

Policy Type: Student Services
Policy Title: Return of Federal and State Financial Aid Funds
Policy Number: SS-16

Purpose:

Specifies statutory requirements of returning Federal Title IV and state financial aid funds to their respective accounts when a financial aid recipient withdraws from classes during a term.

Scope:

Applies to all Federal Title IV and state financial aid recipients who officially or unofficially withdraw from all courses before 60% of a term has elapsed.

Definitions:

Federal Title IV aid for this policy includes: Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Stafford Loans and PLUS Loans.

Non-federal financial aid for this policy includes: Washington State Need Grant, Green River Grant, Worker Retraining, Child Care Scholarships, Work Based Learning and other sources of non-federal aid.

Policy:

When students receiving Federal Title IV financial aid withdraw from classes or quit attending before 60% of the quarter has elapsed, unearned Title IV federal funds (grant and loan) must be returned to the federal accounts by both the student and the college. Federal funds take precedence in a refund when both state and federal funds have been distributed, so the federal policy applies. When federal funds are not present, any return of funds (refund) will be calculated based upon the college's state refund policy, and any required repayment of state grants will be based upon the unearned portion of the cash disbursement. The amount of earned and unearned federal funds is based upon the number of calendar days of class attendance during the first 60% of the quarter. The percentage of assistance earned is equal to the percentage of the payment period (quarter) completed by the student. The percentage of Title IV funds not earned equals 100 percent minus the percent of Title IV aid earned. The student and the college may retain the earned portion of aid, but must return a portion of the unearned aid to the grant and loan accounts in the form of a refund. Students will be billed for any portion of a federally required refund in excess of the college's state refund policy.

If the student shows eligibility for funds not yet disbursed, a late disbursement of aid is made even though the student has ceased attendance.

Procedures:

1. Determine the last date of class attendance by one of the following (always latest date):
 - a. Date posted in by the faculty.
 - b. Date the student actually withdrew and the withdrawal date posted.
 - c. If no date or grade is posted (all 0.0-0.6, Y, I, NC, N or *), withdrawal is considered the mid-point of the quarter. If a student receives failing grades of 0.0 through 0.6, it is assumed the student ceased attendance.
 - d. If documentation in the student's file reflects an earlier last date of attendance, the date documented in the file will be used.
2. Determine percentage of aid earned by a Title IV recipient by calculating the number of calendar days up to and including the last day of attendance, and compare it to the total calendar days in the quarter. Exclude breaks of at least five days in length. If the percentage is greater than 60%, the student has earned the full award. If the percentage is 60% or less, proceed to the next step.
3. Determine the amount of earned aid by multiplying the total Title IV aid times the earned percentage.
4. Determine the amount of unearned aid by one of the following:
 - a. Subtracting the earned aid from the disbursed aid.
 - b. Subtracting the disbursed aid from the earned aid to determine the amount of any post-withdrawal disbursement. Green River may use some or all of the post-withdrawal disbursement to satisfy institutional charges prior to giving funds to the student. Any remaining portion of a post-withdrawal disbursement must be offered to the student (or parent for PLUS) within 30 days of the last date of attendance. Grant assistance is offered before loans. If the student (or parent) does not respond within 14 days, the disbursement may be canceled. Any post-withdrawal disbursement must be made within 90 days of the date the school determined the student withdrew.
5. Distribute responsibility for returning unearned aid between Green River and the student. The institution must return the lesser of total unearned aid or the result of multiplying institutional tuition charges by the percentage of aid unearned. The student returns the difference between the total unearned aid and the amount returned by the institution. Allowable unpaid charges and authorized charges using post-withdrawal funds can also be credited.
6. Allocate unearned aid back to the Title IV programs.
 - a. Any portion of the student's share that is allocated to a loan program is repaid under the terms of the loan.
 - b. The student's share of unearned grant funds is reduced by 50%.

- c. Unearned funds are allocated as follows:
- Unsubsidized Federal Stafford Loan
 - Subsidized Federal Stafford Loan
 - Federal PLUS Loan
 - Federal Pell Grant
 - Federal SEOG
 - Other Title IV Aid
 - Washington State Need Grant
 - Green River Grant
 - Worker Retraining Funds
 - Work Based Learning Funds
 - Child Care Scholarships
 - Other non-federal sources of aid
- d. Any portion of post-withdrawal disbursement not credited toward unpaid charges can be offered to the student (or parent for PLUS).

Specific Authority: Federal Regulations (HEA Public Law 105-244)

Law Implemented: 1998

History of Policy or Procedure

Draft: February 5, 2005

Adopted: Approved by Board of Trustees: October 7, 2000, January 6, 2006

Revised:

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