

## **Financial Aid Office Manual of Policies and Procedures**

### **Return of Title IV Funds**

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The Department of Education (ED) states a school must determine the amount of Title IV program assistance earned once a student withdraws from school. The Title IV programs governed by this law include: Federal Pell Grants and Federal Supplemental Educational Opportunity Grants (FSEOGs).

Students who receive Federal Title IV Funds (Pell Grant, FSEOG, and/or funds from other Title IV aid programs) and stop attending classes, withdraw from all classes, receive failing grades or receive a combination of withdrawals and failing grades are subject to a Return of Title IV Funds calculation. If the student's last date of attendance and/or withdrawal date is prior to the end of the enrollment period, a R2T4 calculation must be performed. If the student completes 60% of the scheduled enrollment period, the student will keep all Title IV aid. The Financial Aid Office uses faculty reported last dates of attendance or the date a student officially withdraws from the course(s) to determine the withdrawal date. Faculty uses the last date a student attended class or submitted an academically related assignment to determine the LDA. This may result in the student owing funds to the college, the Federal Student Aid Program, or both, and the Financial Aid Office calculates the student's liability using the formula provided by the U.S. Department of Education.

Southeastern Illinois College will send the student a statement indicating any balance owed to the school and repay the school portion of the balance within 30 days of being notified that the student ceased attending or withdraws from all courses. This balance will be billed to the student.

The student should repay the full liability to Southeastern Illinois College within 45 days of the creation of the liability. If the student does not repay the liability within 45 days, Southeastern Illinois College will refer the student's liability to the Department of Education. Students may not receive any subsequent financial aid until the balance is resolved.

Students enrolled in module courses (ie. courses that do not span the entire length of the period of enrollment) and withdraw before the second module course(s) begins, must provide written confirmation of intent to attend the second module. If the student completes the first module but does not attend the second module, a R2T4 calculation will be processed to determine whether or not the student must return a portion of their Title IV aid.

If the student did not receive all the funds for which they were eligible, a student may be due a Post-withdrawal disbursement. Any grant funds disbursed for Post-withdrawal will pay any outstanding balances owed (tuition, fees, books, fines, etc.). The disbursement will be made within 45 days of the school being notified of the student's last date of attendance. Refunds will be mailed to the student.

Schools are required to perform R2T4 calculations within 30 days of determining a student's last day attendance. Schools not required to take attendance must determine the students last date of attendance no later than 30 days after the end of the earlier of 1) the payment period or period of enrollment, 2) the academic year, or 3), the student's educational program. A school must return any unearned Title IV funds within 45 days of the date of determination the student withdrew.

The order funds must be returned are as follows:

1. Federal Pell Grants
2. Federal Supplemental Educational Opportunity Grants (FSEOG)

If the student (or school) received excess Title IV program funds that must be returned, Southeastern will return within 45 days the excess equal to the lesser of:

1. The institutional charges multiplied by the unearned percentage of received funds, or
2. The entire amount of excess funds.

Southeastern requires students to pay the college the funds which were returned. If a student owes the college after funds are returned, the Financial Aid Office will charge the student's account for the amount owed. The Financial Aid Office, in writing, notifies students if they owe any grant funds to the college. Students must make repayment arrangements with the Business Office. Unresolved balances prohibit the student from registering for subsequent semesters or receiving transcripts. Students may also be sent to a debt collection agency.

The requirements for Title IV program funds when a student withdraws are separate from the refund policy established by Enrollment Services. Therefore, a student may still owe funds to Southeastern to cover unpaid institutional charges. Southeastern's withdrawal policies and refund policy are located on the website.

Source: Federal Student Handbook 2018-2019 and DCL GEN-11-14