

Overaward Financial Aid Policy

Accommodations for individuals with disabilities in accessing these policies are available upon request by emailing accessiblepolicy@wcupa.edu

Purpose and Scope

The Financial Aid Office is required to monitor and adjust students' financial aid awards to eliminate overawards and/or overpayments in compliance with federal and state regulations and institutional policy.

An overaward or overpayment exists when any of the situations occur:

- The student's financial aid exceeds the student's Cost of Attendance (COA) which is based on the student's residency, enrollment and academic program. The Cost of Attendance can be reviewed on the student's financial aid award letter as well as on MyWCU under "View Awards".
- The student receives multiple tuition specific need-based aid that exceed the student's need assessment. Financial Need is determined by subtracting the student's Expected Family Contribution (EFC) from COA.
- Overawards may also be created when the student's Expected Family Contribution (EFC) increases because of verification or changes in FAFSA information.
- The student receives multiple housing specific awards that exceed the student's housing assessment.
- The student's award in an individual program (e.g., Federal Pell Grant, TEACH, PHEAA, and Federal Direct Loan) exceeds annual or aggregate/lifetime limits.
- The student is receiving Federal Pell Grant, TEACH, Direct Loan, or Federal Iraq and Afghanistan Service Grant at multiple schools for the same payment period.

Policy Statement

WCU Financial Aid Office reviews overawards on an ongoing basis during each academic year, per state and federal regulations, and will notify students of any adjustments to award amounts that resulted from an overaward. Students are required to report any new award (awarded by non-WCU agencies and foundations) that does not appear on their award offer to the Financial Aid Office. Failure to receive timely notification can result in retroactive changes in aid eligibility.

Policy Framework

Overawards are usually the result of the student receiving aid that the Financial Aid Office was not aware of when the student's financial aid was initially offered.

Overawards may also occur when a student's estimated COA changes due to a change in residency status, enrollment, or housing status. For example, when residency status changes from Non-Pennsylvania resident to Pennsylvania resident after financial aid has already been awarded.

Overawards may also be created when the student's Expected Family Contribution (EFC) increases because of verification or changes in FAFSA information. Overawards can result from application errors as well. Regardless of the reason for overaward, the Financial Aid Office is bound by regulations and policy to correct the overaward by reducing or cancelling a portion of the student's aid.

Resolving the overaward may result in the student owing the University money if the overawarded funds have already disbursed to the student's account. As noted within Rights and Responsibilities, it is the student's responsibility, therefore, to notify the Financial Aid Office as soon as possible when the student becomes aware that they are receiving an external financial aid resource, or has a change in status including enrollment, residency, and housing.

To avoid overawards, students are required to report any new award (awarded by non-WCU agencies and foundations) that does not appear on their award offer to the Financial Aid Office as explained within Rights and Responsibilities. Failure to receive timely notification can result in retroactive changes in aid eligibility.

Overaward Procedures

Tuition-based Adjustments For students who have tuition-based awards, which reflect the exact amount of the tuition component on the bill will be addressed first when reviewing an overaward. Example of tuition-based funds are assistantships, tuition scholarships, or employer benefits, the award adjustments will be made first if enrollment and/or residency changes impact the cost of tuition. If an overaward remains after the tuition-based award is adjusted, then the following procedures of title IV, state, and institutional aid will be utilized until the over-award has been resolved.

Entitlement Program Adjustments The Pennsylvania State Grant program and the Federal Pell Grant program both have specific regulatory guidance that addresses when an award is required to be repackaged based on enrollment and eligibility changes. For the purpose of overawards these programs will be reviewed after any tuition-based funds for mandated adjustments to awards.

Pennsylvania State Grant Adjustments

- Changes in enrollment before a disbursement roster is received by WCU and/or before the census date of each term.
- Term withdraws adjustments depends on whether the disbursement roster has been received by WCU and if charges were adjusted based on the last date of attendance.
- Student is registered for a remedial (Q) course and has already received 2 semesters of Q course exception with PHEAA
- Enrollment mode: historically courses that have a delivery mode greater than 50% online has resulted in reduced eligibility
- Consortium agreements (WCU students attending a host institution with the intent to transfer credits in) If WCU COA is greater than the COA at the host college/university an adjustment will be made to eligibility.

- Students who are not making Pennsylvania Higher Education Assistance Agency's (PHEAA) criteria for state grant satisfactory academic progress.

Federal Pell Grant Adjustments

- Changes in enrollment before the Pell grant repackaging date (census date) for each period of enrollment.
- Award exceeds the regulatory maximum, e.g., lifetime limit based on the payment schedule and enrollment status.
- Student who is receiving a Pell or Iraq and Afghanistan Service Grant at multiple schools for the same period will be reviewed for a Pell grant overpayment within 30 days of the common origination and disbursement indicator.
- Students may not receive more than 100% (or 150% if qualifying under "Year-round" Pell) of their scheduled award for a Pell Grant during an award year.
- Students who choose to audit courses midterm will be reviewed for adjustments if their enrollment level is impacted as audited coursework does not qualify for Pell.

Repackaging Sequence: After tuition based awards and entitlement programs are reviewed for mandated adjustments, the following sequence of award adjustments will be used to address any remaining overaward. Following federal and state regulations and institutional policy, the Student Financial Aid Office will resolve the overaward in a way that is most favorable to the student.

Loans will be canceled, reallocated, or reduced and returned to the lender if necessary. Following this step, if there is still an overaward and the student is employed under the Federal Work-Study Program, the student will be requested to stop working. If after loans and Federal Work-study have been adjusted and an overaward still remains, grants and scholarships will be canceled or reduced.

When federal funding is originated for more than one institution within the same payment period an overpayment notice is generated by the Common Origination and Disbursement system which is maintained by The Department of Education. Institutions are given 30 days to resolve overpayments from multiple record reporting.

WCU receives notification of overpayments from Federal Student Aid and assesses if the student awarded is still an enrolled, matriculated student. If the student is still actively enrolled in an academic program the other institution's financial aid office will be contacted first to confirm concurrent enrollment at the other institution. If the other institution confirms the student is actively enrolled at their institution for the payment period in question, then the student will be contacted for clarification. If the student does not respond and or the other school does not cancel their disbursement within 30 days, WCU will cancel and remove the overpayment.

Final sequence of adjustments

1. Tuition based awards
2. Adjustments to Pell, IASG, CFH, and PHEAA based on regulatory guidance
3. Private (Alternative) Educational Loan
4. Federal Direct PLUS Loan
5. Federal Direct Unsubsidized Loan
6. Federal TEACH Grant
7. Federal Direct Subsidized Loan
8. Federal Work-Study
9. Federal SEOG
10. WCU need-based scholarships or grants

11. WCU Institutional Scholarships to include WCU College and/or Departmental awards
12. WCU Foundation Endowed/Gift funds
13. Other state funds
14. External Scholarships

Notification to Students: Once an overaward is resolved, the Financial Aid Office communicates with the student indicating the specific award adjustment(s). Any outstanding balance that may occur from an adjustment is the student's responsibility to pay according to [WCU payment requirements](#).

Definitions and related References

Cost of Attendance: is an estimate of a student's educational expenses for the period of enrollment. Cost of attendance (COA) is determined by law (Higher Education Act, Sec. 472) and is not subject to regulation by the Department

Source: <https://fsapartners.ed.gov/sites/default/files/2021-03/2021FSAHbkVol3Ch2.pdf>

Packaging: The act of reviewing and posting aid based on a student's eligibility, cost of attendance, enrollment, and academic standing.

Verification: is the process the school uses to confirm that the data reported on the FAFSA form is accurate. If selected for verification and have any required follow-up actions, the school will request additional documentation that supports the information student reported.

<https://studentaid.gov/apply-for-aid/fafsa/review-and-correct>

Residency (also referred to as Domicile): the place where one intends to reside either permanently or indefinitely and does in fact so reside and is used in making determinations in the tuition assessment.

UNIVERSITY POLICY

Title IV Financial Aid— refers to financial aid programs authorized by the US Federal Government under Title IV of the Higher Education Act of 1965. This includes programs such as Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Direct Student Loans (Unsubsidized, Subsidized, and Direct PLUS), TEACH Grants, Iraq and Afghanistan Service Grant, and Federal Work-Study.

Pell Grants 34 CFR 690.79

<https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2020-2021/vol4/ch3-overawards-and-overpayments>

Satisfactory Academic Progress: Satisfactory academic progress is the process a school uses to determine if a student is meeting all of their educational requirements. Additional information can be found at [WCU Title IV Satisfactory Academic Progress Policy](#)

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10/21/21

Effective Date: 10/21/2021

Next Review Date: 10/21/2025

History:

Initial Approval: 10/21/2021

Review Dates:

Amended: