

RETURN OF TITLE IV POLICY & PROCEDURE POLICY:

The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for students who completely withdraw, stop attending, or take a medical leave prior to completing 60% of a payment period or term. The federal Title IV financial aid program eligibility must be recalculated in these situations. Financial Aid covered by this policy include:

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Direct Subsidized Loan
- Federal Direct Unsubsidized Loan
- Federal Parent Loan for Undergraduate Students (PLUS)

Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV (R2TIV) funds formula:

Percentage of payment period completed divided by total days in the payment period == Percentage of aid earned

PROCEDURE:

Determination of Withdraw Dates:

The withdraw date is determined by when the student withdraws from all courses. The determination date is the date the Schedule Change Form is received and processed by the Gateway Services Office. If the student does not officially withdraw, and fails to complete 60% of his designated payment period for the term, the student is considered to have “unofficially withdrawn.” At that time, all aid is “frozen”.

Unofficial Withdraw- At the end of the each semester, the Registrar provides a report of all students who received a grade of “F”, that needs to be reviewed, for possible calculation of earned aid. Included in that report are the last dates of attendance for each student for any class that has a grade of “F”. (Instructors are required to report last dates of attendance for students that received a grade of F)

That report is then reviewed for 60% completion of their payment period. The enrollment period is determined by the total number of days that the student is enrolled for the payment period. (This includes full semester classes and modular classes that fall within the payment period)

Examples of payment periods:

- 16 week session
- Two 8 week modular sessions that fall within the “regular” 16 week session
- Summer 10 week session
- Summer 8-week session
- Two Summer 5-week sessions that fall within the Summer 10-week session

If a student attends any of the modular sessions, their payment period is combined with any other session to determine their number of days enrollment period.

Return of Funds:

If it is determined that a student did not complete 60% of the payment period, funds are returned to the appropriate federal program based on the percentage of unearned aid. If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a balance to the institution. The institution must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of the determination of the date of the student's withdrawal.

If a student earned more aid than was disbursed to him/her, the institution would owe the student a post-withdrawal disbursement, which must be paid within 120 days of the student's withdrawal.

Refunds are allocated in the following order:

- Unsubsidized Federal Stafford Loan
- Subsidized Federal Stafford Loan
- Federal Parent (PLUS) Loan
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant

If the result of the R2TIV calculation results in a Pell Grant Overpayment, the student is notified in writing of the Pell Grant Overpayment at the time of the original R2TIV calculation. The National Student Loan Database (NSLDS) is updated accordingly and holds are placed on future disbursements (SOAHOLD) of Title IV aid.

If the student wishes to pay the Pell Grant Overpayment within 45 days of the Pell Grant Overpayment to Stark State College, they may do so by making payment to the Business Office. Upon receipt of the payment, the Business Office will notify Gateway Services so the Pell Grant Overpayment may be recorded and updated in NSLDS.

If the a student does not repay the Pell Grant Overpayment within 45 days, the account will be turned over to the Department of Education as an overpayment of federal funds. The student will be notified in writing that the Pell Grant Overpayment has been turned over to the Department of Education. The Overpayment Referral Sheet is completed and sent to the Department of Education and NSLDS is updated appropriately.

If a student earned more aid than was disbursed to him/her, the institution would owe the student a post-withdrawal disbursement which must be paid within 120 days of the student's withdrawal.

Return of Title IV funds procedures for modules

The denominator for the calculation will always be the length of time enrolled after the “lock date”. For example, for Fall or Spring, if the student is enrolled in any combination of classes that add up to the full 16-week term, you will use the whole 16 weeks for the number of days in the denominator.

If a student is only enrolled for one of the 8-week terms, you use the 8-weeks date as the denominator.

The numerator is determined by the number of days attended in the term. (See examples below)

For all examples below, the full semester (16 weeks) is 112 days long. Each 8-week session is 56 days long:

Example 1:

Student is enrolled for a total of 6 credit hours. (2 3-credit hour classes) One of the classes is a 16-week course. The other class is a second 8-week course.

The student withdraws from 16-week course prior to the start of the second 8-week course. (attended 33 days) The student starts the second 8-week class. However, student withdraws from the second 8-week class as well after attending 23 days.

For R2TIV calculation purposes, since the student was enrolled for the entire 16-week session (112 days), the denominator would be 112. For the numerator, add the number of days attended for both sessions (33+23=56). That is the total number of days that the student attended. Based on that information, the student attended 56 out of 112 days. (50%) Therefore, an R2TIV calculation would have to be calculated. (Use a fake date in Banner to calculate and run process)

Example 2:

Student is enrolled for six credit hours. (2- 3-credit hour classes) He is enrolled in one first 8-week class and one-second 8-week class.

Student stops attending first 8-week class prior to second 8-week class starting. (Attended 20 days) Student starts second 8-week class. He withdraws from class prior to end of the term. (attended 40 days.)

For R2TIV calculation purposes, since the student was enrolled for the entire 16-week session (112 days), the denominator would be 112. For the numerator, add the number of days attended for both sessions (20+40=60). That is the total number of days that the student attended. The student attended 60 out of 112 days (53.6%). R2TIV calculation is needed. (Use fake date in Banner to calculate and run process)

Example 3:

Student is enrolled for 6 credit hours (2 3-credit hour classes). She is enrolled in one “first 8-week” class and one “second 8-week” class.

Student completes first 8-week with a passing grade. (56 days attended) She starts to attend the second 8-week class. However student withdraws after the 10th day of the class.

Therefore, student has attended a total of 66 days.

Since student was enrolled for the entire 16-week period, we use the 16-week number of days for the denominator...112 days. Based on this calculation, student completed 58.9% of the term. Therefore, a R2TIV calculation must be performed using the drop date of the second 8-week course.

NOTE: If student in any of the prior examples attended 60% or more of the semester, R2TIV calculation still needs done. However, no Title IV funds would need returned.