

Return to Title IV Funds

I. Purpose

The purpose of this policy is to comply with the federal requirements established by the Higher Education Act of 1965, as amended by Congress, for all students receiving Title IV aid who officially withdraw, drop out, or stop attending all classes.

II. Scope

This policy goes into effect at Dyersburg State Community College (DSCC) beginning with the Fall Semester, 2011. Students who withdraw from all classes prior to completing more than 60% of an enrollment period will have their eligibility for aid recalculated based on the percent of the term they completed.

III. Policy

This policy shall apply to all Federal Title IV funded students at Dyersburg State Community College who officially withdraw as well as students who drop out or stop attending ALL classes without officially withdrawing. The withdrawal date used for the return of federal funds as required by federal regulation may differ from the withdrawal date used to process the withdrawal from classes and calculate the institutional refund. Students desiring to officially withdraw should follow the procedures as outlined in the DSCC catalog.

Calculating Earned Aid: Title IV aid is earned in a prorated manner on a daily basis up to and including the 60% point in the semester. Title IV aid and all other aid is viewed as 100% earned after the 60% point in the semester.

The percentage of Title IV aid earned shall be calculated as follows:

- Calculate the percentage of term completed:

$\frac{\text{Number of days completed by the student}}{\text{Total number of days in term}}$	= Percent of term completed
--	-----------------------------

- The percent of term completed shall be the percentage of Title IV earned by the student. The total number of calendar days in a term of enrollment shall exclude any scheduled breaks of more than five calendar days.
- The percentage of Title IV aid unearned to be returned to the appropriate program shall be 100% minus the percent earned. Unearned aid shall be returned first by Dyersburg State from the student's account calculated as follows:
- Total institutional charges times the percent of term not completed equals the amount returned to program(s).

Order in Which Funds Must be Returned: Unearned Title IV aid shall be returned to the appropriate programs in the following order:

1. Federal Unsubsidized Direct Stafford Loan
2. Federal Subsidized Direct Stafford Loan
3. Federal Direct PLUS (parent borrowers)
4. Federal Pell Grant
5. Federal SEOG

No program can receive a refund if the student did not receive aid from that program.

When the total amount of unearned aid is greater than the amount returned by Dyersburg State from the student's account, the student is responsible for repaying unearned aid to the appropriate program(s) as follows:

1. Federal Unsubsidized Direct Stafford Loan
2. Federal Subsidized Direct Stafford Loan
3. Federal Direct PLUS (parent borrowers)
4. Federal Pell Grant
5. Federal SEOG

Loan amounts are returned, by the student, according to the terms of the promissory note. Amounts to be returned by the student to federal grant programs will be reduced by 50%.

Time Frame for Student Repayment: The Financial Aid office will notify the student of the amount of repayment due within 30 days of determining the student's withdrawal. The student has 20 calendar days after notification to make a repayment in full or make satisfactory repayment arrangements with DSCC's Business Office.

Any repayment owed will be sent to the U.S. Department of Education for collection if the student does not repay the entire amount or make satisfactory repayment arrangements within the time allotted.

Students owing repayments will be ineligible for any Title IV aid at DSCC or any other educational institution.

Responsibilities of Dyersburg State Community College

- providing each student with the information given in this policy,
- identifying students who are affected by this policy and completing the Return of Title IV Funds calculation for those students,
- returning any Title IV funds that are due the Title IV programs.

Responsibilities of Student

- becoming familiar with the Return of Title IV Funds Policy and how complete withdrawal (official or unofficial) affects eligibility for Title IV aid,
- returning to the Title IV programs any funds that were disbursed directly to the student and for which the student was determined to be ineligible via the return of Title IV funds calculation,
- reading and complying with the attendance policy as published in the college catalog.

Title IV Funds Earned by Student at Time of Withdrawal: If the total amount of Title IV grant or loan assistance, or both, that the student earned is greater than the total amount of Title IV grant or loan assistance, or both, that was disbursed to the student or on behalf of the student in

the case of a PLUS loan, as of the date of the institution's determination that the student withdrew, the difference between these amounts must be treated as a post-withdrawal disbursement.

A post-withdrawal disbursement will be made from available grant funds before available loan funds.

If outstanding charges exist on the student's account, the institution will credit the student's account up to the amount of outstanding charges with all or a portion of any—

- grant funds that make up the post-withdrawal disbursement
- loan funds that make up the post-withdrawal disbursement only after obtaining confirmation from the student or parent in the case of a parent PLUS loan, that they still wish to have the loan funds disbursed.

The institution will disburse directly to a student any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account. The institution must make the disbursement as soon as possible, but no later than 45 days after the date of the institution's determination that the student withdrew.

The institution will offer to disburse directly to a student, or parent in the case of a parent PLUS loan, any amount of a post-withdrawal disbursement of loan funds that is not credited to the student's account.

The institution will make a direct disbursement of any loan funds that make up the post-withdrawal disbursement only after obtaining the student's, or parent's in the case of a parent PLUS loan, confirmation that the student or parent still wishes to have the loan funds disbursed.

The institution must provide within 30 days of the date of the institution's determination that the student withdrew, a written notification to the student, or parent in the case of parent PLUS loan, that:

- requests confirmation of any post-withdrawal disbursement of loan funds that the institution wishes to credit to the student's account, identifying the type and amount of those loan funds and explaining that a student, or parent in the case of a parent PLUS loan, may accept or decline some or all of those funds;
- requests confirmation of any post-withdrawal disbursement of loan funds that the student, or parent in the case of a parent PLUS loan, can receive as a direct disbursement, identifying the type and amount of these title IV funds and explaining that the student, or parent in the case of a parent PLUS loan, may accept or decline some or all of those funds;
- explains that a student, or parent in the case of a parent PLUS loan, who does not confirm that a post-withdrawal disbursement of loan funds may be credited to the student's account may not receive any of those loan funds as a direct disbursement unless the institution concurs;
- explains the obligation of the student, or parent in the case of a parent PLUS loan, to repay any loan funds he or she chooses to have disbursed; and
- advises the student, or parent in the case of a parent PLUS loan, that no post-withdrawal disbursement of loan funds will be made, unless the institution chooses to make a post-withdrawal disbursement based on a late response, if the student or parent in the case of a parent PLUS loan, does not respond within 14 days of the date that the institution sent the notification, or a later deadline set by the institution.

The deadline for a student, or parent in the case of a parent PLUS loan, to accept a post-withdrawal disbursement will be the same for both a confirmation of a direct disbursement of the post-withdrawal disbursement of loan funds and a confirmation of a post-withdrawal disbursement of loan funds to be credited to the student's account.

If the student, or parent in the case of a parent PLUS loan, submits a timely response that confirms that they wish to receive all or a portion of a direct disbursement of the post-withdrawal disbursement of loan funds, or confirms that a post-withdrawal disbursement of loan funds may be credited to the student's account, the institution must disburse the funds in the manner specified by the student, or parent in the case of a parent PLUS loan, as soon as possible, but no later than 180 days after the date of the institution's determination that the student withdrew.

If a student, or parent in the case of a parent PLUS loan, submits a late response to the institution's notice requesting confirmation, the institution may make the post-withdrawal disbursement of loan funds as instructed by the student, or parent in the case of a parent PLUS loan (provided the institution disburses all the funds accepted by the student, or parent in the case of a parent PLUS loan), or decline to do so.

If a student, or parent in the case of a parent PLUS loan, submits a late response to the institution and the institution does not choose to make the post-withdrawal disbursement of loan funds, the institution must inform the student, or parent in the case of a parent PLUS loan, in writing of the outcome of the post-withdrawal disbursement request.

If the student, or parent in the case of a parent PLUS loan, does not respond to the institution's notice, no portion of the post-withdrawal disbursement of loan funds that the institution wishes to credit to the student's account, nor any portion of loan funds that would be disbursed directly to the student, or parent in the case of a parent PLUS loan, may be disbursed.

An institution must document in the student's file the result of any notification made, of the student's right to cancel all or a portion of loan funds or of the student's right to accept or decline loan funds, and the final determination made concerning the disbursement.

Refunds on Institutional Charges: Refunds on institutional charges (tuition and fees) will be calculated using the state refund policy published in the Dyersburg State Community College catalog.

Calculation Example: Laura enrolled for 12 hours in the 2000 fall semester. Classes started August 28th and ended December 14th. There are 109 calendar days in the semester, tuition and fees are \$700 and she received a total of \$1800 (PELL \$1650 and FSEOG \$150).

- If she withdraws from all classes on September 11: she has completed 15 days; 13.8% of the term was earned; Dyersburg State would have to refund \$603.40 to Pell; Laura would have to repay \$474.10 to Pell.
- If she withdraws from all classes on October 10: she has completed 44 days, 40.4% of the term was earned; Dyersburg State would have to refund \$417.20 to Pell; Laura would have to repay \$327.80 to Pell.
- If she withdraws from all classes on October 31: she has completed 65 days; 59.6 % of the term was earned; Dyersburg State would have to refund \$282.80 to Pell; Laura would have to repay \$222.20 to Pell.
- If she withdraws from all classes on November 1: she has completed 60.5% of the term was earned; no refunds or repayments are due.

- If Laura decides she needs a Stafford Loan for \$1277 in addition to the grants listed above, then withdraws on October 10, Dyersburg State would have to refund \$417.20 to the loan program; Laura would have to return \$859.80 to the loan program according to the terms of her promissory note and would have to repay \$252.52 to Pell Grant.

Worksheets for these calculations are available upon request in the Financial Aid Office.

IV. Compliance

All faculty, staff and students of DSCC are responsible for adhering to this policy.

V. Definitions

Module	A program is “offered in modules” if a course or courses in the program do not span the entire length of the payment period.
Title IV Funds	Federal financial aid programs authorized under the Higher Education Act of 1965 (as amended) and includes: Federal Direct Stafford Loans, Federal Direct PLUS (parent borrowers), Federal Pell Grants, and Federal Supplemental Education Opportunity Grant (FSEOG)
Withdrawal	<p>A student is considered to have withdrawn from a payment period or period of enrollment if the student does not complete all the days in the payment period or period of enrollment that the student is scheduled to complete.</p> <p>For a student in a nonterm or nonstandard-term program, the student is not scheduled to begin another course within a payment period or period of enrollment for more than 45 calendar days after the end of the module the student ceased attending,</p> <p>For a payment period or period of enrollment in which courses in the program are offered in modules:</p> <p style="padding-left: 40px;">A student is not considered to have withdrawn if the institution obtains written confirmation from the student at the time that would have been a withdrawal of the date that he or she will attend a module that begins later in the same payment period or period of enrollment: and</p> <p style="padding-left: 40px;">For nonterm and nonstandard term programs, that module begins no later than 45 days after end of the module the student ceased attending. If an institution has obtained a written confirmation of future attendance, a student may change the date of return to a module that begins later in the same payment period or period of enrollment, provided that the student does so in writing prior to the return date that he or she had previously confirmed; and</p> <p style="padding-left: 40px;">For nonterm and nonstandard-term programs, the later module that he or she will attend begins no later than 45 calendar days after the end of the module the student ceased attending.</p> <p>If an institution obtains written confirmation of future attendance, but the student does not return as scheduled:</p>

The student is considered to have withdrawn from the payment period or period of enrollment; and

The student's withdrawal date and the total number of calendar days in the payment period or period of enrollment would be the withdrawal date and total number of calendar days that would have applied if the student had not provided written confirmation of a future date of attendance.

If a student withdraws from a term-based credit-hour program offered in modules during a payment period or period of enrollment and reenters the same program prior to the end of the period, the student is eligible to receive any Title IV funds for which he or she was eligible prior to withdrawal, including funds that were returned by the institution or student.

If a student withdraws from a clock-hour or nonterm credit hour program during a payment period or period of enrollment and then re-enters the same program within 180 calendar days, the student remains in that same period when he or she returns and is eligible to receive any Title IV program funds for which he or she was eligible prior to withdrawal, including funds that were returned by the institution or student under the provisions of this section.

The total number of calendar days in a payment period or period of enrollment includes all days within the period that the student was scheduled to complete, except that scheduled breaks of a least five consecutive days are excluded from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed

**Withdrawal
Date**

The date the student began the institution's withdrawal process (as described in DSCC's college catalog) or officially notified the institution of intent to withdraw. The student's last date of attendance at a documented academically-related activity

Exception: For **veterans receiving veteran's benefits**, the withdrawal date is the same except for students who stop attending all classes without officially withdrawing. In that case, the last date of attendance or the last documented academically-related activity must be used instead of the midpoint.

VI. Revision History

Policy written 10/6/11; approved by Administrative Council on 10/26/11. Reviewed by Administrative Council on 4/27/2023 and approved with no changes.