Financial Aid Recalculation Due to Withdrawal

Policy Type: Administrative
Responsible Office: Financial Aid – Division of Strategic Enrollment Management, Office of the Provost
Initial Policy Approved: July 2009
Current Revision Approved: 02/19/2018

Policy Statement and Purpose

The purpose of this policy is to describe effects on a student’s financial aid resulting from course withdrawal in accordance with applicable law and regulations, including the federal Standards for Participation in Title IV, HEA Program, 34 C.F.R. § 668.22.

Federal Aid

If a student with federal Title IV grant or loan assistance withdraws from VCU before completing 60 percent of the semester, the Office of Financial Aid’s Title IV and state aid coordinator will evaluate and recalculate their aid eligibility based on the federal Return of Title IV Funds formula. As described in the Policy Specifics and Procedures section below, this formula recalculates a student’s eligibility based on the aid the student has earned (number of days attended prior to withdrawal). If the calculation indicates that any amount of financial aid must be returned by VCU to the federal government, the student must pay VCU that amount, as outlined in the Federal Policy HEA, Section 484B 34 CFR 668.22.

Additionally, regardless of official notification of intent to withdraw, if a student fails to earn a passing grade in at least one course, VCU assumes that the student intended to withdraw from VCU unless it is documented that the student completed the enrollment period. If a student withdraws without official notification, VCU bases the aid return calculation on the date at the midpoint (50 percent) of the enrollment period unless VCU has reliable information about circumstances beyond the student’s control supported by relevant documentation.

State Aid

VCU also applies the federal Return of Title IV Funds formula to calculate aid eligibility after course withdrawal for students receiving Virginia State Grant funding from the Commonwealth Award (CA), Virginia Guaranteed Assistance Program (VGAP) or the Virginia Two-Year College Transfer Grant Program.
Institutional and Other Aid

VCU recalculates all other financial aid (i.e. institutional aid and scholarships) on a case-by-case basis under applicable policy.

Noncompliance with this policy may result in disciplinary action up to and including termination. VCU supports an environment free from retaliation. Retaliation against any employee who brings forth a good faith concern, asks a clarifying question, or participates in an investigation is prohibited.

Table of Contents

Who Should Know This Policy ................................................................. 2
Definitions ......................................................................................... 2
Contacts ............................................................................................ 2
Policy Specifics and Procedures .......................................................... 2
Related Documents ............................................................................ 4
Revision History ................................................................................ 4
FAQ ..................................................................................................... 4

Who Should Know This Policy

All faculty, staff and students are responsible for knowing this policy and familiarizing themselves with its contents and provisions.

Definitions

Federal Title IV Funds
Financial aid awarded by the federal government, including the following loans and grants: Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Direct Loan, Federal Perkins Loan, and Federal TEACH Grant

Virginia State Grant Aid
The following grants awarded by the Commonwealth of Virginia: Commonwealth Award (CA), Virginia Guaranteed Assistance Program (VGAP) or the Virginia Two-Year College Transfer Grant Program

Withdrawal/Unofficial Withdrawal
The mark of “W” indicates the student has officially withdrawn from the course or has been withdrawn for nonattendance.
Contacts

The Office of Financial Aid officially interprets this policy. The Office of Financial Aid is responsible for obtaining approval for any revisions as required by the policy *Creating and Maintaining Policies and Procedures* through the appropriate governance structures. Please direct policy questions to the return to Title IV and state aid coordinator in the Office of Financial Aid.

Policy Specifics and Procedures

Effects of Aid Recalculation on Current Semester based on Return of Title IV Funds Formula

The federal Return of Title IV Funds formula applies to the financial aid of any student receiving federal aid who completely withdraws from the university during the first 60 percent of the term. VCU adjusts the federal financial aid (Pell Grants, Supplemental Education Opportunity Grants [SEOG], Perkins Loans, Direct Stafford Loans and Direct Plus Loans) adjusted based on the percentage of the term completed before the withdrawal. Students retain the same percentage of the federal financial aid as the percentage of the term completed. For example, a student who completes 45 percent of the semester retains 45 percent of the financial aid initially awarded. This percentage is calculated by dividing the number of days completed prior to withdrawal (excluding breaks of five days or longer) by the number of days in the term (excluding breaks of five days or longer).

VCU must return this unearned portion of financial aid to the programs of the U.S. Department of Education from which the student received aid in the following order:

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
4. Federal Perkins Loans
5. Direct PLUS Loans
6. Federal Pell Grants
7. Federal Supplemental Educational Opportunity Grant (FSEOG)
8. TEACH Grants

The student then owes the amount of returned federal aid directly to the university.

VCU recalculates all non-federal based financial aid, including State and institutional aid and scholarships) on a case-by-case basis under applicable policy. After financial aid and tuition and fee adjustments are complete, a bill will be mailed to the student for any balance owed.

Effects on Aid in Future Semesters

While a withdrawal (“W”) is not counted in the student’s GPA calculation, credits from which a student withdraws count as attempted credit and can negatively impact eligibility for federal, state, and institutional financial aid. Financial aid recipients may refer to the financial aid Satisfactory Academic Progress (SAP) policy for more information.

Effects on Aid upon Withdrawal from Courses Offered in Modules

A program is offered in modules if, for a payment period or period of enrollment, a course or courses in the program do not span the entire length of the payment period or period of enrollment. For all programs offered in modules, a student withdraws for Title IV purposes if the student ceases attendance at any point
prior to completing the payment period or period of enrollment, unless VCU receives written confirmation from the student at the time of the withdrawal that the student intends to attend a module that begins later in the same payment period or period of enrollment. Students who fail to provide this confirmation will be withdrawn, and any aid that has been disbursed will be adjusted or canceled. The following may result in recalculating financial aid eligibility: dropping a course(s) prior to the start date of the course(s), course cancelation after aid has been disbursed, or course withdrawal. Students should contact the Office of Financial Aid immediately for additional information.

The summer term at VCU is modular-based, as are fall and spring courses that are offered in multiple sessions throughout the fall and spring term. Therefore, students enrolled in summer, fall or spring module will be withdrawn if they do not complete all of the days in the payment period that they were scheduled to complete. If this occurs the Office of Financial Aid will complete a Return to Title IV Funds calculation and adjust a student's aid based on this calculation.

Forms

There are no forms associated with this policy and procedures.

Related Documents

1. Federal regulations: HEA, Section 34 CFR 668.22
3. VCU Policy: Satisfactory Academic Progress (SAP) for Financial Aid

Revision History

This policy supersedes the following archived policies:

Approval/Revision Date

July 2009

Title IV Refund Policy

FAQ

There are no FAQ associated with this policy and procedures.