FINANCIAL AID OPERATIONS MANUAL

Title: Return of Title IV Funds
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Approval Signature(s):
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Date 7/26/06

Director of Financial Aid

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Date 7/26/06

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Purpose:

This office procedure is to establish guidelines for the Financial Aid Office’s processing of the Return of Title IV Funds. The college is required to return a portion of Title IV Financial Aid funds to the appropriate agencies for students who officially or unofficially withdraw from all of their classes prior to the 60% completion point of the semester. The Federal financial aid funds in question are the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Subsidized Stafford Loan, and Federal Unsubsidized Federal Stafford Loans

I. Official Withdrawals:

1) District Financial Aid (FA) Manager coordinates the set up of Return of Title IV funds (RT4) software product. The FA Manager confirms that each semester’s start and stop dates are coded correctly into the software. Caution: Remember to code the spring break dates for the Spring semester and to save all updates. Accuracy of the dates is essential for correct RT4 calculations.

2) The District FA Manager is also responsible for loading the Return of Title IV software onto each campus FA Managers’ and Counselors’ computers. District Financial Aid Office identifies and processes the Return of Title IV calculations. Each campus Financial Aid Office has a staff member trained to process the Return of Title IV Funds calculations.

3) A custom report was written to identify financial aid recipients who withdraw from all classes and are documented as such within the student system. District FA Manager generates the Students with W grade report (XFWG) at least twice a week. The report is reviewed by District FA staff for processing RT4 calculations and notification to students.
4) The college has 30 days from the date the student withdrew from his/her last class to calculate RT4 amounts, send notification to students, lower Federal Pell Grant, FSEOG awards, and/or to notify the Financial Services Department of the amount to return to the lending agency. [Note as of July 01, 2006, the HERA Act of 2005 as stated in PUB.L.109-171 will allow the college 45 days from the last day of the semester to calculate the RT4 amounts and send notification to the student.]

5) The campus FA staff confirms the student’s tuition cost for the term as noted on the Registration Billing Summary screen (RGBS), Title IV awarded as noted on the Award Detail Entry screen (AIDE), details into the term classes from the Student Academic Credits screen (STAC) to confirm withdrawal date.

6) The campus FA staff will use the RT4 software for calculating the amount of funds to be returned. Directions for using the RT4 are as follows:

a. Screen 1: The FA staff inputs the student’s name, address, and date of birth, student ID# and home campus. Save the information.

b. Screen 2: Input the current dates, the withdrawal date, and withdrawal type, amount of Federal Pell, FSEOG, & Federal Stafford Loans disbursed. Save information.


d. Software product will perform the calculation and the campus FA staff prints the calculation report.

e. The calculation will determine the amount the school and student must return for the Title IV funds. The student must return to Hillsborough Community College (HCC) the amount owed by the school and the student’s portion returned.

7) The District FA staff lowers the student’s Pell Grant awards on AIDE screen and processes the financial aid transmittal (FATR) for reducing on student’s account.

8) District FA Manager ensures that the student’s Pell Grant awards are lowered and recorded by the Federal Department of Education’s Common Origination and Disbursement website.

9) The campus FA staff places a FA Hold on the student’s Person Restriction screen (PERC) and inserts a RT4 statement.

10) The campus FA Staff completes the Return of Funds Notification letter to student specifying the amount due. The student has 45 days from date of the notice to repay the funds owed or set up a repayment arrangement with the college or use future financial aid award, if available.
11) A letter is sent to the student with an explanation of the Federal Mandates for the Return of Title IV program. This letter clearly states the last date of attendance, percentage of unearned funds and the amount due. The letter offers three options for repayment. Attached with this letter is a payment arrangement letter whereby the student may make weekly, biweekly or monthly arrangements. This form must be received before the 45th day (noted on agreement, specific for each student).

12) The campus FA staff forwards a copy of the RT4 calculation worksheet and the “Return of Stafford Loan Funds Manifest” to the Financial Services’ staff which processes the return of the institutional portion for the return of the Federal Stafford Loans. The Return of Stafford Loans Funds Manifest identifies why funds are being returned to the lender or guarantee agency and the date the funds must be returned to the Lender/Guarantee Agency. The Financial Services Department returns to the Lender or Guarantee Agency the institutional amount of the RT4 along with the “Return of Stafford Loan Funds Manifest”.

13) The Financial Services Department sets up the account for the amount to be paid by the student for institutional and the student portion on the student’s AR Account Inquiry screen (ARAI).

14) The Financial Services Department sets up the Accounts Receivable hold on the student’s account PERC screen.

15) For Pell Grants only, if the student does not pay, or make and comply with satisfactory payment arrangements, to repay the student’s portion within 45 days, the FA staff codes the NSLDS record of student to reflect as being in overpayment by the 46th day after the student’s withdrawal date. District FA Counselor or Manager increases the Pell Grant award by the student’s portion only transmit (FATR) to the student account then notifies the Department of Education Collections Office of the student’s obligation to repay the Title IV funds.

16) District FA Counselor or Manager sends the student the notification of being in repayment to the Federal Department of Education.

17) For Stafford Loan repayment, students who do not pay the student’s portion within 45 days will enter repayment based upon the promissory note of the loan.

II. Unofficial Withdrawals:

1. District Financial Aid Manager coordinates the set up of Return of Title IV funds (RT4F) software product. The Financial Aid Manager confirms that each semester’s start and stop dates are coded correctly into the software. Caution: Remember to code the spring break dates for the Spring semester and to save all updates. Accuracy of the dates is essential for correct RT4F calculations.

2. A custom program (XRTF) was written to identify FA recipients who received all F, FX, I, W, & N grades. After the term ends, the District FA Manager generates the report to identify students who received all or a combination of only these grades.
3. The District FA Counselor or Manager immediately processes the RT4 calculations for students who received all FX and W, and I grades that the Registration Changes Screen (RGCS) do not reflect that the student remained in at least one classes past the 60% completion date.

4. The college has 30 days from the last day of the semester to calculate RT4 amounts, send notification to students, lower Federal Pell Grant, FSEOG, and/or to notify the Financial Services Department of the amount to return to the Lending agency. [Note as of July 01, 2006, the HERA Act of 2006 as stated in PUB.L.109-171 will allow the college 45 days from the last day of the semester to calculate the RT4 amounts and send notification to the student.]

5. The District FA Counselor or Manager confirms the student’s tuition cost for the term as noted on the Registration Billing Summary screen (RGBS), Title IV financial aid disbursed as noted on the Award Detail Entry screen (AIDE), details into the term classes from the Student Academic Credits screen (STAC) to confirm withdrawal date or access RGCS screen to confirm if the last date of attendance is recorded for the class(es) in question.

6. The District FA Counselor or Manager processes all required students’ RT4 calculations based upon last date of attendance, if known, or at the 50% completion date for the semester. The Federal Department of Education’s software is used to calculate the amount of funds to be returned. This software product will perform the RT4 calculations. The calculation will determine the amount the school and student must return for the Title IV funds. The Student must return to HCC the amount owed by the school and the student’s portion returned.

7. Directions for using the RT4 are as follows:
   a) Screen 1: The FA staff inputs the student’s name, address, date of birth, student ID# and home campus. Save the information.
   b) Screen 2: Input the current dates, the withdrawal date, student grade level, withdrawal type, amount of Federal Pell, FSEOG, & Federal Stafford Loans disbursed. Save information.
   c) Screen 3: Input cost tuition and book charges (if applicable). Save information.
   d) The calculation will determine the amount the school and student must return for the Title IV funds. The Student must return to HCC the amount owed by the school and the student’s portion returned.
   e) Print the RT4 Calculation screens for the student’s RT4 file and forward a copy to the Financial Services Office if Federal Stafford Loans are to be returned. See step 12 for more detailed information.

8. The District FA Counselor or Manager lowers the student’s Federal Pell Grant Awards on AIDE and processes the FATR for reducing on student’s account.
9. A letter is sent to the student with an explanation of the Federal Mandates for the Return of Title IV program. This letter clearly states the last date of attendance, percentage of unearned funds and the amount due. The letter offers three options for repayment. Attached with this letter is a payment arrangement letter whereby the student may make weekly, biweekly or monthly arrangements. This form must be received before the 45th day (noted on agreement, specific for each student).

10. District FA Counselor or Manager ensures that the student’s Pell Grant Awards are lowered and recorded by the Federal Department of Education’s Common Origination and Disbursement website.

11. The District FA Counselor or Manager places a FA Hold on the student’s PERC screen and inserts a RT4 statement for transferring onto the students’ STCM screen.

12. The District FA Counselor or Manager completes the Return of Funds Notification letter to student specifying the amount due. The student has 45 days from date of the notice to repay the funds owed or set up a repayment arrangement with the college.

13. The District FA Counselor or Manager forwards a copy of the RT4 calculation worksheet and the “Return of the Stafford Loan Funds Manifest” to the Financial Services Department staff which processes the return of the institutional portion for the return of the Federal Stafford Loans. The Return of the Stafford Loan Funds Manifest identifies why funds are and the date the funds must be returned to the Lender/Guarantee Agency. The Financial Services Department returns to the lender or guarantee agency the institutional amount of the RT4 with the “Return of the Stafford Loan Funds Manifest”.

14. The Financial Services Department sets up the account for the amount to be paid by the student for institutional and the student portion on the student’s ARAI accounting screen.

15. The Financial Services Department sets up the AR hold on the student’s account.

16. **For Pell Grants only**, if the student does not pay, or make and comply with satisfactory payment arrangements, to repay the student’s portion within 45 days, the FA staff notifies the NSLDS of student being in overpayment by the 46th day after the student’s withdrawal date. District FA Counselor or Manager increases the Pell Grant award by the student’s portion only and notifies the Department of Education Collections Office of the student’s obligation to repay the Title IV funds.

17. District FA Counselor or Manager sends the student the notification of being in repayment to the Federal Department of Education.

18. **For Stafford Loan repayment**, students who do not pay the student’s portion within 45 days will enter repayment based upon the promissory note of the loan.

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