

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should use the midpoint of the payment period or period of enrollment when a student is determined to have unofficially withdrawn.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.

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.

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".

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.

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 withdrawal 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 return 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

- Federal Perkins Loans
- Federal Pell grants for which a return is required.
- Federal Supplemental Educational Opportunity Grant (FSEOG) for which a return of funds is required.
- TEACH Grants for which a return is required.
- Iraq and Afghanistan Service Grant, for which a return is required.

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

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.