

## **Return of Federal Financial Aid Policy**

The Student Financial Aid Return of Federal Funds requirements apply when a student receives financial aid funds and withdraws, drops out, or otherwise fails to complete the period of enrollment for which he or she was charged. Non-attendance in any classes is considered a reduction of hours and aid will be adjusted prior to completing the Return of Title IV calculations. These requirements do not apply to a student who:

- ◆ withdraws, drops out, or is expelled before his or her first day of class;
- ◆ reduces his/her course load but is still registered in at least one class. Refer to the section on Reduction of Hours;
- ◆ never attends any of his/her classes.

The term “Title IV Funds” refers to the following Federal Financial Aid programs: Unsubsidized FFEL Loans, Subsidized FFEL Loans, FFEL PLUS Loans, Federal Pell Grant, Federal Academic Competitiveness Grant, Federal SEOG

### **Federal Calculation of Withdrawal Date**

COTC is required to determine when the student withdrew. The withdrawal date is:

- ◆ The date the student begins the withdrawal process, which is done by turning in the Withdrawal Survey to The Gateway at any campus location; **or**
- ◆ An unofficial withdrawal, the last known attendance at a documented academically-related activity; **or**
- ◆ The midpoint of the period for a student who leaves without notifying the institution.

**NOTE: Failing all courses may constitute an unofficial withdrawal if the institution cannot document the student attended past the 60% point of the term.**

### **Federal Return of Title IV Funds Calculation**

A student earns aid based solely on the length of time he or she attended. If a student withdraws or stops attending classes before the 60% point of the quarter, a portion of the total Federal aid the student received may need to be repaid immediately. Title IV aid and all other aid is viewed as 100% earned after the 60% point of the quarter. Unearned Title IV funds, other than Federal Work Study, must be returned. Unearned aid is the amount of disbursed Title IV aid that exceeds the amount of Title IV aid earned. The responsibility to repay unearned aid is shared by the institution and the student.

Institutional responsibilities in regard to the return of Title IV funds:

- ◆ Provide each student with the information given in this policy.
- ◆ Identify students who are affected by this policy and complete the Return of Title IV Funds calculation for those students.
- ◆ Return any Title IV funds that are due the Title IV programs in the following order: Unsubsidized FFEL loans, Subsidized FFEL loans, FFEL PLUS, Federal Pell grant, Federal Academic Competitiveness Grant and Federal SEOG.

Student responsibilities in regard to the return of Title IV funds:

- ◆ Return to the Title IV programs any funds that were disbursed directly to the student and which the student was determined to be ineligible for via the Return of Title IV Funds calculation and in the order as followed by the Institution stated in the prior bullet. A copy of the worksheet used for this calculation can be requested from the Office of Financial Aid.

**NOTE: The amount of earned aid has no relationship to institutional charges or other incurred costs of attendance.**

Two other important points:

1. Wages under the Federal Work-Study program are earned by the student and cannot be recovered and are not considered in the Return of Title IV funds calculation.
2. Students return their share of unearned aid attributable to a loan under the terms and conditions of the promissory note.