

## RETURN TO TITLE IV FUNDS POLICY

### 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 beginning with the Summer Semester, 2021. 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 Dyersburg State Community College catalog.

#### Withdraw Exemptions for All Programs:

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before completing the days or hours in the period that he or she was scheduled to complete is not considered to have withdrawn.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 applies to all programs (with or without modules).

In a program offered in modules, a student is not considered to have withdrawn if the student successfully completes—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*

- 49% may NOT be rounded up (i.e. 48.7% CANNOT be rounded up to 49%)
- 49% is based on the number of days in the overall payment period, not 49% of the modules the student was enrolled in for a particular payment period.
- Successful completion means earning a passing grade.

*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*

- 49% may NOT be rounded up (i.e. 48.7% CANNOT be rounded up to 49%)

- 49% is based on the number of days in the overall payment period, not 49% of the modules the student was enrolled in for a particular payment period
- Successful completion means earning a passing grade

*Coursework equal to or greater than the coursework required for the institution's definition of a half-time student for the payment period*

- Successful completion means earning a passing grade
- ½ time enrollment is at least half the workload of the applicable minimum requirements outlined in the definition of a full-time student

The requirements for a withdrawal exemption (49%, ½ time completion, etc.) are used solely to determine if a student is considered withdrawn for R2T4 purposes

If a student does not meet the withdrawal exemptions and is considered withdrawn, all normal R2T4 requirements apply

- Completion beyond 60% point
- Post-withdrawal disbursements
- Disbursed and could have been disbursed Title IV funds, etc.

*If student does not meet the new withdrawal exemptions, but completes all coursework scheduled to attend (even if only one module), no R2T4 is required since student was only scheduled to attend those modules/days.*

### **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:  

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

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 x percent of term not completed=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. Unsubsidized Federal Direct Stafford Loans
2. Subsidized Federal Direct Stafford Loans
3. Federal Direct PLUS Loans
4. Federal Pell Grants
5. Iraq and Afghanistan Service Grants
6. FSEOG

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. Unsubsidized Federal Direct Stafford Loans
2. Subsidized Federal Direct Stafford Loans
3. Federal Direct PLUS Loans
4. Federal Pell Grants
5. Iraq and Afghanistan Service Grants
6. FSEOG

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 Dyersburg State'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 DYERSBURG STATE 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,

#### **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.

### **Sample Calculations**

Example: IF LAURA ENROLLED FOR 12 HOURS FALL SEMSTER; CLASSES STARTED AUGUST 28 AND ENDED DECEMBER 14; THERE ARE 109 CALENDAR DAYS IN THE SEMESTER, TUITION AND FEES ARE \$700; SHE RECEIVED A TOTAL OF \$1800 (PELL \$1,650 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.

## I. Compliance

All Dyersburg State Community College employees are expected to adhere to this policy.

## II. Definitions

**Academic Engagement:** Academic engagement that includes active participation by a student in an instructional activity related to the student's course of study that—

- (1) Is defined by the institution in accordance with any applicable requirements of its State or accrediting agency;
- (2) Includes, but is not limited to—
  - (i) Attending a synchronous class, lecture, recitation, or field or laboratory activity, physically or online, where there is an opportunity for interaction between the instructor and students;
  - (ii) Submitting an academic assignment;
  - (iii) Taking an assessment or an exam;
  - (iv) Participating in an interactive tutorial, webinar, or other interactive computer-assisted instruction;
  - (v) Participating in a study group, group project, or an online discussion that is assigned by the institution; or
  - (vi) Interacting with an instructor about academic matters; and
- (3) *Does not include, for example—*
  - (i) Living in institutional housing;
  - (ii) Participating in the institution's meal plan;
  - (iii) *Logging into an online class or tutorial without any further participation;* or
  - (iv) Participating in academic counseling or advisement.

**Module:** A program is “offered in modules” if the program uses a standard term or nonstandard-term academic calendar, is not a subscription-based program, and a course or courses in the program do not span the entire length of the payment period or period of enrollment.

**Number of days scheduled to complete in modules:** A student in a program offered in modules is scheduled to complete the days in a module if the student’s coursework in that module was used to determine the amount of the student’s eligibility for title IV, HEA funds for the payment period or period of enrollment

A school includes the days in a module in the denominator of the R2T4 calculation if:

- The student attended at least one day in the module; or
- The student did not attend at least one day in the module, but the module was included in the institution’s determination of the student’s Title IV eligibility

**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, Iraq & Afghanistan Service Awards, and Federal Supplemental Education Opportunity Grant (FSEOG)

**Withdrawal:** For a student in a standard or nonstandard-term program, the student is considered withdrawn if the student ceases attendance and 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*, unless the student is on approved leave of absence.

A student is not considered to have withdrawn if the institution obtains written confirmation from the student at the time of withdrawal that he or she will attend a later module in the same payment period/period of enrollment;

*For standard and nonstandard term programs, the module begins no later than 45 calendar days after the end of the module the student ceased attending*

A student *may change the date of return* 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

*For standard 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; 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.

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 calculation is based on the period of enrollment to which a student completes. For Title IV purposes, the last date of attendance is one of the following:

- The date the formal withdrawal process begins
- The date the student otherwise provides official notification of their intent to withdraw
- The last documented date of academic engagement (i.e., attending a class where there is an opportunity for interaction between the instructor and students, taking an assessment, submitting an assignment).

**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.

### III. Revision History

Policy written 10/6/11 by Financial Aid Director. Policy approved by President on 10/8/11. Policy approved by Administrative Council on 10/26/11. Policy revised by Financial Aid Director on 5/21/21. Policy approved by Administrative Council on 07/30/21. Policy reviewed and approved by Administrative Council on 3/30/23. Policy reviewed and approved by Administrative Council on 4/30/26.