

# UNIVERSITY *of* NORTH CAROLINA

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# PEMBROKE

## Return of Title IV Funds/Withdrawal Policy

### UNCP Institutional Refund Policy - Return of Title IV Funds Policy

As part of the Higher Education Amendments of 1998, Congress passed new provisions governing what must happen to your federal financial assistance if you completely withdraw from school in any semester. If a student withdraws from the University of North Carolina at Pembroke, then the university or the student may be required to return some of the federal aid awarded to the student. The student may also be eligible for a refund of a portion of the tuition and fees paid to UNCP for the semester.

Procedures for withdrawing from the University are available from the Office of the Registrar and at <https://www.uncp.edu/resources/registrar>.

Withdrawing from classes can affect your financial aid eligibility. Please carefully review our Satisfactory Academic Progress policy as it relates to your credit hour completion rate of attempted versus earned credit hours. The Office of Financial Aid (OFA) strongly suggests you visit the Registrar's website to read additional information that may affect you and your grades.

To conform to the federal policy, UNCP must determine the student's withdrawal date. This withdrawal date is based on the earlier of the two:

1. the last date of attendance at an academically-related activity by a student, or
2. the date the student began the withdrawal process or officially notified UNCP of his/her intent to withdraw

### UNCP Institutional Refund Policy

The University Refund Regulation is used to determine a student's eligibility for a refund when there is a change in the student's status regarding tuition, required fees, housing and food services: i.e., withdrawal, drop in hours, moving on or off campus, etc. For detailed information in reference to UNCP's institutional refund regulations, please refer to <https://www.uncp.edu/pr/pol-075502-student-refund-policy>.

### UNCP Return of Title IV Federal Aid

In general, Federal and State regulations assume that you "earn" your Federal financial aid awards directly in proportion to the number of days of the term that you attend until you withdraw. If you completely withdraw from school during a term, the school must calculate according to a specific

formula the portion of the total scheduled financial assistance you have earned and are therefore entitled to receive up to the time you withdraw. If you or UNCP receives more assistance than you earn, the unearned excess funds must be returned to the Department of Education. On the other hand, if you or UNCP receives less assistance than the amount you have earned, you may be able to receive those additional funds.

The portion of your Federal student aid you are entitled to receive is calculated on a percentage basis by comparing the total number of days in the semester to the number of days you completed before you withdrew. For example, if you complete 30% of the semester, you earn 30% of the assistance you were originally scheduled to receive. This means that 70% of your scheduled awards remain unearned and must be returned to the Department of Education.

The calculation required determines a student's earned and unearned Title IV aid based on the percentage of the enrollment period completed by the student. The percentage of the period that the student remained enrolled is derived by dividing the number of days the student attended by the number of days in the period. Calendar days (including weekends) are used, but scheduled breaks of at least 5 days are excluded from both the numerator and denominator.

The University's refund policy and Return of Title IV Funds procedures are independent of one other. The UNCP institutional refund policy dictates a percentage refund (tuition/fees Student Accounts Office web site at <https://www.uncp.edu/resources/student-accounts>). The Return to Title IV calculation is used to determine the percentage of Title IV aid earned. Unearned aid is returned to the U.S. Department of Education.

Once you have completed more than 60% of the semester, you have earned all (100%) of your assistance. If you withdraw from UNCP before completing 60% of the semester, you may have to repay any unearned financial aid funds that were already disbursed to you. If you received excess funds based on this calculation, UNCP must return a portion of the excess equal to the lesser of:

- The student's institutional charges multiplied by the unearned percentage of funds, **or**
- The entire amount of the excess funds

If UNCP is not required to return **all** the excess funds, you must return the remaining amount. The order that UNCP and you must return these funds is as follows:

- Unsubsidized Federal Stafford Loan
- Subsidized Federal Stafford Loan
- Federal Perkins Loan
- Federal PLUS Loan
- Federal Pell Grant
- Federal SEOG Grant
- Other Title IV Programs

If you are required to repay **loan** funds, this is done in accordance with the terms of your loan promissory note. If you must repay any **grant** funds, the law states that you are not required to repay 50% of the grant assistance that you were calculated to repay. Any grant amount that a student must repay is considered a grant overpayment and therefore must be repaid to UNCP within 45 days of the withdrawal determination. UNCP will return any unearned Title IV funds it is

responsible for returning within 45 days of the date that we determined the student withdrew and will offer any post-withdrawal disbursement of loan funds within 30 days of that date.

### Example

1. A student receives the following financial aid:

Subsidized Stafford Loan	\$1275.00
Federal Pell Grant	\$325.00
<b>Total</b>	<b>\$1600.00</b>
Institutional Charges	\$1177.00
Student's Refund Check	\$423.00

2. The student withdraws from UNCP after completing 10.4 % of the total semester.

- › The semester began on August 19th and ended on December 7th
- › The student totally withdraws on August 29th
- › This is the 11th day of a semester that is 106 days long (or 10.4%)

3. Federal law states that this student has "earned" 10.4% of federal aid disbursed:

100% of aid disbursed	\$1600.00
10.4% of aid earned	\$166.40
89.6% unearned aid	\$1433.60

4. UNCP and the student will share the 89.6 % of unearned aid to be returned. UNCP's portion is determined by multiplying the total charges (\$1177.00) by the unearned percentage (89.6 %) which will be \$1054.59. This will be returned to the Subsidized Loan Program.

5. The student will be responsible for the remaining balance.

Unearned aid	\$1433.60
Institutional Share	-\$1054.59
Student Share	\$379.01

6. The balance of the subsidized Stafford loan, \$220.41 will be returned by the student in accordance with terms of the promissory note. The remaining \$158.60 would be returned at a 50% rate to the Federal Pell grant program.

Pell Grant Overpayment	\$158.60
Multiply the total amount by	.50
Amount the student owes Pell	\$79.30

7. This student must make arrangements with the UNCP Bursar' Office to repay \$79.30 to the Federal Pell Grant program within 45 days of the withdrawal determination.

Students who owe funds to a grant program are required to make payment of those funds within 45 days of being notified that they owe this overpayment.

### **Post-Withdrawal Disbursement (PWD)**

If the student has accepted his/her federal aid and it has not disbursed, the reason for the non-disbursal will be ascertained. If any of the following conditions have been met below, the aid will be included in the "Aid that Could Have Disbursed" section of the calculation to determine if a post-withdrawal disbursement is due:

- a. **Federal Pell Grant:** ISIR received with an "official" EFC preceding the withdrawal date and student meet all other eligibility criteria
- b. **FSEOG:** Aid was awarded prior to withdrawal date
- c. **Direct Subsidized, Unsubsidized, PLUS and/or Perkins Loans:** Loan had originated prior to withdrawal date and Master Promissory Note was signed and Entrance Counseling completed prior to R2T4 calculation.

If the post-withdrawal disbursement calculation indicates that a PWD is due from grant funds and the student has outstanding institutional charges, the funds are automatically applied to the student's billing account. If the calculation indicates that a PWD is due from loan funds or grant funds remain available after being applied to outstanding institutional charges, the student/parent is sent a letter notifying him/her of the amount available. The student/parent is asked to return the letter within 14 days indicating whether he/she wishes to receive the aid and if so, the amount. The written notification will inform the student/parent that no PWD will be made to the student if he/she does not respond within 14 days of the letter date. The letter will also instruct the student/parent to submit his/her response in writing directly to the Office of Financial Aid either by mail or fax.

Once the student/parent responds to the notice within 14 days and instructs UNCP to make all or a portion of the PWD, the funds will be disbursed in the manner specified by the student/parent within 90 days of the date of UNCP's determination that the student withdrew.

If the student/parent does not respond to the UNCP notice, the PWD will be used only for appropriate charges. UNCP will not request Title IV funds for a PWD unless and until it has determined:

- that a PWD is due
- the amount of the PWD
- that the PWD can be disbursed within three business days of receipt

The PWD must be made from available grant funds before available loan funds.

### **Unofficial Withdrawals**

If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course of a semester, UNCP must assume, for financial aid purposes, that the student has unofficially withdrawn. Non-passing grades are defined as F, I, W and WX. Professors are required to report a last day of attendance for any non-passing grade. The OFA will use this last day of attendance to determine a student's unofficial withdrawal date. Students who are unofficially withdrawn will be required to pay back financial aid based on the federal calculation, using the last day of attendance as the withdrawal date. Students may owe a balance to the University in these cases.

### **Withdrawing from Modules**

For those terms that have modules and a student withdraws, the OFA first determines if a Return of Title IV funds is necessary based on a series of questions. If it is determined that return of funds is necessary, then the financial aid office will proceed with the process of determining the calculation based on percentage of earned and unearned aid using the Department of Education calculation. If

no return of funds is necessary, then the OFA will ensure that a statement has been received from the student that he/she will attend a later module. If determined later that the student does not attend that later module, then the OFA will proceed with the return of Title IV funds calculation.

### **State Funded Grant Programs**

Per state regulations, UNCP is required to complete a withdrawal worksheet provided by the North Carolina State Education Assistance Authority to calculate the amount of funds it must return when a student withdraws. In completing the worksheet, "last date of attendance" is determined consistent with Title IV regulations for a return of Title IV funds. "Term" means the academic period for which the State funds are awarded.

1. Official Withdrawal
  - a) Institutional Charges: If the campus refund policy for all students would result in a tuition/fee or room/board refund for a withdrawing student, the state grant funds must be returned before issuing any funds to the student.
  - b) Non-institutional expenses: If a student withdraws prior to or at the thirty-five percent (35%) point of the term, UNCP shall use the state grant withdrawal worksheet and prorate the amount of State funds disbursed for non-institutional expenses and return State funds.
    - i. Any credit balance created by State funds and awaiting disbursement must be returned to the State grant program rather than be released to the withdrawn student.
    - ii. UNCP is not required to return any funds for non-institutional expenses when a student officially withdraws after the thirty-five percent (35%) point of the term.
2. Unofficial Withdrawal or No Earned Academic Credit
  - a) If a student does not officially withdraw from a term, UNCP shall determine and document the last date of attendance consistent with regulations for the return of Title IV funds;
    - i. Use the worksheet to calculate any required return of State funds; the worksheet will calculate using the same method identified for an official withdrawal.
  - b) If UNCP is unable to document the last date of attendance, it shall:
    - i. Use the worksheet to calculate any required return of State funds, noting that the last date of attendance cannot be determined.
    - ii. The worksheet will calculate the refund using the 10% point in the semester as the date of withdrawal if UNCP indicates that the last date of attendance or academic activity could not be established.
  - c) In all cases where the student earns no academic credit for a term, UNCP must determine whether the student completed the term. If UNCP determines that the student did not withdraw, but instead completed the courses and earned no academic credit, UNCP is not required to return State funds. If UNCP determines that the student unofficially withdrew, UNCP must use the worksheet to determine if any funds must be returned to State grants.
    - i. Future disbursements of State aid are subject to Federal Title IV Satisfactory Academic Progress determinations by the institution.
    - ii. The Authority asks the institution to involve the student in such academic counseling as the institution determines appropriate before permitting continued enrollment using State grant funds.

### **Order of Return of State Funds for Withdrawals**

The return of State funds required by this policy will be applied in the following order up to the maximum amount of funds disbursed from each program:

1. Education Lottery Scholarship Program (ELS);
2. Institution-Specific State Grants:
  - a. UNC Need Based Grant (UNC NBG)

3. North Carolina National Guard Tuition Assistance Program
4. UNC Campus Scholarships
5. North Carolina School of Science and Mathematics Tuition Grant for UNC
6. John B. McLendon Scholarship Fund

Institutions shall return State grant funds within 45 days of the date that the institution determines a student has withdrawn.

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