

Official Internal reporting of “F” grades

The Department of Education Compilation of Federal Regulation (CFR) Sections 668.21 & 668.22, and Dear Colleague Letter (DCL) GEN-04-03 require that when a student on federal financial aid fails to earn any passing grade during a single term, an institution must determine whether that aid recipient completed the class, unofficially withdrew (“walked away”), or never began attendance in the class. The process formerly in place would require instructors to report last date of participation for all F’s. To maintain the confidentiality of student financial aid status and to streamline the required reports for the students involved, the following new process has been instituted, effective Fall 2012.

The University Registrar has set up internal codes tied to the official grade of F. An internal code must be assigned by the instructor for each F grade given. When a student on federal financial aid receives only F grades, the internal code will be used for determining the appropriate amount of federal financial aid funds to be returned for each student with all F grades for the term; only students with a full term of failing grades will be affected by this required return of funds. The official grade on the student’s transcript will still be an F and will be calculated as an F in determining the student’s GPA. The following table outlines the internal codes associated with the official F grade.

Internal Code	When to assign the new internal code	Effect on student’s Federal financial aid
FF (Finished/completed course)	If the student finished/completed the course and earned an F grade.	No change in student’s aid.
QF (Quit at some point in semester)	If the student participated in the class at some point, but then walked away and never completed the course (unofficial withdrawal). The last date of the student’s participation in any academically related activity for the course must be recorded in Banner.	If all of the student’s grades for the term are QF, up to 50% of the student’s federal financial aid will have to be refunded to the federal funds based on the student’s last date of participation in the class.
NF (Never participated)	If the student never showed up for class or participated in class in any way.	The student’s federal financial aid will have to be adjusted for each NF grade assigned and 100% refund will be due to the federal funds for each NF class.

If a federal business auditor questions the assignment of the internal codes of FF or QF, the university must be able to document the student’s participation as recorded by the instructor, such as any of the following measures customarily used in documenting course activity:

- class attendance
- examinations or quizzes
- tutorials or labs

- completing an academic assignment, paper, or project
- attending a group study required by the institution where attendance is taken
- computer-assisted instruction
- academic advising or counseling
- academic conferences

Note: **An Angel login** (recorded as “Last Access” in the Angel Grade Center) is NOT a valid “last date of participation” in any course (including courses entirely online through Distance Education).

Since an auditor could ask to see a faculty member’s grade and attendance records for the grades in question, instructors should be able to document (for example, by a gradebook posting, attendance sheet, or any other means ordinarily used by the instructor to document student performance) the student’s last date of participation when assigning the QF code. If a date is assigned in Banner for the QF code, auditors are unlikely to ask for further documentation.

The assignment of the NF code will impose a financial liability for the student and the university. Instructors should check carefully for any documented academic activity before assigning the NF code.