



Return of Federal and State Funds – Refund Procedure

Return of Title IV Funds Procedure

Note: This procedure is separate and apart from the State Refund Policy for tuition and fees.

State Refund Policy: <http://www.vgcc.edu/bo/tuition-refund-policy>

The Return of Title IV funds procedure shall apply to all students who withdraw, drop out or are expelled from Vance-Granville Community College (VGCC) and receive financial aid from Title IV funds. “Title IV Funds” refers to the Federal financial aid programs authorized under the Higher Education Act of 1965 (as amended). Of those programs, VGCC participates in and offers funds from the Federal Pell Grant and Federal SEOG programs.

Title IV Funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. If a student is withdrawn from, ceases attendance in, or fails to complete all courses during the enrollment term, VGCC is required to determine how much of the original award has been “earned” by the student. This determination is referred to as a “Return of Funds” calculation. In many cases, the student will be required to repay any “unearned” financial aid as a result of this calculation.

If a student is withdrawn from, ceases attendance in, or fails to complete all courses during the enrollment term before completing more than 60%, VGCC is required to recalculate the student’s award based on the percentage of the term completed. Both VGCC and the student may be responsible for returning a percentage of the unearned aid. For example, if a student ceases attendance after only attending through 30% of the term, then 70% of the student’s original award will be returned to the Department of Education by VGCC (only 30% of the original award is “earned;” the remaining 70% is “unearned” since the student did not attend during this portion of the term). The student, in turn, will be required to re-pay this same amount to VGCC.

On the other hand, if a student ceases enrollment after attending through 60% of the term, then the student has earned his/her Title IV award(s) for that period.

Withdrawal Date

Vance-Granville Community College is an institution that requires attendance to be recorded in all courses. Therefore, a student’s official withdrawal date is his/her last date of attendance at a documented academically-related activity.

For these reasons, it is extremely important for VGCC students to consider all possible options before withdrawing from or ceasing attendance in classes. Before withdrawing, students should consult their respective instructors, advisors, and/or academic and career coaches. In addition, students should speak with a representative in the VGCC Financial Aid Office to determine how much financial aid, if any, he/she will be required to re-pay if ceasing attendance. Consulting these relevant parties insures that the most informed decision can be made by the student.

Unofficial Withdrawal Procedure for Federal Student Aid Purposes Only

The Return of Title IV Funds calculation is not only required if a student officially withdraws from all classes. A student who stops attending class or leaves VGCC without following the official procedures for withdrawal from a course or from VGCC is subject to receiving a grade of Withdrawal, 'W' or Failing, 'F'/'RF', posted on his/her record for each course in question. When a student receives all F's, W's, or a combination of these grades for a semester, he or she may be defined as 'unofficially withdrawn' for Title IV purposes.

Failure to complete courses may also have a significant impact on a student's financial aid status. At the end of each term, the student's last date of attendance of the enrollment period is used for the Return of Title IV Funds calculation, based on this length of attendance. Unofficially withdrawn students will be billed for resulting institutional charges and repayments of Federal Student Aid.

Performing the Return of Title IV Funds Calculation

The percentage of Title IV aid earned by the student is calculated using the student's withdrawal date. Using the withdrawal date, VGCC can determine how many days in the enrollment term the student actually completed for credit hour programs. This is divided by the total number of days in the term, which results in the percentage of the term completed by the student. This same percentage is the percentage of Title IV aid earned by the student:

$$\frac{\text{Number of days completed by student}}{\text{Total days in term}}$$

--Note: the total number of days in the term does not include scheduled breaks of more than 5 days

For clock hour programs, scheduled hours are used to determine the percentage of the period completed. The percentage of the period completed is calculated by dividing the number of hours the student was scheduled to complete in the payment period by the total number of clock hours in the period.

If the percentage of earned Title IV aid calculated is less than or equal to 60%, VGCC will be required to return to the Department of Education the remaining, unearned Title IV aid. The amount to be returned is the lesser of:

1. the total amount of unearned Title IV aid; or
2. the percentage of unearned Title IV aid multiplied by all institutional charges incurred by the student for the payment period or period of enrollment.

Once a student's award is re-calculated, the new award amount may no longer be sufficient to pay all unpaid charges due to VGCC. Any unpaid charges must be repaid by the student, in addition to the unearned financial aid due back to VGCC. As with any unpaid balance, students are not permitted to register for additional courses or obtain an official academic transcript until the balance is paid-in-full.

Any unearned Title IV aid resulting from this calculation will be returned by VGCC to the following programs, in the following order:

1. Federal Pell Grant
2. Federal SEOG
3. Other Title IV grant programs

In some cases, students will not have received all of the Title IV aid earned. In such cases, the student may be due a Post-Withdrawal Disbursement. This disbursement is comprised of any federal or state-funded grant programs in which VGCC participates. VGCC will apply this Post-Withdrawal Disbursement automatically to any unpaid tuition, fees, and other institutional charges.

Grant Overpayment

Any amount of unearned grant funds that a student must return is called an overpayment. The maximum amount of a grant overpayment that must be repaid is half of the grant funds a student received or was scheduled to receive. A student does not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. If a student has a grant overpayment, he/she will be notified in writing by the Financial Aid Office. The student must make arrangements with VGCC or the Department of Education to return the unearned grant funds.

Return of Funds Calculation—Example

VGCC’s Return of Title IV Funds policy is illustrated by the following example of a student who withdraws from classes in a credit hour program:

A VGCC student is attending full-time for the Fall semester (the Fall semester is 115 days in length). All of the student’s classes are scheduled during the entire 16-week semester. When the student withdraws from classes, it is determined that the student ceased attendance on the 30th day of the semester.

Student’s Financial Aid and Charges:

Federal Pell Grant:	\$2,908.00 (Total Financial Aid)
Tuition and Fees:	(\$972.00)
Textbooks:	(\$473.00)
Excess Financial Aid Refunded to Student:	\$1,463.00

VGCC is required to determine the amount of financial aid earned by the student, based on the percentage of total days attended for the Fall semester. VGCC will then need to determine how much aid to return. The amount to be returned is either a) the total amount of unearned Title IV aid, or b) the percentage of unearned Title IV aid multiplied by all institutional charges incurred by the student, whichever is less.

Percentage of Financial Aid Earned:

Completed Days:	30 days
÷ Total Days in Payment Period	÷ 115 days
= Percentage of Award Earned	= 26.1%

Amount of Federal Financial Aid Earned:

Percentage of Award Earned:	26.1%
x Total Aid Awarded:	x \$2,908.00
= Earned award based on attendance:	\$758.99

Amount of Financial Aid to be returned:

Total Aid Awarded:	\$2,908.00
-Earned award based on attendance:	-\$758.99
=Financial Aid to be Returned:	\$2,149.01
College returns:	\$1,067.86

To determine the amount VGCC must return, compare the following amounts: (1) The total amount of unearned aid is \$2,149.01. (2) The institutional charges of \$1,445, multiplied by the unearned percentage of 73.9%, is \$1,067.86. The College must return the lesser of these two, which is \$1,067.86. VGCC returns the entire amount to be returned to the Department of Education. In turn, the student is responsible for re-paying the same amount to VGCC.

A student who requires a Return of Funds calculation will be notified in writing by the Financial Aid Office. In addition, the Business Office will mail the student an invoice for the balance due.

Return of Funds for State Grant Awards

The North Carolina State Education Assistance Authority (NCSEAU) requires VGCC to complete a “Return of Funds” calculation if a student withdraws from or ceases attendance in all courses for the semester. VGCC must return funds if the student withdraws or ceases attendance on or before the 35% point of the term. Like calculations for federal financial aid awards, the last date of attendance is used to determine the amount of state aid earned by the student. Of state initiatives available in North Carolina, VGCC participates in and offers aid to students from the North Carolina Community College Grant (NCCCG) and North Carolina Education Lottery Scholarship (NCELS).

Official Withdrawal

If a student is withdrawn on or before the 35% point of the payment period, VGCC is required to prorate any disbursed state awards used for non-institutional expenses. The resulting calculation determines the amount of state funds to be returned.

Unofficial Withdrawal/“Unearned” Failing grades

The student’s last date of attendance is used by VGCC to determine the amount of state awards to be returned; the same calculation method is used as that used for official withdrawals.

Once VGCC has completed the “Return of Funds” calculation for students, if state funds need to be returned, they are returned in the following order:

1. North Carolina Education Lottery Scholarship (NCELS)
2. North Carolina Community College Grant (NCCCG)
3. North Carolina National Guard Tuition Assistance Program (NCTAP)