

# **Withdrawals, Refunds and the Return of Title IV Funds Policy**

## **Brief Description:**

### **Withdrawal/Leave of Absence from Institution**

Students who wish to withdraw from all courses (or take a leave of absence) from Dickinson State University, after the semester start date, must officially withdraw. To withdraw, students must complete the Cancellation/Withdrawal form found online through the Academic Success Center.

Campus Connection does not allow students to drop the last or only course. The date of withdrawal for financial aid purposes will be the date the student begins the withdrawal process or the date, as determined by DSU, that the student otherwise notified DSU in writing or verbally, of their intent to withdraw to zero credits (or , if an \*unofficial withdrawal, the date as determined by DSU).

A student who registers and does not attend will be responsible for all tuition and fees if he/she does not submit the withdrawal form.

The Office of Financial Aid (FAO) will review the Non-Attendance list as compiled by the Office of Student Affairs and Enrollment Management. If a student who received a Pell Grant is on the non-attendance list, the FAO will contact the student to determine the reasoning. If no contact is made, the FOA will collect a Last Day of Attendance and adjust the Pell Grant accordingly to the Pell Eligibility chart. Student will be notified in writing.

Students who withdraw from the University may not be completing 66 2/3% of the credits hours attempted cumulatively; therefore, if the student's cumulative credit completion rate has dropped below 66 2/3 %, the student would not be meeting Satisfactory Academic Progress (SAP) and would be disqualified from federal financial aid. Meeting SAP requirements in future terms or an approved appeal will be required before aid will be reinstated.

### **Refunds for Tuition and Fees**

For students who choose to withdraw from the university after registration, refunds will be issued based upon the number of Instructional weeks attended. The complete North Dakota State Board of Higher Education Policy 830.2 may be viewed at North Dakota University System's website under Policies and Procedures.

For those students who choose to drop a course or courses and remain in school with fewer than 12 hours will receive refunds based on the following percentages:

0-8.99%	100%
Thereafter	0%

Although a refund will not be granted after the seventh calendar day for course changes, the student may add the same number of hours within the same session at no charge.

### **Refund/Return of Title IV Funds**

Federal regulations require all institutions to develop a policy which determines the amount of Title IV grant or loan assistance that a student has earned as of the student's withdrawal date (or otherwise failed to complete the term). A refund of institutional charges or the percentage of Title IV aid earned for a student, who withdraws from Dickinson State University, is calculated through the sixty percent point in an enrollment period. Unearned funds must be returned in the order specified by law. A detailed refund schedule is available in the Office of Business Affairs.

### **General Requirements, as per Federal Student Aid Handbook, Volume 5:**

Federal financial aid funds (Title IV Funds) are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. If a student ceases attendance (drops or withdraws) from all Title IV eligible courses in a payment period or period of enrollment, the student must be considered a withdrawal for Title IV purposes. The principle is the same for programs offered in modules. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that were originally scheduled to receive. Furthermore, when a student withdraws, the student is no longer considered to be enrolled, and DSU must report the withdrawal to a national reporting system. Consequently, the student is no longer eligible for an in-school deferment (re: student loans).

The Department of Education specifies how institutions determine the amount of Title IV program assistance that a student earns if the student withdraws from school. The calculation of earned Title IV funds includes the following grant and loan funds (if they were disbursed or *could have been*) disbursed to a student for the period of time for which the calculation is being performed. The Title IV programs that are covered by the regulation are: Pell Grants, Iraq and Afghanistan Service Grants, TEACH Grants, Supplemental Educational Opportunity Grants (SEOG), Direct Loans (subsidized/unsubsidized/PLUS), and Perkins Loans. [NOTE: Federal Work Study funds are not included in the calculation.]

When a student withdraws during a payment period or period of enrollment, the amount of Title IV program assistance that the student earned up to that point is determined by a specific formula. The amount of assistance that a student earned is determined on a pro rata basis. For example, if the student completed 30% of the payment period or period of enrollment, the student earned 30% of the aid that was received. If the student received more federal aid than earned, the excess funds must be returned by DSU and/or the student.

If the student completed more than 60% of the payment period or period of enrollment, all of the assistance that a student was scheduled to receive for that period would be earned. There may be some Title IV funds that a student was scheduled to receive that cannot be disbursed after a withdrawal because of other eligibility requirements.

**If a student withdraws and has a credit balance**, the 14-day payment requirement is placed on hold to determine the final amount of any Title IV credit balance. DSU must perform the Return of Title IV funds calculation, and in order to allow DSU time to appropriately apply any credit balance after it has recalculated, a new 14-day deadline begins on the date DSU performs the Return calculation (not the date DSU performs any calculations required by the institutional

refund policy). [NOTE: To determine the correct Title IV credit balance, DSU must take into account both the results of the Return calculation and any applicable refund policy.]

**If a student withdraws and has received excess Title IV program funds that must be returned,** DSU must return a portion of the excess equal to the lesser of:

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

If DSU is not required to return all of the excess funds, the student must return the remaining amount.

Any amount of unearned grant funds that the student must return is called an overpayment. The maximum amount of a grant overpayment that the student must repay is half of the grant funds the student received or was scheduled to receive. Students who owe overpayments as a result of withdrawals initially will retain their eligibility for Title IV funds for a maximum of 45 days from the earlier of:

- The date the school sends the student notice of the overpayment, or
- The date DSU was required to notify the student of the overpayment.

Within 30 days of determining that a student who withdrew must repay all or part of the Title IV grant, DSU must notify the student that the overpayment must be repaid or make satisfactory arrangements to repay it.

If the student takes no action during the 45 day period, the student's overpayment must be reported immediately to the Department of Education.

Any loan funds that the student (or the parent for a PLUS Loan) must return will be repaid in accordance with the terms of the promissory note. That is, the borrower will make scheduled payments to the holder of the loan over a period of time.

When a student withdraws, the requirements for Title IV program funds are separate from the refund policy. Therefore, a student may still owe funds to DSU to cover unpaid institutional charges. DSU may also charge a student for any Title IV program funds that DSU was required to return.

### **Distribution of Unearned Title IV Aid**

In compliance with federal regulations, DSU must return Title IV funds to the programs from which the student received aid during the payment period or period of enrollment as applicable, in the following order, up to the net amount disbursed from each source:

- Unsubsidized Direct loans (other than PLUS loans)
- Subsidized Direct loans
- Federal Perkins loans

- Federal PLUS loans
- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- TEACH Grant
- Iraq and Afghanistan Service Grant

Federal Work-Study funds paid to recipients are not included in the computation of earned Title IV aid, nor will these funds be refunded to the federal account from which they were paid.

Unearned Title IV grants and loan funds due from DSU will be repaid to the federal accounts for the specified term. Unearned portions of Title IV grant aid due from the student will also be repaid to the federal accounts by DSU. All repayments made by DSU pursuant to this policy will be charged to the student's account.

### **\*Unofficial Withdrawals**

In the absence of an official withdrawal and the student ceases attendance (as identified by a student who received all F's, I's or U's) for a term or period of enrollment, the following procedures will apply:

1. The student's class instructors will document the last known date of an academically related activity for the student (i.e. an exam, daily assignment, attendance in class, etc.).
2. If the latest date **any** instructor can document is after the 60% point in the enrollment period, the student is considered to have earned 100% of their financial aid funds and no further action will be required. If the latest date is before the 60% point in the term, the latest documented date or the 50% point in the term (whichever is later) will be used as the last date of attendance for the student. If documentation indicates no attendance in any class, the student will be deemed ineligible for financial aid per federal regulations and required to repay all aid received for that semester.
3. Based on the last date of attendance, a Return of Title IV funds calculation will be processed to determine the type(s) and amount(s) of financial aid to be returned.
4. **All financial aid funds to be returned will be the responsibility of the student.** The institution will **not** refund any tuition, fee, and room or board charges.
5. A letter will be mailed to the student notifying them of their obligation at the time the institution returns the financial aid funds.
6. A hold will be placed on the student's record at DSU, and institutional collection procedures will be followed.
7. The student will be placed on Financial Aid Disqualification for not meeting Satisfactory Academic Progress.

### **For more information:**

Contact the DSU Director of Financial Aid at: (701) 483-2566

Contact the Office of Business Affairs for the refund policy at: (701) 483-2328

Contact the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243).  
TTY users may call 1-800-730-8913.

The Return of Title IV Funds worksheet can be found on the Department of Education's  
Information for Financial Aid Professionals website at: [www.ifap.ed.gov/ifap/wst.jsp](http://www.ifap.ed.gov/ifap/wst.jsp).

Information is also available at: [www.studentaid.gov](http://www.studentaid.gov)

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