

	POLICY TITLE: RETURN OF TITLE IV FUNDS POLICY
Purpose of Policy:	This policy outlines federal requirements for Return of Title IV funds generate from a student's withdrawal or Leave of Absence from the College
Scope:	<input type="checkbox"/> Faculty <input type="checkbox"/> Staff <input checked="" type="checkbox"/> Student <input type="checkbox"/> Visitor <input type="checkbox"/> Other
Committee(s) Responsible:	Enrollment Management
Location of Policy:	My GSC Portal
Attachments:	None
Forms Location:	None
Related Policies:	None
Date Approved by Committee:	04/03/2018 Reviewed by Legal: 05/02/18
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Final President Approval:	07/01/2018

Policy:

The Higher Education Amendment of 1998 required schools to implement The Return of Title IV Refund Funds (R2T4) policy when a Title IV funds recipient withdraws from school or takes an Academic Leave of Absence. Title IV funds refers to the following federal financial aid programs authorized under the Higher Education Act of 1965 (as amended):

- Federal Pell Grants
- Federal SEOG
- Federal Direct Loans (subsidized, unsubsidized, Parent PLUS)

A Title IV recipient is defined as a student who has received Title IV funds (excluding Federal Work Study funds but including Federal Direct PLUS Loan funds) or has met the conditions that entitle the student to a late disbursement. Return of Title IV does not apply if the student never actually began attendance for the payment period. A payment period is defined as the academic term.

The Title IV recipient must notify the Registrar's Office immediately if they wish to withdraw from school. All students who withdraw from school must complete an Exit Interview with the Financial Aid Office, so they can determine how much Title IV aid must be returned to the Title IV Programs.

Three Types of Withdrawals

There are three types of withdrawals. They are official withdrawals, unofficial withdrawals, and partial withdrawals. The following is some specific information about each type of withdrawal.

Official Withdrawals

The Official Withdrawal is a **complete withdrawal** where a student who has followed the appropriate procedure ceases to attend all classes. The college recognizes that sometimes students have no alternative but to leave the school due to many and various legitimate reasons. It is understood that such a withdrawal may be only for a short time, such as the rest of the term or permanent; however, it is the school's desire to have that student return when and if circumstances permit. A student who follows the appropriate procedures when withdrawing from the school will find it easier to return to the school at a later date.

Unofficial Withdrawals

If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for federal Title IV purposes, that the student has "*unofficially withdrawn*", unless the institution can document that the student completed the period. If the student did not attend any or all classes, the institution must determine if the student was entitled to the award(s). A return to Title IV funds must be calculated to determine how much the student must repay for classes that the student did attend but failed. The unofficial withdrawal is also a **complete withdrawal** where unfortunately, the student either never attended or ceased to attend all classes without following the appropriate withdrawal procedures. This situation may make it very difficult for the student to return to school should they desire to do so at a later date.

A Partial Withdrawal

A partial withdrawal is when a student withdraws from one or more classes but remains enrolled in at least one class. In this case, there is no need to proceed with a Return of Title IV Funds calculation since the student remains enrolled in at least one course.

Earned versus Unearned Title IV Funding

If a student officially or unofficially withdraws, ceases attendance, or is administratively withdrawn from GSC, federal regulations require GSC to calculate the amount of Federal Title IV funds earned during the term from which the student withdrew.

The percent earned is equal to the number of calendar days completed up to the withdrawal (officially or unofficially) date divided by the total number of calendar days in the semester/payment period. Breaks of 5 days or longer are not included in the count of total days in the payment period.

Earned Percent = Number of Days Completed divided by the Total Days in Payment Period

Unearned Percent = 100% - Earned Percent

The Unearned Percent is then multiplied by the total Title IV funds received during the relevant term and that amount equals the Total Unearned Aid.

As a result of a withdrawal, students who received federal funds will be required to repay unearned aid. The repayment calculation is performed utilizing the federal governments repayment worksheet. See link below for access to the federal worksheet:

[Federal Worksheet](#)

If a student receiving Title IV funds, completely withdraws from school or ceases to attend classes up through the 60% point of the semester (as calculated by calendar days), the student is considered not to have earned all of the Federal Student Aid that may have been previously awarded for that period. Accordingly, the Financial Aid Office is required to calculate the amount of unearned Federal Student Aid that must be returned to the Department of Education to reimburse the appropriate Title IV programs within 45 days of the last day of attendance. A student's aid will be revised and/or the student may be required to repay all or a portion of the Federal Student Aid received if a student withdraws from some or all of their courses, stops attending classes, or enrolls for less than half time status. A student may receive a copy of the worksheet used for the calculation of Return of Title IV funds from the Financial Aid Office. After the 60% point, the student is deemed to have earned 100% of the Title IV funds.

Post-Withdrawal Disbursements

When the total amount of the Title IV assistance earned as of the withdrawal date is more than the amount that was disbursed to the student, the difference between the two amounts will be treated as a post-withdrawal disbursement.

Post-Withdrawal Disbursement of Federal Grant Funds

GSC will, without authorization, automatically credit the student's account with a late disbursement of Pell Grant and FSEOG funds for current institutional charges (tuition, fees, room and board). For charges in excess of the current charges, GSC will obtain authorization from the student before disbursement. Excess funds will be refunded to the student. The post-withdrawal disbursement will be made within 45 days of the date of the institution determined the student withdrew.

Post-Withdrawal Disbursement of Direct Federal Loan Funds

If a post-withdrawal disbursement includes direct federal loan funds, GSC must obtain the student's, or parent if a PLUS loan, permission before it can be disbursed. The borrower will be notified within 30 days of the date of determination of withdrawal of the opportunity to accept all or a part of the post-withdrawal disbursement. The student or parent has 14 days from the date of notification to respond. GSC will disburse the loan funds within 180 days of the date of determination of the student's withdrawal date. Loan funds will be applied towards the outstanding

semester charges on the student's account and may pay up to the amount of the allowable charges. Any remainder will be paid directly to the student or parent.

Determination of Withdrawal Date

The return of Title IV funds process begins when the student officially and/or unofficially withdraws from or stops attending courses. The withdrawal date used in the return calculation of a student's federal financial aid is the date the student began the official withdrawal process and/or the date of the student's notification that they wish to withdraw. If a student stops attending classes without notifying GSC, the withdrawal date will be the midpoint of the semester or the last date of academic activity as documented by the student's instructor and recorded in the Registrar's office. The last date of attendance may include date of the last quiz or exam taken, date of the last assignment submitted, or the date of the last actual attendance in the course. The percentage of Title IV aid earned is equal to the percentage of the enrollment/payment period the student completed.

Not Started

Instructors are required to report each term to the Registrar whether or not a student begins/does not begin attendance in a course. If a student does not begin attendance in a course, that course must be taken out of consideration for Title IV funds. The Title IV funds will be recalculated excluding that course. Depending on the remaining hours of registration, students may have their aid partially reduced or fully reduced. Students may also be subject to Title IV return calculations resulting in a reduction or cancellation of Title IV aid.

Students who do not plan to attend and will not be participating in a course should drop the class prior to the start of the term (or, at the very least, within the 100% refund period) to avoid Title IV aid recalculation.

In cases where funds must be returned, the school will reimburse the Title IV programs via the tuition revenue account. As a result, any tuition refunds due to the student will first be returned to reimburse the Title IV programs. Funds will be returned to the appropriate program in the following order:

- Federal Direct Unsubsidized loans
- Federal Direct Subsidized Loans
- Federal Direct PLUS loans
- Federal Pell Grant
- Federal Supplemental Education Opportunity Grant (FSEOG)

In many cases the Return of Title IV funds calculation will result in the student owing tuition and fees, or other appropriate charges to the institution that would otherwise have been paid with Federal Student Aid to the U.S. Department of Education.

Students will be billed for any unpaid institutional charges that result from the return of funds to the Title IV programs. Furthermore, a financial obligation (hold) will be placed on the student's

account by the institution, which will prohibit the student from registering in the future semesters, receiving academic transcripts, or receiving any additional federal aid funds.

Procedure:

Your academic progress will be assessed based on the credit completion requirements of original enrollment of the student.

Responsibilities regarding the return of Title IV funds.

GSC's responsibility includes:

- Providing each student with information given in this policy,
- Identifying which students are affected by this policy,
- Completing the return of Title IV Funds calculation for these students
- Returning any Title IV funds that are due the Title IV programs

Student's responsibilities include:

- Completing the Exit Form with the Registrar's Office
- Meeting with the Financial Aid Office to review the impact of withdrawal from the school and the Return of Title IV Worksheet
- Paying back to the school the amount of Title IV funds the school returned to the Title IV program according to the Return of Title IV funds calculation