Process takes two to three business days (by federal regulation, the institution has 30 days from the date of the withdrawal or the end of the payment period or period of enrollment to complete the calculation. The school must return the amount of Title IV funds no later than 45 days after the date of determination.

Unofficial Withdrawals

- The Financial Aid Office will create a report after final grades are due that will indicate student's GPA and classes listed to determine the last academic event.
- The Financial Aid Office will indicate students on this report who received all "I, F or W" (incompletes, failing grades or withdraws) and complete the Return to Title IV calculation to determine the percentage of aid earned.
- The Financial Aid office will use the date on the student's final grade tab to determine the last academic event and request documentation from the instructor to support the date.
- The Financial Aid office calculates the return of Title IV funds using the formula as determined by the Department of Education. The Financial Aid Office uses the form "*Treatment of Title IV funds when a Student Withdraws from a Credit-Hour Program*" as provided on the Central Processing System (CPS) website.
- The Financial Aid Office verifies the "amount disbursed" by reviewing the student's ledger card. This information is inserted into the required fields on the form.
- The R2T4 calculation is reviewed by another Financial Aid staff member for accuracy. Both the preparer and the reviewer will initial the form.
- If the calculation requires aid to be returned the Financial Aid office will create a file to export to Common Origination & Disbursement to remove or reduce aid from the appropriate Title IV program. The correction file will be returned and imported into the CampusNexus software. The Financial Aid office will create a disbursement file to remove the disbursements from CampusNexus and send that to the Business Office for posting to the student ledger account.
- If the calculation results in returning aid, the Financial Aid office and the Business Office will notify the student of his or her obligation to repay funds by sending a letter and billing statement via US postal mail, email and the student portal.
- If the calculation requires any earned post-withdrawal disbursement the Financial Aid office will disburse those funds by adding/adjusting the award on CampusNexus and creating a disbursement roster for the Business Office to post to the student's account. If applicable, the Business Office will issue a refund check to the student for any credit balance.
- Process takes two to three business days (by federal regulation, the institution has 30 days from the date of the withdrawal or the end of the payment period or period of enrollment to complete the calculation. The school must return the amount of Title IV funds no later than 45 days after the date of determination.

Situations that would not require our institution to perform a return of Title IV funds calculations would include a student who was awarded Federal Work-Study only or receives no Title IV aid or if a student who drops classes but does not completely withdraw.

If a student completes 60% or more of his/her classes, the Financial Aid Office will still complete the required forms to ensure all aid was earned. The Financial Aid office will also complete required forms if a student does not successfully complete a semester by receiving all failing grades (F), withdraws (W) or has all incompletes (I).

Withdrawal Date

A withdrawal date is the date in which the student files the proper forms to officially withdraw from their classes or the last date of an academic event (unofficial withdrawal). An unofficial withdraw occurs when the institution realizes that the student is no longer attending classes and has no intention of returning. The date of withdrawal depends on when the proper forms have been submitted to the Registrar's Office. The faculty will provide the Financial Aid Office with documentation for the last academic event of the most recent class the student received a failing grade. This date will be used to perform the Return to Title IV calculation and indicated on the student's transcript.

A student is allowed to rescind his/her withdrawal notification however, depending on the situation and where the institution is in the process will determine whether or not he/she is accepted back into the program. If a student subsequently leaves anyway, then the withdrawal process is completed as necessary.

SMWC does not take attendance; however, some classes and instructors will require (take) attendance. The Financial Aid Office will use the dates according to the Registrar's Office records as withdrawal dates.

Administrative Withdrawals

Policy

Prior to disbursing Federal, State or Institutional funds to a student, SMWC must confirm that the student has begun attendance in a payment period by submitting required assignments. Students that have not triggered attendance or submitted the required assignments within the first 5 days of the period of enrollment for 8-week modules or 10 days for 16-week semesters will be "Administratively Withdrawn".

Procedure

The Financial Aid office will receive notification from the Registrar's Office if the instructor has not received assignments or the student has not attended class within the 10 days of the 16-week semester or 5 days for an 8-week module.

The Financial Aid Office will prepare a Return to Title IV calculation for reporting purposes and remove all pending aid from the CampusNexus system. The Financial Aid office will re-originate

loan and Pell awards and export those files via SAIG mailbox to Common Origination & Disbursement to remove pending disbursements.

Process

1. Students are required to attend class or submit a required assignment within the first three (5) days of an 8-week module or (10) days of a 16-week period of enrollment.
2. The Registrar's office will monitor the period of enrollment to ensure the instructor has submitted a "P" indicator identifying that the student has submitted an assignment(s).
3. At the end of the monitoring period the Registrar's Office will provide to the Financial Aid Office the names of students that have not complied with the Administrative Withdrawal policy.
4. The Financial Aid Office will complete the Return to Title IV calculation for reporting purposes.
5. The Financial Aid Office will remove pending awards on the CampusNexus software and create a file to export to Common Origination & Disbursement via SAIG mailbox. This export will remove pending originations and disbursements on the Common Origination & Disbursement records.
6. The corrected file will be returned from Common Origination & Disbursement via the SAIG mailbox and imported into the CampusNexus software.
7. The student's account is noted.

Students – Did Not Attend

Policy

Policy 34 CFR §668.21(a) requires institutions to return all title IV, HEA program funds that are credited to the student's account at the institution or disbursed directly to the student for that payment period or period of enrollment, for Federal Perkins loan, FSEOG, TEACH grant, Federal Pell Grant and Direct Loan funds if the student did not begin attendance.

Procedure

The Financial Aid Office will disburse aid according to the disbursement policies set forth in this manual. If aid is inadvertently disbursed to a student who failed to begin classes all aid will be immediately removed and returned the appropriate program.

Process

1. All aid is disbursed by the Financial Aid Office according to registration requirements set-up in the CampusNexus system.
2. Students are monitored by the instructor and Registrar's office to insure they are attending class and submitting required assignments. Students who fail to attend class or submit required assignments within the first 10 days (for 16-week semesters or 5 days for 8-week modules) of the period of enrollment or payment period will be Administratively Withdrawn and are not entitled to financial aid.
3. If aid is inadvertently disbursed to a student, the aid is immediately removed from CampusNexus by reducing the award and creating a disbursement roster for the Business Office. A file is then created and exported to Common Origination & Disbursement via SAIG mailbox to remove the origination/disbursement from their records.

4. The corrected file will be returned from Common Origination & Disbursement via the SAIG mailbox and imported into the CampusNexus software.
5. The disbursement roster is sent to the Business Office for posting to remove the inadvertent disbursement.
6. The student's account is noted, and the student is contacted regarding the process.

Module(s)

Students who are enrolled in a credit hour program offered in modules that do not complete all modules during a payment period will be considered a "withdrawal" based on the following questions:

- 1) Did the student cease to attend, or fail to begin attendance in a scheduled course that was included in the institution's calculation of the student's Title IV awards for the payment period or period of enrollment?
 - a. If yes, go to question 2.
 - b. If no, student is not a withdrawal.
- 2) When the student ceased to attend or failed to begin attendance in a scheduled course, was the student attending other courses in the period?
 - a. If yes, student is not a withdrawal, but Pell recalculations may apply.
 - b. If no, go to question 3.
- 3) When the student ceased to attend or failed to begin attendance in a scheduled course, did the student complete all the requirements for graduation?
 - a. If yes, student is not a withdrawal, but Pell recalculations may apply.
 - b. If no, go to question 4.
- 4) When the student ceased to attend or failed to begin attendance in a scheduled course, did the student successfully complete:
 - a. A module or combination of modules that contain 49% or more of the number of days of the payment period (excluding scheduled breaks of 5 consecutive days or more and all days between modules) OR
 - b. Coursework equal to or greater than the coursework required for the institution's definition of half-time student for the payment period.
 - i. If yes to either question, student is not a withdrawal, but Pell recalculations may apply.
 - ii. If no, go to question 5.
- 5) Did the student confirm attendance in a later module in the payment/enrollment period (45-day rule for standard or non-standard programs: 60-days for nonterm or subscription-based programs)?
 - a. If yes, not a withdrawal, but Pell recalculations may apply.
 - b. If no, student is a withdrawal.

SMWC monitors changes in the student's enrollment throughout the period. Any fluctuations in a student's enrollment status (adding or dropping courses throughout the period) may cause the number of days to change.

If the student attended all modules of the term; the percentage of the period that is completed; the number of calendar days completed in the period is divided by the total number of days in the

period. The number of calendar days in the period includes weekends, holidays and excludes any scheduled breaks longer than five consecutive days.

If the student fails to attend at least one day in any future module; aid is recalculated based on the attended module and the percentage of the period that is completed is calculated by dividing the number of days the student attended by the calendar days of the module (including weekends and holidays but excluding any scheduled breaks longer than five consecutive days).

Example student who attended all modules:

Student enrolled for 12 credit hours (6 hours in module 1 and 6 hours in module 2). The student attended all modules but did not earn a passing grade in any courses. An R2T4 calculation is required. Every course is checked for an academic event to determine if a Pell recalculation is needed prior to the R2T4. The student's last academic event date will be used as the withdrawal date. To figure the percentage of the period that is completed; the number of days from the beginning of the term until the last academic event date is used as the numerator and the total number of days in the period (including weekends and holidays but excluding scheduled breaks of 5 days or more) is used as the denominator.

Example student who does not attend all modules:

Student enrolled for 12 credit hours (6 hours in module 1 and 6 hours in module 2). The student withdraws from module 1 and never attends module 2. All courses in module 1 are checked for an academic event; since the student never attended module 2, the Pell is recalculated based only on enrollment status in module 1.

The student's request to withdraw will be used as the withdrawal date. To figure the percentage of the period that is completed; the number of days from the beginning of the term until the withdrawal date is used as the numerator and the total number of days in module 1 (including weekends and holidays but excluding scheduled breaks of 5 days or more) is used as the denominator. The days in module 2 are not factored into the denominator as that module was not ultimately used to determine the student's Title IV eligibility.

For all programs that contain three or more modules within that payment period the students will be required to complete a "Letter of intent to return" form. For *example*, if a student attends the first module his/her aid is disbursed. The student does not attend the second module then their aid will be cancelled for that module, and they will be required to submit the letter of intent for the third module. If they do not provide us the letter of intent prior to the end of the second module, then we will be required to do the calculation and return funds.

Leave of Absence (LOA)

A leave of absence (LOA) is a temporary interruption in a student's program of study. LOA refers to the specific time period during a program when a student is not in attendance.

SMWC Policy for LOA

A LOA may be requested only in cases of documented circumstances beyond the student's control and will not be approved for a failure to maintain satisfactory academic progress. A student may request a LOA from their Program Director or the Vice President for Academic Affairs. The length of a LOA may vary given the student's specific circumstances, but the student must resume classes within one full year from the start of the LOA or he/she will be required to reapply for admission to the College.

A student who requests to take a LOA will be responsible for dropping his/her courses prior to the last date to drop for the term. If the LOA is requested after the drop deadline, the student will be responsible for completing those courses.

A student approved for a LOA will be expected to fulfill all current financial obligations to the College, in accordance with the published refund policies.

PLEASE NOTE: SMWC's Leave of Absence policy does not conform to the federal Title IV student aid requirements. Therefore, a LOA will be treated as a federal withdrawal and is subject to Title IV Return of Funds calculations. In addition, a student on LOA will be reported as withdrawn to the National Student Clearinghouse, triggering the start of the grace period or repayment of student loans.

Formula Calculation

Financial Aid counselors perform the calculations using the Department of Education's software via the web. A calculation is done for all Title IV students' withdrawing regardless of status.

To determine the percentage of the period that is completed; the number of calendar days completed in the period is divided by the total number of days in the period. The number of calendar days in the period includes weekends, holidays and excludes any scheduled breaks longer than five consecutive days.

SMWC does not have an R2T4 Freeze Date therefore modules are reviewed both as an entire term and as an individual module. Aid is awarded based on the number of registered hours for the entire period. For more information on modules, please see the section above "modules".

Example:

Student enrolled for 12 credit hours for the period. The student attended all courses in the period but did not earn a passing grade in any courses. An R2T4 calculation is required. Every course is checked for an academic event to determine if a Pell recalculation is needed prior to the R2T4. The student's last academic event date will be used as the withdrawal date. To figure the percentage of the period that is completed; the number of days from the beginning of the term until the last academic event date is used as the numerator and the total number of days in the period (including weekends and holidays but excluding scheduled breaks of 5 days or more) is used as the denominator.

When a student has withdrawn, this information is conveyed to the Financial Aid Office through proper documentation. Upon receipt, the data is used to calculate whether or not the return of Title IV funds is necessary or not. The period of time the student was enrolled is determined from the beginning to the end.

The counselor that does the calculations will know the amount of Title IV aid disbursed by looking at his/her personal financial aid information and institutional charges are determined by the Business Office.

Disbursements that are pending because of verification or were made as interim disbursements to a student who withdrew prior to completing verification will be cancelled. However, if the money has already been disbursed then a Financial Aid Counselor will remove the awards via COD (Common Origination & Disbursement).

Returning Unearned Funds

After the Return to Title IV (R2T4) calculation is completed, any aid that was not earned by the student will be returned to the aid program by SMWC. Title IV aid not earned will be returned as follows:

- Unsubsidized Direct Loans (other than Direct PLUS loans)
- Subsidized Direct Loans
- Direct PLUS Loans (parent or graduate)
- Federal Pell grants for which a return is required.
- Iraq and Afghanistan Service Grant, for which a return of Title IV funds is required.
- Federal Supplemental Educational Opportunity Grant (FSEOG) for which a return of funds is required.
- TEACH Grants for which a return is required.

Under the September 2, 2020 final *regulations*, the order of return of Title IV funds was slightly modified with respect to the Iraq and Afghanistan Service Grants.

NOTE: returning funds could result in the student owing SMWC a balance and/or the Department of Education.

It is the student's responsibility for all unearned Title IV program assistance that the school is not required to return. The student loans that remain *outstanding are repaid by the student according to the terms of the student's promissory note(s)*.

In addition, regulations limit the amount a student must repay to the amount by which the original overpayment amount **exceeds the 50% of the total grant funds disbursed to or that could have disbursed** to the student for the payment period or period of enrollment.

The Financial Aid Office (along with the Registrar and Online Director) determine institutional and student shares of unearned aid. For campus students the amounts are prorated however, if a student has attended 60% or more during the enrollment period, they are charged all tuition and fees for that period. For Online students, if they withdraw within the first week, they may be eligible for

a 100% refund if it's approved by the Director of Online. After 2/3's of the semester has passed the student may receive up to a 30% refund.

Students are notified if they owe a Title IV grant repayment by the Business Office via an invoice or billing statement.

Post-withdrawal Disbursements

If a recipient of Title IV grant or loan funds withdraws from a school after beginning attendance, the amount of Title IV grant or loan assistance earned by the student must be determined. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement of the earned aid that was not received.

For any amount of a post-withdrawal grant disbursement not credited to the student's account to cover allowable charges, the school must make the disbursement as soon as possible but no later than 45 days after the date of the school's determination that the student withdrew (no confirmation from the student is required).

If a student or parent is eligible for a post-withdrawal loan disbursement, they will be notified by the Financial Aid Office within 30 days of the date of the school's determination that a student has withdrawn. The Financial Aid office must receive approval from the student or parent to disburse post-withdrawal loan funds, the student or parent must send the confirmation to accept or decline loan funds within 14 days.

If after the R2T4 calculation the student has a credit balance, it will be processed by the business office after all tuition and fees on the account have been paid in full within 14 days from the date SMWC performed the R2T4 calculation

Priorities for disbursement includes from grants disbursing first, then loan funds. They will be paid to outstanding institutional charges.

Verification

The R2T4 calculations impose no additional liability for interim disbursements made to students selected for verification. However, the R2T4 requirements do place limits on interim disbursements that can be made to students selected for verification who have ceased attendance. **A school may not make an interim disbursement to a student after the student has ceased attendance.**

The Department establishes deadlines for the submission of required verification documents that apply to all Title IV programs.

For the Campus-Based Program and Direct Loan Program, a school may establish an institutional verification deadline that may be earlier than the date established by the Department. The institution must include its verification deadlines in the consumer materials it provides to students.

When a school is completing an R2T4 calculation for a student subject to verification the following rules apply:

- A school must offer any post-withdrawal disbursement of loan funds within 30 days of the date the school determined the student withdrew. A school must always return any unearned Title IV funds it is responsible for returning within 45 days of the date the school determined the student withdrew.
- A school must disburse any Title IV grant funds a student is due as part of a post-withdrawal disbursement within 45 days of the date the school determined the student withdrew and disburse any loan funds a student accepts within 180 days of the date the school determined the student withdrew.
- Unless a student subject to verification has provided all required verification documents in time for the school to meet the R2T4 deadlines, the school includes as *Aid disbursed* or *Aid that could have been disbursed* in the R2T4 calculation only those Title IV funds **not** subject to verification.
- If a student who failed to provide all required verification documents in time for the school to meet the R2T4 deadline later provides those documents prior to the applicable verification deadline, the school must perform a new R2T4 calculation based on all of the aid the student qualified for based on the completed verification documents and make the appropriate adjustments.

When verification is completed before the R2T4 deadlines

A school must offer any post-withdrawal disbursement of loan funds within 30 days of the date of the school's determination that the student withdrew and return any unearned funds and make a post-withdrawal disbursement of grant funds within 45 days of that date. If a student provides all documents required for verification after withdrawing but before the verification submission deadline, and in time for the institution to meet the 30-day R2T4 deadline, the institution performs the R2T4 calculation including all Title IV aid for which the student has established eligibility as a result of verification and for which the conditions of a late disbursement had been met prior to the student's loss of eligibility due to withdrawal. (See *Volume 4* and 34 CFR 668.164(j)(2).)

When verification is not completed before the R2T4 deadlines

If a student who has withdrawn does not provide the required documents in time for the school to complete the verification process and meet the R2T4 deadlines noted previously, the institution includes in the R2T4 calculation only the Title IV aid that was not subject to the verification process. For a student who failed to provide all required verification documents, the only aid that may be included in an R2T4 calculation are Direct PLUS Loan funds and Direct Unsubsidized Loan funds (verification is not required for receipt of these funds) for which the conditions of a late disbursement (as discussed under *Title IV Aid that could have been disbursed*, in Chapter 2) were met prior to the student's loss of eligibility due to withdrawal.

If a school has made an interim disbursement to a student who has failed to provide all the documents required for verification in time for the school to meet the 45-day R2T4 deadline, the student has failed to establish eligibility for the Title IV funds affected by verification. Therefore, the institution must return any Title IV funds subject to verification that were disbursed to the student on an interim basis and may not include any of those funds as aid that was or could have been disbursed in the R2T4 calculation.

When verification is completed after the R2T4 deadlines

If, before the verification deadline but after the institution has completed the R2T4 calculation, a student provides all the documentation required for verification, the institution must perform a new R2T4 calculation including, as *Aid that could have been disbursed* all Title IV aid for which the student has established eligibility based upon verification and for which the conditions of a late disbursement have been met prior to the student's loss of eligibility due to withdrawal. If, as a result of verification, the student's eligibility for Federal Pell Grant, Iraq and Afghanistan Service Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), TEACH Grant and Federal Perkins Loan funds has been reduced, only the reduced amount is included in the new R2T4 calculation.

Example of R2T4

Jane Doe started classes in the Online program on January 29, 2010, that will end on May 24, 2010. She enrolled for 6 credit hours that semester. Jane contacted the Registrar's Office on March 11, 2010, to completely withdraw from all her courses. The Return to Lender (R2T4) calculation is as follows:

Jane had \$1482.23 disburse and the other \$1482.23 could have disbursed if she did not withdraw. Jane completed 32.2% of her payment period or period of enrollment. Based on that percentage SMWC would return \$409.10 to Jane's lender. She was not eligible to keep the entire first disbursement and the second disbursement will be cancelled.

R2T4 Exemptions

The withdrawal exemption categories are as follows:

1. Withdrawal exemption for graduates/completers

- A student who completes all the requirements for graduation from his or her program before completing the days or hours in the period that he or she was scheduled to complete is not considered to have withdrawn.
- This exemption applies to all types of programs (including those with or without modules)

2. Withdrawal exemptions for programs offered in modules

a. A student is not considered to have withdrawn if the student successfully completes one module that includes 49 percent or more of the number of days in the payment period, excluding scheduled breaks of five or more consecutive days and all days between modules.

b. A student is not considered to have withdrawn if the student successfully completes a combination of modules that when combined contain 49 percent or more of the number of days in the payment period, excluding scheduled breaks of five or more consecutive days and all days between modules.

c. A student is not considered to have withdrawn if the student successfully completes coursework equal to or greater than the coursework required for the institution's definition of a half-time student under 34 CFR 668.2(b) for the payment period.

Please note that all of the withdrawal exemptions apply to both undergraduate and graduate students as long as the student and program meet the underlying exemption criteria (i.e., the

program is offered in modules, the students are graduates, etc.). Finally, a student only needs to meet one of the withdrawal exemptions to be exempt from R2T4.

OVERAWARDING

Over-award Resolution

In the event that an over-award is identified, which typically occurs due to a mistake during the award process, the Financial Aid Office will resolve the issue by seeing if an increase in the student's budget will offset the over-award if applicable. If this does not resolve the problem, there may be a need to reallocate loan funds from subsidized to unsubsidized. If this is not an option; then an attempt to replace the excess aid with institutional funds would be considered. If none of the previously mentioned solutions works, the excess aid will be removed from the students account, and they will be notified by an email call and letter.

Measures taken to prevent over-awards include asking all students to notify the FA office of any outside scholarships prior to awarding. The Financial Aid Office monitors student awards to identify over-awards, as does the Business Office.

Resolving an Over-award When the Student is Liable

Federal Pell Grant awards are not reduced to resolve over-awards of campus-based or Direct Loan funds.

When the school has determined that the student is liable for the over-award the following options to resolve the over-award include:

- Increasing the student's budget (if warranted)
- Decreasing the student's EFC (if warranted; and this is only done if a student appeals prior to awarding)
- Reducing or canceling awards
- Terminating the student's FWS employment
- Returning loan proceeds that have not been delivered to the student or reallocating loans from subsidized too unsubsidized.

If an over-award cannot be eliminated by one of the aforementioned options, the Business Office will attempt to collect any overpayment (such as a Federal Perkins Loan or FSEOG) from the student. They will also, if need be, refer any FSEOG or Federal Perkins Loan overpayment to ED Collections.

If a student receives an overpayment of a Federal Pell Grant, the Financial Aid Office would reduce the Pell and replace it with FSEOG if applicable.

The following actions may be taken to resolve an over-award when the student is liable:

Possible action:

Step 1

If...the school has not received any of the loan funds

Step 2

Then...it will cancel the original loan and reprocess a second loan for a lesser amount.

OR

Possible action

If...the school determines that the student has additional educational expenses, the student's budget will be increased.

Then...the school will reassess to see if an over-award exists.

OR

Possible action

If...the student has received the first disbursement

But...the school has not received the second disbursement.

Then...the school will cancel or adjust the second disbursement.

OR

Possible action

If...the student has received both disbursements

Then...recalculation may occur (dependent upon the date received)

The student is notified of the action taken when an over-award is identified by sending a revised award letter as well as contacting the student via telephone.

Resolving an Over-award When the School is Liable

Students are not liable for Federal Pell Grant, FSEOG, or Federal Perkins Loan overpayments caused by school error and such overpayments cannot be corrected by reducing subsequent disbursements. The resolution of an overpayment that is the school's liability, includes:

- Immediate restoration by the school of the Federal Pell Grant, FSEOG, or Federal Perkins Loan award amounts and disbursements (replace with FSEOG)

- Immediate correction of pending Federal Pell Grant, FSEOG, or Federal Perkins Loan award amounts and disbursements (award would be reduced, and the student would have to repay the school if the funds have already been received)
- Business Office would send the student a statement that would reflect the amount of debt owed to SMWC

Corrections taken to restore incorrectly disbursed Federal Pell Grant, FSEOG, and Federal Perkins loan funds to the appropriate Title IV account are done by importing/exporting through CampusNexus.

A student is notified of debt by mail. A statement is sent which will reflect the debt and the student can arrange a payment plan option with the Business Office without incurring any penalties.