**Davis Technical College**  
**Student Financial Aid - Return to Title IV Credit Hour Policy**

**Effective Date: July 1, 2023**

1. **Purpose**

   1.1. When a recipient of Title IV grant aid withdraws from the College during a payment period in which the student began attendance, the Financial Aid Office must determine the amount of Title IV grant Aid that the student earned as of the student’s withdrawal date.

2. **References**

   2.1. Federal Student Aid Handbook Volume 5
   
   2.2. Code of Federal Regulations, 34 CFR 668.22
   
   2.3. Davis Technical College Student Financial Aid Satisfactory Progress Policy
   
   2.4. Davis Technical College Student Withdrawal Policy and Procedures

3. **Definitions**

   3.1. **Payment Period:** For programs that are one academic year or less in length, the first payment period is the period in which the student successfully completes half of the credit hours of the 1st academic year. Second payment period is when the student successfully completes remainder of the credit hours and all the weeks of instruction for the program’s defined academic year. For programs greater than an academic year in length, subsequent payment periods are prorated based on the remaining hours in the program.
   
   3.2. **National Student Loan Data System (NSLDS):** A centralized database reporting student aid and enrollment information between students, lenders, schools, guarantors, and other parties with a vested interest.
   
   3.3. **Withdrawal Date:** For purposes of Return to Title IV (R2T4), “withdrawal” is determined when the student notifies the College staff or faculty of the intent to withdraw; or when the College withdraws the student for cause; or the date of the last active schedule for students.

4. **Policy**

   4.1. The Financial Aid Office will perform a Return of Title IV Funds Calculation using the College’s financial aid management software. Funds will be returned to the Department of Education within 45 days following the date the school determines the student has withdrawn or the last date student attended class.

   4.1.1. Upon completion of a class students must schedule their next class within 1 business day. The new class must begin within 60 days.
4.2. **Student Returns Within 180 Days of Withdrawal Date:** if a student returns to the College within 180 days of their official withdrawal date the student must resume their original payment period that was used to calculate the return of funds. In most cases a student will have received more federal aid than was earned and will have to make up hours before they are eligible to receive additional federal aid. The SAP policy will apply and student’s progress at the time of withdrawal will be used to determine financial aid eligibility.

4.3. **Student Returns After 180 Days of Withdrawal Date:** if a student returns to the College after 180 days of their official withdrawal date, their prior payment period is no longer in effect and a new payment period will be established as long as student continues to be eligible for federal aid. The SAP policy will apply and student’s progress at the time of withdrawal will be used to determine financial aid eligibility.

5. **Procedures**

5.1. **Disbursed Payments:** Students are eligible for aid disbursed based on scheduled credit hours. The Davis Technical College Financial Aid Satisfactory Progress Policy requires completion of attempted credit hours before payment of any subsequent disbursements.

5.2. **Return to Title IV Calculation:** The College will evaluate student withdrawals on a regular basis and calculate a Return to Title IV in a timely manner. The number of credit hours the student completed will be compared as a ratio of the credit hour attempted in the period to determine the percentage of funds earned up through the 60% point of the payment period. At 61% students are eligible to receive 100% of aid for the payment period. The calculation also includes a grant protection allowance in comparison to institutional charges.

5.2.1. Any funds that the College is required to return, will be returned to the student or the Department of Education within 45 days of determining the student has withdrawn.

5.2.2. Since the College does not participate in federal loans, funds are returned, based on calculation, in the following order:

   1. Federal Pell Grant
   2. Iraq and Afghanistan Service Grant
   3. Federal Supplemental Education Opportunity Grant (FSEOG)

5.3. **Post-withdrawal Disbursement:** At the time the student withdraws, if it is determined that a late disbursement of financial aid could be made, a post-withdrawal disbursement will be calculated, and funds returned to the student as described in 5.2.

5.4. **Unearned Charges:** If, at the time the student withdraws, it is determined that unearned charges must be returned to the U.S. Department of Education, those funds will be returned as described in 5.2.
5.5. **Institutional Charges:** If the College is required to return funds, allocation of federal dollars will be returned as outlined in section 5.2. Any amounts left owing for direct school charges will be invoiced and billed to the student.

5.6 **Title IV Overpayment:** If it is determined, after completion of a Return to Title IV calculation, that the student has an overpayment of Title IV funds, the student will be notified within 45 days of the determination that the student withdrew. In addition, the aid administrator must notify the Department of Education through an update to NSLDS (National Student Loan Database System). Once an overpayment has been reported to the Department of Education, a student immediately becomes ineligible for any Title IV aid until the overpayment has been resolved.

5.6.1 The College will bill the student for any overpayment of Title IV aid. If the College is unsuccessful in collecting a Title IV overpayment, the student may be referred to the Department of Education’s Default Resolution Group to collect on the outstanding debt.

5.6.2 In most cases the College will return a student’s portion on their behalf, which means an overpayment will normally not be reported to the Department of Education.

6. **Approvals and Notes**

President’s Council Approval: 06/12/2023
Effective Date: 07/01/2023