

Financial Aid Withdrawal and Return of Funds Policy

The Department of Education requires DCB to maintain and publish a written policy regarding federal financial aid recipients who withdraw or otherwise fail to complete the term for which their financial aid was disbursed.

Official Withdrawal Procedure

Students who wish to withdraw from all courses after the semester start date must officially withdraw to zero credits. To withdraw, complete the Withdrawal Form <http://www.dakotacollege.edu/online/forms/withdrawal-form/> and submit it. Your Campus Connection account does not allow you to drop your last or only class.

Withdrawal Date and Calculation of Earned and Unearned Title IV Aid

General Requirements, as per Federal Student Aid Handbook, Volume 5:

Federal financial aid funds (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. If a student ceases attendance (drops or withdraws) from all Title IV eligible courses in a payment period or period of enrollment, the student must be considered a withdrawal for Title IV purposes. The principle is the same for programs offered in modules. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that were originally scheduled to receive. Furthermore, when a student withdraws, the student is no longer considered to be enrolled, and DCB must report the withdrawal to a national reporting system. Consequently, the student is no longer eligible for an in-school deferment (re: student loans).

The Department of Education specifies how institutions determine the amount of Title IV program assistance that a student earns if the student withdraws from school. The calculation of earned Title IV funds includes the following grant and loan funds (if they were disbursed or could have been) disbursed to a student for the period of time for which the calculation is being performed. The Title IV programs that are covered by the regulation are: Pell Grants, Supplemental Educational Opportunity Grants (SEOG), Direct Loans (subsidized/unsubsidized/PLUS), and Perkins Loans. [NOTE: Federal Work Study funds are not included in the calculation.]

When a student withdraws during a payment period or period of enrollment, the amount of Title IV program assistance that the student earned up to that point is determined by a specific formula. The amount of assistance that a student earned is determined on a pro rata basis. For example, if the student completed 30% of the payment period or period of enrollment, the student earned 30% of the aid that was received. If the student received more federal aid than earned, the excess funds must be returned by DCB and/or the student.

If the student completed more than 60% of the payment period or period of enrollment, all of the assistance that a student was scheduled to receive for that period would be earned. There may be some Title IV funds that a student was scheduled to receive that cannot be disbursed after a withdrawal because of other eligibility requirements.

If a student withdraws and has a credit balance, the 14-day payment requirement is placed on hold to determine the final amount of any Title IV credit balance. DCB must perform the Return of Title IV funds calculation, and in order to allow DCB time to appropriately apply any credit balance after it has recalculated, a new 14-day deadline begins on the date DCB performs the Return calculation (not the date

DCB performs any calculations required by the institutional refund policy). [NOTE: To determine the correct Title IV credit balance, DCB must take into account both the results of the Return calculation and any applicable refund policy.]

If a student withdraws and has received excess Title IV program funds that must be returned, DCB must return a portion of the excess equal to the lesser of:

The institutional charges multiplied by the unearned percentage of the funds, or

The entire amount of excess funds.

If DCB is not required to return all of the excess funds, the student must return the remaining amount.

Any amount of unearned grant funds that the student must return is called an overpayment. The maximum amount of a grant overpayment that the student must repay is half of the grant funds the student received or was scheduled to receive. Students who owe overpayments as a result of withdrawals initially will retain their eligibility for Title IV funds for a maximum of 45 days from the earlier of:

The date the school sends the student notice of the overpayment, or

The date DCB was required to notify the student of the overpayment.

Within 30 days of determining that a student who withdrew must repay all or part of the Title IV grant, DCB must notify the student that the overpayment must be repaid or make satisfactory arrangements to repay it.

If the student takes no action during the 45 day period, the student's overpayment must be reported immediately to the Department of Education.

Any loan funds that the student (or the parent for a PLUS Loan) must return will be repaid in accordance with the terms of the promissory note. That is, the borrower will make scheduled payments to the holder of the loan over a period of time.

When a student withdraws, the requirements for Title IV program funds are separate from the refund policy. Therefore, a student may still owe funds to DCB to cover unpaid institutional charges. DCB may also charge a student for any Title IV program funds that DCB was required to return.

Distribution of Unearned Title IV Aid

In compliance with federal regulations, a school must return Title IV funds to the programs from which the student received aid during the payment period or period of enrollment as applicable, in the following order, up to the net amount disbursed from each source:

- Unsubsidized Direct loans (other than PLUS loans)
- Subsidized Direct loans
- Federal Perkins loans
- Federal PLUS loans
- Direct PLUS loans
- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG)

Federal Work-Study funds paid to recipients will not be included in the computation of earned Title IV aid, nor will these funds be refunded to the federal account from which they were paid.

Unearned Title IV grants and loan funds due from DCB will be repaid to the federal accounts for the specified semester. Unearned portions of Title IV grant aid due from the student will also be repaid to the federal accounts by DCB. All repayments made by DCB pursuant to this policy will be charged to your student account.

Unofficial Withdrawals

In the absence of an official withdrawal and the student ceases attendance, the following procedures will apply.

1. A list of students who received all F's, I's or U's for a term (period of enrollment) will be extracted from the Registrar's Office records.
2. Class instructors will be asked to document the last known date of an academically related activity for the student, i.e., an exam, daily assignment, attendance in class, etc.
3. If the latest date **any** instructor can document is after the 60% point in the enrollment period, the student is considered to have earned 100% of their financial aid funds and no further action will be required. If the latest date is before the 60% point in the term, the latest documented date will be used as the last date of attendance by the student. If documentation indicates no attendance in any class, the student will be deemed ineligible for financial aid per federal regulations and required to repay all aid received for that semester.
4. Based on the last date of attendance, a Return of Title IV funds calculation will be processed to determine the type(s) and amount(s) of financial aid to be returned.
5. **All financial aid funds to be returned will be the responsibility of the student.**
6. An unofficial withdrawal letter will be mailed to the student notifying them of their obligation at the time the institution returns the financial aid funds.
7. The Business Office will place a hold on the student's record at DCB. Institutional collection procedures will be followed in accordance with DCB's policies.
8. Students will also be placed on Financial Aid Disqualification following the term in which they receive all F's, I's or U's.