Return of Title IV Policy

**Complete Withdrawal from all Classes**

If you completely withdraw from all of your classes both you and Butler Community College (BCC) may be expected to repay some or all of the federal financial aid you have received for the semester. If you completely withdraw prior to the start of your courses, all federal financial aid will be returned to the federal aid programs.

The last day of attendance determines how much aid you and the College are expected to repay to the aid programs. Therefore, it is not possible to tell you exactly how much you must repay until after you have withdrawn. However, a sample calculation is provided further down.

After you withdraw, if BCC is required to return more money than is available from any tuition refund, then you will be required to pay that difference to the Accounts Receivable Office.

- **What would happen if I fail to repay this aid?**

If you fail to repay your portion of the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (SEOG), and the Direct Student Subsidized or Unsubsidized Loan you will have a hold placed on your Butler account and may be turned-over for collection through an outside company.

**Partial Withdrawal**

Dropping courses within the term may require you to repay all or part of the federal aid you received. Students may be subject to return of Title IV funding based upon the last day of attendance for the term. If you are considering dropping a class after your financial aid funds have disbursed for that term, it is important to visit with a financial aid counselor BEFORE dropping so to determine the impact of your federal financial aid assistance.

BCC may be required to return federal aid funds, if we are unable to document attendance and academically related activity for the course(s) that is dropped.

**Reducing Enrollment Levels**

The Financial Aid Office monitors enrollment levels (number of credit hours taken) each term. If you drop courses and fall below the minimum credit hour requirements, you may be required to repay all or part of the aid you received. If you consider dropping a class, it is important to discuss your situation fully with a financial aid counselor before doing so.

Any pending disbursement of your Federal Direct Stafford Subsidized, Unsubsidized loan(s), and/or PLUS loan(s) may be cancelled if you withdraw or drop below six credit hours. You must contact the Financial Aid Office if your loan disbursement was cancelled to determine if you are eligible for reinstatement.

Additionally, the grace period on your Federal Stafford Subsidized and Unsubsidized loans will begin once you withdraw or drop below halftime enrollment. Federal Stafford Subsidized and Unsubsidized loan borrowers have a six-month grace period before payments are required.

If you withdraw or drop below six credit hours, and you have a Federal Stafford Subsidized or Unsubsidized loan you should complete online exit counseling at [www.studentloans.gov](http://www.studentloans.gov).

**Future Financial Aid Eligibility (Satisfactory Academic Progress)**

Dropping any number of credit hours or withdrawing completely can affect your future eligibility for financial aid because you may not meet Satisfactory Academic Progress (SAP) standards. Please refer to the SAP policy on our website at [www.butlercc.edu/fin_aid/parts/1sap.pdf](http://www.butlercc.edu/fin_aid/parts/1sap.pdf) or visit the Financial Aid Office for more information.

The Financial Aid Office at Butler Community College is required by the Department of Education (DOE) to recalculate federal* financial aid eligibility for students who withdraw**, drop out, or are dismissed prior to completing 60% of their enrollment per semester.

The return of funds for Title IV recipients is a mandated calculation, which calculates the portion of federal loans and grants the student was entitled to earn by comparing the total number of calendar days in a student’s enrollment per semester to the number of days completed before the student officially or unofficially withdrew.
If BCC was required to return more money than is available from any tuition refund, then the student will show unpaid tuition and will be asked to pay that difference to the Accounts Receivable Office.

**Recalculation will be based on percent of earned aid using the following formula:**

The amount of Title IV financial aid that a student earns is determined by multiplying the percentage of the payment period completed by the total amount of Title IV aid disbursed or that could have been disbursed. The percentage completed is determined by dividing the days attended in the student’s enrollment period by the total number of days in that enrollment period:

\[
\text{DAYS ATTENDED IN THE ENROLLMENT PERIOD} = \frac{\text{PERCENTAGE COMPLETED}}{\text{TOTAL DAYS IN THE ENROLLMENT PERIOD}}
\]

- If the percentage completed exceeds 60 percent, federal regulations state that 100 percent is used as the earned percentage.
- If the percentage completed is 60 percent or less, federal regulations state the percentage earned is the same percentage as the percentage completed.

Compare the amount of financial aid earned and the amount already disbursed to the student to determine the amount of financial aid that is unearned. If the amount earned is less than the amount disbursed, Title IV financial aid must be returned.

**Title IV Repayment Example:**

Grant Grizzly initially enrolled at BCC for the fall semester and was assessed tuition and fees of $1,680.00. Grant received $2,775 Federal Pell Grant, $200 Federal Supplemental Educational Opportunity Grant, $1,750 Federal Subsidized Loan, and $1,000 Federal Stafford Unsubsidized Loan. After attending 38 days of the semester, Grant decides to withdraw from BCC and informs all appropriate departments.

**Return of Title IV Calculation**

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Result</th>
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<tbody>
<tr>
<td>Divide the number of days attended by the number of days in term Example: 38 days completed/133 days in payment period=</td>
<td>Percentage of term completed 28.6%</td>
</tr>
<tr>
<td>Subtract percentage completed from 100 Example: 100-28.6%=</td>
<td>Percentage of term not completed 71.40%</td>
</tr>
<tr>
<td>Multiply total federal aid by percent of term not completed Example: $2775 Pell Grant, $200 SEOG, $1750 Federal Stafford Subsidized Loan, $1000 Federal Stafford Unsubsidized Loan $5,725 Total Federal Aid $5,725 x 71.4%=</td>
<td>Amount of aid that is unearned $4,088</td>
</tr>
<tr>
<td>Use lesser of Total unearned financial aid $4,088 OR The figure resulting from multiplying BCC’s charges by the percentage of unearned financial aid: $1680 x 71.4%= = $1,200</td>
<td>Amount of unearned aid to be returned by BCC $1,200</td>
</tr>
</tbody>
</table>

BCC is required to return $1,000 to Grant's Federal Unsubsidized Loan and $200 to Grant's Federal Subsidized Loan. BCC will then bill Grant for the $1,200 that was returned to his student loans and Grant will be responsible for making payments to BCC through our Accounts Receivable Office.

**Refund Distribution-Prescribed by Law and Regulation**

Refund is applied to the programs in the order as they are listed:

- Federal Stafford Unsubsidized Loan
- Federal Stafford Subsidized Loan
- Federal Parent PLUS Loan
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (SEOG)

* Federal financial aid consists of the Pell Grant, Supplemental Educational Opportunity Grant (SEOG), Stafford Unsubsidized Loan, Stafford Subsidized Loan, and PLUS Loans.

** The withdrawal date is defined as the date the student begins the institutional withdrawal process, last date of recorded attendance, or the mid-point of the term for a student who leaves without notifying the institution, whichever is earliest.