

## ***NDSCS Return of Title IV Funds Policy***

Federal Financial Aid (Title IV Funds) are awarded to students under the assumption that the student will attend school for the entire period (semester) for which aid was awarded. Students who wish to withdraw from all courses must contact an Academic Counselor to begin the withdrawal process. Following is an overview of the communication between offices and the overall process. *GEN-04-03*

### **Procedure for Term Withdrawals**

- A. Student wishes to withdraw to zero credits for the semester. (Term)
- B. Student contacts an Academic Counselor (Student Success Division) in person, by phone, or e-mail.
- C. The Academic Counselor and student will complete a Term Withdrawal form.
- D. If the student is on campus, they will bring the Term Withdrawal form to all offices affected by the withdrawal for signatures.
  1. Academic Counselor
  2. Financial Aid
  3. Business Affairs
  4. Department Chair
  5. Library
  6. Bookstore
  7. Mailroom
  8. Residential Life
- E. If the student is off campus the Academic Counselor will take the intent to withdraw information via phone or e-mail and proceed to complete the process.
- F. The completed form will be returned to the Academic Counselor or the Student Success office.
- G. The Student Success office sends a notification e-mail to all parties affected including instructors.
- H. An updated spreadsheet is e-mailed out weekly to all applicable offices of all Term Withdrawals for the semester.

### **Policies for Term Withdrawals**

- A. A Term Withdrawal is processed only when a student withdraws from all classes to zero credits.
- B. If a student has completed at least one class within the payment period or period of enrollment but drops other classes a change of enrollment status is processed NOT a term withdrawal. *GEN-00-24*
- C. The official withdrawal date used is the first communication by the student to the Academic Counselor communicating their intent to withdraw to zero credits for the term.

- D. Administrative withdrawals are determined by our Academic Counselors based on information from departments and distance learning staff. The date is determined from last date of educational activity.
- E. Federal Title IV funds are returned when it is determined that the student has not earned 60% of funds disbursed and does not qualify for an exemption.
- F. Exceptions to the 60% would be Graduation, Half-time enrollment, 49% of Payment Period for those programs offered in modules.

1. Withdrawal exemption for graduates/completers

A student who completes all the requirements for graduation from his or her program before completing the days or hours in the period that he or she was scheduled to complete is not considered to have withdrawn

This exemption applies to all types of programs (including those with or without modules)

2. Withdrawal exemptions for programs offered in modules

a. A student is not considered to have withdrawn if the student successfully completes one module that includes 49 percent or more of the number of days in the payment period, excluding scheduled breaks of five or more consecutive days and all days between modules

b. A student is not considered to have withdrawn if the student successfully completes a combination of modules that when combined contain 49 percent or more of the number of days in the payment period, excluding scheduled breaks of five or more consecutive days and all days between modules

c. A student is not considered to have withdrawn if the student successfully completes coursework equal to or greater than the coursework required for the institution's definition of a half-time student under 34 CFR 668.2(b) for the payment period. NDSCS a successful completion would be an A, B, C, D or S.

### **Procedure for Calculating**

- A. Upon notification of a student's official withdrawal the financial aid office would perform the calculation of Return of Funds when student does not qualify for an R2T4 exemption.
  - 1. The withdrawal date used for calculations will be the date that an Academic Counselor at NDSCS was first notified by the student of their intent to withdraw. The intent to withdraw could take place in person, in writing, or by phone.
- B. The following formula is used:
  - 1. The percent earned is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in the payment period. (Less scheduled breaks that are at least 5 days long)
  - 2. The percent unearned is equal to 100% minus the percent earned.
  - 3. Determine the amount of a post-withdrawal disbursement by subtracting disbursed aid from earned aid.
- C. This is an automated process using PeopleSoft software.
- D. Manual spot check calculations are done using the return of funds worksheet provided by the Department of Education.

## **Policies for Funds Returned**

- A. If it is determined that the student has attended to the 60% point of the payment period or period of enrollment the student has earned 100% of the Title IV funds they were scheduled to receive.
- B. If it is determined that the student has not attended to the 60% point of the payment period or period of enrollment Title IV must be returned if received.
- C. Order of return for unearned funds
  - 1. Loans
    - a. Unsubsidized Federal Direct Stafford Loans
    - b. Subsidized Federal Direct Stafford Loans
    - c. Federal Direct PLUS received on behalf of the student
  - 2. Remaining Funds – If unearned funds remain to be returned after repayment of all outstanding loan amounts, the remaining funds are to be returned in the following order:
    - a. Federal Pell Grants
    - b. Iraq and Afghanistan Service Grants
    - c. FSEOG
- D. Responsibility for repayment of Title IV funds will be shared by NDSCS and the student based on calculations from the R2T4 worksheet.
  - 1. The school must return the lesser of the amount of Title IV funds that the student does not earn (box K) or the amount of institutional charges that the student incurred for the payment period multiplied by the percentage of funds that was not earned (box N)
  - 2. The student is responsible for unearned Title IV aid that the school is not required to return. The unearned aid due from the student (Box Q) is determined by subtracting the amount returned by the school (Box O) from the total unearned (Box K) (Note: a student is not responsible for returning funds to any program to which the student owes \$50 or less)
    - a. Repayment of student loans that remain outstanding (Box R) consist of the loans disbursed to the student (Box B) minus any loans the school repaid (Box P). These outstanding loans are repaid by the student according to the terms of the student's promissory note.
    - b. The student must repay Title IV Grant Funds 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.
      - 1. Within 30 days of determining that a student must repay Grant Funds the student will be notified
- E. NDSCS must return the amount of title IV funds for which it is responsible no later than 45 days after the withdrawal date as determined by the institution.
- F. If a student is determined to have a credit balance after Title IV funds are returned, a new 14-day deadline begins on the date the school performs the return calculation for the release of those funds to the student.
- G. Federal Work-Study funds paid to students will not be included in the calculation of earned/unearned Title IV aid.
- H. A letter is sent to the student notifying them of the Return Title IV Funds.
- I. The student is placed on Federal Financial Aid Disqualification.

### **Policies for Post Withdrawal**

- A. Any undisbursed aid for the period for which the R2T4 calculation is performed is counted as aid that could have been disbursed if the following conditions were met before the date the student became ineligible:
  - 1. For all programs, an Institutional Student Information Record (ISIR) with an official expected family contribution (EFC) for the student was processed.
  - 2. For an FSEOG, the institution made the award to the student.
  - 3. For a Direct Loan, NDSCS originated the loan in PeopleSoft.
- B. If a post-withdrawal disbursement is due, determine the sources from which it will be funded and credit any grant portion towards allowable unpaid charges. A post-withdrawal disbursement must be made from available grant funds before available loan funds.
- C. If outstanding charges exist on student's account, we will first credit the account up to the amount of outstanding charges in the following order:
  - a. Grant funds
  - b. Loan funds – after obtaining confirmation from student. Offer must be made within 30 days and allowing student at least 14 days to accept or decline.
- D. When a Post Withdrawal creates a credit balance a disbursement directly to the student will be made as soon as possible, but no later than 14 days after the calculation of Return of Title IV.

### **Policy & Procedures for Unofficial Withdrawals**

- A. At the conclusion of each semester an Unofficial Withdrawal Report is run. ***NDU Applications>NDU Financial Aid>Report>NDU Unofficial Withdrawal***
- B. Report is reviewed for students who received all F's or U's and did not attend past 60% of the term.
  - a. FN or UN – reported by instructor along with date of last attendance if student stopped attending during the term.
  - b. FNN or UNN – report by instructor if student never attended or performed an academic related activity.
- C. Calculation of return of funds will be done on our software of PeopleSoft. The date of last attendance reported by the instructor will be used as the withdrawal date or the 50% point.
- D. A letter is sent to the Registrar to transcript unofficial date of withdrawal.
- E. An unofficial withdrawal letter will be mailed to the student to notify them of their obligation.
- F. Student is placed on Financial Aid Disqualification.

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