



HIWASSEE COLLEGE

Return of Title IV Funds

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."

Hiwassee College uses 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.

A student who finds it necessary to discontinue attendance at Hiwassee College must officially withdraw from the College in order to remain in good standing and to be assured of honorable dismissal and/or readmission. A student may withdraw without penalty no later than one week after midterm. In these cases, a grade of "W" will be recorded for each course involved. Students who withdraw after this date, but no later than two weeks prior to final examinations, will receive a grade of "WP" or "WF" for each course involved. Students may not withdraw from the College within the two-week period prior to final examinations.

To withdraw from the College, the student must observe the following withdrawal procedures:

- ❖ Obtain a Withdrawal Form from the Registrar's Office and complete an exit interview.
- ❖ Secure clearance from all offices specified on the Withdrawal Form.
- ❖ Return the completed form to the Registrar's Office.

Withdrawal from the College should be completed in person. If extenuating circumstances exist, a student may request in writing, or by calling the Registrar's Office, that withdrawal procedures be initiated. In such cases, the withdrawal date will be the day that both the exit interview form and the student's I.D. card is

received by the College. This date will also constitute the student’s last date of attendance with regard to their financial account and for any refunds which might be due.

A student who registers and does not attend class, or who stops attending classes without following the official withdrawal procedures, will be carried on the class roll until the end of the semester and will receive a grade of “F” in all courses. In addition, the student’s financial account continues to the end of the semester unless the official withdrawal procedure is followed.

Hiwassee College is a non-attendance taking institution, due to this, the determination of a withdrawal date varies with the type of withdrawal.

Withdrawal Dates for a School that is Not Required to Take Attendance

Withdrawal Type	Circumstances	Student’s Withdrawal Date	Date of the Institution’s Determination that the Student has Withdrawn
Official Notification	The student begins the school’s withdrawal process, or The student otherwise provides official notification to the school of intent to withdraw.	The date the student begins the school’s withdrawal process, or The date that the student otherwise provides the notification (If both circumstances occur, use the earlier withdrawal date.)	The student’s withdrawal date or the date of notification, whichever is later
Official Notification Not Provided	Official notification not provided by the student because of circumstances beyond the student’s control All other instances where student withdraws without providing official notification	The date that the school determines is related to the circumstance beyond the student’s control The midpoint of the payment period or period of enrollment, as applicable	The date that the school becomes aware that the student has ceased attendance
Withdrawal After Rescission of Official Notification	The student withdraws after rescinding a previous official notification of withdrawal.	The student’s original withdrawal date from the previous official notification	The date the school becomes aware that the student did not, or will not, complete the payment period or period of enrollment

Upon withdrawal notification by the Office of the Registrar, the Financial Aid Director determines who received Title IV assistance for the term and compiles a listing of charges and debits to the student's account. Only allowable institutional charges as referenced in compliance with 34 CFR 668.22 are used for the return calculation. The same calculation is used to determine state aid.

The Financial Aid Director calculates the return of Federal Title IV funds within thirty (30) days from the date of determination using the U.S. Department of Education's website; <https://fafsa.ed.gov/FOTWWebApp/FaaAccessServlet>.

A letter is written to the student informing them of the withdrawal date used by the Financial Aid Office for the R2T4 calculation and the amount of Title IV Funds that Hiwassee is required to return from the federal funds that have been applied to the student's account as well as the amount of any federal funds that the student may be required by Federal regulation (via the formula) to repay to a Federal program.

The letter is mailed to the student's address on file. An email is sent to the student's Hiwassee College email and any other personal email that has been provided to notify them of the requirements to complete U.S. Department of Education Exit Counseling. If there is a bounce back or undeliverable response to all e-mail addresses then a paper copy is mailed to the student.

The R2T4 calculation, associated documentation and the letter are maintained for audit purposes in the student's Financial Aid file. The Business Office receives a copy of the letter to be placed in the student's Business Office file.

If there is a return of Title IV funds required by Hiwassee College, the Financial Aid Office will review and complete the process within seven (7) business days for returning funds via existing established procedures notifying the Business Office of the required return of Federal Title IV funds to the Department. The Business Office is required to return the funds to the U.S. Department of Education within forty-five (45) days from the date of determination of withdrawal from Hiwassee College. The timeframe for returning funds is further described in §668.173(b).

Order of Return of Title IV Funds — Loans

Unearned funds returned by the institution or the student, as appropriate, in accordance with paragraph (g) or (h) of regulation 34 CFR 668.22, must be credited to outstanding balances on title IV loans made to the student or on behalf of the student for the payment period or period of enrollment for which a return of funds is required. Those funds must be credited to outstanding balances for the payment period or period of enrollment for which a return of funds is required in the following order:

- (i) Unsubsidized Federal Stafford loans.
- (ii) Subsidized Federal Stafford loans.
- (iii) Unsubsidized Federal Direct Stafford loans.
- (iv) Subsidized Federal Direct Stafford loans.
- (v) Federal Perkins loans.

(vi) Federal PLUS loans received on behalf of the student.

(vii) Federal Direct PLUS received on behalf of the student.

Remaining Funds

If unearned funds remain to be returned after repayment of all outstanding loan amounts, the remaining excess must be credited to any amount awarded for the payment period or period of enrollment for which a return of funds is required in the following order:

(i) Federal Pell Grants.

(ii) Academic Competitiveness Grants.

(iii) National SMART Grants.

(iv) FSEOG Program aid.

(v) TEACH Grants.

If there is a repayment required by Hiwassee of Federal Grant funds the Financial Aid Office revises the student's award to reflect the student's correct eligibility and notifies the Business Office of the changes that need to be made to the student's account. This is done within five (5) business days of completion of the return calculation.

Earned Financial Aid

Financial aid recipients "earn" the aid they originally received by remaining in classes. The amount of federal assistance earned is based on a pro-rated system. Students who withdraw or do not complete all classes in which they were enrolled may be required to return some of the aid originally awarded.

The following explains the formula used to determine the percentage of unearned aid to be returned to the federal government:

- ❖ The percent earned is equal to the number of calendar days completed up to the withdrawal date divided by the total number of calendar days in the payment period.
- ❖ The payment period for most students is the full, 16-week fall and spring semesters or the full, 10-week summer semester.
- ❖ The percent unearned is equal to 100 percent less the percent earned.
- ❖ Breaks of 5 days or longer are not included in the count of total days in the payment period.

Withdrawal Calculation Example

John Smith is enrolled as a freshman for the fall 2018 semester at a full time status. John has been awarded the following Title IV Funds for the semester:

- ❖ Federal Pell Grant \$3,048.00
- ❖ Federal SEOG Grant \$2,000.00
- ❖ Federal Direct Subsidized Loan \$1,732.00 (net amount)
- ❖ Federal Direct Unsubsidized Loan \$ 990.00 (net amount)

John begins classes on August 20, 2018 and will complete the fall 2018 semester on December 6, 2018. Unfortunately a family emergency occurs and John must return home and officially withdrawals on October 15, 2018. The Office of Financial Aid has received 100% of his Title IV funds for the semester and must now complete a withdrawal calculation to determine how much is to be returned to the U.S. Department of Education.

The percent earned is equal to the number of calendar days completed up to the withdrawal date divided by the total number of calendar days in the payment period.

Payment Period Start Date: 08/20/2018
 Payment Period End Date 12/06/2018
 Total Number of Days in Pay Period: 104
 Withdrawal Date: 10/15/2018
 Number of Completed Days: 57
 Percentage of Payment Period Completed: $57 \text{ days} \div 104 \text{ days} = 54.80\%$

Based on the information provided it can be determined that John earned 54.80% of his Title IV funds and the institution must return 45.20% of the funds received. As previously explained the funds are returned in order of loans followed by other aid if necessary. John Smith received a total of \$7,770.00 in Title IV and earned \$5,353.96. The remaining \$2,416.04 is to be returned as followed.

Fund Source	Amount for School to Return
Unsubsidized FFEL/Direct Stafford Loan	\$990.00
Subsidized FFEL/Direct Stafford Loan	\$1,426.04
Perkins Loan	\$0.00
FFEL/Direct PLUS (Parent)	\$0.00
Pell Grant	\$0.00
Academic Competitiveness Grant	\$0.00
National SMART Grant	\$0.00
FSEOG	\$0.00
TEACH Grant	\$0.00

Post Withdrawal Disbursements

Through the R2T4 process, post-withdrawal disbursements (PWD) are determined. Once a PWD is determined the student is notified in writing as to the Title IV options. Students are asked to sign a document indicating acceptance of loans before disbursement, but the Federal Pell Grant is automatically disbursed to the student account. The student can request in writing the Pell funds be returned.

Student's that Never Attended (NA)

The following sections are applicable to student's that never attended class at Hiwassee College:

- ❖ 34 CFR 668.21
- ❖ 34 CFR 668.22
- ❖ 34 CFR 682.604(d)(3) and (4), and
- ❖ 34 CFR 685.303(b)(3)

When it is determined that a student has a status of "Never Attended (NA)" the student's Federal financial aid that has been awarded and applied to their account will be returned to its respective accounts(s). The Financial Aid Office will cancel the award and notify the Business Office of the adjustment to be made to the student's account.

Students who have their enrollment status administratively cancelled are treated in the same manner as a withdrawal unless it can be documented that the student was determined to have never attended in which case there is no official recorded attendance or date of withdrawal.

All F's

At the end or near the end of the term after grades are posted the Financial Aid Office will send an email to the Office of the Registrar to request a list of students who received all F's and/or W's. For summer, the list would be of students who were enrolled in part of term classes and completed a part of term, but ceases attendance in the remainder of their registered classes for the payment period.

The Financial Aid Office will review the list for students to determine who received Federal Title IV assistance during the term.

If a determination is made that a student stopped attending all of their classes then the date of their last determined attendance or participation in an academic related activity in class will be used for the Return of Title IV calculation.

If it can be determined that a student commenced attendance but no determination can be made of participation in an academic related activity by the instructors, the midpoint of the attendance period may be used for the return calculation of loans only.

Overawards and Overpayments

Overawards and overpayments can occur for a variety of reasons including receipt of internal or external forms of EFA and institutional error. The Financial Aid Office must have adequate internal controls in place to ensure a student does not receive more Title IV aid than the amount for which he or she is eligible.

Overawards and overpayments may occur when a student receives EFA that over exceeds their cost of attendance. In this case, the Financial Aid Office will review where the overaward or overpayment occurred and handle as followed:

- ❖ Hiwassee College may only award or disburse FSEOG to a student if the FSEOG, combined with the other estimated financial assistance the student receives, does not exceed the student's financial need.
- ❖ *FWS Program*. An institution may only award FWS employment to a student if the award, combined with the other estimated financial assistance the student receives, does not exceed the student's financial need.
- ❖ Hiwassee College may not originate a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan, or a combination of loans, for an amount that—
 - The school has reason to know would result in the borrower exceeding the annual or maximum loan amounts in Sec. 685.203; or
 - Exceeds the student's estimated cost of attendance less—
 - The student's estimated financial assistance for that period; and
 - In the case of a Direct Subsidized Loan, the borrower's expected family contribution for that period.

In the event of an overaward or overpayment the funds will be refunded to the fund source and the student is responsible for any balance that this may create.

Resolving an Overaward or Overpayment When Student is Liable

In a situation where a student does not report receipt of an external scholarship to the financial aid office, but the Business Office reports receipt of those funds to the Financial Aid Office, a potential overaward for which the student is liable is discovered and must be resolved. The Financial Aid Director will review the student's budget and one of the following may occur:

- ❖ Increasing the student's budget (if warranted)
- ❖ Adjusting the value of the data elements used to calculate the student's EFC (if warranted)
- ❖ Invoking the \$300 tolerance for campus-based aid
- ❖ Reducing or canceling award(s)
- ❖ Terminating the student's FWS employment
- ❖ Returning undelivered loan proceeds

When an overaward or overpayment cannot be eliminated by one of the aforementioned options:

- ❖ Hiwassee College attempts to collect any overaward or overpayment amounts, such as requesting that the student return FSEOG funds to the school
- ❖ Reporting the overpayment status to NSLDS
- ❖ The school's repayment of funds to the Title IV program account on the student's behalf, turning the overaward into an institutional debt
- ❖ Referral of any Federal Pell Grant or FSEOG overpayments to Department of Education (ED) Collections

Resolving an Overaward or Overpayment When School is Liable

Students are not liable for Federal Pell Grant or FSEOG overawards or overpayments caused by Hiwassee College error and when such overawards or overpayments cannot be corrected by reducing subsequent disbursements. An overaward or overpayment for which the school is liable cannot be considered a student overpayment or reported to NSLDS, nor is the overpayment amount considered EFA or financial aid when packaging. Hiwassee College resolution of an overaward or overpayment that is the school's liability, includes:

- ❖ Immediate restoration to the program account by the school of Federal Pell Grant or FSEOG funds incorrectly awarded but previously disbursed
- ❖ Immediate correction of pending Federal Pell Grant or FSEOG award amounts and disbursements
- ❖ When necessary, a write-off of the error on the students account to avoid any penalization to the student