



FLETCHER TECHNICAL COMMUNITY COLLEGE
Policy # 2.305

Return of Title IV Funds

Authority: Enrollment Services

Effective Date: 01/29/2018

Last Revision: 04/01/2020

General Policy

In accordance with federal regulations when a federal financial aid recipient withdraws from all classes (officially or unofficially, as defined by regulations) during a term, Fletcher Technical Community College (Fletcher) must determine the amount of federal grant and/or loan assistance the student earned. If less assistance is received than what was earned, the student may qualify for those funds. If more assistance is received than earned, the unearned funds must be returned by the school and/or student to the appropriate program(s).

The federal code of regulations 34 CFR 668.22 defines the treatment of withdrawals, the calculation of earned and unearned aid, the disbursement or return of federal funds, and the timelines for each.

Procedures to Officially Withdraw

Students must drop classes via the Web by logging into LoLA. It is the student's responsibility to request the withdrawal. Failure to do so will result in a grade of F. See the Academic Calendar for the withdrawal period end dates.

Unofficial Withdrawal or Failure to Earn a Passing Grade in Any Courses

The last date of attendance (LDA) is used as the withdrawal date for the Return of Title IV calculations.

Treatment of Title IV Aid When a Student Withdraws

The law specifies how the College must determine the amount of Title IV program assistance that you earn if you withdraw. The Title IV programs that are covered by this law are: Federal Pell Grants, Iraq and Afghanistan Service Grants, TEACH Grants, Stafford Loans, PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOGs) and Federal Perkins Loans.

When a student withdraws during the payment period or period of enrollment, the amount of Title IV program assistance earned up to that point is determined by a specific formula. If the student received less assistance than the amount that you earned, the student may be able to receive those additional funds. If the student received more assistance than earned, the school and/or student must return the excess funds.

Return of Title IV Funds Refund Calculation

The amount of assistance earned is determined on a pro rata basis. For example, if a student completed 30% of the payment period or period of enrollment, the student earned 30% of the assistance originally scheduled to receive. Once the student has completed more than 60% of the payment period or period of enrollment, the student earned all the assistance that was scheduled to receive for that period.

If the student received excess Title IV program funds that must be returned, the school must return a portion of the excess equal to the lesser of:

- The student institutional charges multiplied by the unearned percentage of your funds, or
- The entire amount of excess funds

Post-Withdrawal Disbursements

If the student did not receive all of the funds earned, a student may be due a Post-withdrawal disbursement. If a Post-withdrawal disbursement includes loan funds, the College must get the student's permission before disbursement can be made. A student may choose to decline some or all of the loan funds so that additional debt doesn't incur.

- Fletcher may automatically use all or a portion of the Post-withdrawal disbursement of grant funds for tuition, and fees
- The school needs permission to use the Post-withdrawal grant disbursement for all other school charges. If the student does not give permission, the student will be offered the funds.
- However, it may be in student's best interest to allow the school to keep the funds to reduce the debt at the school.

Percentage of Payment Period Completed

A return of title IV funds (R2T4) is computed for a payment period. A payment period is a term, i.e., fall semester, spring semester, and summer term. For R2T4, the total number of calendar days in a term is defined by the student's scheduled course enrollment, i.e., start and end dates of courses, excluding scheduled breaks of at least five consecutive days. The days are counted from the start date of the earliest course to the end date of the last course scheduled to complete (i.e., has the latest end date), excluding scheduled breaks. This may be less than the full length of a term, which is 16 weeks in the fall and spring and 11-weeks in the summer.

The percentage of the payment period completed is calculated by dividing the total number of calendar days in the payment period into the number of calendar days completed as of the student's withdrawal date.

Scheduled Breaks

Scheduled breaks must be at least five consecutive days. It includes periods when LSC is not scheduled in session, e.g., holidays, and when the student is not scheduled to attend a course within the term.

Treatment of Drop/Add Courses

In the count of total days in the payment period, a course that is officially dropped prior to a student ceasing attendance is not included as days that a student was scheduled to attend, unless the student remained in enrolled in other courses for those days. A course that is officially added prior to the student ceasing attendance is included, even if the student never began attending.

Institutional Charges

Institutional charges are tuition, and fees, and other educationally-related expenses assessed by the institution.

Calculation of Title IV Assistance Earned by the Student

The percentage of Title IV assistance earned is equal to the percentage of the payment period completed as of the withdrawal date.

- If the withdrawal date occurs after the 60 per cent point, then the percentage of Title IV assistance earned is 100 percent.

This percentage is then applied to the total amount of Title IV grant and loan assistance that was disbursed (and that could have been disbursed) to the student, or on the student's behalf in the case of a parent PLUS loan, for the payment period for which it was awarded.

Calculation of Title IV Assistance Unearned by the Student

The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance earned by the student from the amount of Title IV aid that was disbursed to the student or on behalf of the student in the case of a parent PLUS loan.

Responsibility of the Institution for Return of Unearned Aid

Fletcher will return all unearned funds back to the aid program and the student will be responsible for any balance this creates.

Responsibility of the Student for Return of Unearned Aid

In the event, there is remaining unearned aid, the College will be responsible for returning those funds.

Any loan funds that the student must return, the student will (or your parent for a PLUS Loan) repay in accordance with the terms of the promissory note. That is, the will make scheduled payments to the holder of the loan over a period of time.

The requirements for Title IV program funds when a student withdraws are separate from any refund policy that the school may have.

- Therefore, a student may still owe funds to the College to cover unpaid institutional charges.
- The College will also charge the student for any Title IV program funds that the College is required to return.

If the return of the funds creates a balance due on the student account, the student will be responsible to pay the balance on their account.

Order of Return of Title IV Funds:

Fletcher must return Title IV funds to the programs from which the student received aid during the payment period or period of enrollment as applicable, in the following order, up to the net amount disbursed from each source:

1. Unsubsidized Direct Stafford loans (other than PLUS loans)
2. Subsidized Direct Stafford loans
3. Federal Perkins loans
4. Federal PLUS loans
5. Direct PLUS loans
6. Federal Pell Grants for which a Return is required

7. Federal Supplemental Educational Opportunity Grants (FSEOG) for which a return of funds is required
8. Federal TEACH Grants for which a Return is required
9. Iraq and Afghanistan Service Grant for which a Return is required

Any federal college work-study funds that you have earned prior to your withdrawal are yours to keep and will not be returned.

Timeframe for the Return of Title IV Funds by the Institution

Fletcher must return the funds for which it is responsible as soon as possible but no later than 45 days after the date of its determination that the student withdrew.

Fletcher must determine the withdrawal date for a student that does not provide notification to the institution no later than 30 days after the end of the earlier of the payment period or period of enrollment

Student Notification

Fletcher will notify a student in writing within 30 days of the institution's determination that the student withdrew and either owes a Title IV or HEA overpayment or owes funds to the College.

Retroactive Withdrawals

If funds have been returned for a student based on his or her official or unofficial withdrawal, those funds cannot be reinstated if the student petitions for, and receives, a retroactive withdrawal (official, medical withdrawal, or exception to enrollment).

Withdrawal from Modules or Parts of Term

If a student withdraws from current classes, but is registered in a later-starting class for the semester, we are required to calculate the amount of unearned aid to return to federal programs, unless, the student indicates in writing, that the student will attend the future courses.

Example

Freshman living off campus.

The student's financial aid package includes:

Pell Grant: \$2,500

Subsidized Direct Loan: \$2,000

Total Aid: \$4,500

The student's charges include:

Tuition and Fees: \$2,000

Books: \$400

Total Charges: \$2,400

Using Federal Aid Awarded in Computation

The student withdraws on day 50 out of 111 days in the semester. $50 \div 111 = 45\%$ of the semester completed. This student earned 45% of Title IV funds.

Total amount of Title IV funds x Percent of earned Title IV funds

$\$4,500 \times 45\% = \$2,025$

\$2,025 is the amount of earned Title IV aid.

Total amount of Title IV funds - Earned Title IV funds = Funds to be returned to Department of Education

$\$4,500 - \$2,025 = \$2,475$


\$2,475 is the amount of Title IV funds to be returned

Reference: Federal Student Aid Handbook – Return of Title IV Funds

Distribution: Distributed Electronically via College’s Internet.

APPROVAL:

| Reviewing Council/Entity | Approval Date |
|--------------------------|---------------|
| College Council | N/A |
| Executive Cabinet | N/A |



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Chancellor

4/2/2020

Date