

**RETURN OF TITLE IV FUNDS (FEDERAL FINANCIAL AID) POLICY
(Effective Fall 2013)**

Federal regulations require all college institutions to develop a policy that determines the amount of Title IV grant or loan assistance that a Title IV aid recipient has earned as of the recipient's withdrawal date.

At SBC, federal financial aid will be paid to students on the second Friday after the semester has begun and on the first Friday of consecutive months in the term.

In calculating the return of Title IV funds at SBC, the following 8 steps shall be taken:

- 1. SBC shall collect information about Title IV aid the student received.**
A review of the student's award notification shall reveal information about aid disbursed and aid that could have been disbursed.
- 2. SBC shall calculate the percentage of Title IV aid earned by the student.**
The percentage of Title IV aid earned is determined by dividing the number of completed calendar days in the period of enrollment by the total number of calendar days in the period of enrollment (excluding scheduled breaks of 5 calendar days or more) rounded down to the nearest tenth of a percent.
- 3. SBC shall calculate the amount of Title IV aid earned by the student.**
The amount of Title IV aid earned is determined by multiplying the percentage of Title IV aid earned times Title IV aid disbursed plus Title IV aid that could have been disbursed during the payment period.
- 4. SBC shall determine if the student is due a post-withdrawal disbursement OR if Title IV aid must be returned.**
The amount of aid disbursed is compared to the amount of aid earned.

If the amount of aid earned is more than the amount of aid disbursed, the student is due a post-withdrawal disbursement of Title IV aid. *

*If a student is due a **post-withdrawal disbursement**, payment shall be made within 45 days from the time SBC determines that the student withdrew. The post-withdrawal disbursement shall first be applied to the student's account for outstanding current period charges due to SBC. If funds remain, SBC shall notify the student in writing that s/he is due a post-withdrawal disbursement. The school shall identify the type and amount of funds and explain the option to accept or decline all or part of the disbursement. The student shall be advised that s/he must respond within 14 days of date of notice to receive payment of the post-withdrawal disbursement.

If the amount of aid earned is less than the amount of aid disbursed, Title IV aid must be returned**

** If a student must return unearned aid to the Title IV programs, SBC shall send a notice to the student within 30 days after it has determined the student withdrew from school. The notice shall explain to the student that s/he retains eligibility for Title IV funds for a 45-day period during which one of the following should happen:

- Repayment in full
- Satisfactory repayment arrangement with SBC to repay the funds (within a 2-year period)
- Satisfactory repayment arrangement with the Department of Education

If a student fails to repay the overpayment or sign an agreement with the school within the 45 day period or fails to meet the terms of agreement signed with SBC, the college shall report the overpayment to the Department of Education NSLDS department. At that time, the student shall lose her/his eligibility for federal Title IV financial aid.

5. SBC shall calculate the amount of unearned Title IV aid due from the school.

SBC shall calculate the actual institutional charges (tuition, fees, books, room and board) for the payment period. The institutional refund is calculated by multiplying the amount of institutional charges times the percentage of Title IV aid unearned. This amount is compared to the amount of Title IV aid that must be returned and the lesser amount is refunded to the Title IV aid programs.

6. SBC shall determine the Return of Title IV Funds by the school.

SBC shall return the unearned aid for which it is responsible by repaying funds to the following sources, in order, up to the total net amount disbursed from each source: Federal Pell Grant, Federal SEOG, Iraq Afghanistan Service Grant.

7. SBC shall calculate the initial amount of unearned Title IV aid due from the student.

To determine the initial amount of unearned title IV aid due from the student, SBC shall subtract the amount of Title IV aid due from the school from the amount of Title IV aid to be returned.

8. SBC shall determine the Return of Title IV Funds by the student.

If the initial amount of unearned Title IV aid due from the student is greater than zero, the student must return unearned aid for which s/he is responsible by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return: Federal Pell Grant, Federal SEOG, and Iraq Afghanistan Service Grant. Amounts to be returned by students to grants are reduced by 50%. A student does not have to repay a grant overpayment of \$50 or less.

For a student who was awarded Title IV financial aid, SBC shall calculate the percentage of Title IV aid earned through the 60% point in an enrollment period. After the 60% point of the enrollment period, the student has earned 100% of Title IV financial aid awarded.