



## **POLICY: RETURN of TITLE IV FUNDS**

### **CITATION REFERENCE**

**Official Title:** Return of Title IV Funds  
**Abbreviated Title:** Return of Funds  
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**Responsible Office:** Bursar/Financial Aid  
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### **Policy Statement**

The federal Higher Education Act (HEA) of 1965 was amended in 1998 and new regulations were established with regard to Title IV student financial aid programs. Students earn their financial aid by attending class. Accordingly, if a student does not remain enrolled at the College of Coastal Georgia for a sufficient period of time to earn all of their Title IV federal financial aid, the College is mandated to return the “unearned” portion to the appropriate Title IV program. Title IV financial aid programs include Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (SEOG), Federal Work-Study (FWS), and Federal Stafford Loans. Federal Work-Study earnings are not affected by Title IV regulations concerning the return of unearned federal financial aid. Only grants and loans are affected by this policy.

### **Reason for Policy**

The purpose of this policy is to ensure the College complies fully with all federal regulations regarding the Return of Title IV Funds.

### **Entities Affected By This Policy**

All employees of the Bursar’s Office, Registrar’s Office and Financial Aid Office are covered by this policy.

### **Who Should Read This Policy**

All employees of the Business Office and Financial Aid Office should be familiar with this policy.



## Contacts

Contact	Phone	E-Mail
Financial Aid Office	(912) 279-5722	<a href="mailto:Finaid@ccga.edu">Finaid@ccga.edu</a>
Bursar Office	(912) 279-5746	<a href="mailto:Bursar@ccga.edu">Bursar@ccga.edu</a>
Registrar Office	(912) 279-5738	<a href="mailto:Registrar@ccga.edu">Registrar@ccga.edu</a>

## Website Address for This Policy

<https://portside.ccgga.edu/policies/displayPolicy.php?pid=58>

## Related Documents/Resources

- [Financial Aid Processing Policy](#)
- [Current College of Coastal Georgia catalog](#)
- [Financial Aid Verification Policy](#)
- [Financial Aid Record Retention Policy](#)
- [HOPE Scholarship Program Reconciliation Policy](#)

**Definitions** None

## Overview

Title IV funds are awarded to a student under the assumption that the student will attend College for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive. If a recipient of Title IV grant or loan funds withdraws from a College after beginning attendance, the amount of Title IV grant or loan assistance earned by the student must be determined. If the amount disbursed to the student is greater than the amount the student earned, unearned funds must be returned. 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 of the earned aid that was not received.



## I. **Withdrawal at the College**

A “withdrawal” occurs when a student drops all courses for a given semester. A student who officially withdraws prior to the deadline listed in the academic calendar will receive a “W” or “WF” on the transcript. If a student stops attending classes or fails to officially withdraw, a grade of “F” will be assigned for each class. It is the student’s responsibility to officially withdraw.

a. Withdrawals from a Course Before the Deadline. If a student withdraws from a college course before the published deadline, he or she will receive a grade of “W” or “WF”, depending on the determination of the course instructor, the course grade at the time of the withdrawal, and the circumstances of the withdrawal.

b. Administrative Withdrawal. A withdrawal deemed necessary by College administration because of either financial obligations not met or because of a Student Affairs situation

- **Administrative Withdrawal - Financial**  
Students that do not fully meet all financial obligations by posted deadlines will be administratively withdrawn by request of the Bursar. Students are responsible for all tuition and fees accumulated up to the date of withdrawal. All requests for reinstatements must be made within 7 days and all payments must be made in person. Reinstatements will not be considered after the midterm of any given semester.
- **Administrative Withdrawal - Student Affairs**  
The Vice President for Student Affairs may withdraw a student if it determined that the student: (a) poses a significant danger or threat of physical harm to themselves or to the person or property of others or (b) engages in behavior that impedes the rights of other members of the college community or interferes with the exercise of any proper activities or functions of the college or its personnel or (c) is unable to meet institutional requirements for admission and continued enrollment, as defined in the Student Conduct Code and other publications of the college.

c. Military Withdrawal. A student enlisted in the United States military is permitted to withdraw under the Board of Regents policy for military refunds upon receipt of emergency orders to active duty or reassignment, without penalty at any time during the term. The student must begin this process in the Registrar’s Office and must provide a copy of their military orders.



## II. Calculation

Students cannot earn all of their financial aid unless they attend and participate in class for at least 60% of the term. This calculation counts all calendar days, including the first and last day of each term; however, it excludes any breaks and holidays of five consecutive days. If the return of funds creates a balance due on the student account, the student will be responsible to pay the balance on their account. However, after the 60% point in the payment period or period of enrollment, a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period. Thus, after the 60% point, there are no unearned funds.

## III. Timeframe for the Return of Title IV Funds

The College must return the amount of Title IV funds for which it is responsible as soon as possible, but no later than forty-five (45) days after the date of the College's determination that the student withdrew. The College will be considered to have returned funds timely if the College does one of the following within the designate timeframes: (a) deposits or transfers the funds into the College's federal funds bank account; (b) initiates an electronic funds transfer to an account belonging to the student; (c) initiates an electronic transaction that informs the Federal Family Education Loan (FFEL) or United States Department of Education, in the case of a Direct Loan, to adjust the borrower's loan account for the amount returned; or (d) issues a check.

## IV. Determining Withdrawal Date

The following procedures shall be utilized to determine the appropriate withdrawal date for a student at the College:

- a. Official Notification to the College. Official notification to the College of a student's intent to withdraw occurs when a student provides the Registrar's Office a notice of his or her intent.
- b. Date of Student Withdrawal. The date of the College's determination that the student withdrew is derived as follows:
  - For a student who provides notification to the College of his or her withdrawal, the student's withdrawal date is later of either the date, as determined by the College, that the student began the withdrawal process required by the College; or the date, as determined by the College, that the



student otherwise provided official notification to the College, in writing or orally, of his or her intent to withdraw.

- For a student who did not provide notification of his or her withdrawal to the College, the date that the College becomes aware that the student ceased attendance.
- For a student who had rescinded an earlier official notification to withdraw, but then ceases to attend the College prior to the end of the payment period or period of enrollment, the rescission is negated, and the date the College becomes aware that the student did not, or will not, complete the payment period or period of enrollment will be the date of withdrawal.

c. Students Who Withdraw Without Notification. Please see the College's policy on "Unofficial Withdrawals".

#### V. **Documenting Withdrawal Date**

The College must document a student's withdrawal date and maintain that documentation as of the date of the College's determination that the student withdrew. Further, it is up to the College to ensure that accurate attendance records are kept for purposes of identifying a student's last date of academic attendance.

#### VII. **Determining Amount to be Returned**

The College and the student will be required to return to the federal aid programs the amount of aid received in excess of the aid earned for the period the student remained enrolled. The portion of financial aid grants and loans funded, excluding FWS, which must be returned to financial aid programs will be based on the following components:

- a. Date of Withdrawal. First, the College must determine the withdrawal date of the student, in accordance with the guidance provided in the preceding section.
- b. Percentage of Enrollment Period Earned. The College will then consider the percentage of the enrollment period earned by the student. This amount will be calculated by dividing the number of days attended by the number of days in the term (including weekends and holidays not to exceed 5 consecutive days). If official withdrawal occurs after the 60% date, the student has earned all of the financial aid received and no refund will be required.



- c. Subtract Percentage Earned. Next, the College will subtract the percentage earned from 100% to determine the percentage unearned. This is accomplished by multiplying the total federal aid received by the calculated percentage unearned, which reflects the total amount of unearned federal aid.
- d. Calculation of College Return. Once the total amount of unearned federal aid has been determined, the College shall calculate the institutional return by multiplying the percent unearned by the College costs.
- e. Calculation of Student Return. Finally, the student return is calculated by subtracting the institutional return from the total amount of unearned federal aid.

Unearned Title IV funds are returned to Title IV programs based on a federally mandated formula. Under this formula, the College is obligated to return unearned funds collected for institutional charges to the United States Department of Education and/or the student loan lender. Students are obligated to return unearned funds beyond the institutional charges to the Department of Education.

#### VIII. **Order of Precedence**

When unearned funds are required to be returned by either the College or the student, as appropriate, the following order of return of Title IV funds shall be followed:

- a. Loans. Unearned funds returned must be credited to outstanding balances on Title IV loans made to the student or on behalf of the student for the payment period or period of enrollment for which a return of funds is required. Those funds must be credited to outstanding balances for the payment period or period of enrollment for which a return of funds is required in the following order:
  - Unsubsidized Federal Stafford loans;
  - Subsidized Federal Stafford loans;
  - Unsubsidized Federal Direct Stafford loans;
  - Subsidized Federal Direct Stafford loans;
  - Federal PLUS loans received on behalf of the student; and
  - Federal Direct PLUS received on behalf of the student.



- b. Remaining Funds. If unearned funds remain to be returned after repayment of all outstanding loan amounts, the remaining excess must be credited to any amount awarded for the payment period or period of enrollment for which a return of funds is required in the following order:
- Federal Pell Grants;
  - FSEOG Program aid; and
  - TEACH Grants.

#### IX. **Notification to Student**

The College is required to notify the student within thirty (30) days of determining the student's withdrawal of any student portion of unearned Title IV funds from a federal grant.

- a. Repayment Deadline. Upon receipt of the notice of unearned Title IV funds from a federal grant, the student is allowed forty-five (45) days to repay the amount to the College, who will forward the funds to the Department of Education.
- b. Late Payments. After forty-five (45) days, payment arrangements must be made with the United States Department of Education or eligibility for federal financial aid at any higher education institution will be denied.
- c. Unearned Institutional Charges. The student also needs to repay to the College the money the College is required to return to the Department of Education for the unearned institutional charges.
- d. Tuition and Fees. The institutional charges (tuition and fees) incurred by the student are considered to be paid by Title IV funds for the purpose of the formula, even if the institutional charges were directly paid by a source other than Title IV funds.

#### X. **Post-Withdrawal Disbursements**

If the student receives less federal student aid than the amount earned, the College must offer a disbursement of the earned aid that was not received. This is called a "post-withdrawal disbursement." If the student receives more federal student aid than the amount



earned, the College, the student, or both, must return the unearned funds in a specified order. A post-withdrawal disbursement must be made within 180 days of the date the College determines that the student withdrew. The amount of a post-withdrawal disbursement is determined by following the requirements for calculating earned Title IV Aid, and has no relationship to incurred educational costs.

- a. Disburse Grant Before Loan. A post-withdrawal disbursement, whether credited to the student's account or disbursed to the student or parent directly, must be made from available grant funds before available loan funds. Available grant or loan funds refer to Title IV program assistance that could have been disbursed to the student, but was not disbursed as of the date of the College's determination that the student withdrew. While the regulations do not address how a College should ensure that Title IV funds are disbursed to the proper individual, the College may/ may not require a student who has withdrawn from a College (or a parent of such a student, for PLUS loan funds) to pick up a post-withdrawal disbursement in person.

Because the student is no longer attending the College, he or she may have moved out of the area and may be unable to return to the College to pick up a post-withdrawal disbursement.

- b. Post-Withdrawal Disbursement of Title IV Grant Funds. The College is permitted to credit a student's account with the post-withdrawal disbursement of Title IV grant funds without the student's permission for current charges for tuition, fees, and room and board (if the student contracts with the College) up to the amount of outstanding charges. The College must obtain a student's authorization to credit a student's account with Title IV grant funds for charges other than current charges. The College must credit the student's account with the post-withdrawal disbursement for current charges within 180 days of the date of determination. The College must disburse any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account. Moreover, the College must make the disbursement as soon as possible, but no later than forty-five (45) days after the date of the College's determination that the student withdrew.
- c. Post-Withdrawal Disbursement of Title IV Loan Funds. The College must notify a student, or parent for a parent PLUS loan, in writing prior to making any post-withdrawal disbursement of loan funds, whether those loan funds are to be credited to the student's account or disbursed directly to the student (or parent).
  - The information provided in this notification must include the information necessary for the student, or parent for a parent PLUS loan, to make an informed decision as to whether the student or parent would like to accept any disbursement of loan funds and must be provided within thirty (30) days of the date of a





College's determination that a student has withdrawn.

- In addition, the notice must request confirmation of any post-withdrawal disbursement that the student or parent, as applicable, wishes the College to make.
- The notice must identify the type and amount of the loan funds it wishes to credit to the student's account or disburse directly to the student or parent, explain that a student, or parent for a parent PLUS loan, may accept or decline all or a portion of the funds.
- The notice must also explain to the student, or parent for a parent PLUS loan, the obligation to repay the loan funds whether they are disbursed to the student's account or directly to the borrower.
- The notice must also make clear that a student, or parent for a parent PLUS loan, may not receive as a direct disbursement loan funds that the College wishes to credit to the student's account, unless the College agrees to do so. If the student, or parent for a parent PLUS loan, does not wish to accept some or all of the loan funds that the College wishes to credit to the student's account, the College must not disburse those funds.
- In the information a College provides to a student when the College informs the student that he or she is due a post-withdrawal disbursement of loan funds, the College should include information about the advantages of keeping loan debt to a minimum. If a post-withdrawal disbursement includes loan proceeds, unless the recipient needs the funds to pay educational costs, the College might want to suggest that the student cancel the loan. With a student's permission, Title IV grant funds due a student in a post-withdrawal disbursement can be used to pay down a Title IV loan, thereby reducing any post-withdrawal disbursement made directly to the student.
- The College must document the result of the notification process and the final determination made concerning the disbursement, and maintain that documentation in the student's file.
- If a College has completed post-withdrawal loan notification and confirmed a student's desire for any loan funds included in the post-withdrawal disbursement, the College is permitted to credit a student's account with the post-withdrawal disbursement without additional permission from the student (or parent, in the case of a PLUS loan) for current charges.



- A College may combine providing loan counseling, obtaining authorization to credit loan funds to a student's account for outstanding charges, and authorization to make a direct disbursement to the student.
  - Once a College has received confirmation from a student, or parent in case of a PLUS loan, that he or she wants to receive the post-withdrawal disbursement of loan funds, a College must make the post-withdrawal disbursement of Title IV loan proceeds as soon as possible, but no later than 180 days after the date of the College's determination that the student withdrew.
- d. Death of a Student. A College may not make a post-withdrawal disbursement of Title IV funds to the account or estate of a student who has died. If the College is informed that a student has died during a period, it must perform a return calculation. If the return calculation indicates that the College is required to return Title IV funds, the institution must return the Title IV funds for which it is responsible.
- The student's estate is not required to return any Title IV funds. Therefore, the College will neither report a grant overpayment for a deceased student to the National Student Loan Data System, nor refer a grant overpayment for a deceased student to Borrower Services. If the College had previously reported a grant overpayment for a student who is deceased to Borrower Services, it will inform Borrower Services that it has received notification that the student is deceased.
  - The regulations governing the FFEL and Direct loan programs provide for a discharge of a borrower's obligation to repay an FFEL or Federal Direct loan if the borrower dies (including a PLUS loan borrower's obligation to repay an FFEL or Direct PLUS loan if the student on whose behalf the parent borrowed dies). If the College is aware that a student who has died has any outstanding Title IV loan debt, the College should contact the student's estate and inform it of the actions it can take to have the student's Title IV loan debt cancelled.
  - If a Title IV credit balance created from funds disbursed before the death of the student exists after the completion of the return calculation and the institutional refund calculations, the College must resolve the Title IV credit balance as follows:
    - In accordance with the cash management regulations, paying authorized charges at the College, including previously paid charges that are now unpaid due to the Return of Title IV funds by the College;



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- Returning any Title IV grant overpayments owed by the student for previous withdrawals from the present College (the College may deposit the funds in its federal funds account and make the appropriate entry in G5). If the College has previously referred the grant overpayment to Borrower Services, the College should provide Borrower Services with documentation that the student has died so that Borrower Services can delete the overpayment from its records.
  
- Returning any remaining credit balance to the Title IV Programs.

### **Responsibilities**

The responsibilities each party has in connection with this policy on the Return of Title IV Funds are:

<b>Party</b>	<b>Responsibility</b>
Business Office	Ensure compliance with this policy.
Financial Aid Office	Ensure compliance with this policy.
Registrar Office	Ensure compliance with this policy.

**Forms** None

**Appendices** None