

NUMBER: 732

SUBJECT: WITHDRAWAL AND THE RETURN OF TITLE IV FUNDS

APPROVAL DATE OF LAST REVISION: JUNE 17, 2019

REGULATORY CITATIONS: CODE OF FEDERAL REGULATIONS, TITLE 34, PART 668.22; HIGHER EDUCATION ACT (HEA) 485  
FSA HANDBOOK VOLUME 5, CHAPTERS 1, 2, AND APPENDIX; FSA ASSESSMENTSPAGE 1 OF 5

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**732.1 – POLICY**

This policy is a continuation of the College's found in Policy 600.606 Withdrawals, Refunds, and Returns – Tuition, Fees, and Other Charges. This Withdrawal and the Return of Title IV Funds policy specifically relates to students receiving Title IV Aid, also known as the Federal Pell Grant and commonly referred to as Federal Student Aid (FSA).

Title IV (Pell Grant) funds are awarded to a student under the assumption that the student will attend school for the entire period for which assistance is awarded. Funds are earned by being enrolled, attending, and completing progress hours for the payment period or period of enrollment for which a student is paid or scheduled to be paid. When a student withdraws, he or she may no longer be eligible for the full amount of Title IV funds originally scheduled to be received. The amount of funds earned is determined on a pro-rata basis. This means, if a student completes 30 percent of a payment period or period of enrollment, the student earns 30 percent of the assistance scheduled to be received. If the day the student withdraws occurs after the student has completed more than 60 percent of a payment period or period of enrollment for which he or she was awarded, the percentage earned is 100 percent.

If a student withdraws from school during a payment period or period of enrollment in which the student began attending, the student may have received an overpayment of Title IV funds. The College must calculate how much of the funds the student is eligible to retain and how much aid must be returned by using formulas provided by the Department of Education for the Treatment of Title IV Funds When A Student Withdraws From A Clock-Hour Program (hereafter called the Return). If it is determined that a student received more Title IV funds than the student earned – the College, the student, or both, must return (repay) the unearned funds. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she may be eligible to receive a post-withdrawal disbursement of the earned aid that was not received. The amount of Title IV aid a student has earned under the Return calculation is not affected by and does not affect the institutional charges a student will be responsible for after withdrawing. Institutional charges previously paid using Title IV funds may become a debt that the student is responsible to pay. See Policy 606 for more information.

Upon request by the student, the Financial Aid Office will provide the student with an estimate of how much federal student aid he or she will retain (or may receive as a post-withdrawal disbursement) and, conversely, how much he or she may have to return (repay) upon withdrawal.

**732.2 – STUDENT WITHDRAWAL – WHEN A STUDENT IS CONSIDERED WITHDRAWN**

When a student ceases attendance (drops or withdraws) from all his or her courses in a Title IV eligible program in a payment period or period of enrollment, the student must be considered a "withdrawal" for Title IV (Pell Grant) purposes and will also be considered a "withdrawal" from the College.

A student is considered to have withdrawn from a payment period or period of enrollment if:

- In the case of a program that is measured in clock hours, the student does not complete all of the clock hours and weeks of instructional time in the payment period (or period of enrollment) that he or she was scheduled to complete -- unless the student is on an approved Leave of Absence as defined by the College's policy. (See Section 600). A student requesting a Leave of Absence must include his or her reason for submitting the request so that an expectation of return may be determined.
- A student has not attended ten consecutive school days in his or her Title IV eligible program.
- Students may also be considered withdrawn for reasons including officially or unofficially withdrawing, completing requirements for graduation, providing notification of intent to withdraw, being suspended or violating terms of the probationary contract.

The withdrawal date for purposes of the Return calculation will always be the last date of the student's documented attendance.

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This may differ from the College's recorded withdrawal date for the student, as written in Policy 606.

**732.3 – TREATMENT OF TITLE IV CREDIT BALANCES**

When a student withdraws and a Title IV credit balance is created, no portion of the Title IV credit balance should be released to the student or returned to the Title IV programs until after the Return calculation is complete. Any Title IV credit balance following the Return calculation must be allocated first to repay any grant overpayment owed by the student. Any remaining funds will then be applied to outstanding institutional charges before being released to the student.

**732.4 – CALCULATING EARNED AND UNEARNED AID**

Return of Title IV Funds requires Bridgerland Technical College to determine the earned and unearned portions of Title IV aid a student has received. Determinations are made as of the date the student ceases attendance based on the amount of time the student, in the case of a clock-hour program, was scheduled to be in attendance. If a recipient of Title IV aid withdraws after beginning attendance, the amount (earned or unearned) is determined by the Financial Aid Office using formulas provided by the Department of Education for the Treatment of Title IV Funds When A Student Withdraws From A Clock-Hour Program.

Institutional charges used in the calculation are generally defined as tuition and fees, required books, tools, supplies and other educational expenses paid directly to the school for the successful completion of the program in which the student is enrolled. Up through the 60 percent point of the payment period or period of enrollment in which the student withdraws, the College will prorate the total charges for the program in which the student is enrolled to correspond with the payment period or period of enrollment. Dollars and cents will be rounded to the nearest penny using standard rounding rules in the Return calculation. If the amount disbursed to the student is greater than the amount the student earned, the unearned funds must be returned by the student to the College. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she may be eligible to receive a post-withdrawal disbursement of the earned aid that was not received. Final repayment or post-withdrawal disbursement amounts will be rounded to the nearest dollar.

Standard rounding rules will not be applied when calculating the percentage of Title IV assistance earned. Once more than 60 percent of the payment period or period of enrollment has been completed, a student has earned 100 percent of the Title IV funds he or she was scheduled to receive during that period. For a student who withdraws after the 60 percent point-in-time, there are no unearned Title IV funds. The College's Financial Aid Office must still determine if the student is eligible for a post-withdrawal disbursement.

**732.4.1** – Payment period or period of enrollment is defined as a period of time for which a student has been awarded and is scheduled to receive Title IV aid (Pell Grant). The period for which the student has been awarded is the same period used in the Return calculation.

**732.4.2** – A student completes a payment period or period of enrollment by being enrolled in, attending, and demonstrating successful completion of coursework associated with the student's program of enrollment. See the Satisfactory Progress Policy 700.703 for more information.

**732.5 – UNEARNED FUNDS – OVERPAYMENTS**

When a student withdraws from school during a payment period in which the student was paid and began attending, and did not complete more than 60 percent of the hours in the payment period, the student may have received an overpayment of FSA funds. When it is determined that a student received more assistance than the amount earned – the school, the student, or both, must return (repay) the unearned funds.

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**732.5.1 – INADVERTENT OVERPAYMENT**

Inadvertent Overpayment may occur as a result of being paid a payment after the student has withdrawn. This may happen when enrollment is confirmed and the payment is processed, but later the student withdraws with an earlier exit date. In cases such as this, the Return calculation may not occur for that payment. The student may be subject to repay the full amount of this overpayment.

**732.5.2 – WHEN A RESOLVED OVERAWARD BECOMES AN OVERPAYMENT**

This may occur when a student reduces enrollment, which in turn reduces his or her Title IV aid eligibility. If the school has resolved the overpayment by reducing scheduled future disbursements for a current or subsequent payment period and the student withdraws before the end of the payment period or before earning the overpaid amount, the portion of the student's award that was an overpayment must be repaid outside of the Return calculation.

The student should be notified in writing by the Financial Aid Office within 30 days of the date of the institution's determination that the student withdrew of any overpayment he or she has received with direction on how any overpayment may be repaid. Students are responsible to repay any overpayment to the College within 30 days. If a student owes an overpayment and sufficient funds are available on the student's account, the College will use those funds to repay the overpayment. If sufficient funds are not available on the student's account, the student will be given 30 days to make payment in full to the College. Failure to repay these funds or make acceptable repayment arrangements within 30 days will result in the obligation being turned over to the State of Utah Division of Collection Services. The Department of Education may also be notified which may result in jeopardizing future financial aid eligibility at the College or any other school.

Regulations require institutions to return unearned funds within 45 days of the student's withdrawal or the date of the institution's determination that the student withdrew. Schools must return Title IV Program funds in a particular order (Loans, Pell Grant, and Other grants). Since the College only offers the Pell Grant, this order is immaterial.

**732.6 – EARNED FUNDS – POST-WITHDRAWAL DISBURSEMENT**

A post-withdrawal disbursement is a payment made after a student withdraws from a program, for hours the student has already completed and would have been eligible to receive payment, but for whatever reason, had not been paid while enrolled. Students should be notified by the Financial Aid Office within 30 days of the institution's determination that the student withdrew of the amount and availability details of the disbursement. Post-withdrawal disbursements will be made on the earliest pay date possible following the withdrawal and within 45 days of the date the school determined the student withdrew. Post-withdrawal disbursements are only available if the college received a valid output document (ISIR) while the student was enrolled prior to withdrawal.

A post-withdrawal disbursement, if applicable, will be prepared and available for the student at the Student Services Office. Any remaining or unpaid charges on the student's Accounts Receivable account(s) will be collected from the student at the time funds are placed on the student's Accounts Receivable account, or the post-withdrawal disbursement check is picked up by the student. Additional amounts due, if any, will be immediately due and payable to the College. Additional amounts owed to the student, if any, will be returned to him or her in accordance with the College's refund policies.

**732.7 – WITHDRAWAL AND REENTRY**

Regulation dictates the treatment of a student who withdraws from school and then reenters the same program at the same school. Students reentering after withdrawal should immediately upon their return contact the Financial Aid Office to have their reinstatement for aid considered.

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**732.7.1 – REENTRY WITHIN 180 DAYS**

A student who reenters within 180 days is considered to be in the same payment period he or she was in at the time of the withdrawal. The student retains his or her original eligibility for that payment period, and the school may restore the aid that the student was eligible for before the student ceased attendance and schedule any appropriate disbursements. Actions to be taken by the school may include redisbursing aid that had been disbursed and then returned under the Return calculation; disbursing aid the student was otherwise eligible for that had not yet been disbursed at the time the student withdrew; and canceling any overpayments assessed to the student as a result of the prior withdrawal if those funds were scheduled to be disbursed upon reentry. Once the student completes the payment period for which he or she has been paid, he or she may become eligible for subsequent Title IV aid payments.

For a student who completed more than 60 percent of the period for which the student was paid before ceasing attendance, the school would not have returned any Title IV aid. If that student were to reenter school within 180 days, because the student had received 100 percent of his or her aid for the period, the student would not be eligible to receive additional Title IV aid until he or she has completed the weeks of instructional time and hours for which the student was previously paid.

**732.7.1.1 – WHEN A STUDENT REENTERS IN A NEW AWARD YEAR**

A student who was originally enrolled in a payment period that began, and was scheduled to end, in one award year could return after the end of that award year (June 30). However, the regulations intend that such a student is to be considered, upon his or her return, to be in the same period. Any Title IV funds that could be disbursed to the student should be paid from the original award year regardless of whether the resumption of the payment period is in a new award year. It is possible that a student is eligible for additional funds from an award year that is closed (typically the end of September after the official end of an award year). In such cases, schools are authorized to request an extension to report additional disbursement information and request additional funds.

**732.7.1.2 – WHEN A STUDENT REENTERS INTO A SECOND PROGRAM**

If a student withdraws from one program without completing the payment period and reenters the College in a second program within 180 days after the withdrawal, and is otherwise eligible, the student starts a new payment period for the second program when he or she reenters. Return calculations completed appropriately for withdrawal from the first program will apply.

**732.7.2 – REENTRY AFTER 180 DAYS**

If a student withdraws from a clock-hour program without completing the payment period and reenters the same program, or transfers into a second program, more than 180 days after the withdrawal, and is otherwise eligible to receive Title IV aid, the student starts a new payment period when he or she reenters.

As outlined in the Satisfactory Academic Progress Policy 700.703, a student's demonstrated academic progress status at the time of withdrawal will be his or her status upon reentry. See the complete policy for more information about this as well as Title IV eligibility for enrollment in more than one program.

**732.8 – ITEMS OF CONSIDERATION**

As it is impossible to appropriately address all conceivable scenarios regarding a student's withdrawal and the effect it may have on the Return calculation, situations beyond those described here will be researched in existing regulation and guidance and addressed on a case-by-case basis.

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In an ongoing effort to maintain the rules set forth by federal regulation, there may be changes made to this policy pending the approval of the College Board of Directors. Any changes may be in effect by practice by the Financial Aid Office to which both the College and its students may be required to observe.