



North Idaho College

1000 West Garden Avenue, Coeur d'Alene, Idaho 83814

Financial Aid Office

Return of Title IV Funds Policy

Process Overview & Applicability

In accordance with Federal Regulations, when a Federal Financial Aid Recipient withdraws from all classes during a term, it is NIC's responsibility to determine the withdrawal date (or last date of attendance, if unofficially withdrawn) and amount of grant and/or loan assistance that the student earned. If a student received less assistance than what was earned, he/she may qualify for those funds. On the other hand, if the student received more assistance than earned, the unearned funds must be returned by the College and/or aid recipient to the appropriate Federal Aid Program. Note: The Return of Title IV funds calculation is different from NIC's tuition, fees, and housing refund calculations.

Steps for Return of Title IV

The following steps are taken to complete the Return to Title IV (R2T4) process:

- If the student initiates the withdraw on line there is a warning message that notifies the student of the effect on their financial aid award and future eligibility. They are also encouraged to contact the NIC Financial Aid Office before completing the withdrawal.
- The withdraw date is recorded through Datatel. A report is updated every twenty-four hours for monitoring of withdrawals. The withdraw date is determined by the withdraw or last date of attendance the student attended classes.
- The calculations are done on a weekly bases for those students that have initiated a full withdrawal from all classes.
- The calculation is completed within Datatel.
- The reports are sent to the Student Accounts Office who use this information as a check and balance when updating CPS.
- The CPS form is returned to the NIC Financial Aid Office for a final review before the information is recorded in Datatel.
- The student is notified of this calculation via email and standard mail. These communications inform the student of any post-withdraw disbursement or monies owed back to the Department of Education of the amounts the student owes as a result of the R2T4 Calculation. They are also encouraged to complete Exit Counseling.
- The Student Accounts Office then returns the funds to G5.
- The College returns the amount the student owes to ED. The Student Accounts Office is responsible for collecting and monitoring any outstanding balances.

NIC Financial Aid Office

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- Post-withdrawal disbursement of the Federal Pell Grant are sent to the student after all outstanding balances have been satisfied with the College. If the student has a loan that is a post-withdrawal disbursement, they have 14 days to inform the NIC Financial Aid office in writing that they would like to accept these funds otherwise they would not receive this funding.
- Withdrawals must be calculated no later than 30 days after the College becomes aware of a student withdraw. Funds must be returned to ED no later than 45 days after becoming aware of a withdraw. Post-withdraw disbursements must be calculated and disbursed no later than 30 days after the student withdraws.

Withdrawal Policy for R2T4

There are two methods of withdraw that a student can perform. The following sections describe these methods and how they are handled:

Official Notification Provided by the Student

A student is considered officially withdrawn if they withdraw from all classes online or expresses an intent to withdraw by phone.

If a student completely withdraws online, the latest date of withdraw will be used unless all last day of attendance are reported. In this case, the latest last day of attendance will be used as the withdrawal date.

Students only have the option to withdraw online.

If a student notifies the NIC Financial Aid Office of intent to withdraw from the College after the published end of the withdrawal option the date of this interaction will be recorded in the student's financial aid record. This record will be used regardless of whether or not a petition with the Admissions and Academic Standards Committee has been filed to overrule the withdrawal policy.

No Official Notification Provided by the Student

If a student ceases attendance without providing official notification, the withdrawal date will be the student's last day of attendance reported by faculty.

In the case when an official notification was not provided by the student because of circumstances beyond the student's control, i.e., illness, accident, grievous personal loss or other circumstances, the date related to the onset of that circumstance will be used as the withdrawal date. This date will be determined by the Admissions and Academic Standards Committee after taking action on a student's appeal.

In some instances, a faculty member may request an institutional withdrawal (IW status) and that withdrawal date will be recorded as the last date of attendance.

Last Date of Attendance

The College will use the date that is reported as the last date of attendance at an academically related activity by a faculty member on a class roster, grade roster/sheet, or other documented source, e.g., grade book when conducting R2T4 calculations. The faculty member is responsible for maintaining the documentation of the last date of attendance.

Date of Determination of Student Withdrawal

There are two methods of determining the date of determination for the withdrawal. The following section describes these two methods.

Official Notification Provided by the Student

The date of determination is the date the student provides NIC official notification or begins the withdrawal process, whichever is earlier.

On a regular basis within a term, the NIC Financial Aid Office will generate a report of financial aid recipients' changes in enrollment to assist in monitoring official withdrawals "W"s and institutional withdrawals "IW"s.

No Official Notification Provided

The date that NIC becomes aware that the student has ceased attendance will be the date of determination. This date will be identified no later than 30 days after the end of a term.

At the end of a term after the assignment of grades, the NIC Financial Aid Office will generate a report of financial aid recipients that received any combination of "W", "IW", "F", "U", "I", "NR" and "NG" grades.

Calculation of Earned Title IV Assistance

The amount of Title IV federal aid assistance earned by the student is determined on a pro-rata basis up to the end of 60% of the term. For example, if the student completed 30% of a term, 30% of the aid originally scheduled to be received would have been earned. Once a student has completed more than 60% of a term, all awarded aid has been earned.

NOTE: If a student enrolls in late start courses solely the term start and end dates are based on the earliest start date and the last end date among the courses. If the student satisfactorily completes at least one course that runs the entire term length, there is no Return of Title IV Fund calculation. If the student stops attending the first course (or the course with the earliest end date) and is not presently attending other courses, a R2T4 calculation must be completed, unless the student confirms his/her intention to return later in the term to take another course. If the student has all non-passing grades at the end of the term, the R2T4 calculation will be based on the latest last date of attendance or the latest end date of the courses.

The Federal Pell Grant, Supplemental Educational Opportunity Grant (SEOG), Direct Stafford Subsidized and Unsubsidized Loans, and PLUS loans are included in the calculation. Federal Work Study funds are excluded.

Post-Withdrawal Disbursements

If the total amount of the Title IV grants and/or loan assistance earned as of the withdrawal date is more than the amount that was disbursed to the student, the difference between the two amounts will be treated as a post-withdrawal disbursement. In the event that there are outstanding charges on the student's account, NIC will credit the student's account for all or part of the amount of the post-withdrawal disbursement of grant assistance up to the amount of the allowable charges (i.e., tuition, fees and housing).

Any amount of a post-withdrawal disbursement of grant aid that is not credited to a student's account will be paid to the student. The student will be notified within 30 days of the date of determination of withdrawal. A refund will be sent within 45 days of the date that the institution determined that the student officially withdrew or within 75 days if there was an unofficial withdrawal. If the post-withdrawal disbursement is loan funds and the student is eligible to receive the funds, the student will be notified within 30 days of the date of determination. Upon receipt of a timely response from the student, the College will disburse the loan funds within 90 days of the date of determination of the student's withdrawal date.

NIC maintains the right to decide whether or not to make a post-withdrawal disbursement in the event that the student responds after 14 days of the date that the notification was sent. If the College decides not to make this post-withdrawal disbursement, it will inform the student in writing.

Return of Unearned Funds from R2T4

If the total amount of Title IV grant and/or loan assistance that was earned as of the withdrawal date is less than the amount that was disbursed to the student, the difference between the two amounts will be returned to the Title IV program(s) and no further disbursements will be made.

If a student has received excess funds, the College must return a portion of the excess equal to the lesser of:

- The student's institutional charges multiplied by the unearned percentage of funds
- The entire amount of the excess funds.

The funds will be returned in the order below as prescribed by Federal Regulations, within 45 days from the date of determination that a student withdrew.

- Unsubsidized Loans
- Subsidized Loans
- Federal PLUS loans
- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG)

In the event that there is remaining unearned aid, the student is responsible for returning those funds. If the aid to be returned is in the form of a loan that has been released to the student borrower (or parent borrower if a PLUS loan), the student (or parent) can repay the loan in accordance with the terms of the promissory note over a period of the time. If the aid to be returned is in the form of grant funds, the law provides that the student may repay 50% of a Federal Grant rather than 100%. The College will return the student's grant obligation to the appropriate Federal Program.

Both the College's portion and the student's portion of unearned aid returned to programs will be charged back to the student's account, as specified in Federal Regulations. The Student Accounts Office will track the student's balance and repayment of funds. Unearned funds must be repaid to the College before the student is eligible to re-enroll.

Return of Unearned Funds from R2T4

The return of Title IV funds is separate from the College's tuition refund policy. See NIC's tuition, fees, and housing refund policies at www.nic.edu/studentaccounts.

Example of Refund of Tuition and Return of Title IV

A student enrolls during the fall semester, beginning August 24 and ending December 15 (114days). The student withdraws from all courses on September 2 (10 days).

Tuition Refund Calculation

Step 1: Total Charges for Tuition and Fees - \$1,257.00

Step 2: 100% refund if withdraw between the 1st day of the term and before the 10th day of the 2nd week of classes - \$1,257.00

Return of Title IV Calculation

Step 1: Federal Aid awarded:

Federal Pell Grant - \$2,000.00

Step 2: Percentage of Title IV federal aid earned: August 24 to September 2 (the withdrawal date) = 10 days/114 days in term = 8.77%

Step 3: Amount of Title IV aid earned: $\$2,000 \times .0877 = \175.40

Step 4: Total Title IV aid to be returned: $\$2,000 - \$175.40 = \$1,824.60$

Step 5: Amount of unearned Title IV Aid returned by the College:

NOTE: Must use original tuition and fee charges: $\$1,257 \times .9123 = \1183.25

Pell Grant - \$1183.25.

Step 6: Remaining amount of unearned Title IV Aid returned by the Student.

Pell Grant - \$ 0

Step 7: Charge back to student's account - \$ 1183.25

The amount of \$1,183.25 must be paid in full to North Idaho College before the student can register for future courses. The amount cannot be charged to future financial aid disbursements.