

How a withdrawal affects financial aid

Federal regulations require Title IV (federal) financial aid funds to be awarded under the assumption that a student will attend and/or academically engage in courses at the institution for the entire period in which federal aid was awarded. When a student withdraws from all courses for any reason, including medical withdrawals, the student may no longer be eligible for the full amount of federal aid funds originally scheduled to receive. The return of funds is based upon the premise that a student “earns” financial aid in proportion to the amount of time in which the student is enrolled. A pro-rated schedule is used to determine the amount of federal student aid funds the student will have earned at the time of the withdrawal. Thus, a student who withdraws in the second week of classes has earned less financial aid than a student who withdraws in the sixth week. Once attendance or academic engagement is confirmed beyond the 60% point of the semester, the student is considered to have earned all federal financial aid and may not be required to return any federal aid funding already received.

Federal law requires schools to calculate how much federal financial aid a student has earned if that student:

- Completely withdraws, or
- Stops attending before completing the semester, or
- Does not complete all modules (courses which are less than an entire semester in length for which the student was scheduled to attend at the point of withdrawal)

Based on this calculation, a College of St. Scholastica (CSS) student who receives federal financial aid and does not complete all courses the student was scheduled to attend for a particular semester could be responsible for repaying a portion of the federal aid received. A student who does not begin attendance in one or more scheduled class(es) must repay all financial aid disbursed for the class(es) in which non-attendance was reported.

Withdrawal procedure and determination of the withdrawal date

A student enrolled in one or more full semester length class(es) has the first ten business days of the semester to drop without tuition/fee obligation. A student enrolled in classes that do not span the entire semester have the first five business days from the start date of each individual class to drop without tuition/fee obligation. If financial aid has already been disbursed, CSS may need to cancel or reduce any aid received. On-campus housing and meal plan charges are assessed based on usage up to the student’s withdrawal date.

Official withdrawal

In order to officially withdraw and receive a grade of “W” for unfinished coursework on a CSS academic transcript, the student must provide written or verbal communication to Academic Advisement. In most cases, the official withdrawal date is the first date of written or verbal communication by the student to Academic Advisement. CSS may use a last date of attendance for the official withdrawal date if there is an emergency situation and third party documentation is presented which verifies when a student ceased attending class(es). CSS does not accept a student's self-reported last date of attendance. The official withdrawal date is used to determine the amount of aid the student has “earned” for the semester.

Unofficial withdrawal

Unofficial withdrawals occur when a student stops attending/academically engaging in classes the student was still scheduled to attend before the semester has ended. In this case, the student receives a non-passing grade (i.e. “F” or “N”) in each class the student was scheduled to attend for that particular semester. A student who starts attending/academically engaging in classes but then drops all coursework before the end of the add/drop period is also considered an unofficial withdrawal. The effective withdrawal date is the last date of attendance or academic engagement as reported by course instructors. In an emergency situation, third party documentation may be used to determine when a student ceased attending class. The withdrawal date for a student dismissed by the College before the semester has ended is the notification date of dismissal. CSS does not accept a self-reported last date of attendance from the student. The last date of attendance/academic engagement (unofficial withdrawal date) is used to determine the amount of federal aid the student has “earned” for the semester.

Non-attendance or failure to earn a passing grade in any class

When a student is reported by instructors as having never attended a particular course or has failed to earn a passing grade in at least one class for the semester, federal regulations require CSS to determine whether the student established eligibility for federal aid funds already disbursed. CSS instructors will report non-attendance or a last date of attendance/academic engagement on each student receiving a non-passing grade. If Financial Aid staff cannot verify that the student attended or academically engaged in coursework the student was scheduled to attend for the semester, all federal financial aid must be returned to the federal government. The student’s account will be charged and the student will be responsible for any balance due. If the student can prove to have participated in a CSS class or was academically engaged past the 60% point of the semester, the student may not be required to return disbursed financial aid. The student’s account will be updated and the student will be responsible for any other charges that may have been applied to the student’s account. A student who is able to verify attendance or academic engagement beyond the dates listed in CSS records may submit supporting documentation to the Financial Aid Office.

How earned financial aid is calculated

A student who receives federal financial aid must “earn” the aid received by staying enrolled and attending/academically engaging in classes. The amount of federal financial aid funding the student earns is calculated on a pro-rated basis. A student who withdraws or does not complete all registered classes the student is scheduled to attend during the semester may be required to return some or all of the federal financial aid the student was awarded.

CSS is required to determine the percentage of “unearned” institutional charges and federal aid “earned” by the student and to return the lesser of the “unearned” institutional charges or “earned” federal aid to the appropriate aid program(s). This is called the Return to Title IV (R2T4) calculation. Regulations require schools to perform R2T4 calculations within 30 days from the date the school determines a student officially or unofficially withdrew, or by the end of the semester, whichever is the earlier date. The school must return any unearned federal aid funding within 45 days of the date the school determined the student withdrew. The R2T4 calculation and return of funds process is completed by the Financial Aid Office. CSS does not utilize a Return to Title IV “freeze date” when performing R2T4 calculations.

For example, if a student completes 20% of the semester (payment period), the student earns 20% of the federal aid the student was originally scheduled to receive. This means that 80% of the federal aid remains “unearned” and may need to be returned to the federal government. Once attendance and/or academic engagement is confirmed beyond the 60% point of the semester or an exemption applies (as detailed below), a student is considered to have earned all federal financial aid and may not be required to return any federal aid funding.

Exemptions

Exemptions to a required R2T4 calculation include:

- Completing graduation requirements prior to the end of the full semester
- Passing module courses comprising 49% or more of the countable days in the full semester for which Title IV (federal) aid was based upon (successful completion exemption)
- Passing 6 or more credits (Undergraduate) or 3 or more credits (Graduate) of Title IV aid eligible module courses prior to the end of the full semester (half-time enrollment and successful completion exemption)
- Providing written confirmation of future attendance in a same semester module starting 45 days or less after the end of the module last attended/academically engaged in

If no exemptions apply, then the following formula is used to determine the percentage of unearned aid that has to be returned to the federal government:

- The **percent earned** is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in the payment period (less any scheduled breaks that are at least 5 days long)
- The **payment period** for most students is the entire semester. However, for students enrolled in **modules** (courses which are not scheduled for the entire length of the semester), the payment period only includes those days for the module(s) in which the student was scheduled to attend and/or for which Title IV aid eligibility was based upon
- The **percent unearned** is equal to 100 percent minus the percent earned
- The same formula is used to determine the amount of unearned **institutional charges**. Adjustments to a student's enrollment status or charges after the student has ceased attendance or withdrawn have no bearing on institutional charges used in the R2T4 calculation

For a student enrolled in modules:

A student is considered withdrawn if the student does not complete all of the days in the semester (payment period) the student was scheduled to complete and for which Title IV aid eligibility was based upon. CSS will track enrollment in each module (a group of courses in a program less than a full semester in length that are often combined with other modules to span the entire semester) to determine if a student began enrollment in all scheduled courses. If a student officially drops all courses in a later module while still attending a current module, the student is not considered a withdrawal, and no R2T4 calculation is required. However, a recalculation of aid based on a change in enrollment status may still be required. If a student drops all courses in a later module after the earlier module has ended, the student will be considered a withdrawal and an R2T4 calculation may be required (exemptions listed above may apply).

A student who provides written confirmation of future attendance to the Financial Aid Office at the time of official withdrawal indicating the student's plan to attend coursework in a module starting later in the same semester, and within 45 days of the end of the module last attended/academically engaged in, is a student who is not considered to have withdrawn for federal aid recalculation purposes. If same semester, future module attendance plans are not provided in writing or through updated, student-initiated module enrollment at the time of withdrawal, CSS considers the student to have withdrawn and will begin the R2T4 process immediately. If the student does end up returning to CSS in the same semester, even if the student did not provide written plans to do so, the student is not considered to have withdrawn and is eligible to receive the federal aid funding originally awarded before the official withdrawal was processed. In this case, the Financial Aid Office will reverse the R2T4 process and notify the student of restored aid eligibility via a revised award letter notification.

Institutional and State Aid

Institutional financial aid returns are not subject to this Return of Title IV federal aid policy but are subject to the CSS refund policy. Information on institutional refund percentages and the CSS refund policy can be found at www.css.edu. The MN Office of Higher Education governs the return of aid for State financial aid programs. More information on State financial aid returns can be found at www.ohe.state.mn.us. Sample financial aid return calculations are available from the Financial Aid Office upon written request.

The Return of Title IV (Federal) Funds

Step 1: Student's Title IV Information

The Financial Aid Office will determine:

- The total amount of Title IV (federal) aid disbursed (if any) for the semester the student withdrew. (Federal aid is counted as aid disbursed in the calculation if it has been applied to the student's account on or before the school's determined withdrawal date)
- The total amount of federal aid disbursed, plus the aid that could have disbursed (if any) for the semester in which the student withdrew

Step 2: Percentage of Federal Aid Earned

The Financial Aid Office will calculate the percentage of federal aid earned as follows:

The number of calendar days completed by the student divided by the total number of calendar days in the term (weekends included) in which the student withdrew.

$$\text{Days Attended} / \text{Days in Enrollment Period} = \text{Percentage Completed}$$

If the calculated percentage exceeds 60%, the student has "earned" all federal aid and federal aid may not need to be returned. If a student meets one or more of the R2T4 exemptions listed above, then this calculation does not apply.

****Important note:** The point in the semester at which the student earns all federal aid **may not coincide** with the tuition refund schedule for dropped or withdrawn classes.

Step 3: Amount of Aid Earned by Student

The Financial Aid Office will calculate the amount of federal aid earned as follows:

The percentage of Title IV (federal) aid earned (step 2) multiplied by the total amount of federal aid disbursed or that could have been disbursed for the semester in which the student withdrew (Step 1).

$$\text{Total Federal Aid Disbursed} \times \text{Percentage Completed} = \text{Earned Federal Aid}$$

Step 4: Amount of Federal Aid to be Disbursed or Returned

- If the aid already disbursed equals the earned aid, no further action is required
- If the aid already disbursed is greater than the earned aid, the difference must be returned to the appropriate federal aid program. This means that a balance may be created on the student's CSS account. The student will be responsible for paying the resulting account balance.

$$\text{Total Disbursed Federal Aid} - \text{Earned Federal Aid} = \text{Unearned Federal Aid to be Returned}$$

- If the aid already disbursed is less than the earned aid, Financial Aid will calculate a post-withdrawal disbursement and offer the available aid to the student within 30 days of the withdrawal date. A post-withdrawal disbursement of federal grant funding usually does not require acceptance from the student. A post-withdrawal disbursement of federal grant funding will be disbursed to the student within 45 days of the student's withdrawal date. A post-withdrawal disbursement of federal loans funds must be offered to the student within 30 days of the withdrawal date. The student will have 14 days from the post-withdrawal disbursement offer of loan funds to provide written notification of acceptance of the loan funds. The student may also elect to decline these loan funds as to not incur additional debt. The student will be notified of any additional disbursements by an email sent to the student's CSS account. All post-withdrawal disbursements are applied to the student's CSS account first, and any resulting credit balance disbursed to the student as soon as possible, but no later than 14 days after the post-withdrawal disbursement (grant or loan) is placed on the student's CSS account.

When a student fails to attend one or more classes, the student could end up owing money to the College because the student's charges for tuition, fees, housing and meal plan (if applicable) exceed the amount of financial aid earned. For this reason, it is strongly advised that a student contact a OneStop staff member to inquire about the financial consequences of dropping coursework or fully withdrawing from the College before doing so. Withdrawing may also affect the student's ability to meet the CSS Satisfactory Academic Progress Policy requirements, impacting future financial aid and academic eligibility. See the CSS Satisfactory Academic Progress Policy at www.css.edu for more information.

Order of funds returned

The order of return of funds is detailed in the Department of Education regulations as follows:

1. Unsubsidized Federal Direct Loan
2. Subsidized Federal Direct Loan
3. Federal Direct Graduate PLUS Loan
4. Federal Direct Parent PLUS Loan
5. Federal Pell Grant
6. Federal Supplemental Educational Opportunity Grant (SEOG)

Loans must be repaid by the loan borrower as outlined in the terms of the borrower's promissory note.

The grace period for loan repayments for Federal Unsubsidized and Subsidized Direct Loans will begin on the student's official withdrawal date (official withdrawals) or the last date of attendance/academic engagement (unofficial withdrawals). A student can determine what company is servicing the student's loans by visiting www.studentaid.gov. The student can then contact the loan servicer with questions regarding the grace period or the student's repayment status.