

WITHDRAWAL AND THE RETURN OF FEDERAL FUNDS

The Higher Education Amendments of 1998 changed the formula for calculating the amount of federal aid a student and school can retain when the student withdraws from all classes. This policy goes into effect at Jackson State Community College beginning with the Fall Semester, 2000. Students who withdraw from all classes prior to completing 60% of the term will have their eligibility for federal aid recalculated based on the percent of the term they completed and **may be required to return a portion of the federal funds.**

For example, a student who withdraws after completing only 30% of the term will have “earned” only 30% of federal funds received. The remaining 70% must be returned. The Financial Aid Services Office encourages you to read this policy carefully. If you are thinking about withdrawing from all classes prior to completing 60% of the semester, **CONTACT** the Financial Aid Services Office to see how your withdrawal will affect your financial aid eligibility.

Federal Title IV funds defined for this policy includes: Federal Pell Grant and Federal Supplemental Educational Opportunity Grant (SEOG). This policy shall apply to all Federal Title IV funded students at JSCC who officially withdraw as well as **students who drop out or stop attending ALL classes without officially withdrawing.**

The withdrawal date used for the return of federal funds as required by federal regulation may differ from the withdrawal date used to process the withdrawal from classes and calculate the institutional refund. A student’s **withdrawal date** for the purpose of returning federal funds is:

- the date the student began the withdrawal process as stated in the JSCC catalog, or officially notifies the institution of intent to withdraw; or
- the student’s last date of attendance of class or at a documented academically related activity.

Federal Title IV aid is earned on a daily basis up to and including the 60% point in the semester; 100% is considered earned after the 60% point of the semester. The **percent of Title IV aid “earned”** is calculated by dividing the number of calendar days completed by the total number of calendar days in the term or period of enrollment. Scheduled breaks of five or more calendar days are excluded from the calculation.

The **percentage of Title IV aid “unearned”** (100% minus the percent earned) is used to determine the amount of federal funds to be returned by the institution and the student. The “unearned” percentage of federal aid is multiplied by the institutional charges (tuition and fees) for the term and by the total amount of aid disbursed; the school is responsible for returning the lesser of these two amounts. Students are responsible to JSCC for the amount of federal funds returned by the institution offset by the refund as calculated under the institutional refund policy.

The student is also required to return any unearned aid less the amount returned by the school. If the student is required to return any grant aid (50% will be forgiven), the student is considered to owe a **federal overpayment**. A student who owes an overpayment will be notified in writing by the school within 45 days of the date of withdrawal. The student will have the option to make payment in full or make satisfactory repayment arrangements with the U. S. Department of Education. If the student does not pay in full or make satisfactory arrangements to repay, the overpayment will be reported to the U. S. Department of Education for collection and the student is **ineligible for any additional federal aid** at JSCC or any other educational institution.

Federal Title IV funds are returned to federal accounts by the institution and the student in the following order: 1) Federal Pell Grant; 2) Federal SEOG. Funds returned to federal accounts may not exceed those disbursed from that program account.

Jackson State's responsibilities in regard to the Return of Title IV Funds include:

- Providing each student with the information given in this policy;
- Identifying students who are affected by this policy and completing the Return of Title IV Funds calculation for those students;
- Returning any Title IV funds that are due the Title IV programs.

The student's responsibilities in regard to the Return of Title IV Funds include:

- Knowing the institutional official withdrawal process and institutional refund policy as stated in the JSCC catalog;
- Becoming familiar with the Return of Title IV Funds Policy and how complete withdrawal, official or unofficial, affects eligibility for Title IV aid;
- Returning to the Title IV programs any funds that were disbursed directly to the student and for which the student was determined to be ineligible via the Return of Title IV calculation;
- Contacting the Financial Aid Services Office to obtain more information or clarify this policy.

This policy is effective August 28, 2000. The policies and procedures listed above supersede those published previously and are subject to change at any time by the U. S. Department of Education.

EXAMPLES: Susan is enrolled for 16 hours fall semester 2011; classes started August 27 and end December 14; there are 110 calendar days in the semester; tuition and fees are \$1,600; she received total aid of \$2,800 (Pell \$2,600 and Federal SEOG \$200):

- If she withdraws from or stops attending all classes on September 9 – she has completed 14 days and 12.7% of the funds were earned; JSCC would return \$1,397 to Pell Grant and Susan would owe this amount to the institution; no return of federal funds is due.
- If she withdraws from or stops attending all classes on October 10 – she has completed 45 days and 40.9% of the funds were earned; JSCC would return \$946 to Pell Grant and Susan would owe this amount to the institution; no return of federal funds is due.
- If she withdraws from or stops attending all classes October 31 – she has completed 66 days and 60.0% of the funds were earned; JSCC would return \$640 to Pell Grant and Susan would owe this amount to the institution; no return of federal funds is due.
- If she withdraws from or stops attending all classes November 1 – she has completed 67 days and 60.9% of the funds were earned; JSCC would return \$0 to Pell Grant; no return of federal funds is due.
- In each example above, the student will owe JSCC the amount of Title IV funds return by the institution offset by the refund as calculated under the institution refund policy. This amount will be owed in addition to any student repayment amounts listed in the examples.