Policy Statement

Bemidji State University policy on the return of Title IV Funds states that financial aid recipients, who withdraw or cease attending all of their classes prior to 60% of the term being completed (including courses with a grade of “F” for non-attendance), are subject to the federal rules for the Return of Title IV Funds for any federal aid not earned and the refund calculation for the Minnesota State Grant and SELF loan. A student who does not complete all days they are scheduled to complete in module courses (that is, courses that do not span the entire length of the semester) are also considered withdrawn and are subject to the Return of Title IV funds rules. A student who withdraws from a module course but is scheduled to attend a module beginning later in the semester, must notify the Financial Aid Office in writing if he/she intends to complete the later module. If the student does not contact Financial Aid, he/she will be considered withdrawn.

Scope and Purpose of Policy

The scope of this policy applies to all students who are eligible to receive Title IV monies for the purpose of enrollment at a post-secondary institution. It is the expectation that when a student begins a semester and accepts Title IV financial aid for the semester that the student will complete the semester. If the student does not complete the full semester, they may be subject to the recapture of unearned Title IV financial aid dollars. The purpose of this policy is to comply with federal statutes and to recapture these funds if a student does not fulfill the terms of enrollment as prescribed by the policy.

Definitions

Title IV Funds are student financial aid funding provided through Title IV of the Higher Education Act of 1965, as amended in 1998, (Title IV, and HEA program). These acts establish general rules that apply to federal student financial assistance programs. For purposes of Return of Title IV Funds, these programs include: Pell and Federal Supplemental Educational Opportunity (FSEOG) Grants, and Direct, Direct PLUS and Perkins Loans. For additional information see http://federalstudentaid.ed.gov/site/front2back/programs/programs/fb_03_01_0030.htm.

Procedures

For the Return of Title IV funds calculation, the percentage of unearned aid is equal to the number of calendar days remaining in the term (or numbers of days of attendance remaining in planned modules) divided by the total number of calendar days in the term (or total number of days in planned modules). The calculation of Title IV funds unearned has no relationship to the student’s incurred institutional charges as determined by the university’s refund schedule for students that officially withdraw from a term. The Records Office is the university’s designated office to accept notification of official
withdrawals. In the event that the last date of attendance cannot be determined, the mid-date (50%) of
the semester will be used. The Business Office will determine the repayment based upon federal and
state procedures, the last date of attendance, type of aid awarded, and charges for tuition, fees and
residence hall. The repayment amount is considered unearned aid that a student was not eligible to
receive because of not completing the term, necessitating the repayment of funds. The university may
have an obligation to return funds to an aid program that was previously applied to the student’s
account. The student may have an obligation to repay funds that were paid directly to him/her. If the
university returns funds that were applied to the student’s account, a balance due the university by the
student will result. Federal student aid may not cover all unpaid institutional charges due to the
university upon withdrawal. Failure to repay will prevent future registration at the university and initiate
delinquent collection procedures, which will adversely affect the student’s credit rating. Actual Sample
Withdrawal Case: (1) Student received $1970 Federal Direct Loan and $2025 Federal Pell Grant. (2)
Student completed only 27% of the semester. (3) Student was required to repay $2535 of the $3995
total aid received. A student may contact the Accounting Office in Deputy Hall 202 to receive an
estimation of the required financial aid repayment, if any.

**Non Federal Funds:**
Repayments to state aid programs and non-state aid programs will be calculated on a proportional basis
using the institutional refund policy. To calculate the minimum refund due to the Minnesota State
Grant, SELF Loan program, and other aid programs, the OHE Refund Calculation Worksheet will be
utilized.

**Rationale**
The rationale for this policy is to comply with federal statutes on Title IV Funds and to provide students
the information needed to make decisions about ceasing enrollment as it relates to Title IV financial aid
dollars.

**Supporting References**
Minnesota State Board Policy 2.9 Academic Standing and Financial Aid Satisfactory Academic Progress