

Session #2

Administering Adds, Drops, and Withdrawals

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Agenda

- Adds, Drops, and Federal Pell Grant Recalculation Overview
- Administering Federal Pell Recalculations for Modules
- Add, Drops, and Direct Loans
- Withdrawal Definitions and Overview
- Withdrawals for Schools Required to Take Attendance
- Withdrawals for Schools Not Required to Take Attendance
- Enrollment Reporting Reminders

Adds and Drops: Pell Recalculation Overview

Mandatory Pell Recalculations

- Federal Pell Grant (Pell) must be recalculated if the student's Expected Family Contribution (EFC) changes
- Pell must be recalculated to reflect changes to enrollment status between terms
- A student must start all credits for which Pell is paid
 - If a student does not start all credits for which they are paid, the school must perform a mandatory Pell recalculation and pay Pell based upon the credits in which the student actually began attendance

Pell Recalculation Date (PRD)

- Schools are permitted to set an optional Pell Recalculation Date (PRD) as a means to establish a time frame for students to add or drop courses before finalizing a student's enrollment status for Pell awarding purposes
- Schools will often refer to the Pell Recalculation Date as a “census date,” “freeze date,” or “add/drop date.” Since these terms can have alternative meanings outside of *Title IV* administration, they will not be used in this presentation

Pell Recalculation Options

- No Pell recalculation policy
- Policy for Pell recalculation throughout term for every course add or drop occurrence
- Policy for Pell recalculation based on enrollment status on a single fixed date
- Policy for Pell recalculation to account for modules within a term

If No Pell Recalculation Policy

- If a school doesn't establish a policy for recalculation within a term, a student who begins attendance in all classes would be paid based on the initial Pell calculation, even if his or her enrollment status changes before the disbursement is made
- Initial Calculation: An initial calculation is the first calculation that is made on or after the date the school received a Department (ED)-produced Expected Family Contribution (EFC) and uses the enrollment status at the time of the initial calculation
 - 3 components: 1) Institutional Student Information Record (ISIR) with ED-produced EFC, 2) documented or projected enrollment, and 3) school calculates award

If No Pell Recalculation Policy

Hometown Community College does not have a Pell Recalculation Policy.

They receive Deborah's Pell-eligible ISIR on Aug. 6, 2019 and provide an initial calculation that she is scheduled to begin attendance as a full-time student at the start of the term on Aug. 15.

Deborah *begins attendance as a full-time student* but drops three credit hours on Aug. 20, 2019. Deborah will still receive full-time Pell since the school is required to use the initial calculation.

If No Pell Recalculation Policy

Hometown Community College does not have a Pell Recalculation Policy.

They receive Margaret's Pell-eligible ISIR on Aug. 6, 2019, and provide an initial calculation that she is currently scheduled to begin attendance as a half-time student on Aug. 15.

Just before term start, Margaret adds two more classes and is enrolled full-time on Aug. 15, 2019, when classes begin. The school is required to use the initial calculation of half-time enrollment status for awarding Pell.

If No Pell Recalculation Policy

Hometown Community College does not have a Pell Recalculation Policy.

They receive Kevin's Pell-eligible 2019-20 ISIR on Oct. 3, 2019 and provide an initial calculation that he is projected to begin attendance as a full-time student at the start of fall term next award year, on Aug. 15, 2020.

Kevin does not begin attendance in two of the classes and is considered half-time at the term start. The school must recalculate for half-time status since Kevin is ineligible for the initial full-time Pell originally calculated.

School Has Pell Recalculation Policy

Example: Hometown Community College has a fall term start of Aug. 15, 2019, *with a PRD of Aug. 30, 2019.*

Sarah begins attendance on Aug. 15 in 6 credit hours but adds an additional course for 3 credit-hours on Aug. 22. Sarah's enrollment status for Pell purposes = 9 credit hours.

Rick begins attendance on Aug. 15 in 12 credit hours but drops two courses for a total of 6 credit hours on Aug. 25. Rick's enrollment status for Pell purposes = 6 credit hours.

School Has Pell Recalculation Policy

Example: Hometown Community College has a fall term start of Aug. 15, 2019, with a *Pell Recalculation Date (PRD)* of Aug. 30, 2019.

Estelle begins attendance on Aug. 15 in 6 credit hours but adds an additional course for 3 credit hours on Sept. 1. Estelle's enrollment status for *Title IV* purposes = 6 credit hours.

Joshua begins attendance on Aug. 15 in 12 credit hours but drops 2 courses for a total of 6 credit hours on Sept. 1. Joshua's enrollment status for *Title IV* purposes = 12 credit hours.

Withdrawals Prior to PRD

When determining Pell Grant eligibility a school must use the enrollment status established on earliest of the date of withdrawal or the PRD

- If student withdraws prior to the PRD, school must use the enrollment status the student established at the time of the withdrawal when calculating Pell eligibility
- If student adds a course after PRD and subsequently withdraws, school must use the enrollment status established by the student at the time of the PRD when calculating Pell eligibility

Withdrawals Prior to PRD

Example: Hometown Community College has a Fall term start of Aug. 15, 2019, *with a PRD of Aug. 30, 2019.*

Zachary begins attendance on Aug. 15 in 6 credit hours, but withdraws on Aug. 22. Zachary's enrollment status for Pell = 6 credit hours.

Nautochia begins attendance on Aug. 15 in 6 credit hours, then drops 3 credit hours on Aug. 20, and finally drops the remaining 3 credit hours on Aug. 25. Nautochia's enrollment status for Pell = 3 credit hours.

Amber begins attendance on Aug. 15 in 6 credit hours, but adds 2 courses for an additional 6 credit hours on Sept. 1. Subsequently, she drops all courses on Oct. 15. Amber's enrollment status for Pell = 6 credit hours.

Post-PRD Initial Enrollment

If a program is offered in modules and the student initially enrolls after the established PRD, the school must use the enrollment status from the *later* of the PRD or when the school is able to perform an initial Pell calculation.

- Typically the initial Pell calculation would not take place until the student enrolled (which in this case was after the PRD)

Post-PRD Initial Enrollment

Example: Hometown Community College has a fall term start of Aug. 15, 2019, *with a single PRD of Aug. 30, 2019*. In addition to full-length courses, they also have modules within the term.

Paul does not register or begin attendance at the start of the term, but on Sept. 15 decides he wants to enroll in two modules (6 credit hours) to start on Oct. 1. Provided Paul begins attendance in both modules, his enrollment status for Pell = 6 credit hours.

Post-PRD Initial Enrollment

Example: Hometown Community College has a fall term start of Aug. 15, 2019, *with a single PRD of Aug. 30, 2019*. In addition to full-length courses, they also have modules within the term.

John begins attendance on Aug. 15 in 6 credit hours, but decides to enroll in a module course (3 credits) on Oct. 1 – the start date of the module. John's enrollment status for *Title IV* purposes = 6 credit hours.

Initial ISIR Received after PRD

If a student files a *Free Application for Federal Student Aid* (FAFSA®) later in the payment period and the school subsequently receives an official ISIR after the PRD, school must use the enrollment status from the *later* of the PRD or when the school is able to perform an initial Pell calculation.

- In this case, the initial Pell calculation could not have taken place until the school received the initial ISIR with an official EFC

Initial ISIR Received After PRD

Example: Hometown Community College has a Fall term start of Aug. 15, 2019, *with a PRD of Aug. 30, 2019.*

David begins attendance as a full-time student in 12 credit hours but did not fill out a FAFSA form and therefore is not initially eligible for *Title IV* aid. On Sept. 4, 2019, David completes a FAFSA on the Web and on Sept. 6, the school receives an official ISIR for David.

At the time the school does an initial Pell calculation David is enrolled in 12 credit hours, therefore his enrollment status for Pell = 12 credit hours.

Initial ISIR Received After PRD

Example: Hometown Community College has a fall term start of Aug. 15, 2019, *with a PRD of Aug. 30, 2019.*

Bruce begins attendance as a full-time student in 12 credit hours but did not fill out a FAFSA and is therefore not initially eligible for *Title IV* aid. On Sept. 10, 2019, Bruce drops one 3-credit course.

On Sept. 15, 2019, Bruce completes a FAFSA on the Web and on Sept. 17, the school receives an official ISIR for Bruce.

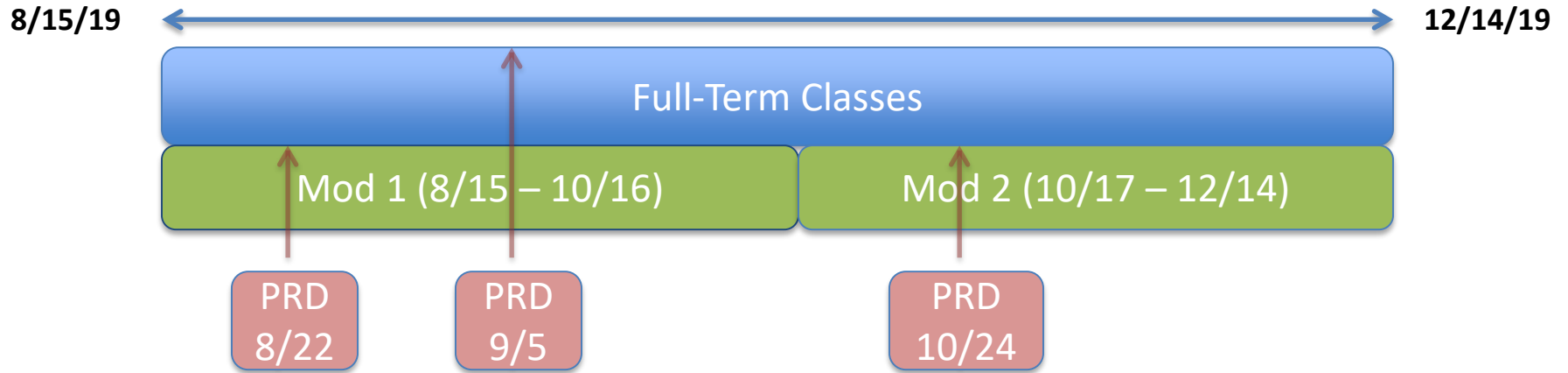
At the time the school does an initial Pell calculation, Bruce is enrolled in 9 credit hours, therefore his enrollment status for Pell = 9 credit hours.

Administering Pell Recalculation for Modules

PRDs and Modules

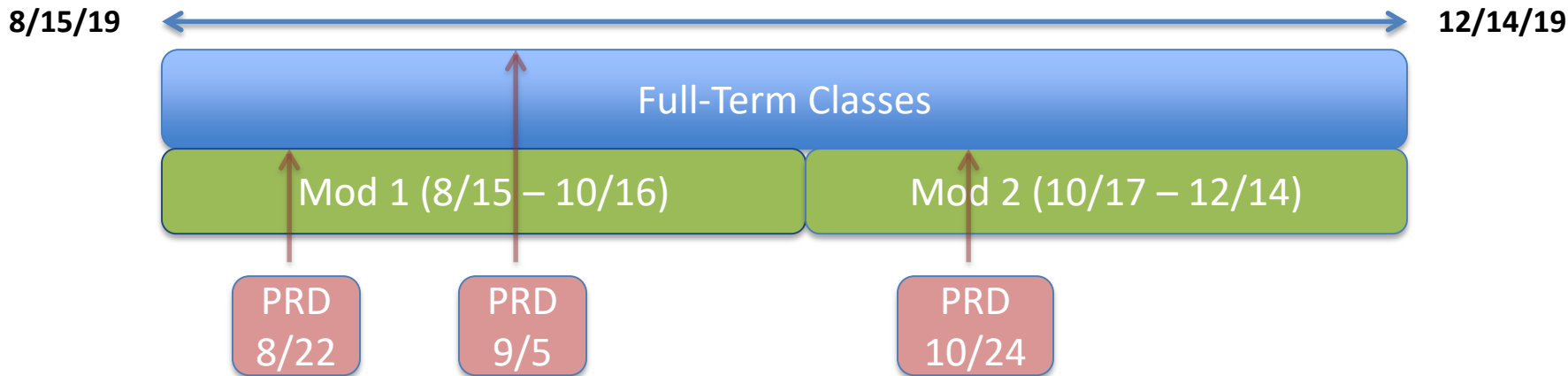
- It is acceptable for a school to assign a potential PRD to each module within a term
 - The PRD is activated only in the event the student begins attendance in the associated module
 - If the student does not begin attendance in an associated module, the school would use the latest active PRD to determine the enrollment status
- When a PRD is activated all courses within the payment period are considered when determining enrollment status

PRDs and Modules



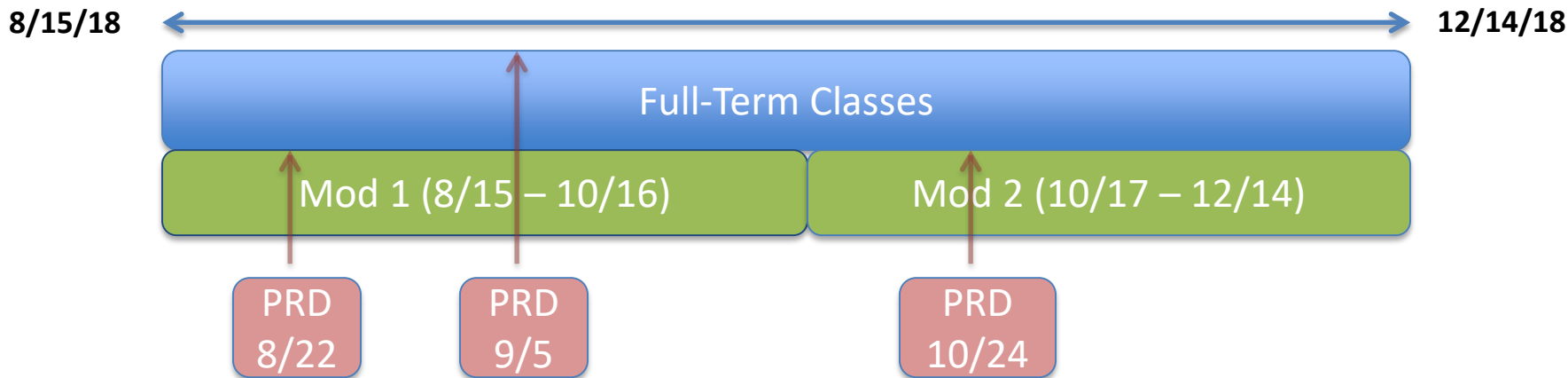
Hometown Community College has a term start date of Aug. 15, 2019, and a term end date of Dec. 14, 2019. The school has three different PRDs of Aug. 22 for Mod 1 courses, Sept. 5 for full-term courses, and Oct. 24 for Mod 2 courses.

PRDs and Modules



Jo Ann is scheduled to attend 6 credits in full-term courses, 3 credits in Mod 1 and 3 credits in Mod 2. She drops a full-term course (3 credits) on Sept. 10 and the Mod 2 course (3 credits) on Oct. 20. Since she began attendance in the Mod 2 course, the Oct. 24 PRD is used. Enrollment status for Pell = 6 credit hours.

PRDs and Modules



Mark is scheduled to attend 6 credits in full-term courses, 3 credits in Mod 1 and 3 credits in Mod 2. He drops a full-term course (3 credits) on Sept. 10 and never begins attendance in Mod 2. Since he did not attend class in Mod 2, the Sept. 5 PRD is used. Enrollment status for Pell = 9 credit hours.

Adds and Drops: Direct Loans

Add/Drops and Direct Loans

- PRDs (or census dates) have no relevance when determining enrollment status for Direct Loans (DL)
- For Direct Loans, the school must determine eligibility at the time of disbursement
- An otherwise eligible student must be *enrolled* at least half-time at the time of the disbursement
 - To ultimately be eligible for a DL, the student must have been enrolled half-time at the time of disbursement and started at least one class
- It is important for the school to have a process to confirm enrollment status prior to disbursement

Early Disbursements

An institution that disburses Direct Loan funds up to 10 days prior to enrollment start date must ensure student is scheduled to attend at least half-time prior to disbursement.

- If student begins attendance as less-than-half-time (starts a class), the disbursement is eligible
 - Subsequent disbursements within term cannot be made unless student maintains or reestablishes half-time status
 - Repaid in accordance with terms/conditions of promissory note
 - *Unless* school is required to return loan funds under Return of *Title IV* (R2T4) because of a student withdrawal

Early Disbursements

- If student does not begin attendance in any classes, the school must return any Direct Loan funds credited to the student's account
 - For any remaining loan funds disbursed directly to a student, the school must notify the appropriate loan servicer of the loan funds that are outstanding so that the Department can issue a 30-day demand letter to the student

Withdrawal Dates

When a Student is Considered Withdrawn

- In the case of a program that is measured in credit hours, the student does not complete all the days in the payment period or period of enrollment that the student was scheduled to complete
- In the case of a program that is measured in clock hours, the student does not complete all the clock hours and weeks of instructional time in the payment period or period of enrollment that the student was scheduled to complete

When a Student is Considered Withdrawn

In the case of a non-term or nonstandard-term program, the student is not scheduled to begin another course within a payment period or period of enrollment for more than 45 calendar days after the end of the module the student ceased attending, unless the student is on an approved leave of absence.

When a Student is Considered Withdrawn

If a student ceases attendance (drops or withdraws) from all his or her *Title IV*-eligible courses in a payment period or period of enrollment, the student must be considered a withdrawal for *Title IV* purposes even if the student is still enrolled in non-*Title IV* courses.

Withdrawal Date

The goal of the Return of *Title IV* (R2T4) provisions is to identify the date that most accurately reflects the point when a student ceases academic attendance and not the date that will maximize federal student aid to the institution or to the student.

Schools Required to Take Attendance

Institution Required to Take Attendance

- Outside entity requires that attendance be taken
- Institution has its own requirement that instructors take attendance
- Outside entity or institution has a requirement that can only be met by taking attendance

Note: Required attendance could be for an entire institution, department, or program

Institution Required to Take Attendance

- Must use its official attendance records to determine withdrawal date (WD)
- Last date of attendance must be the withdrawal date

Schools Not Required to Take Attendance

Institutions Not Required to Take Attendance

- Not required to take attendance by an outside entity

and

- No formal school policy to take attendance
 - Most traditional credit hour institutions fit into this category

Withdrawal Date – Official Notification

- Official Withdrawal
 - Date student *began* school's official withdrawal process
 - Date student otherwise provided “official” notice
 - Official notification provided to a designated school official in official capacity
 - In writing or orally
 - School must document oral notifications
 - If both dates triggered, use the earlier date

Withdrawal Date – Special Circumstances

- Withdrawal due to circumstances beyond student's control
 - Withdrawal date can be the date the circumstance occurred (e.g. illness, accident, grievous loss, etc.)
 - Withdrawal date could be later if the student continues attendance despite circumstance but later withdraws
 - If circumstance applies to administrative withdrawal (e.g. expels, suspends, or cancels registration) the withdrawal date is the date the school terminates enrollment

Withdrawal Date – Student Dies

- When a student dies, must use guidance under 34 C.F.R. § 668.22(c)(1)(iv)
 - The withdrawal date is determined by the institution as to when the circumstance occurred that caused the student's death
 - The withdrawal date can be no later than the date of the student's death, unless the student withdrew previously due to other circumstances

Withdrawal Date – Unofficial Withdrawals

For withdrawals without notification, the withdrawal date is the midpoint of the payment period or the period of enrollment

Withdrawal Dates – Academically-Related Activity

- Academically-related activity
 - *School may use school documented attendance at an academically-related activity in lieu of any of the withdrawal dates (official or unofficial)*
 - *Student cannot self-certify attendance*
 - The school must document
 - That the activity is academic or academically-related, and
 - The student's attendance at the activity

Academically-Related Activity

- Academically-related activities include but are not limited to:
 - Physically attending a class where there is opportunity for direct interaction between the instructor and the students
 - Submitting an academic assignment
 - Taking an exam, completing an interactive tutorial, or participating in computer-assisted instruction
 - Attending a study group that is assigned by the school
 - Participating in online discussion *about academic matters*
 - Initiating contact with a faculty member to ask a question *about the academic subject studied in the course*

Academically-Related Activity

- Academically-related activities do not include
 - Living in institutional housing
 - Participating in the school's meal plan
 - *Logging into an online class without active participation*
 - Participating in general academic counseling or advisement

Student Fails to Earn a Passing Grade

- If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for *Title IV* purposes, that the student has unofficially withdrawn
 - Unless the institution can document that the student completed the period

Date of Determination

Date of Determination

- The date the school becomes aware that a student ceased attendance
- For a student who provides notification of withdrawal to the institution, the date of determination is the later of the student's withdrawal date or the date of notification of withdrawal

Date of Determination – Unofficial Withdrawals

If Attendance Required

- Cannot be more than 14 calendar days after Last Date of Attendance (LDA)

If Attendance Not Required

- Within 30 calendar days from the earlier of
 - End of payment period or period of enrollment
 - End of the academic year
 - End of student's educational program

Reminder about Deadlines

The school has 30 days from date of determination to

- Perform the R2T4 calculation
- Notify the student of a grant overpayment
- Notify the student of eligibility for a post-withdrawal disbursement (PWD) of a *Title IV* loan and request confirmation

Reminder about Deadlines

The school has 45 days from the date of determination to

- Return *Title IV* student aid funds (ASAP, but no later than)
- Make a PWD of *Title IV* grant funds directly to student (ASAP, but no later than)

Reminder about Deadlines

The school has 180 days from the date of determination to

- Make a PWD of *Title IV* Grant funds as a credit to the student's account
- Make a PWD of *Title IV* Loan funds (ASAP, but no later than)
 - Must receive confirmation from student/parent before making the disbursement

Enrollment Reporting Reminders

Enrollment Reporting Deadlines

- Schools are required to schedule a roster file to be sent by the *National Student Loan Data System (NSLDS®)* a minimum of every 60 days or less
- Schools must certify enrollment data within 15 days of the roster file being sent by NSLDS
- If a response is provided by batch file response, NSLDS will process an Error/Acknowledgment file. Errors must be corrected within 10 days

Enrollment Status Codes

- 'F' (full-time)
- 'Q' (three-quarter time)
- 'H' (half-time)
- 'L' (less than half-time)
- 'A' (leave of absence)
- 'G' (graduated)
- 'W' (withdrawn)
- 'D' (deceased)
- 'X' (never attended)
- 'Z' (record not found)

Late Enrollment Reporting

- A Late Reporting Notification will be sent to the school on the 22nd day if no updates are sent by the school after the roster file is sent
- Notification is sent to
 - Enrollment Reporting Contact
 - Primary Contact
 - CEO / Campus President (copied)
- Schools are reminded that failure to comply with enrollment reporting requirements can result in loss of *Title IV* eligibility or imposed fines

Resources

Federal Student Aid Handbook

Volume 3, Chapter 3	Pell Recalculations
Volume 4, Chapter 2	Direct Loan Disbursements
Volume 5, Chapters 1 & 2	Withdrawals

Federal Regulations – 34 C.F.R. §

690.80	Pell Recalculations
668.21	Student Does Not Begin Attendance
668.22(c)	Notification of Withdrawal
668.22(l)(3)(i)	Date of Determination

Contact Information

Contact us with follow-up questions about this session:

FAA policy questions: AskAFed@ed.gov

FAA operational questions: CODSupport@ed.gov

Questions and Answers