

Return of Title IV Funds

Description

Great Falls College Montana State University (GFCMSU) is required by federal regulations (34 CFR 668.22) to create a policy in regard to the treatment of Title IV funds when a student is determined to have withdrawn. Withdrawn is defined as ceasing to be enrolled in all courses during a payment period/period of enrollment. GFCMSU follows the Return of Title IV Funds (R2T4) process in determining how much federal aid a student has earned (and unearned) as of the date the student ceased to be enrolled. State and Institutional awards are excluded from this process and instead follow any prescribed state, institutional or donor instructions.

The GFCMSU R2T4 process is not related to the institutional refund policy. The processes are distinct. A student who withdraws prior to the first day of class will have all aid cancelled and determined not to have established eligibility for disbursements made prior to the published first day of the term. GFCMSU documents attendance or participation for all students at the beginning of each course within the term. If a student is determined to have never begun active participation in a course or courses the student will be dropped from the course(s) and aid adjusted or cancelled and is determined not to have established eligibility for disbursements made for courses not attended. GFCMSU as a whole is not required to take attendance.

GFCMSU awards aid for the entire term. If a student does not complete the term, the R2T4 rules will apply. The R2T4 calculation determines how much Title IV aid a student has earned and subsequently how much aid the student keeps and how much must be returned to the appropriate Title IV aid program as prescribed. If a student withdraws before 60% of the payment period is complete, the student may have a portion of unearned aid to be returned. If a student withdraws after 60% of the payment period is complete, then the student has earned 100% of the Title IV funds. Any Title IV funds that the student does not establish eligibility for will be returned to the appropriate program. Funds received from non-Title IV sources will be reviewed and efforts made to confirm the source of the funding for action to be taken.

For return calculation purposes the dollar amounts will be rounded using standard rounding rules to round to the nearest dollar. Percentages are calculated to four decimal places, and rounded to three decimal places, except when determining the percentage the student has completed of the payment period.

Charges

The charges on a student's account are used to determine the amount of aid a student is allowed to keep or has earned. The initial charges assessed to a student's account before and on the day the student withdrew are used in the return calculation for Title IV aid. Any adjustments made after a student withdraws will not be included in the calculation.

Charges used for return calculations are tuition and fees, including course fees. Any fee that is considered to be required of all students in a program will be included in the calculation. GFCMSU will not include bookstore charges or other incidental charges not required of the student to attend GFCMSU. Application fees will not be included in the calculation as the fees are not an educational cost of attendance.

Waivers are considered as a payment of tuition and fees; therefore, the full amount of the tuition and fees will be included in the return calculation.

Withdrawal Date

A student withdrawal date is determined by GFCMSU using 34 CFR 668.22 (c). For official withdrawals, GFCMSU uses a date as determined by the Registrar's Office. A student's withdraw date is the date the student begins the official withdraw process set by the institution. Official notification from the student can be provided in writing or orally to a designated campus official. If the student submits the intent to withdraw orally then it needs to be documented by the campus official and included in the student's record. If GFCMSU receives the intent to withdraw through a letter, the withdraw date is the date GFCMSU received the correspondence.

The amount of aid disbursed as of the date of withdrawal is used to determine the amount of unearned aid that must be returned. GFCMSU will document a withdraw date and maintain documentation of the determination in the students record 34 CFR 668.22 (b) (2). The Registrar's office is responsible for maintaining this documentation.

Unofficial Withdrawal Date

An unofficial withdrawal occurs when a student ceases attendance in courses without official notification to the institution. In these circumstances the withdraw date is the midpoint of the payment period (50%) or the last date of participation in an academically related activity. Instructors report the last date of attendance or participation with any failing grade.

For unofficial withdrawals GFCMSU determine a student's withdraw date within 30 calendar days from the end of the payment period (academic semester).

When a student fails to earn passing grades or a combination of grades with no GPA (for example: F, W, I) in all courses attempted, GFCMSU must determine if the student earned the failing grades by completing the course(s) for the semester (has attended more than 60%), or if the student has unofficially withdrawn. This process is initiated and processed through the Financial Aid office.

R2T4 Calculation when Modules are Involved

If a student is enrolled in classes that do not span the entire term, the student is enrolled in modules. In this case, the student enrollment registration will be reviewed to determine classes that the student was in as of the withdrawal date. Students enrolled in modules are held accountable for attending the number of days in the modules they enroll in. Dropping or adjustments to enrollment in modules not yet started can have an impact. A recalculation of financial aid eligibility may be required. For the purpose of R2T4 in modules, GFCMSU does not use an R2T4 freeze date. Therefore, GFC will use the student's enrollment/registration and attendance throughout the term, as well as the types of aid the student is receiving, to determine the number of days the student was scheduled to attend during the period. For R2T4 in modules, GFCMSU monitors whether or not the student is considered withdrawn, or if they qualify for any R2T4 withdrawal exemptions in which the student is not considered to be withdrawn, according to 34 CFR 668.22 (a) (2) (ii).

Funds used for R2T4

Title IV funds used are as follows:

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Direct Loans

Federal work study is not included in the calculation. Federal work study will be reduced to the amount the student has earned at the time of withdrawal. FSEOG must have been awarded and disbursed prior to the student

withdrawal. If the award has not been disbursed, then it will be canceled, as the student is not eligible for a post withdrawal disbursement from FSEOG funds.

If a student has a departmental or private scholarship and the donor decides, the financial aid office will follow the wishes of the donor or department.

As prescribed in regulation, GFCMSU will return unearned funds to the federal programs in the following order:

- Unsubsidized Direct Loans
- Subsidized Direct Loans
- Direct PLUS Loans
- Federal Pell Grants
- FSEOG
- Iraq and Afghanistan Service Grants

Disbursement

If the aid has disbursed as of the date the student withdrew, then the aid is used in the calculation as aid that has disbursed. The aid is considered as disbursed when the student's account in the Cashier's office is credited with the funds.

If the student was not eligible for the aid as of the first day of a course, then the aid will need to be canceled or readjusted based on the student's actual enrollment in courses. For example, GFCMSU can and often disburses aid prior to the first day of 2nd block classes, based on total enrollment for the semester. The student's federal aid may have been disbursed, but as of the first day of courses in the 2nd block the student may be ineligible for the same aid based on a change in enrollment. If the student is not eligible for aid at the time of withdrawal, then it will not be included in the R2T4 calculation. The award will need to be recalculated based on the student's enrollment at the time of withdraw if it is before the term census date and/or the Pell Recalculation dates for modules. If at any point during the R2T4 process it is determined the student was not in attendance in some or all of the student's courses before they withdrew, then the grant and loans can be recalculated based on further documentation provided.

If the aid was disbursed after the student withdrew, then GFCMSU will need to determine if the student would have been eligible for the aid at the time of withdrawal. A post withdrawal disbursement may need to be considered.

Aid that could have been disbursed is aid the student was eligible for prior to the student withdraw from GFCMSU, so long as criteria for a late disbursement is met. The conditions are as follows:

- The student would need to have an official ISIR and EFC (34 CFR 668.164(g) (4)).
- The student would need to have been enrolled in the correct number of hours for the aid to have disbursed, depending on the type of aid not disbursed. If the student was not eligible for the aid disbursement at the number of hours the student was enrolled in before the student withdrew, then the aid will not be included.
- For federal loans GFCMSU would need to have the federal loan certified or originated before the student withdrew. A loan that was added to the system after the student withdrew, even if it has disbursed will be canceled as the student was not eligible for the loan at the time of disbursement. Similarly, the only loans included in the calculation are loan funds used for the payment

period the student withdrew from. Aid for an upcoming semester is not included.

- Before a loan is able to be included as aid that could have been disbursed in the return calculation the MPN and Entrance Counseling must be signed. If these are not signed, then it will not be included. Private loans will not be adjusted on an R2T4 calculation. They may be adjusted if determined necessary based on a student's withdrawal.

- Pell funds cannot be included if, in combination of what has already been received by the student, would result in the student exceeding his or her Pell Grant maximum lifetime eligibility.

Percentage Earned

The percentage of Title IV aid earned corresponds to the percentage of the payment period a student completed before the student withdrew (34 CFR (f)). If a student completes 60% or less of the payment period, then the percentage of aid earned will be adjusted for the period. If a student completes more than 60% of the payment period, then the student has earned 100% of the aid.

The GFCMSU Financial Aid Office will determine the number of days in the term based upon the academic calendar for the full term or modules, but excluding scheduled breaks of five or more consecutive days. The determination of the number of days is made by the staff performing the calculation. If the Registrar enters a student's withdraw date during a scheduled break, the last day of regular coursework before the break starts will be used. This is the last possible day for the student to have participated in or attended a course. To determine the length of a scheduled break, consider the last day classes were held before the break, the next day is the first day of the break, the last day of the scheduled break is the day before classes resume.

The percentage of the period completed is determined by dividing the number of calendar days completed in the payment period by the total number of calendar days in the same period. The day the student withdrew is counted as a completed day.

Unscheduled breaks beyond the GFCMSU's control may occur when the GFCMSU is unable to operate normally for five or more consecutive days, then resumes normal operations and will complete the rest of the semester uninterrupted. In such cases, the program coordinator will adjust the return calculation for those students who withdraw after the school resumes operation.

Aid Earned/Unearned

GFCMSU determines the aid earned by multiplying the Title IV aid earned percentage by the total of Title IV program aid disbursed plus the Title IV aid that could have been disbursed. (34 CFR 668.22 (e) (1)). If a student has received more aid than the student earned, then the funds will need to be returned. If a student received less aid than the student was eligible for then the student may qualify for a Post-Withdrawal Disbursement (34 CFR 668.22 (a) (2) or (3)). The school must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of determination. Regulations also limit the amount a student must repay to the amount by which the original overpayment amount exceeds 50% of the total grant funds disbursed to or that could have been disbursed to the student for the payment period or period of enrollment. The Title IV programs which require repayment will be repaid by institutional funds. The institution will then bill the student for any amount owed to the institution. Letters demanding payment

are sent certified/return receipt to these students. Overpayments on Federal grants are reported to NSLDS.

Post Withdrawal Disbursement

If the amount disbursed to the student is less than the amount the student earned, and the student was eligible for the funds, the student may be eligible for a post withdrawal disbursement. A student may be eligible for a post-withdrawal disbursement of aid if the student has met the required conditions necessary for a late disbursement.

Post-withdrawal disbursements must be made within 180 days of the date the institution determines the student withdrew. Loan funds must be disbursed within this timeframe when a student or parent confirms they accept the loan amounts. GFCMSU will determine how much a student is eligible for in a post withdrawal disbursement by using the return calculation and entering the aid as aid that could have been disbursed.

If a student is eligible for a post withdrawal disbursement in grants and loans, the disbursement must be made from the available grant funds first and then the loans as stated in 34 CFR 668.22 (5) (i).

GFCMSU must obtain confirmation from a student or parent before making a post withdrawal disbursement from a loan. GFCMSU must notify the parent or student in writing. GFCMSU will include the following information in the notification to the student or parent and the notification must be sent within 30 days of the students withdraw (34 CFR 668.22(a) (5) (iii) (A)):

- Request confirmation of any post withdrawal disbursement the student or parent wishes GFCMSU to make.
- Identify the type and amount of the loan funds GFCMSU wishes to make to the students account or disburse directly to the student or parent.
- Explain to the student or parent they are able to accept or decline all, or a portion of the funds.
- Explain to the student or parent the obligation to repay the loan funds whether the funds are disbursed to the student's account, or if the student or parent receives the credit balance from the loan. Advantages of keeping loan debt to a minimum.
- Make clear that a student and/or parent may not receive as a direct disbursement, any loan funds that the institution wishes to credit to the student's account unless the institution agrees to do so.
- If the parent or student does not wish to accept some or all of the loan funds, then GFCMSU will not disburse those funds. The confirmation of the amount of loan funds must be received in writing.
- Include the deadline for response from the student or parent, GFCMSU sets a deadline of 14 days as of the date the letter is sent to the student or parent. GFCMSU must make clear if the student or parent does not respond GFCMSU is not required to make a post withdrawal disbursement. However, GFCMSU may choose to accept a late response from the student or parent if GFCMSU chooses. If GFCMSU chooses not to make the post withdrawal disbursement because of a late response, GFCMSU must notify the student or parent the reason they chose not to make the disbursement, and the notification must be in writing.
- Document the result of the notification process and final determination made concerning the disbursement and maintain that documentation.

GFCMSU does not need the student's permission to make a post withdrawal disbursement of grant funds if the funds would pay down current charges on a student's account. However, GFCMSU must have the student's permission

to use the grant funds for charges other than current charges on a student's account. If a student contacts GFCMSU and does not wish to have the grant funds disbursed, then GFCMSU is not required to disburse the funds. GFCMSU must receive the request in writing for documentation.

GFCMSU must make the post withdrawal disbursement of grant funds no later than 45 days after the date the school determined the student withdrew. (34 CFR 668.22 (a) (5) (ii) (B) (1)).

Credit Balances

Per cash management regulations, GFCMSU must refund a Title IV credit balance to a student within 14 days. This 14-day requirement is put on hold and begins again after the Return to Title IV calculation is completed.

If a student withdraws with a credit balance, a hold is placed holding all future possible refunds. The results of the Return to Title IV calculation will be completed to determine the correct Title IV credit balance. The revised credit balance will be applied to the student's account and if a credit balance exists, it will first be used to offset any federal overpayment on Title IV aid programs. If there is a remaining balance, it will be allocated to the student.