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RPCC Return of Title IV Funds Policy

According to the Federal Student Aid Handbook, "Title IV 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, 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 school 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."

Effective fall 2008, RPCC will use the "Return of Title IV Funds Policy" in accordance with the 2008 Reauthorization of the Higher Education Act of 1965, as amended. The law defines the amount of Title IV grants and loans that the student has earned the right to use. The amount a student has earned is directly related to the length of time he or she has maintained attendance during the semester. The law requires that if a recipient of Title IV assistance withdraws/resigns from an institution before completing more than 60% of the semester in which the recipient began attendance, the institution must calculate the percentage and amount of Title IV assistance the student earned. Unearned Title IV funds must be returned to the Title IV programs by the school and/or the student.

Students who wish to resign from the College should follow Admissions resignation procedures found in the RPCC Catalog. An electronic version of the Catalog is located online at www.RPCC.edu.

For **official** withdrawals, the Return of Title IV funds calculation must be performed and the student notified of any overpayment within 30 days of the date the institution determined the student withdrew. In many cases, students will owe money to the federal aid program(s) and to RPCC. (See "Return of Title IV Funds Formula in Detail" below for information regarding deadlines and repayment procedures).

For the purposes of this policy, the words "withdrawals, withdraw" and "resignations, resign" may be used interchangeably.

Unofficial Withdrawals/Resignations

Students receiving Title IV aid who stop attending all classes and receive all F's will be treated as **unofficial** withdrawals. For unofficial withdrawals, the withdrawal date is defined as either the midpoint of the semester or the last documented date of attendance at an academically-related activity, as defined by Federal Regulations.

Upon issuing an 'F' grades, instructors are required to submit the last date of attendance or academic activity for the student. The latest date reported is used in the Return of Title IV funds calculation to determine the percentage of aid earned.

An institution must determine the withdrawal date for a Title IV recipient who unofficially withdraws no later than 30 days after the end of the semester in which the student unofficially withdrew or the end of the academic year in which the student unofficially withdrew, whichever is earlier.

Number of Days in Semester

The percentage of time the student completed for the semester determines the "earned percentage." The earned percentage is based on **calendar** days in the semester, including weekends. Only scheduled breaks of at least 5 days will be excluded. The length of the break is determined by counting from the first day of the break up to the next day on which classes are offered. The weekends preceding and following the break are counted as part of the break, unless Saturday classes are scheduled. If Saturday classes are scheduled in the weekend preceding the break, only the Sunday would be counted as part of the break. If Saturday classes are scheduled in the weekend following the break, neither Saturday nor Sunday is counted as part of the break.

Notes about RPCC's Return of Title IV Funds Policy

A Return of Title IV funds calculation must be performed if a student resigns (officially or unofficially) before completing more than 60% of the semester in which any of the following Title IV funds were disbursed or could have been disbursed, as defined by Federal Regulations: Pell Grant, Subsidized Stafford loan, Unsubsidized Stafford loan, or PLUS loan.

RPCC uses the payment period for the calculation of the Return of Title IV Funds formula. The payment period is the semester in which the student received Title IV funds.

Regarding class attendance, RPCC is not required by accrediting agency to take attendance.

Once Return of Title IV funds are complete, students are notified by e-mail of such calculations. E-mail will include the amount of funds returned, notification that student may owe the school for tuition and fees no longer covered, and a copy of the calculation based on Banner processes.

Institutional Charges

RPCC defines institutional charges as tuition and fees. These are the amounts that were initially assessed the student before any institutional refund was applied. These charges include tuition and required fees, including required program and course fees, as stated in the class bulletin for the appropriate semester.

Refunds due to RPCC's institutional refund policy

RPCC's institutional refund policy is stated in the General Catalog & Student Handbook each school year. If a student is due a refund based on RPCC's institutional refund policy, that refund will be applied first to the student's portion of Return of Title IV funds. Any remaining portion will be applied toward the school's portion of Return of Title IV funds. If any portion remains after applying toward Return of Title IV funds, it will be used to repay RPCC funds, state funds, other private sources, and the student in proportion to the amount received from each of these sources.

Accounts Receivables (financial obligations) for school's portion of Return of Title IV funds

If RPCC is required to use institutional funds to pay the school's portion of Return of Title IV funds, RPCC will set up an "accounts receivable" for the student's account. The student will then owe a debt to RPCC to reimburse RPCC for the amount RPCC was required to return to the Title IV programs due to the student's resignation. The student's account will have a hold on it until the debt is satisfied. The Financial Aid Office will notify the student informing him/her of this debt and how to resolve it.

Return of Title IV Funds Formula in Detail

1. Determine the amount of Title IV Aid received by the student.

This includes aid that has been disbursed and aid that could have been disbursed. "Aid that could have been disbursed" is defined as aid for which the student was eligible to receive at the time of withdrawal. Late disbursement rules apply to "aid that could have been disbursed."

2. Determine percentage of aid earned (*Percentages are rounded to three decimal places. For example, .4486 would be .449 or 44.9%*)

This requires several steps:

A. Determine student's withdrawal date. (RPCC is NOT required to take attendance)

For **official** withdrawals, the withdrawal date is the date the student began the withdrawal process (as noted on the "Request for Resignation" form) or otherwise provided official notification of intent to withdraw. The official withdrawal process is stated in the class bulletin each semester.

For **unofficial** withdrawals, the withdrawal date is either the midpoint of the semester, or the last date of attendance at an academically-related activity as documented by the student's instructors.

In either case mentioned above, RPCC may use the last date of attendance at an academically-related activity, as documented by the school. This date may be earlier or later than the dates listed above.

B. Determine the percentage of payment period (semester) completed

Divide the number of days attended by the number of days in the semester. This percentage is the percentage of payment period (semester) completed and the percentage of Title IV aid earned for the semester. For example, if the semester consisted of 103 days, and the student attended for 43 days, he completed 41.7% of the semester; therefore, he earned 41.7% of his Title IV aid.

3. Determine the amount of aid earned by the student.

Determine the amount of Title IV aid that was disbursed and that could have been disbursed as of the withdrawal date. Multiply the percentage from step 2B (earned aid) by this amount. The amount that could have been disbursed includes late disbursements for which the student qualifies.

4. Compare the amount earned to the amount disbursed.

If earned aid exceeds disbursed aid, a post-withdrawal late disbursement is due the student. If disbursed aid exceeds earned aid, funds must be returned to the Title IV programs.

5. Determine if the student is due post-withdrawal disbursement or if Title IV aid must be returned.

Subtract the Title IV aid actually disbursed from the amount of Title IV aid earned. If aid disbursed is greater than aid earned, funds must be returned to the Title IV programs. If aid disbursed is less than aid earned, the student may be due a post-withdrawal disbursement.

A. Title IV funds to be returned to Title IV programs

The school and the student may be required to return unearned Title IV funds to the Title IV programs. Amounts to be returned by the school may be rounded to the nearest dollar.

1. Title IV funds to be returned by the school and student must be credited to outstanding balances for the semester for which a Return of Title IV funds is required in the following order:

- a. Unsubsidized Stafford loan
- b. Subsidized Stafford loan
- c. PLUS loan

If unearned funds remain to be returned after repayment of all outstanding loan amounts, the remaining excess must be credited to any Pell Grant amount awarded for the semester.

2. Amount due from school (may be rounded to the nearest dollar):

- a. Determine the amount of institutional charges the student incurred for the current semester.
- b. Multiply the unearned aid percentage by the amount of institutional charges.
- c. School is responsible for returning the lesser of the two amounts (a or b).
- d. School must return funds as soon as possible but no later

than 45 days after the date the institution determines the student withdrew.

- e. If RPCC is required to use institutional funds to pay the school's portion of Return of Title IV funds, RPCC will set up an "accounts receivable" for the student's account. The student will then owe a debt to RPCC to reimburse RPCC for the amount RPCC was required to return to the Title IV programs due to the student's resignation.

3. Amount due from student

- a. Subtract amount due from school (from above) from the amount of Title IV aid to be returned (from step 5). Student is responsible for returning this amount.
- b. Amounts to be returned to loan programs will be repaid in accordance with the terms of the loan.
- c. Amounts to be returned to grant programs are limited to the amount by which the original grant overpayment exceeds half of the total Title IV grant funds disbursed or could have been disbursed to the student.
- d. RPCC must notify student of repayment obligation within 30 days of the date RPCC determines that student withdrew.
- e. Student must repay grant overpayment to RPCC within 45 days of notification of overpayment. Grant overpayments not paid to RPCC within 45 days will be reported to the Department of Education and the student will be ineligible for future Title IV aid until the overpayment is resolved or repayment arrangements are made with the Department of Education.

B. Post-withdrawal disbursements

These disbursements will be made in accordance with Federal Regulations. If a student is due a post-withdrawal disbursement, the disbursement must be made from available grant funds before available loan funds. The disbursement must be made within 90 days of the institution's determination that the student withdrew. After the eligible post-withdrawal disbursements are credited to the student's outstanding current semester charges, the institution must follow specific steps, outlined in Federal Regulations, in offering the remaining balance to the student.