



Return of Title IV Funds Policy

Students receiving financial aid who withdraw or stop attending will, in most cases, be required to return a portion of financial aid received. The Higher Education Act, as reauthorized and signed into law on October 7, 1998, established the Return of Title IV Funds Policy.

This revised Eastern Shore Community College policy reflects new regulations published 10–29–2010 that became effective 7–1–2011. The concept behind the policy is that the college and the student are allowed to retain only the amount of Title IV (federal) aid that is earned. If a student withdraws or stops attending classes, whether any credits have been earned for the term or not, a portion of the aid received is considered to be unearned and must be returned to the Title IV programs from which it was received. 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 gives official notice of intent to withdraw (i.e., letter, phone call, e-mail, in-person), the mid-point of the term, or the last documented date of attendance in an academically-related activity (i.e., documented attendance in a class or lab or submission of an assignment in a distance learning course). If a student attends through 60 percent of the term, all Title IV aid is considered earned.

Definitions

Return to Title IV (R2T4) calculation – A required calculation to determine the amount of aid earned by the student when the student does not attend all days scheduled to complete within a payment period or term (Student is considered to be a withdrawal, whether any credits were completed or not.)

Overaward [not the same as Return to Title IV calculation] – A required recalculation of Pell Grant and other aid types due to student dropping or not attending credits required for the status awarded (full-time, three-quarter time, half-time, less than half-time); required at any point information received that changes student status. Reductions in aid will always be required for students whose status changes due to deleted classes or classes not attended beyond the course census date.

Clarification of New Regulations

- A student who attends and completes at least one course that spans the entire term will have earned the aid for that term (as adjusted for dropped classes or classes not attended).
- School must be able to demonstrate that student actually attended each class, including any class with a failing grade. Attendance must be —academic attendance or —attendance at an academically-related activity. Documentation of attendance must be made by the school. A student’s self-certification of attendance is NOT acceptable unless supported by school’s documentation.

Examples of attendance include:

- Physical class attendance where there is direct interaction between instructor and student
- Submission of an academic assignment
- Examination, interactive tutorial, or computer-assisted instruction
- Study group assigned by school
- Participation in on-line discussion about academic matters
- Initiation of contact with instructor to ask question about academic subject

Logging in to an on-line class does NOT count as attendance.

- A student who withdraws from a module or dynamic class within the term must still be attending another class or is considered to be a withdrawal, even if registered for future classes starting within the term. The student must— at the time of withdrawal from a module or dynamic class— provide a written statement to the College Financial Aid Office indicating intent to attend (within 45 days) a future class within the term, or the student is considered to be a withdrawal; and a Return to Title IV calculation must be completed. (If student doesn't actually attend that future class, a Return to Title IV calculation is still required; withdrawal date/last date of attendance dates back to originally confirmed withdrawal date.)

Questions to ask

- Did the student cease to attend a course that he/she was scheduled to attend? (If yes, ask the next question.)
- At the time the student stopped attending this course, was he/she continuing to attend other courses? (If no, ask the next question. If yes, student is not a withdrawal.)
 - At the time of withdrawal, did the student provide written confirmation of anticipated attendance in a later starting, registered course within the term? (If no, student is considered a withdrawal, and a Return to Title IV calculation must be completed. If yes, no Return to Title IV calculation is required unless the student doesn't attend or quits the future dynamic class.)

Remember: Recalculation of aid for enrollment-status changes due to deleted or never attended classes is required before any Return to Title IV calculation is completed.

Step 1) The first step is a series of formulas to determine the amount of aid which must be returned. Following the determination of the last date of attendance, the school must calculate the number of days attended and the total number of days the student was scheduled to complete within the term; weekends count and any period of no classes which is five days in length or greater is excluded. Days attended are then divided by days in the term the student was scheduled to complete to calculate percentage completed. That percentage is multiplied by total aid for which the student is eligible to determine the amount of aid earned (% completed x total aid = earned aid).

Total aid – earned aid = unearned aid (aid to be returned).

Step 2) The next step is for the school to determine total institutional charges and multiply that figure by the percentage of unearned aid (100% – % completed = % unearned). It makes no difference which type of resource actually paid the school bill; the law assumes that Title IV aid goes first to pay institutional charges.

Institutional charges x % unearned = amount returned by school.

The school must then return the amount of unearned aid, up to the maximum received, to each of the Title IV programs in the following order: (ESCC does NOT participate in the loan program.)

1. Federal Pell Grant
2. Federal Supplemental Educational Opportunity Grant (FSEOG)

Step 3) The school then calculates the amount for which the student is responsible by subtracting the amount returned by the school from the total amount which is unearned. That remaining amount is the student's share and is allocated in the same order as stated above.

Total amount unearned – amount returned by school = \$\$ for which student is responsible.

Once the school determines dollar amounts and which individual programs must be repaid, the student will be notified of any amounts he or she owes. For grant dollars that must be repaid, the amount due from a student is limited to the amount by which the original grant overpayment amount due from the student exceeds half of the total Title IV grant funds received by the student. A student has 45 days to make repayment and does not have to repay a grant overpayment of \$50 or less. Unpaid grant funds by the student will be reported on NSLDS, the National Student Loan Data System, and turned over to the Department of Education for collection. Until overpayments are repaid or satisfactory arrangements to repay have been made, students will be ineligible for further Title IV aid at any institution.

ESCC will distribute the unearned aid back to the Title IV programs as specified by law. The student will then be responsible for repaying any funds to ESCC that were not earned. Student records will be frozen if unearned aid is not repaid to the College. Students will not be allowed to return to ESCC until the account is cleared.

Effective 7/1/2009, state law requires that state aid from VSFAP funds (which includes the Commonwealth grant –COMA and the Virginia Guaranteed Assistance Program grant-VGAP) must also be returned proportionally based on the percentage of unearned aid used in the Return of Title IV calculations when a student receiving those grants withdraws or unofficially withdraws completely from the institution.

This policy is totally separate from the institutional refund policy. Unpaid balances due to ESCC that result from amounts returned to Title IV programs and other sources of aid will be charged back to the student. If a student does not begin attendance in all classes or ceases attendance during the 100% refund period, aid may have to be reduced to reflect appropriate status prior to calculating Return of Title IV Funds.

Before withdrawing or stopping attendance in classes, the student should be aware of the proper procedure for withdrawing from classes and the consequences of either withdrawing or stopping attendance. Official withdrawal is always the responsibility of the student.

Any questions on Return of Title IV Funds may be addressed to the Financial Aid Coordinator, Carole Read. Questions regarding withdrawal should be addressed to the student's advisor or the Registrar's Office.