

**Riverland Community College  
2023-2024 Riverland Policies**

11/28/2023

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## Section 13: Return of Title IV Funds

### 13.1 Process Overview and Applicability

#### Resources:

668.4  
600.2, Academic engagement  
668.4(f),(g)  
668.22(g)(1)(ii)  
2022-23 FSA Handbook, Vol. 5,  
Ch. 2, Pt. 1, June 2022  
668.22(a)(1)  
668.22(g)(2)  
Federal Register, 9/2/20, pp.  
54742 to 54818  
668.22(a)(2)  
668.22(g)(3)  
GEN-04-12  
668.22(a)(2)(ii)(A)  
668.22(a)(2)(iii)  
668.22(l)(2)  
668.22(a)(2)(iii)(B)  
Electronic Announcement,  
5/15/20  
Electronic Announcement,  
8/21/20  
668.22(l)(9)  
668.22(a)(3)  
668.22(d)(1)  
668.22(l)(3)  
GEN-04-03  
668.22(l)(6)  
GEN-00-24  
2022-23 FSA Handbook, Vol. 5,  
Ch. 1, June 2022  
668.22(l)(4)  
GEN-11-14  
668.164(a)  
668.22(l)(8)  
668.164(j)(2)  
Federal Register 11/1/1999, pp.  
59016 to 59044  
Electronic Announcement,  
4/3/20

#### Resources:

668.22(a)(6)(ii)(B)(1)  
668.22(a)(6)(iii)  
668.22(j)  
668.22(i)  
668.22(a)(6)  
668.22(a)(6)(ii)(A)(2)  
668.22(e)(4)  
668.22(e)  
668.22(a)(6)(ii)(B)(2)  
668.22(a)(6)(ii)(A)(1)  
668.22(l)(9)  
668.22(b),(c)  
668.22(e)(2)  
668.22(e)(3)  
668.22(g)(1)  
668.22(h)  
668.164(j)(3)(i)

#### Policies

The Financial Aid Office at Riverland is required by Federal regulations to return any federal financial aid funds that are not "earned" by the student due to withdrawing from their courses. All Federal grant and loan awards are recalculated when a student does a total withdrawal from all classes in a semester. Federal Work Study funds earned are not recalculated. Students who partially withdraw from their classes are not subject to this policy as long as the student remains enrolled in other courses that extend to the end of the current payment period. Payment periods are determined by the student's begin and end dates of courses in the current semester. Programs offered in modules may have courses that the student will be unable to complete if the student has withdrawn or failed the pre-requisite. In these cases, an administrative drop is completed, financial aid is adjusted to reflect the lower enrollment status, and a Return to Title IV calculation will be completed for that student if required. Students that never began attendance in all or some of their courses but have received financial aid will have their aid adjusted to the correct enrollment level before a Return to Title IV calculation is completed. Students are encouraged to speak to an Academic Advisor and/or

Financial Aid staff before withdrawing from courses.

Students can withdraw from classes electronically using their e-Services account or in person in the Student Services Office on any campus. The withdrawal is date and time stamped. The withdrawal date is used to determine if there is a need to return funds. This is completed by dividing the number of days the student has completed by the total number of days in the payment period. The resulting percentage is multiplied by the amount of Title IV aid disbursed and could have been disbursed during the payment period to determine the amount of aid earned by the student. The total amount of earned aid is subtracted from the total amount of disbursed aid to determine the amount that needs to be returned. The unearned percentage is also multiplied by the institutional charges on the student account to determine the amount of unearned charges. The amount Riverland is required to return is the lesser of either the unearned charges or the amount to be returned. For more specific information, refer to Section 13.3 Formula Calculation.

Reports in ISRS are ran on a weekly basis to ensure calculations are done in a timely manner. Students enrolled in modular programs are on these reports whether or not they have totally withdrawn so they are monitored to ensure they are still enrolled. Once the calculation has been completed and it has been determined that funds need to be returned, the Financial Aid Office will return the required refund to the designated federal student aid program and notify the student of the amount and type of funds that need to be returned and the total amount of the balance now owed to the college. An unpaid balance hold is put on the student account until the returned funds have been repaid by the student. An unpaid balance hold prevents the student from registering for classes at Riverland Community College and other Minnesota State institutions and from receiving a transcript from Riverland. The student can pay their balance online through their eServices account, by phone or in person on any of our three campuses.

Federal funds will be returned in the following order based on the type of funds that the student received:

- Federal Unsubsidized Direct Loan
- Federal Subsidized Direct Loan
- Perkins Loan
- PLUS
- Pell Grant
- Federal SEOG

In the event earned funds were not disbursed previously, the Financial Aid Office will notify the student of eligibility for a post withdrawal disbursement. Post withdrawal disbursement grant funds are automatically applied to any balance owed on the student's account. If there are grant funds that exceed the student's balance, they will be disbursed through the student's BankMobile account. If the post withdrawal disbursement consists of loans funds, the student will need to sign a statement requesting those funds be applied to their student account. This statement must be returned to the Financial Aid Office within 14 days in order for the loan to be processed. If this deadline is not met, a post withdrawal disbursement will not be made. For more specific information about post withdrawal disbursements, please refer to Section 13.4 Post-Withdrawal Disbursements. In the event loans funds are accepted that exceed the student's balance, they will also be disbursed through BankMobile. Any credit balance will be disbursed as soon as possible and no later than 14 days after the calculation of R2T4.

Students not subject to a Return to Title IV calculation:

- Student did not receive any funds from the Federal Pell Grant, Federal SEOG, and Federal Direct Loan Programs;
- Student dropped classes while remaining enrolled in other classes that continue through the end of their payment period;
- withdraw from only some of their courses during the payment period but complete the rest of the courses they are enrolled in for the payment period;
- students who never began attendance in any classes (any aid that was disbursed will be automatically reversed).

Effective summer semester 2021, withdrawn students who are enrolled in a program offered in modules may qualify for one of three new withdrawal exemptions. Students whose program of study or course work does not span the entire length of the payment period are considered to be enrolled in courses offered in modules. Students enrolled in modules are considered withdrawn if they do not complete all of the scheduled days in a module that was used to determine the student's eligibility for federal aid. Students are **not** considered withdrawn if:

- The student successfully completes one module or a combination of modules that contain at least 49% of days within the payment period. Successful completion is defined as earning a letter grade of A, B, C, D, or P;
- The student successfully completes coursework that represents half time enrollment. Six credit hours in a payment period is considered half time enrollment at Riverland Community College. Successful completion is defined as earning a letter grade of A, B, C, D, or P;
- The student provides written confirmation of attendance of their intent to return to a later module within the payment period.

Students who meet at least one of the above criteria will be granted a R2T4 exemption and no adjustments to their federal aid will occur.

#### Resources:

668.22(a)(2)(ii)(A)(3)-(5)  
2022-23 FSA Handbook, Vol. 5,  
Ch. 2, Pt. 1, June 2022  
668.22(a)(2)(ii)(C)  
GEN-04-12  
GEN-04-03

## 13.2 Withdrawal Date

### Policies

The withdrawal date for students who officially withdraw from courses is determined by the date stamp on either the electronic record for students who withdraw electronically or the date on the paper Drop/Add/Withdraw form. Riverland Community College is not required to take attendance. There are procedures to monitor students to ensure they begin attendance and complete the payment period. Students who begin attendance, but cease attending at some point during the semester are considered unofficial withdrawals. The withdrawal date used in these situations will be the last date of an academically related activity. Instructors post a grade of FW with a last date of attendance to identify students who unofficially withdraw.

Academically related activities include but are not limited to:

- physically attending a class where there is an opportunity for direct interaction between the instructor and students;
- submitting an academic assignment;
- taking an exam, completing an interactive tutorial, or participating in computer-assisted instruction;

#### Resources:

600.2, Academic engagement  
668.22(a)(2)(ii)(A)(3)-(5)  
668.22(a)(2)(ii)(B)  
2022-23 FSA Handbook, Vol. 5,  
Ch. 2, Pt. 1, June 2022  
668.22(a)(2)(ii)(C)  
668.22(b)  
GEN-04-12  
668.22(b)(3)(i)(A)  
668.22(c)  
668.22(c)(1)(iv)  
668.22(l)(9)  
668.22(c)(2)(i)  
668.22(c)(5)  
668.22(d)  
668.22(l)(3)  
GEN-04-03

- attending a study group assigned by the school;
- participating in an online discussion about academic matters; and
- initiating contact with a faculty member to ask a question about the academic subject studied in the course.

668.22(l)(6)  
 668.22(l)(7)  
 2022-23 FSA Handbook, Vol. 5,  
 Ch. 1, June 2022  
 GEN-11-14

Academically related activities do not include activities where a student may be present but not academically engaged, such as:

- living in institutional housing;
- logging into an online class without active participation; or
- participating in academic counseling or advisement.

Students who do not begin attendance in one or more courses but do not drop or withdraw will receive a grade of FN. If aid has already been disbursed, the award package will be adjusted based on the remaining enrollment. If a student receives FN grades in all courses, any financial aid applied to the student's account and/or disbursed will be reversed and the student will be responsible for repaying any aid that was disbursed. Riverland will return all reversed aid to the appropriate federal student aid program.

In the event the financial aid office is notified of a student's intent to withdraw and the student cannot document any academically related activity beyond the date of notification, that date will be used as the withdrawal date.

### 13.3 R2T4 Formula Calculation

#### Policies

Return to Title IV calculations are completed by the Financial Aid Office at Riverland Community College. Riverland uses the web-based ISRS application to calculate earned and unearned aid. This application is similar to the application produced by the Department of Education, but utilizes ISRS to auto enter data. The Financial Aid Processor is responsible for ensuring all information is correct. The web-based application determines the following items:

- withdrawal date,
- payment period,
- institutional charges, and
- aid that has been disbursed or could have been disbursed.

Once these items have been determined, the amount of funds to be returned by the school and/or student is calculated. The application also determines if there are any subsequent changes made to a student's records that may affect an already completed Return to Title IV.

The student's payment period is based on their schedule. In most cases, the payment period is the semester. Some students may only register for short term classes or may be in a program that short term courses are offered sequentially throughout the semester.

Institutional charges include tuition, required fees, on campus housing, and required course materials that were charged to financial aid in our bookstore. This amount does not include any non-institutional charges such as late fees or library fines.

#### **Resources:**

668.4  
 668.22(e)(5)  
 668.22(g)(1)(ii)  
 2022-23 FSA Handbook, Vol. 5,  
 Ch. 2, Pt. 1, June 2022  
 668.22(g)(2)  
 668.22(g)(3)  
 GEN-04-12  
 668.22(l)(1)  
 668.22(l)(2)  
 668.22(l)(9)  
 668.58(a)(2)(i)(B)  
 668.58(b)(1)(i)  
 668.164(j)(3)  
 GEN-04-03  
 GEN-00-24  
 2022-23 FSA Handbook, Vol. 5,  
 Ch. 1, June 2022  
 2022-23 FSA Handbook, Vol. 5,  
 Appendix, June 2022

Financial aid that has been disbursed includes any Federal grants and Federal Direct loans that have been applied to charges on the student's account and/or disbursed directly to the student. Aid that could have been disbursed is any undisbursed Federal grants or loans that the student would be eligible for a late disbursement as long as the following conditions are met before the date that the student became ineligible:

- For all programs, the Department processed a Student Aid Report (SAR) or Institutional Student Information Record (ISIR) with an official Expected Family Contribution (EFC) for the student;
- For a FSEOG award, the institution made the award to the student; and
- For a Direct Loan, the institution originated the loan (a promissory note must be signed for a loan to be included as "aid that could have been disbursed").

A copy of the student's Return to Title IV calculation worksheet is kept in the Perceptive Content system. The Financial Aid Director reviews each worksheet to ensure the correct amount of returned funds are being processed. Students are notified by mail regarding any adjustments in financial aid due to changes in enrollment or a required Return to Title IV calculation. This notification letter is stored electronically in our Perceptive Content system.

### 13.4 Post-Withdrawal Disbursements

#### Policies

If some cases, the Return to Title IV calculation determines a student has "earned" more aid than has been disbursed to the student. This happens in cases where the student began attendance but disbursement was delayed because the student had not completed verification or a student completes the loan request process and the loan is originated but the student withdraws before the loan is actually disbursed.

Students will be notified by mail of any post-withdrawal disbursement eligibility within 14 days from the date that the financial aid office is notified of the withdrawal. If the student has grant fund eligibility that could have been disbursed, the post withdrawal disbursement will be made using grant funds first. Any remaining eligibility will be offered in Direct loan funds. For example, if a student is due a post-withdrawal disbursement of \$500 and the student has received \$400 of \$1,000 in Federal Pell Grant funds that could have been disbursed and \$1,200 of the \$2,000 in Federal Direct Loan funds that could have been disbursed, the available undisbursed funds are \$600 in Federal Pell Grant funds and \$800 in Direct Loan funds. Any portion of the \$500 post-withdrawal disbursement that the school makes must be from the \$600 in available Federal Pell Grant funds. If the funds offered are grants, those funds will be automatically applied to the student's account. If the funds offered are loans, the student will be required to return a signed statement requesting the loan funds be applied to their account. The statement will need to be returned within 14 calendar days from the date of the letter notifying the student of eligibility.

Pell grant funds will be returned to the student within 45 days of the determination that the student withdrew and any direct loan funds requested by the student will be disbursed within 180 days.

All post-withdrawal disbursements are first applied to the student account to pay off existing charges. If the disbursement amount exceeds the charges on the student's account, any remaining grant funds or requested loans funds will be disbursed through the student's BankMobile account. Any credit balance will be disbursed as soon as possible and no later than 14 days after the calculation of R2T4.

#### **Resources:**

[668.22\(a\)\(5\)](#)  
[668.22\(a\)\(6\)](#)  
[668.164\(j\)](#)  
[2022-23 FSA Handbook, Vol. 5, Ch. 2, Pt. 1, June 2022](#)  
[Federal Register 9/27/2012, p. 59314](#)  
[GEN-04-12](#)  
[GEN-04-03](#)

### 13.5 Returning Unearned Funds

**Resources:**

#### **Resources:**

[668.22\(a\)\(6\)\(iii\)\(A\)](#)

**Resources:**

668.22(h)(4)(ii)  
668.22(h)(4)(iv)  
668.22(j)

668.22(g)-(i)  
2022-23 FSA Handbook, Vol. 5,  
Ch. 2, Pt. 1, June 2022

### **Procedures**

Riverland will notify students in writing as soon as possible but no later than 30 days from the determination of a student's withdrawal. Reports identifying students who have withdrawn are ran on a weekly basis. The financial aid office is responsible for returning all funds to the appropriate federal student aid program within 45 days.

## **13.5.1 Overpayment Resolution**

### **Policies**

Riverland's policy is to return all funds that are required to be repaid both by the college and the student. The student has the opportunity to repay all funds owed by the end of the payment period in which they withdrew. An unpaid balance hold will be placed on the student's account and the student will not be able to receive a transcript or register for future classes at any Minnesota State College or University until the balance is paid. Approximately twenty days after the semester ends, any remaining unpaid balance will be submitted to the Minnesota Department of Revenue for collections by the Business Office.

Students who completely withdraw during multiple semesters may lose future financial aid eligibility even if they are meeting the minimum cumulative satisfactory progress standards if the financial aid office has reason to believe financial aid fraud or abuse. An example of this would be a history of remaining enrolled just long enough to receive a disbursement of student aid funds.

### **Resources:**

[GEN-06-05](#)  
[2022-23 FSA Handbook, Vol. 5,  
Ch. 2, Pt. 1, June 2022](#)  
[GEN-17-08](#)

### **Resources:**

[2022-23 FSA Handbook, Vol. 5,  
Ch. 2, Pt. 1, June 2022](#)

## **13.X - Reserved for Institution Use**