

SESSION #3

ADMINISTERING ADDS, DROPS, AND WITHDRAWALS

Benedict A. Dorsey

U.S. Department of Education

2020 Virtual FSA Training Conference for Financial Aid Professionals

AGENDA

- 01 Adds, Drops, and Federal Pell Grant Recalculation Overview
- 02 Administering Federal Pell Grant Recalculation for Modules
- 03 Add, Drops, and Direct Loans
- 04 Withdrawal Definitions and Overview
- 05 Withdrawals for Schools Required to Take Attendance
- 06 Withdrawals for Schools Not Required to Take Attendance

ADDS AND DROPS: FEDERAL PELL GRANT RECALCULATION OVERVIEW

MANDATORY PELL GRANT RECALCULATIONS

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

34 CFR § 690.80

PELL GRANT RECALCULATION DATE (PRD)

- Schools are permitted to set a Pell Grant Recalculation Date (PRD) as a means to establish a time frame for students to add or drop courses to determine a student's enrollment status for Pell Grant Awarding purposes.
- Schools will often refer to the Pell Grant 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 GRANT RECALCULATION OPTIONS

If a school wishes to use a Pell Grant recalculation policy, it has the following options:

- Policy for Pell Grant recalculation throughout term for every add or drop course occurrence
- Policy for Pell Grant recalculation based on enrollment status from a single fixed date
- Policy for Pell Grant recalculation to account for modules within a term

EXAMPLE: PELL GRANT RECALCULATION POLICY

Hometown Community College had a fall term start of August 13, 2020, with a PRD of August 31, 2020.

Sarah begins attendance on 8/13 with six credit hours but adds an additional course for three credit hours on 8/22. Sarah's enrollment status for Pell Grant purposes = nine credit hours.

Ben begins attendance on 8/13 with 12 credit hours but drops two courses for a total of six credit hours on 8/24. Ben's enrollment status for Pell Grant purposes = six credit hours.

EXAMPLE: PELL GRANT RECALCULATION POLICY

Hometown Community College had a fall term start of August 13, 2020, with a PRD of August 31, 2020.

Gracie begins attendance on 8/13 with six credit hours but adds an additional course for three credit hours on 9/4.

Gracie's enrollment status for *Title IV* purposes = six credit hours.

Joshua begins attendance on 8/13 with 12 credit hours but drops two courses on 9/6 for a total of six credit hours.

Joshua's enrollment status for *Title IV* purposes = 12 credit hours.

WITHDRAWAL PRIOR TO PRD

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

If student withdraws prior to arrival of PRD, school must use the enrollment status the student established at the time of the withdrawal when calculating Pell Grant 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 Grant eligibility.

WITHDRAWAL PRIOR TO PRD

Example: Hometown Community College has a fall term start of August 13, 2020, with a PRD of August 31, 2020.

Alyssa begins attendance on 8/13 with six credit hours but withdraws on 8/21. Alyssa's enrollment status for Pell Grant = six credit hours.

Kelsey begins attendance on 8/13 with six credit hours, drops three credit hours on 8/20, and finally drops the remaining three credit hours on 8/27. Kelsey's enrollment status for Pell Grant = three credit hours.

Scott begins attendance on 8/13 with six credit hours but adds two courses on 9/6 for an additional six credit hours. Subsequently, he drops all courses on 10/10. Scott's enrollment status for Pell Grant = six 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 Grant calculation.

- Typically, the initial Pell Grant 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 August 15, 2020, with a single PRD of August 31, 2020. 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 9/15 decides he wants to enroll in two modules (six credit hours) to start on 10/1. Provided Paul begins attendance in both modules, his enrollment status for Pell Grant = six credit hours.

POST-PRD INITIAL ENROLLMENT

Example: Hometown Community College has a fall term start of August 15, 2020, with a single PRD of August 31, 2020. In addition to full-length courses, they also have modules within the term.

John begins attendance on 8/15 with six credit hours but decides to enroll in a module course (three credits) on 10/1, the start date of the module. John's enrollment status for *Title IV* purposes = six credit hours.

INITIAL ISIR RECEIVED AFTER PRD

If a student files the FAFSA® to apply for aid later in the payment period and the school subsequently receives an official Institutional Student Information Record (ISIR) after the 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 Grant calculation.

- In this case, the initial Pell Grant 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 August 15, 2020, with a PRD of August 31, 2020.

David begins attendance as a full-time student in 12 credit hours but did not fill out the FAFSA[®] and therefore is not initially eligible for *Title IV* aid. On Sept. 2, 2020, David goes to the online FAFSA form and, on Sept. 5, 2020, the school receives an official ISIR for David.

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

INITIAL ISIR RECEIVED AFTER PRD

Example: Hometown Community College has a fall term start of August 15, 2020, with a PRD of August 31, 2020.

Bruce begins attendance as a full-time student with 12 credit hours but did not fill out the FAFSA and therefore is not initially eligible for *Title IV* aid. On Sept. 10, 2017, Bruce drops one three-credit hour course.

On Sept. 15, 2017, Bruce goes to the online FAFSA form and, on Sept. 17, 2017, the school receives an official ISIR for Bruce.

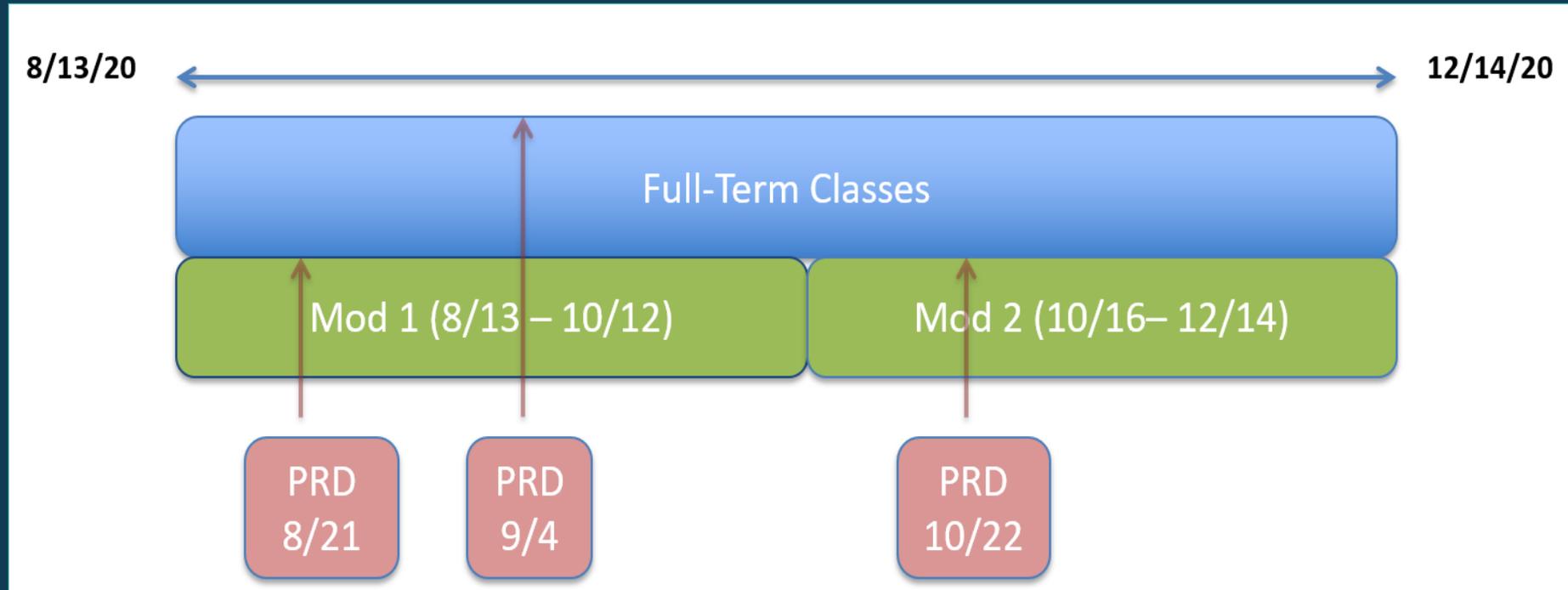
At the time the school does an initial Pell Grant calculation, Bruce is enrolled in nine credit hours, therefore his enrollment status for Pell Grant = nine credit hours.

ADMINISTERING PELL GRANT RECALCULATION FOR MODULES

PRDs AND MODULES

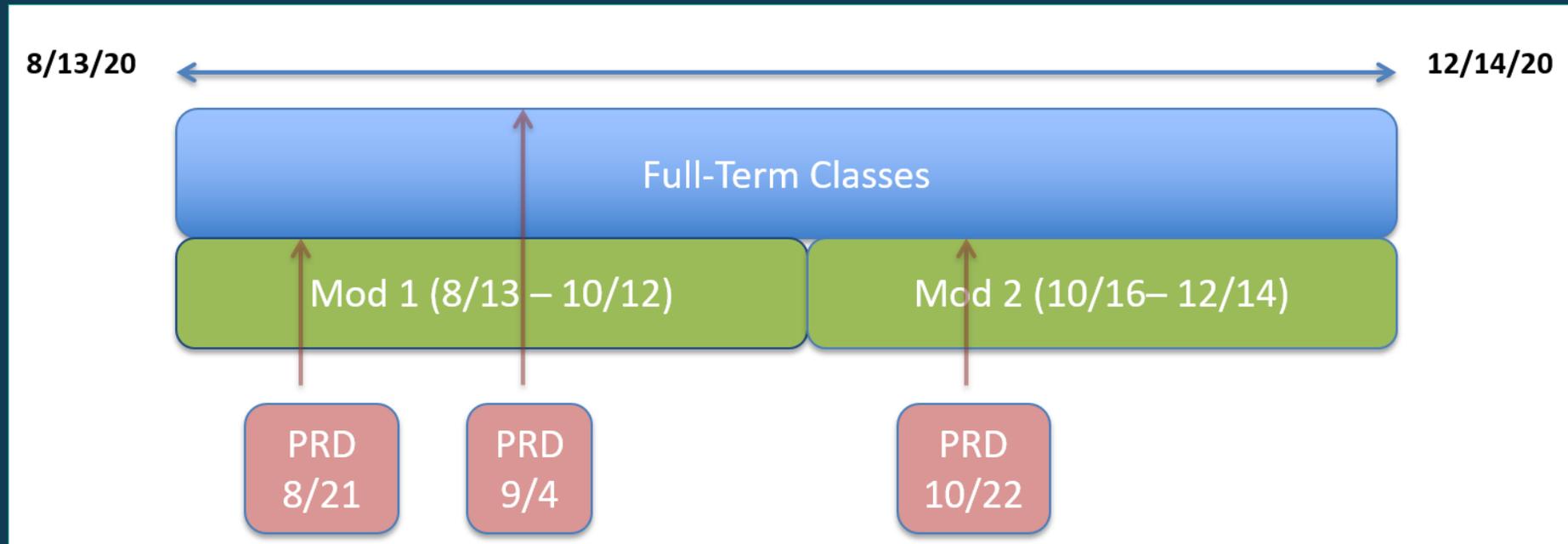
- It is acceptable for a school to assign a potential PRD to each module within a term:
 - The PRD is activated only in the event the student begins attendance in the assigned module.
 - If the student **does not begin attendance** in an assigned module, the school should **use the latest active PRD** 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



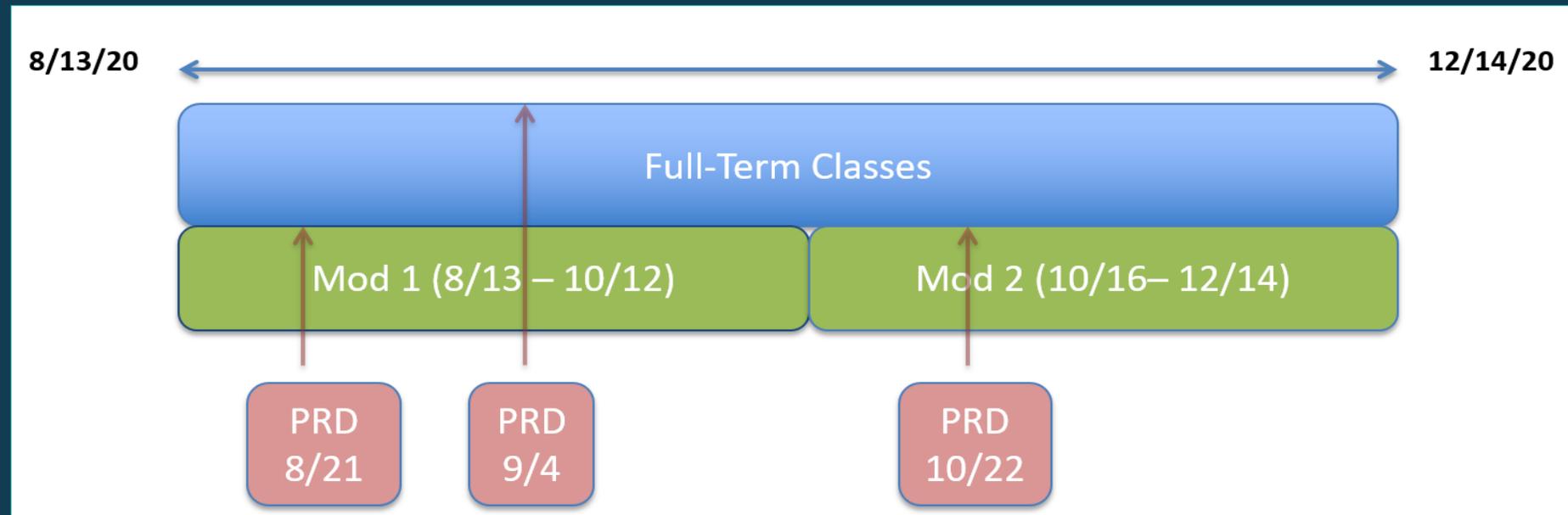
Hometown Community College has a term start date of 8/13/20 and term end date of 12/14/20. The school has three different PRDs of 8/21/20 for Mod 1 courses, 9/4/20 for full-term courses, and 10/22/20 for Mod 2 courses.

PRDs AND MODULES



Jesse is scheduled to attend six credits in the full-term courses, three credits in Mod 1 and three credits in Mod 2. He drops a full-term course (three credits) on 9/5 and then the Mod 2 course (three credits) on 10/20. Since he began attendance in the Mod 2 course, 10/22 PRD is used. Enrollment status for Pell Grant = six credit hours.

PRDs AND MODULES



Michelle is scheduled to attend six credits in full-term courses, three credits in Mod 1 and three credits in Mod 2. She drops a full-term course (three credits) on 9/5 and never begins attendance in Mod 2. Since she did not attend class in Mod 2, the 9/4 PRD is used. Enrollment status for Pell Grant = nine credit hours.

ADDS AND DROPS: DIRECT LOAN PROGRAM

ADDS/DROPS AND DIRECT LOANS

- PRDs 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 the student begins attendance as less than-half-time (starts a class), the disbursement is eligible as follows:
 - Subsequent disbursements within the 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* funds (R2T4) because of a student withdrawal).

EARLY DISBURSEMENTS

If a student does not begin attendance, 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

A student is considered withdrawn when:

- 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 of the clock hours and weeks of instructional time** in the payment period or period of enrollment that the student was scheduled to complete.

34 C.F.R. § 668.22(a)(2)

WHEN A STUDENT IS CONSIDERED WITHDRAWN

A student is considered withdrawn when:

In the case of a non-term or non-standard 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.

34 C.F.R. § 668.22(a)(2)

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.**

This is true even if the student is still enrolled in non-*Title IV* courses.

SCHOOLS REQUIRED TO TAKE ATTENDANCE

INSTITUTIONS REQUIRED TO TAKE ATTENDANCE

An institution is required to take attendance when:

- 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.

INSTITUTIONS REQUIRED TO TAKE ATTENDANCE

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

SCHOOLS NOT REQUIRED TO TAKE ATTENDANCE

INSTITUTIONS NOT REQUIRED TO TAKE ATTENDANCE

An institution is not required to take attendance when:

- 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 an official capacity
 - In writing or orally
 - School must document oral notifications.
- *If both dates are 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).
 - Withdrawal date could be later if the student continues attendance despite circumstance but later withdraws.
- If circumstances involve administrative withdrawal (e.g., expulsion, suspension, or cancelation of registration), the withdrawal is the date the school terminates enrollment.

WITHDRAWAL DATE – STUDENT DIES

When a student dies, a school 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.

WITHDRAWAL DATE – UNOFFICIAL WITHDRAWALS

Midpoint of the payment period *or* period of enrollment

- For other 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 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:

- Logging into an online class without active participation
- Living in institutional housing
- Participating in the school's meal plan
- 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 of Determination is:

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

34 C.F.R. § 668.22(l)(3)(i)

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 institution 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 Direct Loan and request confirmation

REMINDER ABOUT DEADLINES

No later than 45 days from the date of determination, the institution must:

- Return *Title IV* program funds
- Make a PWD of *Title IV* Grant funds directly to student

REMINDER ABOUT DEADLINES

No later than 180 days from the date of determination, the institution must:

- Make a PWD of *Title IV* Grant funds as a credit to student's account
- Make a PWD of Direct Loan funds
 - Must receive confirmation from student/parent before making the disbursement

RESOURCES



RESOURCES

2019 Federal Student Aid Handbook

Volume 3, Chapter 3

Pell Grant Recalculations

Volume 4, Chapter 2

Direct Loan Disbursements

Volume 5, Chapters 1 & 2

Withdrawals

Federal Regulations – 34 C.F.R. §

690.80

Pell Grant Recalculations

668.21

Student Does Not Begin Attendance

668.22(c)

Notification of Withdrawal

668.22(l)(3)(i)

Date of Determination



Thank You!

ASK-A-FED ONLINE

Federal Student Aid (FSA) has implemented a new resource to assist financial aid administrators in obtaining guidance about federal student aid programs. Based on the popularity and effectiveness of the Ask-A-Fed desk at the annual FSA Training Conference, we have instituted a similar process using email. Please send your inquiries about *Title IV* regulations to: AskAFed@ed.gov.

The Ask-A-Fed email box is staffed every business day by a team of FSA Training Officers ready to assist schools with their questions.