Return of Title IV Funds Policy

The Admission and Records Office notifies the Financial Aid Office of all financial aid student withdrawals prior to the 60% date. The Financial Aid Supervisor will request a withdrawal report configured from the PeopleSoft system on a regular basis.

The Financial Aid Office will use the date of withdrawal in the PeopleSoft student records module or as indicated by the instructor, Admissions and Records, or the student, in determining the percentage of the pay period the student completed.

If the Financial Aid Office learns independently that a student has stopped attending classes, the instructors will be contacted and requested to submit the last day the student attended a class-related activity.

Beginning for the 2014-2015 award year, the Financial Aid Office will use the delivered PeopleSoft R2T4 functionality to determine the required repayment from the institution and the student.

Assessed refunds will be refunded to the financial aid programs from which they were paid in the following order:

1. Unsubsidized Direct Loan
2. Subsidized Direct Loan
3. Direct PLUS Loans
4. Pell Grant
5. Supplemental Educational Opportunity Grant

Calculation and Notification Deadline:
R2T4 calculations must be completed within 30 days of the date the campus determined the student withdrew and the student must be notified of the results of the calculation. Calculations include any aid eligible for a post-withdrawal disbursement. Students eligible for a Post-Withdrawal Disbursement are notified by letter that they are eligible for a Post-withdrawal disbursement and that the student has a deadline of 14 days to respond to the request for authorization. The financial aid department is not required to make the Post-Withdrawal disbursement if the student does not respond.

If the student owes a repayment based on the R2T4 calculations the notification must be mailed within the 30 days of the date the campus determined the student withdrew. The following items must be included in the notice:

- The amount of the overpayment
- The student’s eligibility for Title IV aid will end if the student fails to resolve the overpayment in 45 days from the date of the notification (or the date the campus was required to send the notification).
• The options the student has to resolve the overpayment (see Student Overpayment section below)
• Failure to resolve the overpayment will result the campus reporting the overpayment to NSLDS and the debt will be referred to the Debt Resolution Services for collection
• The contact information for the campus representative who can discuss options for resolution

**Institutional Overpayment** – the amount indicated in box O on R2T4 worksheet.

This is an overpayment due from the campus and cannot not be referred to the Department of Education (USDE) for collections or reported to NSLDS as an overpayment.

**Return Deadline:**
Funds must be returned as soon as possible but no later than 45 days from the date the campus determined the student’s withdrawal.

**Return Process:**
1. The Financial Aid Office will reduce the student’s award by the amount of the institutional overpayment.
2. This will result in the award reduction on the student’s account in business services and the student will be responsible repaying this balance to the campus.
3. If the overpayment is in the current academic year the reduced award must be reported to COD and the amount available for the campus to draw down will be reduced by this amount. If the award reduced is SEOG the amount spent will be reduced in the campus fund.
   If the overpayment is in a past academic year see Student Financial Aid Handbook beginning on page 5-96
4. Students who owe a R2T4 balance will have a balance on their student account. Per board policy, the student will be prevented from enrollment until all financial obligations are satisfied.

**Student Overpayment** – the amount indicated in box Q on R2T4 worksheet
The student will retain financial aid eligibility for 45 days from the earliest of:
• The date the campus notified the student of the overpayment
• The date the campus was required to have notified the student (within 30 days of the date the campus determined that the student withdrew)

The student does not have to repay a grant overpayment of $50 or less. If the amount of grant aid owed is $50 or less no further action is required.

**Return Deadline:**
The student must resolve the overpayment with the 45 day deadline.
Return Process:
The student has two options to resolve the overpayment:

1. Repay the amount owed to the campus within the 45 day deadline
   The campus will then return funds to the department using steps 1-4 from Institutional Return Process. No hold should be placed since the debt has been paid in full.

2. Make satisfactory payment arrangements with Debt Resolution Services and make all payments within the timeframe included in the arrangement. Failure to meet any of the terms of the payment arrangement will result in loss of any future Title IV aid. The campus will not enter into payment arrangements overpayments due from the student. If the student indicates the need to make payment arrangements the campus will give the student Peralta’s Instructions for Overpayment Repayment arrangements, and will report the overpayment to:
   - Debt Resolution Services. The “Information Required when Referring Student Overpayments to Debt Resolution Services” form must be complete on campus letterhead and mailed to the address at the bottom of the form.
   - NSLDS via the NSLDS Professional Access website

For further information about referring R2T4 over payments see SFA Handbook beginning page 5-108.

3. If the student does not resolve the overpayment by the above options the campus will submit the overpayment to Debt Resolution Services and NSLDS immediately after the 45 day deadline has passed.