

## Official/Unofficial Withdrawal and Return of Federal Title IV Assistance

Indian Hills Community College

### **IHCC Institutional Refund Policy:**

Students who formally withdraw from a class within the first eight class days of any 12-week term may receive a 100% refund of tuition and fees.

Students who withdraw on the ninth class day and beyond are entitled to no refund.

A six week summer term will be refunded proportionately (four days – 100%, five days and beyond – no refund).

Agencies and organizations sponsoring the payment of student tuition will be subject to the tuition refund policy.

The Federal Higher Education Funding authorization requires a return of Title IV funds (Pell Grant, Supplemental Educational Opportunity Grant, Federal Direct and PLUS Stafford Loans) to the Federal government if a student withdraws completely on or before 60% of the term has elapsed.

### **Officially Withdrawing:**

**Students, please be advised that if you withdraw or drop from classes, it will affect your eligibility for financial aid grants and loans. The student will be required to return/repay the dollar amount calculated as unearned aid.**

Completion of proper withdrawal papers and procedures ensures the student will not receive failing grades for coursework during the term of withdrawal. Please refer to “Schedule Changes/Withdrawal” in the Academic Policies section of the College Catalog for specific information.

If a student completely withdraws during a period of enrollment for which he/she received financial aid, the Financial Assistance Office will determine the amount, if any, of the student’s financial aid award that must be returned based on a Federally mandated refund formula. The IHCC Student Information System (SIS) Datatel software performs the calculations. These calculations may be reviewed upon request to the Financial Assistance Office.

### **Unofficial Withdrawal:**

The student doesn’t complete the official withdrawal process as defined above, but stops attending – indicated by the receipt of all “F” failing grades or a combination of “W” withdrawals and “F” failing, in all courses for the term in question.

### **Return of Title IV Funds:**

If a student withdraws completely or fails all courses (or any combination of the two), the Higher Education Amendments of 1998, Public Law 105-244, requires colleges to determine how much aid must be returned (repaid). Students could be required to return (repay) all or a portion of Federal grants if they earned zero credit hours for the term.

Students will be notified if they must return (repay) Federal financial aid funds to the Federal Department of Education. Failure to repay this, or to make satisfactory arrangements for repayment, will result in becoming ineligible for Federal Financial Aid funds at any institution.

**In addition**, this regulation requires colleges to return a portion of Financial Aid funds originally used to pay charges at IHCC. When this occurs, students will then owe Indian Hills for the amount of tuition, fees, room and board, books, etc. paid for by the aid the school had to return to the Department of Education. Students will receive a statement if they owe IHCC.

The R2T4 policy applies to students who completely withdraw, are expelled or stop attending all classes, or any combination thereof, (indicated by -0- academic activity). **A student's withdrawal date is:**

- The date as determined by IHCC, the student began the withdrawal process prescribed in the official withdrawal process above;

OR

- The date as determined by IHCC, the student otherwise provided official notification to a designated office of his or her intent to withdraw;

OR

- If the student ceased attendance without providing official notification (unofficial withdrawal), the mid-point of the term;

OR

- The student's last date of attendance based on documented academically related activity;

OR

- If IHCC determines that a student did not begin the withdrawal process or otherwise provide official notification (including notice from an individual acting on the student's behalf) to IHCC of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that IHCC determines is related to that circumstance.

In accordance with Federal regulation, unearned Title IV financial aid is returned by IHCC in the following order; Direct Unsubsidized Stafford loans, Direct Subsidized Stafford loans, PLUS, Pell grants, ACG grants, FSEOG, other Title IV assistance.

It is the student's responsibility to return unearned aid that was disbursed directly to the student. Unearned loan proceeds paid directly to the student must be repaid under the terms and conditions of the promissory note. Unearned grant proceeds paid directly to the student must be returned by the student to the Department of Education. The amount of grant proceeds a student must repay is limited to the amount by which the grant overpayment exceeds half of the original grant funds but does not have to be repaid if the overpayment is \$50 or less. The student must make arrangements with the IHCC Business Office or the Department of Education to return such grant proceeds. Failure to make repayment arrangements within 14 days of the date of the notice of overpayment will cause the student to be reported to the National Student Loan Data System (NSLDS) and will result in the loss of any further financial aid eligibility at any institution.

In the event that a student received less aid than the amount he/she earned at the time of withdrawal, the student is eligible to receive those funds. IHCC will notify the student of his/her eligibility of this post-withdrawal disbursement offer to which the student has 14 days to accept or decline these funds.

**Steps to Calculate the Percentage Earned of the term’s Financial Aid award:**

**Step 1: Determine percentage of enrollment period student completed:**

Number of days completed/Number of days in term = Percentage completed  
 (A) > 60% = 100%

**Step 2: Determine amount of financial aid earned:**

Percentage completed (A) x Total aid = Earned Aid (B)

**Step 3: Determine the amount of INSTITUTIONAL charges assessed:**

Percentage completed (A) x Total Institutional charges = Assessed charges (C)

**Step 4: Determine amount of financial aid that must be refunded:**

Total aid – Earned aid (B) = Unearned aid that must be returned (D)  
 Unearned aid (D) > assessed charges (C) = unearned aid to be returned by the student  
 Unearned aid (D) < assessed charges (C) = unearned aid to be returned by IHCC

**Example of Return of Title IV, State and Institutional funds Calculation:**

This example is for illustration purposes only. Actual charges and refund amounts will vary. The following is an example of a return of funds for a student who totally withdrew from classes on the 25<sup>th</sup> day of an 80 day fall term (25/80 = 31.25%). The student would have earned 31.25% of the financial aid for the fall term. The remaining amount would have to be returned to the appropriate source.

	<u>Original</u>	<u>Earned/Revised</u>
Direct Loan	\$2,833	\$ 1,635
Pell	1,000	1,000
IAVT	300	300
Foundation Scholarship	<u>150</u>	<u>150</u>
<b>Total</b>	<b>\$4,283</b>	<b>\$3,085</b>

**All of the information above is provided to the students via the Student Handbook, the College Catalog, and the Indian Hills Community College website.**

**The following information regarding the Return of Title IV funds represents institutional procedures:**

Once the unearned aid is established based on the prescribed calculations, the Financial Assistance Office (FAO) reduces the award and creates a letter of notification to the student. The unearned aid is removed from the student’s account by the FAO and reported to Common Origination and Disbursement (COD). The letter is delivered to the IHCC Business Office from the FAO to be sent to the individual student, along with a statement of account from the Business Office. If the Return of Title IV (R2T4) calculation causes a balance on account, the student is informed of their responsibility to IHCC as well as the possible repayment for grant funds to the Department of Education. The Business Office is cognizant of the need to adjust the Drawdown of funds through G5 or perform a return of funds within 3 business days.

Students are not permitted to re-enroll if they have a balance on account at IHCC and are not eligible for Federal Title IV aid if they owe a repayment to the Department of Education.