

Hanover College Undergraduate Return of Title IV Funds Policy

Federal Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which assistance is awarded. Students receiving financial aid who withdraw or stop attending may be required to return a portion of financial aid received. Once notified of a total withdrawal, the institution is required to apply a federally mandated formula to determine how much of the federal funding was “earned” by the student up to the time of withdrawal. This review and recalculation are called a “Return of Title IV Aid Calculation.”

Student financial aid and dropping or withdrawing from classes

Dropping classes or withdrawing may result in a reassessment of a student’s college charges and/or a recalculation of their financial aid for the term. The exact consequences to the student depend on several factors, including the type and amount of aid the student has and the official date on which the student drops classes or withdraws. The consequences for each of these academic actions are different and are addressed in this policy.

Official Dropping of Courses

To drop a course and not have it entered on a student's official permanent record, students can drop courses only until 5 p.m. on the following days:

- the 5th day of a fall or winter term
- the 2nd day of a four-week spring term
- the 2nd day of a five-week summer session

If a student withdraws from courses after these deadlines, they will receive a grade W on their official permanent record.

Official Withdrawals

To withdraw from a course, a student must file the appropriate form with the student's college or school by 5 p.m. on the following days:

- the last day of the 8th week of a fall or winter term
- the 12th day of a four-week spring term
- the 16th day of a five-week summer session

After those dates, a student may withdraw from courses only due to circumstances beyond their control. A student must file the appropriate petition with a student's college or school, and, if approved, a copy will be filed with the College Registrar who enters the grade W on their official permanent record.

If not approved, a student continues to be enrolled in the course(s) and a final grade must be submitted by the instructor(s).

Unofficial Withdrawals

If a student stops attending a course but does not officially withdraw (as outlined above), then a student's instructor will assign a grade based on the last date of academic activity that will remain on their official permanent record.

If a student simply stops attending classes, rather than officially withdrawing from the college, the student will be subject to the same financial aid consequences addressed below. The student will also be subject to the following additional consequences:

- The student will not be eligible for a fee refund on any charges.
- The student will receive FN grades (failing grade for non-attendance), negatively affecting your GPA.

This may affect the timing of any subsequent aid disbursements which may result in an outstanding amount owed to the college.

What happens when a student withdraws from some but not all classes?

Financial aid awards and the cost of attendance (COA) that correspond with the financial aid awards assume students will enroll full time during each term. Even though some students may not be enrolled full time at the start of any given term, students may add/drop/change classes in accordance with the Registrars deadlines each term to achieve full-time enrollment.

Here are the census dates for the following enrollment periods:

- Day 6 - Fall and Winter terms
- Day 3 - Spring term
- Day 3 - of a Summer session

If a student is not enrolled full time, adjustments will be made to their financial aid received and the cost of attendance for the term. If changes are required, a student's financial aid awards may be unavailable to view while adjustments are being made.

After the Student Financial Aid census date

Most financial aid will not be adjusted for withdrawn courses after the Student Financial Aid census date. All courses for which a student is enrolled as of the fourth Saturday of the term or which the student schedules thereafter, will be counted as "units attempted" for determination of whether the student is making Satisfactory Academic Progress for financial aid. Units withdrawn after the refund period count as units unsuccessfully completed.

Federal Work-Study recipients

The student will be ineligible to work at any point in the term if they drop below half-time enrollment.

Financial impact

The overall consequences of withdrawing from courses depend on EACH of the following:

- the aid the student has been awarded
- the number of units the student retains
- the point in the term the student withdraws and the tuition refund period in effect

As a result of the adjustments to aid, the student could owe additional money to the college (which would be due immediately) or have funds credited to the student's statement of account resulting in a refund. In some cases, the student could have aid adjusted for future terms.

Questions?

If a student is considering dropping or withdrawing from a class and have any questions about the financial aid consequences, they should contact the Office of Student Financial Services at 812-866-7041 or financialservices@hanover.edu

Withdrawal - What happens when a student withdraws from all classes?

A withdrawal from all classes is an academic action that should occur only through a formal meeting with an academic advisor or official. A withdrawal from all classes can result in the reassessment of the student's college charges and the recalculation of a student's financial aid.

Financial impact

As with withdrawing from a single class, the specific financial consequence for a student depends on several factors:

- the amount and type of financial aid the student has been awarded for the term
- the amount of initial charges, as well as adjusted charges
- the point in the term the student withdraws (including the refund period in effect)

As a result of the adjustments to aid, the student could owe additional money to the college (which would be due immediately) or have funds credited to the statement of account resulting in a refund. In some cases, the student could have aid adjusted for future terms.

The following institutional policy references should help a student gain an understanding of the consequences for them if they withdraw from all classes during the term.

Institutional refund policy

Please refer to the Tuition and Fees section of the Academic Catalog and for the institutional refund information.

Students who withdraw from college or drop courses affecting their bills, including overloads and music lessons, during an enrollment period will be granted adjustments of **tuition and fees** as follows:

Attendance of up to one week (student treated as a no-show)	100%
Attendance of any part of the second week	80%
Week three	60%
Week four	40%
Week five	20%
Attendance more than five weeks	no refund

The withdrawal date used in determining the appropriate refund rate will be the date on file in the Registrar's Office. Withdrawing can also affect a student's financial assistance.

Return of Title IV Funds process for federal aid

The federal government mandates that students who withdraw from all classes may keep only aid earned up to the time of withdrawal. If a student has federal Title IV aid (see table above) and fails to complete at least 60 percent of a term, the Office of Student Financial Services must determine how much of the student's aid, if any, must be returned to the federal aid programs based on the

percent of the term the student completed. Once the student completes 60 percent of the term, the student is considered to have earned 100 percent of their aid. The term length is defined as the first day of classes through the last day of finals.

When a student is considered to have withdrawn, as described above, during an enrollment period in which they have begun attendance and received federal Title IV financial aid, Hanover College is required to determine the amount of earned and unearned Title IV aid. A student is only eligible to retain the percentage of Title IV aid disbursed that is equal to the percentage of the enrollment period that was completed by the student.

The unearned Title IV aid must then be returned to the appropriate federal aid program(s) as soon as possible but no later than 45 days after the date of the determination of the student's withdrawal.

The federal regulations determine how the order of program funds are returned. Funds returned to the federal government are used to reimburse individual federal programs. Financial aid returned (by the College and/or the student/parent) is allocated, in the following order, up to the net amount disbursed from each source:

- Federal Unsubsidized Direct Loan, Federal Subsidized Direct Loan
- Federal Direct PLUS (Parent) Loan
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Other Federal Loan or Grant Assistance

Example of a Return to Title IV Calculation

The percentage of Title IV, HEA aid the student earned is determined by taking the number of calendar days completed in the period of enrollment and dividing by the total calendar days in the period of enrollment (excluding breaks of 5 days or more and days the student was on an approved leave of absence)

Example: $20 \text{ completed days} / 100 \text{ total days} = 20 \text{ percent of aid earned}$

The dollar amount of Title IV aid the student earned is determined by multiplying the percentage of Title IV, HEA aid earned by the total of the Title IV aid disbursed plus the Title IV aid that could have been disbursed for the period of enrollment.

Example:

$20 \text{ percent} \times (\$2000 \text{ disbursed} + \$500 \text{ that could have disbursed}) = \500 aid earned

If this percentage is greater than 60 percent, the student earns 100 percent of the disbursed Title IV, HEA funds or aid that could have been disbursed. If this percentage is less than 60 percent, then the percentage earned is equal to the calculated dollar amount earned.

Aid to be returned is equal to unearned percentage (100 percent minus the Percent earned) multiplied by the amount of aid disbursed toward institutional charges. If a student earned less aid than was disbursed, the institution is required to return a portion of the funds, and the student may be required to return a portion of the funds. All Title IV fund returns must be completed no later than 45 calendar days after the date of determination that the student withdrew.

Funds are returned to the appropriate federal program based on the percentage of aid earned and the order of return dictated by the U.S. Department of Education.

When Title IV and HEA funds are returned, the student may owe a balance to the institution.

Post-Withdrawal Disbursement:

If a student did not receive all the funds that they earned, they may be due a post-withdrawal disbursement. Grant funds must be disbursed within 45 days. If a student's post-withdrawal disbursement includes loan funds, they will be offered to the student within 30 days. Hanover College must obtain the student's permission within 14 days to disburse the loan funds to the student. The student may choose to decline some or all the loan funds so that they do not incur additional debt.

All post-withdrawal disbursements are applied to a student's account first towards outstanding tuition, fees, and room and board charges (as contracted with the school). If a student receives (or Hanover College or parent receive on your behalf) excess Title IV program funds that must be returned, Hanover College must return a portion of the excess equal to the lesser of:

- the student's institutional charges multiplied by the unearned percentage of their funds, or the entire amount of excess funds.

Hanover College must return this amount even if it did not keep this amount of the student's Title IV program funds.

Financial aid withdrawal time frame

- A Return to Title IV calculation must be completed within 30 days.
- Grant funds must be disbursed within 45 days.
- Loan funds will be offered within 30 days and subject to permission within 14 days.
- If the R2T4 calculation results in a credit balance on the student's account, the credit balance will be disbursed as soon as possible but no later than 14 days after the calculation of R2T4.
- If the R2T4 calculation results in an amount to be returned that exceeds the school's portion, Hanover College will return the amount to the federal programs on behalf of the student and the student must repay the funds to Hanover College.

Questions?

If a student is considering withdrawing and has any questions about the financial aid consequences, please contact the Office of Student Financial Services at 812-866-7041 or financialservices@hanover.edu.