

# Federal and State Aid Refund Procedures

## Return of Title IV Funds Procedure

**Note: This procedure is separate and apart from the State Refund Policy for tuition and fees.**  
State refund Policy: <https://www.alamancecc.edu/fiscal-services-site/refund-policy/>

The Return of Title IV Funds procedure shall apply to all students who withdraw, drop out or are expelled from Alamance Community College (ACC), and receive financial aid from Title IV funds. The term "Title IV Funds" refers to the Federal financial aid programs authorized under the Higher Education Act of 1965 (as amended) and includes the following programs:

Federal Pell Grants

Federal SEOG

Students who withdraw from all classes prior to completing more than 60% of an enrollment term will have their eligibility for aid recalculated based on the percent of the term completed. For example, a student who withdraws completing only 30% of the term will have "earned" only 30% of any Title IV aid received. The remaining 70% must be returned by the school and/or the student. ACC encourages you to read this procedure carefully. **If you are thinking about withdrawing from all classes PRIOR to completing 60% of the semester, you should contact the ACC Financial Aid Office to see how your withdrawal will affect your financial aid. It can negatively affect your overall academic progress AND it will create a debt to ACC, the Department of Education or both that you are responsible for paying!** Once you have completed more than 60% of the enrollment term, you earn all the assistance that you were scheduled to receive for that period.

### *Withdrawal Date*

As ACC is an institution that does not require attendance keeping for all courses, a student's withdrawal date is:

1. the date the student began the institution's withdrawal process (as described in the ACC Catalog) or officially notified the institution of intent to withdraw; or
2. the student's last date of attendance at a documented academically-related activity

Refunds due on all institutional charges, including tuition and fees, will be calculated using the state refund procedure published in the ACC Catalog.

### ***Calculating the Return of Title IV Refund***

Title IV aid is earned in a prorated manner on a per diem basis up to and including the 60% point in the semester. The percentage of Title IV aid earned shall be calculated by dividing the number of days completed by the student by the total number of days in the semester/term. The percent of term completed shall be the percentage of Title IV aid earned by the student.

$$\frac{\text{Number of days completed by student}}{\text{Total number of days in term}^*}$$

\*The total number of calendar days in a term of enrollment shall exclude any scheduled breaks of more than five days.

If you withdraw from all coursework on or before the 60% of the period, ACC is required to return a portion of your financial aid that is unearned. The amount of aid that the College will return to the Federal aid programs is the lesser of -

- ☐ the total amount of unearned Title IV assistance to be returned; or
- ☐ an amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of the Title IV grant assistance that has not been earned by the student.

***As a result of this calculation, Federal funds may not cover all unpaid school charges due to ACC upon your withdrawal. Any debt created by ACC returning a portion of your aid to the Federal programs is due and payable by you. Unpaid debts to ACC will prevent you from receiving an official academic transcript and prevent you from registering for more coursework at ACC until the debt is paid in full.***

If you did not receive all of the funds that you earned, you may be due a Post-withdrawal disbursement. ACC will automatically use all or a portion of your Post-withdrawal disbursement of grant funds for tuition, fees, and other institutional charges. We need your permission to use the Post-withdrawal grant disbursement for all other school charges. If you do not give your permission, you will be offered the funds. However, it may be in your best interest to allow ACC to keep the funds to reduce your debt at the school.

### ***Returning Funds to the Department of Education***

Unearned Title IV aid shall be returned to the following programs in the following order:

1. Federal Pell Grant
  
2. Federal SEOG
  
3. Other Title IV grant programs

Any amount of unearned grant funds that you must return is called an overpayment. The maximum amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You do not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. You must make arrangements with your school or the Department of Education to return the unearned grant funds.

### ***Unofficial Withdrawal Procedure for Federal Student Aid Purposes Only***

A student who stops attending class or leaves ACC without following the official procedures for withdrawal from a course or from ACC is subject to receiving a grade of WP posted on his/her record for each course in question.

Failure to complete courses may also have a significant impact on a student's financial aid status. When a student receives all F's, or WP's, or a combination of these grades for a semester, he or she may be defined as 'unofficially withdrawn' for Title IV purposes. At the end of each term, the last date of attendance of the enrollment period is used for the Return of Title IV calculation will be based on this length of attendance. Unofficially withdrawn students will be billed for resulting institutional charges and repayments of Federal Student Aid.

## Return of Title IV Funds Example

The following example illustrates how the federal Return of Title IV Funds policy would affect a student who withdraws from classes at ACC:

Example 1:

**A student is attending Fall Semester full-time, which is 124 calendar days in length. Classes are scheduled for the entire semester. The student withdraws from classes on the 31st day of the semester before remaining balances are distributed.**

<b>The student's financial aid and charges are:</b>	
Federal Pell grant	\$2,865.00
SEOG	\$100.00
<b>Total Financial Aid awarded</b>	<b>\$2,965.00</b>
Tuition and fees (institutional charges)	(\$951.00)
Aid earned	\$643.41
Financial aid refund disbursed to student after tuition and fees are paid	\$-307.59

To determine the amount the College must return, compare the following amounts: (1) The total amount of unearned aid is \$2,865. (2) The institutional charges of \$951.00, multiplied by the unearned percentage of 75%, is \$2321.59. The College must return the lesser of these two, which is \$2321.59.

Student's aid earned was not enough to cover institutional charges. Student will still owe \$307.59 in tuition. Student will have to make payment arrangement with the college.

Example 2:

**A student is attending Fall Semester full-time, which is 124 calendar days in length. Classes are scheduled for the entire semester. The student withdraws from classes on the 31st day of the semester after remaining balances are distributed.**

<b>The student's financial aid and charges are:</b>	
Federal Pell grant	\$2,823.00
<b>Total Financial Aid awarded</b>	<b>\$2,823.00</b>
Tuition and fees (institutional charges)	(\$944.50)
Aid earned	\$2,104.24
Financial aid refund disbursed to student that needs to be repaid to the school (Unearned dispersed aid)	\$718.76

To determine the amount the College must return, compare the following amounts: (1) The total amount of unearned aid is \$718.76. (2) The institutional charges of \$944.5, multiplied by the unearned percentage of 75%, is \$2104.24. The College must return the lesser of these two, which is \$718.76.

Student's aid earned was enough to cover institutional charges. Student will still owe \$718.76 in unearned aid disbursed. Student will have to make payment arrangement with the college.

The withdrawal calculation is dependent upon many factors including length of last class attended and enrolled program. The calculations above are based on 16 week classes and an Associates program. Please contact Financial Aid to determine the amount you would owe should you officially or unofficially withdraw.

## **Return of Funds Policy for State Grant Programs Procedure**

(This policy is effective for academic terms that commence after July 1, 2012)

### **Calculation**

ACC is required to complete a withdrawal worksheet provided by the North Carolina State Education Assistance Authority to calculate the amount of funds it must return when a student withdraws on or before the 35% point of the term. In completing the worksheet, "last date of attendance" is determined consistent with Title IV regulations for return of Title IV funds. Any debt to ACC created by this withdrawal calculation is due and payable by you.

#### **1. Official Withdrawal**

a. Institutional Charges: If you are entitled to a refund of tuition and fees, the state grant funds must be returned before issuing you any funds.

b. Non-institutional expenses: If you withdraw on or before the 35% point of the term, ACC shall use the state grant withdrawal worksheet and prorate the amount of State funds disbursed for non-institutional expenses and return State funds.

i. Any credit balance created by State funds and awaiting disbursement must be returned to the State grant program rather than be released to you.

ii. ACC is not required to return any funds for non-institutional expenses when you officially withdraw after the 35% point of the term.

#### **2. Unofficial withdrawal or no earned academic credit**

a. If you do not officially withdraw from a term, ACC shall determine and document the last date of attendance consistent with regulations for the return of Title IV funds;

i. ACC will use the State-provided worksheet to calculate any required return of State funds; the worksheet will calculate using the same method identified for an official withdrawal.

b. If ACC cannot document the last date of attendance, it shall:

i. Use the worksheet to calculate any required return of State funds, noting that the last date of attendance cannot be determined.

ii. The worksheet will calculate the refund using the 10% point in the semester as of the date of withdrawal if ACC indicates that the last date of attendance or academic activity could not be established.

c. In all cases where you earn no academic credit for a term, ACC must determine whether you completed the term. If ACC determines that the student did not withdraw, but instead completed the courses and earned no academic credit, ACC is not required to return State funds. If ACC determines that the student unofficially withdrew, ACC must use the worksheet to determine if any funds must be returned to State grants. Future disbursements of State aid are subject to Federal Title IV satisfactory academic progress determinations by ACC.

### **Order of Return of State Funds for Withdrawal**

The return of State funds required by this policy will be applied in the following order up to the maximum amount of funds disbursed from each program:

1. Education Lottery Scholarship Program (NCELS);
2. Community College Grant (NCCCG);
3. North Carolina National Guard Tuition Assistance Program

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