

## Repayment Policy

If you receive a grant and then withdraw from one or all of your classes, you will owe money back to the federal program.

### Reduced Enrollment

If you receive a grant and you withdraw from one or more of your classes, but still remain in some courses, then this is referred to as reduced enrollment. then this is referred to as reduced enrollment.

- Scenario: *If you were enrolled in 12 units and received a Pell grant of \$3,247, then you withdraw from 2 classes (6 units) you would then owe \$1,623.00.*

### Return to Title IV Funds

Federal Title IV financial aid funds are awarded under the assumption that a student will attend and successfully complete the entire semester for which the funds were awarded. The funds include, Federal Pell Grant and Federal Supplemental Education Opportunity Grant (FSEOG).

Students who withdraw from all of their classes, are dropped by all of their instructors, and/or receive all FW grades for the semester may be subject to repayment of federal funds and the Return of Title IV will be calculated assuming attendance at the 50% point of the semester. *If a student withdraws after completing 60% of the term, the student has earned 100% of the Title IV funds awarded/received.*

Chaffey College is not required to take attendance. Students who are not able to complete a course have an obligation to withdraw officially. A student may drop or **withdraw** only before 61% completion of the class.

An instructor may also drop or **withdraw** a student for lack of attendance only before 61% completion of the class. After census, students should not rely on instructors to drop or **withdraw** them from a class.

A student's withdrawal date is categorized in the following ways:

- **Official withdrawal**--the date the student dropped his/her last class in the Admissions Office of his or her intent to withdraw.
- **Unofficial withdrawal**--the midpoint of the semester for a student who leaves without notifying the college (and received all FW grades; combination of all FW and/or W grades).
- The student's last date of attendance in a documented academically-related program.

If a student earned more aid than was disbursed to him/her, the institution would owe the student a *post-withdrawal* disbursement. The student will receive a Post Withdrawal Disbursement notification letter informing the student of the award eligibility, and the amount that the student is eligible to receive and when funds will be available.

### **Payment of a Refund or Return of Title IV (Section 8.3)**

Chaffey College is required to perform a Return to Title IV calculation within 30 days of the date the school learns that a student has completely withdrawn. Federal regulations require that the Financial Aid Office performs a calculation to determine how much financial aid a student has earned. The Financial Aid office uses a federal formula to determine how much aid a student earned based on his/her last day of attendance.

The institution would also be required to return a portion of the funds. The institution must return the portion of Title IV funds for which it is responsible to the U.S. Department of Education no later than 45 days

after the date of the determination of the date of the student's withdrawal.

1. In the event that a student has not earned all of the aid that was disbursed, he or she may be required to return some of the financial aid received. Students will be notified in writing of the requirement to return financial aid funds.
2. A repayment notification will be sent with the amount due. The student will have 45 days from the date on the notification to repay the funds directly to the school. After the 45<sup>th</sup> day, the overpayment will be reported to the US Department of Education for collection. The student will be ineligible for any additional Title IV funds until the repayment is resolved. Once the balance owed is transferred from the college to the U.S. Department of Education, the student can contact the Department of Education by calling 1-800-621-3115.

Any unearned portion will be returned by the college and/or the student in accordance with the method prescribed in regulations. The amount will be returned in the following priority order:

3. Federal Pell Grant
4. Federal Supplemental Educational Opportunity Grant (FSEOG)

Any wages paid to a student from the Federal Work Study program are wages earned and do not need to be paid back.

### **Calculation of Return to Title IV Funds**

#### **Step 1: Determine the total amount of federal funds for the semester**

- Scenario: *Student receives \$1,524 Pell Grant award and could have received an additional \$1,523 if you had completed the semester, equaling a total of \$6,095 for the semester.*

## Step 2: Determine the percentage of funds earned by the student

- Scenario: *There are 120 days in the semester and the student withdraws from all classes on the 26<sup>th</sup> day of the semester.*  
 $26/120=21.67\%$  of funds earned

## Step 3: Determine the amount funds earned (and unearned) by the student within the semester

- Scenario:  $\$1,524$  grant money received +  $\$1,523$  could have received =  $\$3,047$   
 $\$3,047 \times 21.67\%$  (days student stayed enrolled in courses) =  **$\$660.28$**   
**(21.67%) earned funds**  
 $\$1,524$  grant money received -  $\$660.28$  earned funds =  **$\$863.72$**   
**(78.30%) unearned funds**

## Step 4: An additional portion of the grant must be repaid by the college based on your total institutional charges at the time you withdrew

- Scenario: *You took 13 units for the semester at \$46 per unit. Your total institutional charges =  $\$640 \times 78.30\%$  (unearned) =  $\$501.12$  the college has to pay back to the federal program*

*Students will return the unearned amount minus 50% of the total aid that was disbursed and aid that could have been disbursed.*

$\$863.72$  unearned aid -  $\$501.12$  that the college returns =  $\$362.60$   
*which is the initial amount of unearned aid due from you.  $\$3,047$  total aid disbursed/could have been disbursed  $\times 50\%$  =  $\$1,523.50$ .*

$\$362.60 - \$1,523.50 = \$0$  student returns to the federal grant program.