

## **DCTC Procedure 3.37 Return to Title IV Funds and State Funds**

### **Part 1. Introduction**

If a student completely withdraws from all credits before the 60 percent point of the payment period, their financial aid is subject to the State and Federal financial aid refund policy. Under this policy, students earn financial aid in proportion to the time they are enrolled up to the 60 percent point. The unearned share of the federal financial aid must be returned to the program within 45 days from which it was paid as prescribed by federal regulations in the following order:

1. Federal Unsubsidized Direct Loan
2. Federal Subsidized Direct Loan
3. PLUS Loan
4. Federal Pell Grant
5. Federal SEOG

### **Part 2. State Financial Aid Programs**

State financial aid programs are refunded to the Minnesota Office of Higher Education/ State of Minnesota.

### **Part 3. Repayment of Financial Aid**

The student may be required to repay a portion of financial aid they received. For example, if a student withdraws after completing 30% of the term, they are entitled to keep approximately 30% of their financial aid and must repay the remaining 70%.

After the 60 percent point of the semester, the student is considered to have earned all the financial aid eligibility and no refund is required for withdrawal.

### **Part 4. Withdrawal Exemptions**

Courses which do not run the full length of the term are considered short-term courses. A student enrolled in only short-term courses is considered to have withdrawn for return of Title IV (R2T4) purposes when the student ceases attendance and is not scheduled to begin another course within a period of enrollment for more than 45 calendar days after the end of the module the student ceased attending. A student who meets one of the following exemption criteria is not considered to have withdrawn:

- Withdrawal Exemptions for programs offered in short terms:
  - The student completes all the requirements for graduation in their program of study;
  - A student is not considered to have withdrawn if the student successfully completes one short-term course or a combination of short-term courses, that includes 49% or more of the number of days in the payment period (excluding scheduled breaks of five or more consecutive days and all days between short-term courses).
  - A student is not considered to have withdrawn if the student successfully completes coursework equal to or greater than the coursework required for the institution's definition of half-time student under 34 CFR 668.2(b) for the payment period.

Please contact the Financial Aid Office prior to withdrawing if you have any questions regarding your possible repayment obligation.

## **Part 5. Definitions**

### **Subpart A. Official Withdrawal**

When the student officially withdraws from all courses after the semester begins, the Financial Aid Office will use the withdrawal date to determine the portion of the Federal Title IV aid earned (or could have been earned) to be used to pay institutional charges (such as tuition and fees).

### **Subpart B. Unofficial Withdrawal**

A student is said to be unofficially withdrawn if they stop attending class or stop submitting work for an online course. Faculty report Last Date of Attendance and the student receives a FW (faculty reported withdraw) or FN (faculty reported never attended). For a student who has been determined to have unofficially withdrawn, the date of withdrawal for purposes of the Return of Title IV refund calculation is deemed to be the last date of attendance for in person classes and last date of academically related activity for an online course recorded by the faculty at grading. A grade of F is considered a completed/earned F by the college. When a Last Date of Attendance cannot be determined, the college will use the 50% point of the term.

## **Part 6. Return to Title IV Calculations and Post Withdrawal Disbursement (PWD)**

### **Subpart A. Timeframe for R2T4 calculation**

Federal regulation requires the college to calculate the Return to Title IV refunds within 30 days of determining an official or unofficial withdrawal date. Funds will be returned within 45 days.

### **Subpart B. Post Withdrawal Disbursement (PWD)**

Per 34 C.F.R §668.22 (a)(5) and (6); 34 C.F.R. §668.164(j), (h), a student may be owed a disbursement of Title IV funds after the withdrawal date if the conditions for PWD are met according to the code of federal regulations (as referenced above). A PWD will be credited to the students account and will be made from available grant funds before available loan funds.

### **Subpart C. PWD Timeframes**

- A PWD of grant funds will be disbursed within 45 days of the date of Dakota County Technical College's withdrawal date determination.
- A PWD of loan funds will be offered to the student/parent within 30 days of the date of the school's determination that the student has withdrawn. Dakota County Technical College will provide a 14-day response period to the student to accept or decline funds. Written permission from the student or parent (PLUS) is required before loan funds can be disbursed. The disbursement of requested funds must be made within 180 days of the withdrawal date determination.

## **Part 7. Treatment of a Title IV Credit Balance When a Student Withdraws**

In most cases, the cash management regulations require a school to refund a Title IV credit balance to a student within 14 days. However, when a student withdraws with an outstanding Title IV credit balance, a school is first required to perform an R2T4 calculation to determine, among other things, whether adjustments to the credit balance will occur. The credit balance will be disbursed as soon as possible and no later than 14 days after the R2T4 calculation.

### **Related Documents:**

- 34 CFR §668.2(b)

- 34 C.F.R §668.22 (a)(5) and (6)
- 34 C.F.R. §668.164(j), (h)

**Responsible Administrator:** Vice President of Student Affairs

**Policy History:**

Date of adoption: April 4, 2024

Last revision date: April 4, 2024

Date most recent policy revisions go into effect: June 1, 2024

**Date and subject of revisions:**

03/29/2024: New policy required by the United State Department of Education.