Procedure 3.2548

Financial Aid Return of Title IV Funds Procedure

The Federal "Return of Title IV Funds" legislation requires that when a student completely withdraws on or before completing 60% of the semester, the amount of financial aid (federal grants) earned must be recalculated. The school and/or student may then be required to return some or all of the federal funds awarded to the student.

Federal financial aid funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws from all courses for any reason – including medical withdrawals – the student may no longer be eligible for the full amount of Title IV funds that they were originally scheduled to receive. If a student has received Title IV financial aid, a refund must be calculated under the Federal Return of Title IV funds policy. The refunds are based on the number of days attended for the semester, divided by the total number of days in the semester (minus any scheduled breaks of at least five days in length). Funds are deposited back to the financial aid accounts in accordance with federal regulations.

How a withdraw from Class or School Affects Financial Aid
Though student aid is posted to the students account at the start of each period, students earn the funds as they complete the period. If students withdraw during a payment period or period of enrollment, the amount of Title IV program assistance that they have earned up to that point is determined by a specific formula. If students received less assistance than the amount that they earned, they may be able to receive those additional funds. If students received more assistance than they earned, the excess funds must be returned by the school and/or the student.

Student Notification of Results of Calculation
Upon completion of the Return of Title IV Funds calculation, students will receive notification indicating the amount of aid that will be returned. BCCC will return the required funds on the student's behalf to the appropriate federal program(s) by charging the student's account. Students will be able to view the return of any resulting account balance on Self Service after the return of funds has been processed. A letter will be mailed to the address on students file.

Funds that are Subject to the Return of Funds Calculation
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal TEACH grant
- Federal Iraq Afghanistan Service Grant

Post Withdraw Disbursements
If a student is awarded Title IV, HEA financial aid by the date of the withdrawal, but the financial aid has not disbursed, the student may be eligible for a post-withdrawal disbursement. If the amount disbursed to the student is less than the amount the student

earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement for the earned aid that was not received.

Under these circumstances, aR2T4 calculation must be performed to determine whether the student is actually eligible for a post-withdrawal disbursement. BCCC may automatically use all or a portion of your Post-withdrawal disbursement of grant funds for tuition, fees, and book charges.

Process in Colleague System

1. The Enrollment Activity Report (RGER) is generated in Colleague as required to properly and consistently identify students that have officially or unofficially withdrawn from classes.
2. The RGER report is reviewed. Date of Determination will be 14 days from the LDA. If the registrar is notified after 14 days of the LDA, the date of determination will be documented as the 14th day after the LDA. The 14-day time span includes weekends and holidays.
3. When a student is deemed to be completely withdrawn from all classes for the term the return of title IV funds calculation is performed in Colleague in the Return of Funds (ROFC) screen.
4. When processing return of title IV funds, you must update the anticipated enrollment status to reflect the actual enrollment prior to the withdrawal. Also, the PELL award amount should be adjusted to reflect the amount that was transmitted. To do this, re-award the student by entering 9999 under the annual amount field so that the subroutine can calculate the award amount after the anticipated enrollment has been updated. Then, proceed to calculate the return of Title IV funds calculation via Calculate Return of Funds (ROFC) process.
5. The Financial Aid Office notifies the student that a Return of Funds calculation has been performed on their account and that they are now in an overpayment (disbursement of more federal aid funds to a student than he or she is eligible to receive) status or entitled to a post-withdraw disbursement.
6. The Batch Financial Aid Transmittal Register (FATR) is run in Colleague and forwarded to the Business Office for Processing.
7. The Business Office notifies Financial Aid when the FATR and the Batch FA Transmittal update (FATP) process is completed.
8. The Financial Aid Office runs the Export Common Origination and Disbursement XML Records (CODE) process in Colleague to report the R2T4's to Common Origination and Disbursement System (COD).
9. The Business Office notifies the student that they have an account balance based on the processing of a return of funds calculation

Every R2T4 calculation will be audited by another staff member using the COD R2T4 tool. A copy of the audit and calculation will be kept in FA Directors office.

Note: A school must return unearned funds for which it is responsible as soon as possible, but no later than 45 days from the date of determination of a student's complete withdraw.

References

Legal References: *Enter legal references here*   **SACSCOC References:** *Enter SACSCOC references here*   **Cross References:**

History

Leadership Council Review/Approval Dates: *9/8/2023*   **Senior Staff Review/Approval Dates:** *9/5/2023*   **Implementation Dates:** *Enter date(s) here*