

June 1, 2011

OSFA/FFELP #10-11:09

Dear Student Loan Participant:

On April 21, 2011, the *Common Manual* Governing Board approved three proposals from Batch 178 to modify the *Common Manual*. The changes will be incorporated into the *Common Manual* with the publication of the next annual update. Enclosed are the following updates:

- **Purchasing Necessary Books and Supplies**
- **Last Date of Attendance at an Academically-Related Activity**
- **Return of Title IV Funds in a Credit-Hour Program Offered in Modules**

For further information you may contact me at (850) 410-6846 or e-mail at reitha.scott@fldoe.org.

Sincerely,

Reitha Scott, Policy Manager
Office of Student Financial Assistance

COMMON MANUAL UPDATES

Purchasing Necessary Books and Supplies

The *Common Manual* has been revised to incorporate final rules published in the *Federal Register* on October 29, 2010. The Manual has been updated to include information about the school's requirement to provide Pell grant-eligible students with a method to obtain or purchase necessary books and supplies. The school must provide the necessary funds or access to the necessary books and supplies no later than the seventh day of the payment period. A student who is eligible for Pell grant funds is eligible for the necessary books and supplies disbursement if the school could disburse funds 10 days prior to the payment period for that student and, if those funds were disbursed, they would create a credit balance.

The school must describe in its financial aid information and its notifications to the enrolled or prospective student, the way this aid is determined and disbursed, delivered, or applied to a student's account and the frequency of those disbursements. The information must indicate whether the school would enter a charge on the student's account at the school for necessary books and supplies or pay funds to the student directly.

A school determines whether a credit balance would be created by applying Title IV funds to authorized charges. If the student is subject to the 30-day delay for loan funds, the school may not consider the loan funds when determining the credit balance for these purposes. The school also would not include other aid not yet awarded to the student at that time. The amount the school must provide to an eligible student is the lesser of the presumed credit balance or the amount needed by the student. The amount to consider when determining the total needed for this purchase may be the necessary books and supplies estimate used in the student's cost of attendance or the actual cost of the necessary books and supplies. A school that includes the cost of necessary books and supplies in the student's tuition and provides the necessary books and supplies to its students at or prior to the payment has met the requirement.

If, 10 days prior to the payment period, the student has not completed the verification process, has an unresolved "C" code on the SAR and ISIR, or has unresolved conflicting information the school would not be permitted to deliver the funds.

A school has several options for providing its students with a method to obtain the necessary books and supplies, for example, cash or check; stored-value card or bookstore voucher, or, a short-term loan.

A school must have an "opt out" policy for its students. If the student chooses to opt out of the school's method, the school may offer another method to the student. A school has several options for providing students with a method to obtain the necessary books and

supplies – for example: cash or check; store-value card or bookstore voucher, or, a short term loan. If the student does use the school’s method, no additional authorization from the student is necessary.

When two eligible schools have a consortium agreement, the payment period of the school that pays the funds dictates the timing of the student’s ability to obtain the necessary books and supplies. If the “home” school pays the funds, then the student must be able to purchase the necessary books and supplies by the seventh day of the payment period of the home school; if the

“host” school pays the funds, then the student must be able to purchase the necessary books and supplies by the seventh day of the payment period at the host school.

Although this is a requirement for Pell grant recipients, a school may use the same process to make funds available to all of its Title IV-eligible students for the purchase of necessary books and supplies.

Affected Sections:	4.4.B	Student Consumer Information
	6.4.B	When Disbursements May Be Scheduled
	8.2.A	Initial Notice of Funds
	8.3	Required Authorizations
	8.7.C	Early Delivery
	8.7.D	Delayed Delivery
	8.8.B	Managing Credit Balances
	8.9.B	Return of Ineligible Borrower Loan Funds
	9.5.A	Return Amounts for Title IV Grant and Loan Programs

Effective Date:	Title IV credit balances to Pell grant-eligible students or necessary books and supplies for payment periods beginning on or after July 1, 2011.
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Basis:	§668.164(i); <i>Federal Register</i> dated October 29, 2010, pp. 66929- 66931.
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Policy Information:	1246/Batch 178
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Guarantor Comments:	None.
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COMMON MANUAL UPDATES

Last Date of Attendance at an Academically-Related Activity

The *Common Manual* has been revised to incorporate final rules published in the *Federal Register* on October 29, 2010. A school may use a last date of attendance at an academically-related activity as the withdrawal date for a student for whom the school is not required to record attendance, and who withdraws without initiating the school's withdrawal process. The Manual has been updated to include a revised list of examples of academically-related activities, as follows:

- Physically attending a class where there is an opportunity for a direct interaction between the instructor and the student.
- Submitting an academic assignment.
- Taking an exam.
- Participating in an interactive tutorial.
- Engaging in computer-assisted instruction.
- Attending a study group that is assigned by the school.
- Participating in an online discussion about academic matters.
- Initiating contact with a faculty member to ask a question about the academic subject studied in the course.

Attendance at an academically-related activity does not include an activity in which a student may be present but not academically engaged, including, but not limited to:

- Living in school housing.
- Participating in the school's meal program.
- Logging into an online class without active participation.
- Participating in academic counseling or advisement.

The school must confirm and document the student's attendance at an academically-related activity. A school may not rely solely on a student's self-certification that he or she attended an academically-related activity.

Affected Sections: 9.4 Withdrawal Dates

Effective Date: Student withdrawal determinations made by a school on or after July 1, 2011.

Basis: §668.22(1)(7).

Policy Information: 1247/Batch 178

COMMON MANUAL UPDATES

Return of Title IV Funds in a Credit-Hour Program Offered in Modules

The *Common Manual* has been revised to incorporate final rules published in the October 29, 2010 *Federal Register*.

A school determines if a student enrolled in a course of study offered in modules is considered withdrawn and whether a return of Title IV funds calculation is necessary based on the date the student ceases attendance, the structure of the program of study, whether the student was scheduled to attend a subsequent module at the time he or she ceased attendance, and, in some cases, the student's course grade(s) or stated intent to attend a subsequent module in the same program and payment period, or as applicable, period of enrollment.

- A student enrolled in a credit-hour program offered in modules is considered to have withdrawn if the student does not complete all of the calendar days in the payment period or period of enrollment that the student was scheduled to complete.
 - A course that a student officially drops prior to ceasing attendance is not considered a course that the student was scheduled to attend, unless the student remained enrolled in another concurrent course(s).
 - A course offered in a module that a student officially adds prior to ceasing attendance is considered a course that the student was scheduled to attend.
 - A module in which the student does not enroll is not considered a module that the student was scheduled to attend.
- If a student enrolled in a credit-hour program offered in modules does not earn at least one passing grade in the last course(s) that he or she was scheduled to attend, and the school cannot demonstrate that the student completed the last course(s), the school must assume that the student unofficially withdrew.
- A student enrolled in a non-term-based or nonstandard term-based program offered in modules is considered to have withdrawn—regardless of whether the student notifies the school of his or her intent to withdraw—if the student is not scheduled to attend another module in the same program and payment period or, as applicable, period of enrollment that begins 45 days after the end of the module that the student last attended, unless the student is on an approved leave of absence.

- A student who ceases attendance in a credit-hour program offered in modules is *not* considered to have withdrawn if the school obtains written confirmation from the student at the time of his or her withdrawal that the student will attend a subsequent module in the same program and payment period or, as applicable, period of enrollment. The school may not rely solely on the student's enrollment or registration in a subsequent module prior to his or her withdrawal. For a student who ceases attendance in a non-term-based or nonstandard term-based program offered in modules, the subsequent module must begin within 45 days after the end of the module that the student last attended.
- A student who ceases attendance in a credit-hour program offered in modules and who provides written confirmation of the intent to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment may change the date that he or she will return to a module that begins later in the same program and period. In such a case, the student is not considered to have withdrawn if the school obtains—prior to the original return date that the student previously confirmed—written confirmation from the student that he or she will resume attendance in the later module. For a student who ceases attendance in a non-term-based or nonstandard term-based program offered in modules, the later module must begin within 45 days after the end of the module that the student last attended.
- If a student who ceases attendance in a credit-hour program offered in modules provides written confirmation of the intent to attend in a subsequent module in the same program and payment period or, as applicable, period of enrollment but then fails to do so, the student is considered to have withdrawn as of the date that would have applied if the student had not indicated his or her intent to return in a subsequent module.

Revised policy includes a step-by-step decision-making process that a school should use to determine whether a student enrolled in a credit-hour program offered in modules has withdrawn.

If a student enrolled in a credit-hour program offered in modules withdraws before beginning attendance on at least a half-time basis, the school must not make a post-withdrawal disbursement of Stafford or PLUS loan funds to the student. However, a school must include in aid that could have been disbursed for the purpose of the return of Title IV funds calculation an undelivered Stafford or PLUS loan disbursement intended for the payment period or, as applicable, period of enrollment in which the student withdrew, if the conditions for making a late disbursement were met as of the date of the student's withdrawal. A school that calculates a return of Title IV funds on a period of enrollment basis may be required to include a subsequent undelivered disbursement(s) of Stafford or PLUS loan funds in aid that could have been disbursed for the purpose of the return of Title IV funds calculation.

A school that established a withdrawal date for a student may be required to treat the student as if he or she had not withdrawn, and may be required to disburse Title IV aid

that was previously returned or that was previously canceled if any of the following events occur:

- A student withdraws from a standard term-based program offered in modules, fails to confirm the intent to attend a subsequent module in the same program and payment period, but the student resumes attendance in a subsequent module within the same program and payment period.
- A student withdraws from a non-term-based or nonstandard term-based program, fails to confirm the intent to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment, but the student resumes attendance in a subsequent module in the same program and period that begins no later than 45 days after the end of the module that the student last attended.
- A student enrolled in a non-term-based or nonstandard term-based program offered in modules is not scheduled to attend a subsequent module in the same program and payment period or, as applicable, period of enrollment that begins no later than 45 days after the end of the module that the student last attended, and the student resumes attendance in a module in the same program and period that begins within that 45-days timeframe.

In the instances noted above, the school must apply the following rules to determine a student's eligibility for Title IV aid that the school may have previously returned or canceled:

- For a student who resumes attendance in a standard term-based program or a nonstandard term-based program offered in modules, the school must determine the student's eligibility for Title IV aid in accordance with the rules for a student who withdraws from and resumes attendance in the same term-based credit-hour program offered in modules before the end of the payment period or, as applicable, period of enrollment.
- For a student who resumes attendance in a non-term-based credit-hour program offered in modules, the school must determine the student's eligibility for Title IV aid in accordance with the rules for a student who withdraws from and resumes attendance in the same non-term-based credit-hour program within 180 days.

If a student withdraws from a credit-hour program offered in modules, the payment period or, as applicable, period of enrollment, used in the denominator to calculate the percentage of the period completed includes the number of calendar days in all of the modules the student was scheduled to attend. The payment period or period of enrollment begins on the first day of the first module that the student was scheduled to attend and ends on the last day of classes of the last module that the student was scheduled to attend. A school must exclude from the total number of calendar days in the payment period or period of enrollment days in which the student was on an approved leave of absence and scheduled breaks of at least five consecutive days when the student

is not scheduled to attend a module or course offered during a module. The number of calendar days used in the numerator to calculate the percentage of the period completed begins on the first day of the first module that the student actually attended, ends on the last day the student was in attendance, and includes only the number of calendar days during which the student was in attendance.

For example, a school combines an intersession of three weeks of instructional time at the end of a standard, fall semester to form a single, combined term that the school treats, for all Title IV purposes, as a standard semester for all students enrolled in the program. The school must treat the fall term and the intersession as modules in the single, combined term for all students enrolled in the program. A student enrolls in (i.e., is scheduled to attend) the fall semester and the 3-week intersession that follows. If the student ceases attendance during the single, combined term, the denominator used in the calculation of the percentage of the payment period completed includes the number of calendar days in both the fall term and the intersession, except for scheduled breaks of at least five consecutive days and days in which the student was on an approved leave of absence.

Affected Sections:	9.4	Withdrawal Dates
	9.5.A	Return Amounts for Title IV Grant and Loan Programs

Effective Date:	School determinations of a student's withdrawal from a credit-hour program offered in modules on or after July 1, 2011.
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Basis:	§668.22(a)(2) and (f); Federal Register dated October 29, 2010, pp. 66893 to 66807.
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Policy Information:	1248/Batch 178
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Guarantor Comments:	None.
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