



## Financial Aid

# Return of Title IV Funds Policy

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### FOR STUDENTS OF THE REAL WORLD

The return of Title IV funds is a complex process involving a great deal of interoffice cooperation and coordination. Title IV funds are awarded to eligible students under the assumption that they will attend Central Texas College for the entire period for which the assistance is awarded. Only students who have withdrawn from all classes in a payment period are subject to the return of Title IV formula. If a student changes their enrollment status, such as drops courses but is still enrolled for at least one course they would not be subject to the return of Title IV funds formula, but would be subject to the Satisfactory Academic Progress policy. Central Texas College is an institution required to take attendance. Central Texas College confirms enrollment at the census date, which is the last day to withdraw without a “W” grade. If a recipient of Title IV grant or loan funds withdraws from Central Texas College after beginning attendance, the amount of Title IV grant or loan assistance earned by the student must be determined.

The following list is of financial aid programs, Title IV, to which the Return of Title IV funds requirement applies. The financial aid programs are listed in order that the school must return per the federal formula:

- **Federal Unsubsidized Stafford Loan**
- **Federal Subsidized Stafford Loan**
- **Federal Parent PLUS Loan**
- **Federal Pell Grant**
- **Federal Supplemental Education Opportunity Grant**

Central Texas College determines the date the student withdrew depending on the type of withdrawal. If the student begins the official withdrawal process or provides official notification to Central Texas College of his or her intent to withdraw the date Central Texas College determines that the student withdrew would be the date the student began the official withdrawal process, or the date of the student’s notification, whichever is later. If the student did not begin the official withdrawal process or provide notification of his or her intent to withdraw, the date of the institution’s determination that the student withdrew would be the date that Central Texas College becomes aware that the student ceased attendance. If Central Texas College is informed that a student has died, the withdrawal date is determined either by the official notification from the student, if they had started an official withdrawal process due to illness or accident, etc. prior to the death, or the withdrawal date is the date that Central Texas College determines is related to that circumstance if no official withdrawal was initiated. The withdrawal date will be no later than the date of the student’s death. Central Texas College does not disburse post-withdrawal disbursements to a student that has died during the payment period. The Registrar’s Office notifies the National Student Loan Data System (NSLDS) via the National Student Loan Clearinghouse of enrollment changes.

- **Official Withdrawal:**

The Registrar's Office is the designated contact point for students who wish to withdraw. The Registrar's Office assists the student with completion of the top section of the withdrawal form which includes student's demographic information, why they are leaving and their last date of attendance. The student collects the required signatures from offices such as Housing, Financial Aid, Enrollment Services, Student Accounts/Cashier, and Registrar's Office and returns the completed form to the Registrar's Office. The Registrar's Office determines the withdrawal date and reports it to the other affected institutional offices by entering that information into Ellucian database.

Office of Financial Aid checks to see if the student has received Federal Stafford Loans and if so provides them with an Exit Counseling request via email. The Office of Financial Aid begins the Return of Title IV funds process as soon the Office of Financial Aid determines the withdrawal of all classes from a weekly drop report that identifies the students who need to have the Return of Title IV calculation to determine the amount of federal financial aid programs the student has earned.

- **Unofficial Withdrawal:**

Upon receipt of an email from the Registrar's Office that the student is no longer enrolled, or if the institution becomes aware that the student is no longer attending, and the student did not begin the official withdrawal process or provide notification of his or her intent to withdraw, the date of the institution's determination that the student withdrew would be the date that Central Texas College becomes aware that the student ceased attendance. As soon as the Office of Financial becomes aware the Office of Financial Aid gathers the student's information to complete the Return of Title IV calculation to determine the amount of federal financial aid programs the student has earned. The last date the student attended a class is provided by faculty.

In order for the Office of Financial Aid to determine if there is a return of Title IV funds for the student, the Office of Financial Aid collects the student's information for the payment period, which includes original direct costs at Central Texas College for the payment period from the Student Account, the date of determination of the withdrawal date from the Registrar's Office, the federal financial aid programs that have been disbursed or could have been disbursed to the student from the Student Account and from the AIDE screen in Colleague. With these documents the Office of Financial Aid utilizes the return of Title IV funds online program provided by Ellucian, to calculate and manage the return of Title IV funds for the student. This software is tested to ensure it is compliant with the Federal FSA Department of Education software. When a student withdraws after the 60% point of their payment period, they have earned 100% of their federal financial aid funds and there is no money to return because the student has earned 100% of the Title IV funds he or she was scheduled to receive during the payment period. If the student earns equal to or less than 60% the student is subject to the return of Title IV funds calculation. The Office of Financial Aid determines the amount the student earned, which is based on a prorata schedule based on what the student has earned at the time of withdrawal. The return of Title IV funds calculation determines the amount of federal financial aid the student earned, the amount the student did not earn, the amount the student might have to repay, the amount the school must return, if a student is owed a post-withdrawal disbursement, and if the student owes a repayment.

After completion of the calculation online the Office of Financial Aid is responsible for ensuring the proper amounts are returned to the appropriate Title IV programs in a timely manner. The Office of Financial Aid returns funds from Ellucian to COD as soon as possible, but no later than 30 days after the date it determines that the student withdrew. All returns of federal student aid grants and Direct Loan funds previously disbursed are made through the G5 system by the Accounting Office.

The Office of Financial Aid collaborates with the Student Accounts/Cashier office to not release a Title IV credit balance when a student withdraws until the Office of Financial aid performs the Return of Title IV Funds calculation, the Central Texas College refund policy has been applied, and any Title IV credit balance is allocated to repay any grant overpayment owed by the student as a result of the current withdrawal. Central Texas College returns such funds to the Title IV grant account within 14 days of the date Central Texas College performs the Return of Title IV funds calculation. Central Texas College releases the remaining credit balance to the student, parent for a PLUS loan, or back to the Title IV loan debt with student's authorization.

The Business Office will notify the student of his or her obligation to repay funds, tracks the repayment, whether a repayment agreement will be offered and monitored by Central Texas College as well as the 45 day timing responsibility for referring overpayment to ED for any amount over \$50. Acceptable methods of payment for paying funds under an agreement with Central Texas College to the Student Accounts/Cashier Office would be in the form of cash, personal check, cashier's check, money order or credit card through the Business Office.

Student Accounts/Cashier places holds that will be placed on the student's school records or account, and is authorized to release them once the student's obligation has been satisfied.

The Office of Financial Aid will record the student's obligation to repay an overpayment in NSLDS and will monitor, update and notify the student.

The Office of Financial Aid offers the student any earned post-withdrawal disbursement. Students are notified via email and responses are due within two weeks upon notification. If the student does not respond in the two-week time frame the Office of Financial Aid will return funds according to the return of Title IV funds results. If timing will not allow for a two-week response time frame from the student, the Business Office will make all attempts to contact the student as quickly as possible, including phone calls. Central Texas College complies with the post-withdrawal disbursement time frames and disburses any Title IV grant funds a student is due within 30 days of the date the school determined the student withdrew, and disburses any loan funds a student accepts within 180 days of that date.

The Satisfactory Academic Progress (SAP) policy is e-mailed to the student's email account that is on file with Central Texas College with a letter of explanation regarding the student's SAP status.