

## NOTE TO ALL FEDERAL FINANCIAL AID RECIPIENTS

If you received taxpayer supported financial aid authorized by Title IV legislation and administered by the Federal Department of Education, an official or unofficial withdrawal will affect your current financial aid, your future financial aid eligibility, and potentially your personal finances. Southwestern College strongly encourages students to read and understand the policies below prior to making a final decision about withdrawing from classes.



### How a Withdraw from Class or School Affects Financial Aid

Federal financial aid is disbursed under the assumption that the student will attend for the entire period of time for which the student was awarded the funds. When a student withdraws from all courses for any reason – including medical withdrawals – that student may no longer be eligible for the full amount of financial aid funds that were awarded.

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

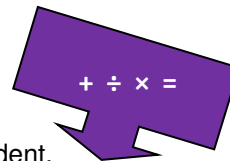
- Completely and officially withdraws,
- Stops participating in classes before completing a semester, or
- Does not complete all modules the student was scheduled to attend. (Modules are classes that do not span an entire semester.)

The federally required calculation is based upon the idea that students earn financial aid in proportion to the amount of time in which they were enrolled. For example, a student who withdraws in the second week of class has earned less than someone who withdraws in the fifth week of class. Once a student has completed 60% of the weeks of a term, the student is considered to have earned all of the financial aid they were awarded and will not have to return any funds.

Because of this calculation, Southwestern College students who receive disbursements of their financial aid and do not complete their classes during a semester or term could be held responsible for repaying a portion of the aid they received. Students who do not begin attendance must repay all financial aid that was disbursed for the term.

**IMPORTANT:** You may receive a partial cancellation of your tuition and fees because of your withdraw. Southwestern College's tuition/fee cancellation policy is separate from the federal regulations on repayment of unearned aid. It is possible that financial aid will not cover a student's balance following the return of funds calculation – even after the tuition and fees cancellation policy has been applied.

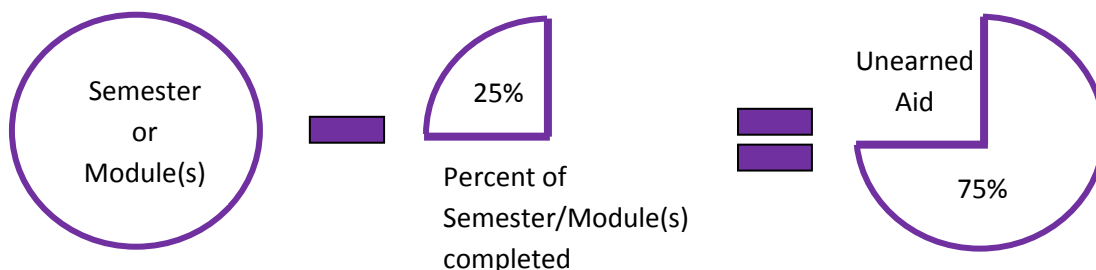
### How “Earned” Financial Aid is Calculated



Institutions are required to determine the amount of Title IV financial aid that was “earned” by a withdrawing student.

This calculation must be completed within 30 days of the date the school determines that the student has withdrawn. The school is required to return any unearned funds within 45 days. The calculation is completed by the Office of Financial Aid.

The following formula is used to determine the percentage of “unearned” financial aid that must be returned to the federal government:



In summary, if a student has completed 25% of the payment period in which they were enrolled, they are considered to have “earned” 25% of the financial aid they were originally scheduled to receive. That means that 75% of the disbursed aid is considered to be “unearned” and must be returned to the federal government. The total number of days used in the calculation will exclude any scheduled breaks of 5 or more days.

**IMPORTANT - MODULES:** The rules surrounding withdrawal and modules are slightly different. Students enrolled in modules are held accountable for attending the number of days in the modules in which they are enrolled. For example, if the student enrolls in modules one and three within a semester, only the days in modules one and three will be considered when calculating the percentage of the semester completed.

The timing of a dropped class in the modular programs is also important. If a student drops courses in a later module while still enrolled in a current module within a semester, the student is not considered to be withdrawn. However, a recalculation of financial aid eligibility based on the change in enrollment status (full-time, three-quarter time, half-time) may still be required.

If a student ceases enrollment in a current module, but plans to attend a later module within the same semester, the student must notify the financial aid office in writing of their plans to attend the later module to avoid being considered a withdraw for the purposes of this calculation. If written notification is not received within required timeframes, the student is considered to have withdrawn and the return of funds calculation is completed. If, however, the student does continue to attend in a later module within the same semester, even if they failed to notify the Office of Financial Aid that they would, prior calculations due to non-communication are reversed.

## Types of Withdraws



In financial aid, definitions are important. When students cease enrollment in a class, the way that they cease enrollment is important for the purposes of calculating earned aid. The following definitions are employed:

**Drop:** A student is considered to be “dropped” from classes when they cease enrollment in the class during the drop/add period of each module or term. This period is typically 5-7 days from the start of the semester or module. Dropping in this timeframe in online programs erases the student’s record of being enrolled in the class causing necessary adjustments to the student’s enrollment status and any financial aid based on the prior enrollment status. A “dropped” student is still considered to have attempted the class for the purposes of the return of funds calculation. Research will be conducted on the student’s participation in dropped classes to determine eligibility for any financial aid that was disbursed to the student or that was in preparation for disbursement.

**Official Withdraw:** A student who follows the instructions and clearly states their intent to withdraw via the official procedures for withdrawal from the college is considered to have officially withdrawn. The instructions for how to officially withdraw from the institution are located in the Academic Policies section of the college catalog on the Registrar’s website: <http://www.sckans.edu/student-services/registrars-office/course-catalogs/>.

**Unofficial Withdraw:** Students who remain enrolled in a class but at some point cease participation resulting in a grade of “F” or, students who enroll in a class and never participate resulting in a grade of WF are potential risks for unofficial withdraw. If a student receives either an F or WF in **all classes** in which they are enrolled for a semester or module, that student is considered to be an unofficial withdraw. Note that in the modular program, receiving a failed grade in the only class you are enrolled in for a particular module qualifies under this definition.

**IMPORTANT:** Unofficially withdrawn students are typically discovered at the end of the semester during the satisfactory progress review. If it is determined that the student has withdrawn and the return of funds calculation is required, it is possible that financial aid will be returned for the semester that has already completed. A grade of WF, or a determination that a student failed to participate in any class could also result in an adjustment of the student's enrollment status and federal financial aid based on that enrollment status.



### What is Considered the Date of Withdraw?

For students who officially withdraw from the college, the day of withdraw is the date that the student engaged in the withdrawal process. For students who drop all courses in a module or semester, the day of withdraw is the day the courses were dropped. For students who unofficially withdraw from a module or session, the day of withdraw is either the last day the student participated in the class (in the case where participation records exist) or the mid-point of the semester (in the case where participation records do not exist).

### When Is All Aid Considered “Earned”?

Students are considered to have earned all financial aid when they have completed 60% of the days they were scheduled to attend. Percentage of days completed is calculated using the following formula:

$$\frac{\text{Number of Days Attended}}{\text{Days in Semester or Module(s)}} = \text{\% Semester Completed}$$

If the calculated percentage completed equals or exceeds 60%, the student is considered to have “earned” Title IV aid for the enrollment period.

**IMPORTANT:** “Days” for the purposes of this calculation is considered to be “calendar days.” For example, a 7-day week includes Saturday and Sunday – even if classes are not normally held during that time. Note that scheduled breaks of 5 or more days are excluded from both the number of days attended and the days in a semester or module.

### What Happens When a Student Fails to Begin Attendance?

If a student receives financial aid, but never attends classes, the Office of Financial Aid must return all disbursed aid to the respective federal and institutional aid programs.

## Definition of Class Participation

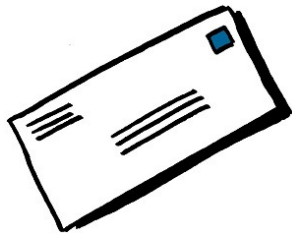
Participation in class is necessary to be considered eligible for the receipt of Federal, Title IV funds.

Participation at Southwestern is defined as, but not limited to:

- Completion of Exams or Quizzes.
- Completion of an academic assignment or project.
- Class attendance.
- Participation in an online or in-class discussion about academic matters.
- Contact with a faculty member to ask a question about the academic subject being studied.
- Attendance at a study group that is mandatory for the class and where attendance is taken.

Participation is not:

- Student's self-certification of attendance or participation.
- Living in Southwestern College housing or having a Southwestern College meal plan.
- Logging into class to view class materials.
- Receiving academic counseling or advising.



## Student Notification of Results of Calculation

Upon completion of the Return of Title IV Funds calculation, students will receive notification indicating the amount of aid that will be returned. Southwestern College will return the required funds on the student's behalf to the appropriate federal and institutional aid program(s) by charging the student's account. Students will be able to view the return and any resulting account balance on their Self Service account immediately after the return of funds has been processed. The student is responsible for all charges and overpayments resulting from a Return of Title IV calculation.

## Which Funds are Subject to the Return of Funds Calculation?

The following federal funds are subject to the refund calculation if it is determined that the student did not complete 60% of the days they were scheduled to attend.

- Federal Direct Loans: Unsubsidized and Subsidized
- Federal Perkins Loans
- Federal Direct Grad PLUS Loans
- Federal Direct Parent PLUS Loans
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- TEACH Grant
- Institutional Grants and Scholarships

## Effects of Withdraw to Direct and Perkins Loan Grace Periods

Any time a student is considered to be enrolled less than half-time, that student's loan grace period begins. In the case of withdraw, the grace period begins on the day the student withdraws from the institution. If the student is not enrolled elsewhere at least half-time before the grace period has expired, the loans will go into repayment. The student must contact their loan servicer to make payment

arrangements. Loans must be repaid by the borrower as outlined in the terms of the borrower's promissory note. The student should contact the servicer if they have questions regarding their grace period or repayment status. Repayment status can be examined at any time by logging into [www.nslds.ed.gov](http://www.nslds.ed.gov).

### **How Institutional Aid is Affected by a Withdrawal**

Institutional funds are cancelled using the same percentages as the cancellation schedule for tuition/fees. The cancellation of charges percentages can be found in the Tuition and Fees section of the Southwestern College catalog. <http://www.sckans.edu/student-services/registrars-office/course-catalogs/>

### **Consequences of Non-Repayment**

Overpayments of federal grant funds are serious and can affect an individual's ability to receive Federal financial aid in the future. If grant funds are owed to the government and the student does not make arrangements for repaying these funds, the overpayment will be turned over to the United States Department of Education (ED). Students who owe an overpayment of any Title IV fund is ineligible to receive further disbursements from Title IV programs until the overpayment is paid in full or payment arrangements are made with ED.

If a student fails to pay or make payment arrangements on their student account balance, the student's academic records will be placed on financial hold. This means the student will not be permitted to register for future classes or receive transcripts until the balance is paid.