

# Davis Technical College

## Student Financial Aid - Return to Title IV Credit Hour Policy

Effective Date: 1 July 2024

### 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 1<sup>st</sup> 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 credit 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), an official withdrawal is determined when the student notifies the College staff or faculty of the intent to withdraw; or an unofficial withdrawal, 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will be returned to the Department of Education within 45 days following the date the school determines the student has withdrawn or the last date student attended class.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.
  - 4.1.2. Withdrawal date is determined by either the student's last day they attended class or the last date of academic activity, whichever is later. If unable to determine last date of academic activity or attendance for the student, the lead instructor for the program will be emailed (Cc program director) for confirmation of the student's last date of academic activity or attendance in the program. Instructors will be given a timeframe when they must respond to the request.
  - 4.1.3. If instructor fails to respond within the timeframe requested, student is considered as not

attending during payment period and is ineligible for federal aid.

**4.2. Determining the Student’s Payment Period Length – Open Entry Programs / Clinicals:** The Financial Aid Office must determine the length of the student’s payment period to accurately determine the amount of Pell grant that the student earned and what, if any funds must be returned to the Department of Education. Determining the length of the payment period is determined by one of the following:

**4.2.1.** Student completed at least one (1) required credit(s) in the payment period.

**4.2.2.** Student did not complete any credit hours in the payment period.

**4.3. Determining the Student’s Payment Period Length – Lock Step Programs:**

**4.3.1.** Students in lock step programs have set end dates for each class. The end date of the last class of the payment period will be used to determine the payment period length.

**1.** If payment period includes clinicals then payment period would be determined by policy in 4.2.

**4.4. 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. The SAP policy will apply and student’s progress at the time of withdrawal will be used to determine financial aid eligibility.

**4.5. 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 if 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 a t t e m p t e d credit hours. The Davis Technical College Financial Aid SAP 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 perform the Return to Title IV calculation in a timely manner. The number of calendar days the student has been enrolled in the payment period will be compared as a ratio of the total number of calendar days in the payment 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. Any scheduled breaks of 5 consecutive days or longer are removed from the calculation. The calculation also includes a grant protection allowance in comparison to institutional charges.

**5.2.1.** Determining the payment period length for students in open entry programs / clinicals:

**1.** Student completed 1 or more credits: the financial aid office will calculate the number of calendar days from the beginning of the payment period until the date the student was determined to have withdrawn. The total number of calendar days will be divided by the number of credits the student completed prior to their withdrawal. The result will determine how many days, on average, it took for the student to complete 1 credit hour. This number is then multiplied by the number of credits that the student was scheduled to complete in their payment period. This will determine the total number of days to be used for the payment period length.

EXAMPLE: if a student completed 3 credits in 60 calendar days, we would determine that the student takes on average 20 days to complete 1 credit. If there are 12 credits in the payment period, we will multiply the 20 days by 12 credits to

get the total number of projected days in the payment period, which is 180 days.

2. Student did not complete any credits: the financial aid office will project the student's payment period end date by identifying another student in the same program that completed the equivalent of a payment period and had similar progress. That payment period length will be used to calculate the return of funds for the student who has withdrawn and not completed any credits in the payment period. The financial aid office will attempt to identify a student in the same aid year and if none can be identified then will go to the most recent aid year to identify a comparable student.
- 5.2.2. 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.
  - 5.2.3. 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 5.2.2.
  - 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. **Title IV Credit Balance**: If it is determined that a student is eligible for a refund of federal aid, the College will send the balance to the student within 14 days of the completion of the Return to Title IV Funds calculation. A refund will only be sent to student after all institutional charges and grant overpayments have been satisfied.
  - 5.6. **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**

Effective Date: 1 July 2024  
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