

# Return to Title IV

Effective July 1, 2023.

## RETURN TO TITLE IV POLICY

Students earn Federal Financial Aid (Title IV Aid) by establishing attendance and completing all scheduled days in the term. Any unearned portion not attended, must be returned to the appropriate Title IV program.

### Title IV programs include:

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Iraq and Afghanistan Service Grants
- Federal Direct Loans
- Federal PLUS Loans

*Clark State College's payment period is the length of the term or semester.*

## STUDENT NEVER ESTABLISHES ELIGIBILITY FOR FEDERAL FINANCIAL AID –TITLE IV AID

The R2T4 requirements do not apply to a student who never establishes eligibility for Federal Financial Aid. A student who never attends any classes, or for whom Clark State College cannot document attendance in at least one class, is not eligible for federal financial aid. Any aid disbursed based on anticipated enrollment must be returned to the applicable Title IV programs.

## ATTENDANCE

### Academic attendance is defined as, but not limited to:

- Physically attending a class;
- Submitting an academic assignment;
- Taking an exam, an interactive tutorial, or computer-assisted instruction;
- Attending a study group assigned by the school;
- Participating in an online discussion about academic matters; and
- Initiating contact with a faculty member to ask a question about the academic subject studied in the course.

## WITHDRAWING FROM CLASSES

Students receiving federal financial aid who withdraw or stop attending, in most cases, will be required to return a portion of financial aid received. Students can officially withdrawal from a class or classes at the Records and Registration Office or online via MyClarkState until designated dates for the given term. Please refer to the Important Dates. Official withdrawals are the responsibility of the student.

### You will not be subject to returns of your Title IV aid if you meet one of the following exemptions:

- You complete all of the requirements for graduation;
- You successfully complete a class or multiple classes that comprise at least 49 percent of the days in the term (in a program offered in modules); or
- You successfully complete a class or multiple classes that comprise at least half-time enrollment (in a program offered in modules).

### Important things to consider when withdrawing:

- Often dropping a class results in a reduction of your federal financial aid awards, which in turn creates a balance owed to Clark State College. It is highly recommended you contact Financial Aid or Student Support Services to determine how withdrawing may affect

- your financial aid awards and academic progress.
- Withdrawing can impact your ability to meet Satisfactory Academic Progress (SAP) requirements for federal student aid. SAP Policy

### **OFFICIAL AND UNOFFICIAL WITHDRAWAL**

You are considered to have withdrawn if you do not complete all the days in the payment period that you are scheduled to complete. There are two types of withdrawals: Official and Unofficial.

- You are considered to have officially withdrawn when you drop all of your courses during a payment period and fail to provide written confirmation of attendance in a course that begins later in the same payment period (i.e. B or X term courses).
- You are considered to have unofficially withdrawn when you stop attending a class without officially withdrawing within the pre-determined drop date for the course. A faculty member identifies a student who has unofficially withdrawn from a class by assigning a "UW" (Unofficial Withdrawal) grade at the end of the term. For Return of Title IV purposes, the date of withdrawal for the student would then be calculated to be the midpoint of the payment period, unless otherwise documented.

However, if you stop attending or fail to begin attendance in a course you were scheduled to attend while remaining enrolled in other course(s), this is a change in enrollment status and an adjustment to the original financial aid awards will be applied to the new registration.

Modules are courses in the program that do not span the entire length of the payment period (for example, A or B term classes). A student has withdrawn from a program offered in modules if they do not complete all the days in the payment period they were scheduled to complete. An email sent to the student email account will request written confirmation of attendance in future scheduled modules. Deadline for response is 7 calendar days of the email notification. Without the written confirmation, Return of Title IV funds will be required.

### **PERCENTAGE OF PAYMENT PERIOD**

Based on your date of withdrawal, this calculation determines the amount of federal student aid you've "earned" and may keep versus the amount of aid that is considered "unearned" and must be returned to the federal student aid programs. The percentage of aid you've earned is calculated by dividing the number of days completed by the number of days in the payment period.

For example, if you withdraw after attending 11 calendar days and there are 110 days in the payment period, you have earned 10% of your federal student aid ( $11 \text{ completed days} / 110 \text{ scheduled days} = 10\%$ ). If your withdrawal date is after 60% of the term has passed, you are considered to have earned 100% of your federal student aid. If you unofficially withdrew from classes, the Return of Title IV Funds policy permits Clark State College use the midpoint (50%) of the term as your date of withdrawal.

**Title IV funds received during the applicable term will be returned in the following order:**

- Federal Direct Unsubsidized Loan
- Federal Direct Subsidized Loan
- Federal Direct Plus Loan
- Federal Pell Grant
- Iraq and Afghanistan Service (IASG) Grant
- Federal Supplemental Educational Opportunity (FSEOG) Grant

### **POST-WITHDRAWAL DISBURSEMENTS**

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. Clark State will notify the student within 30 days of the date of determination of withdraw concerning the post withdrawal disbursement. If your post-withdrawal disbursement includes loan funds or grants funds that exceed remaining institutional charges, Clark State must get your permission (or your parent's permission for a Direct PLUS loan) before it can disburse the funds. You (or your parent for a Direct PLUS loan) may choose to decline some or all of the funds so that you do not incur additional debt or lose future eligibility. The student (or parent for a Direct PLUS loan) must respond within 14 days of the date the post-withdrawal disbursement notification letter

was sent. Eligible PWD of grant funds will be disbursed within 45 days after the date of the school's determination that the student withdrew. If a PWD results in a credit balance on your account, the resulting credit balance will be refunded to you as soon as possible and no later than 14 calendar days from the date of the PWD. If you have a credit balance that has not been refunded to you that credit balance will be held until the R2T4 calculation is completed. Any remaining credit balance will be disbursed as soon as possible and no later than 14 calendar days after the calculation of the R2T4.

**There may be some Title IV funds that you were scheduled to receive that cannot be disbursed to you once you withdraw because of other eligibility requirements. Some examples might include, but are not limited to:**

- Second or subsequent Direct Loan disbursements to, or on behalf of, a student who did not successfully complete the loan period;
- If you are first-time, first-year undergraduate student and you did not complete the first 30 days of your program before the withdrawal; or
- Direct Loan disbursement to a borrower who has not signed a promissory note or completed entrance counseling.

### **RETURNING UNEARNED FEDERAL FUNDS**

Clark State College is responsible for returning unearned Title IV funds for which we are responsible for within 45 days of the date it determined the student withdrew.

If a student or parent PLUS borrower has unearned Title IV loan funds to return, the funds must be repaid according to the terms of the promissory note.

Clark State College is required to notify the student that they have 45 days in which to repay any unearned grant funds in full or to enter into a satisfactory repayment agreement with the school or Department of Education.

Repayment arrangements with the school. The school has the option of entering into a repayment agreement with the student. If this occurs, the student must agree to repay the overpayment amount under arrangements that are satisfactory to the school and repay the overpayment within two years of the date the school determined that the student withdrew.

Referral to Department of Education. The school can decide not to enter into a repayment agreement with the student, in which case, the student's overpayment must be referred to ED. If the student does not repay the overpayment in full or does not enter into a satisfactory repayment arrangement with the school or ED, on day 46 the student loses Title IV eligibility. Likewise, if the student fails to meet the terms of a repayment agreement with the school, the student loses her Title IV eligibility and the school must report the overpayment to the National Student Loan Data System (NSLDS). The requirements for refunds and repayments of Title IV program funds when you withdraw are separate and different from any Clark State tuition refund policy. The institutional refund policy determines the amount of tuition and other charges owed to the college and has no impact on the Return of Title IV funds calculation.

Therefore, you may still owe funds to Clark State to cover unpaid institutional charges.

### **Examples**

#### **Example #1**

You are a Title IV recipient who is enrolled in the fall semester. There are 108 days in the payment period. You officially withdraw online after attending 50 days in the payment period and therefore have earned 46.3% of your federal student aid ( $50/108=46.3\%$ ). This means 53.7% of the aid is unearned and must be returned to the Title IV programs.

Disbursed Aid

- \$1480 Pell Grant
- \$1732 Direct Subsidized Loan (net proceeds)
- \$424 Direct Unsubsidized Loan (net proceeds)

#### Institutional Charges

- \$1240.33 Tuition and Fees

#### Student Refunded

- \$3636 (Disbursed Aid) - \$1240.33 (Institutional Charges) = \$2395.67 Refund prior to withdrawing from classes

#### Earned Aid

- \$3636 (Disbursed Aid) x 46.3% (percentage of term completed) = \$1683.47 (Earned Aid)
- Unearned Aid Returned
- \$1240.33 (Institutional Charges) x 53.7% (unearned aid) = \$666.06 or \$666 rounded to the nearest whole dollar

#### Conclusion

- \$666 total aid needs to be returned. The order in which the aid is returned is all Direct Unsubsidized Loan is removed and the Direct Subsidized Loan was reduced by the difference. Because the student was already refunded the credit balance of \$2395.67, the \$666 in student loans that was returned to the Department of Education has now created a balance at Clark State College in the amount of \$666.

#### **Example #2**

You're a Title IV recipient who is enrolled in the fall semester. There are 110 days in the payment period. You stop attending and fail to officially withdraw from classes within the posted withdrawal period. Your instructors assign all "UW" grades (unofficial withdrawals) for the semester and you are, therefore, considered to have unofficially withdrawn from the semester. Since Clark State doesn't have a last day of academically related activity, the midpoint of the term is used and you have earned 50% of your federal student aid. This means 50% of the aid is unearned and must be returned to the Title IV programs, which could result in a balance due to Clark State.

#### **Example #3**

You're a Title IV recipient who is enrolled in A and B terms fall semester. There are 110 days in the payment period. You withdraw from the A term classes and fail to reply to the email from financial aid requiring written confirmation of your future attendance in the B term classes. You are therefore considered to have withdrawn from fall semester and a recalculation is required. You completed 11 days of the scheduled 110 days and have earned 10% of your federal student aid ( $11/110=10\%$ ).

This means 90% of the aid is unearned and must be returned to the Title IV programs, which could result in a balance due to Clark State.