

Financial

Board of Trustees Policy

SUBJECT: Federal Financial Aid Refund Policy	NUMBER: 6.8
	DATE: February 20, 2017
	SUPERSEDES:

Purpose

This policy addresses the need for SUNY Schenectady to be in compliance with the U.S. Department of Education’s Return to Title IV (R2T4) guidelines which stipulates the unearned percentage of federal financial aid that needs to be returned to the federal programs upon a student’s withdrawal from school. The policy also defines an official withdrawal versus an unofficial withdrawal.

Policy

The U.S. Department of Education has implemented a refund policy for federal financial aid programs (Pell, SEOG, and Student Loans). When a student withdraws from or stops attending all classes in the first 60% of a term, federal regulations require that the college calculate the percentage and amount of federal financial aid the student did not “earn” by their attendance and return those funds to the federal programs. For example, if a student withdraws after attending only 30% of the term, then that student is only entitled to 30% of his federal financial aid (grants and loans). Students who attend classes after the 60% point in the term are considered to have earned all federal funds.

A student is considered to have officially withdrawn from their classes after providing official notification of their intent to withdraw in accordance with the SUNY Schenectady

Withdrawal Policy. For official withdrawals, the withdrawal date will be the date the student notifies the College of their intent to withdraw. A student who began attendance, has not officially withdrawn, and fails to earn a passing grade in at least one course offered over the period will be considered an unofficial withdrawal for Title IV purposes. For unofficial withdrawals, the withdrawal date will be the last date of an academically related activity, as reported by their instructor(s), in which the student participated. If a last date of participation in an academically related activity is not available the withdrawal date will be the midpoint of the period. The College will use the best information available when making this determination.

Procedures

If a student received more federal financial aid than the amount earned, the College is required to return the unearned funds to the U.S. Department of Education. Students need to be aware that if this unearned federal assistance was used to pay college charges for tuition, fees, and books, the student may now owe the College for the portion of tuition, fees, and books that was previously covered by the unearned portion of their federal financial aid. If students received a cash disbursement of a Federal Pell Grant and/or Federal SEOG grant funds, the student may also be required to repay a portion of these unearned federal grants to the U.S. Department of Education.

Students who owe an outstanding balance to the U.S. Department of Education will be notified of any outstanding balances owed within 30 days of the date that they withdrew from all of their classes or 30 days from the date the College learned that they were not attending all of their classes. The students will then have 45 days to repay the overpayments or to reach satisfactory repayment arrangements with the College or the U.S. Department of Education. If a student does not repay the overpayment or make satisfactory arrangements within the 45 days, he/she will be considered to have a federal financial aid over award, and the student's account will be referred to the U.S. Department of Education for collection. Students will not be eligible for federal financial aid at any college until the over award has been cleared.

Students who owe the College a balance for tuition, fees and/or bookstore charges due to the reduction in their federal financial aid eligibility, must make payment with the Student Business Office.

When an overpayment for institutional costs has occurred, a return of funds to the federal financial aid programs will be made in the following order:

1. Unsubsidized Federal Direct Stafford Loans.
2. Subsidized Federal Direct Stafford Loans.
3. Federal Direct PLUS Loans.
4. Federal Pell Grants for which a return of funds is required.

5. Federal Supplemental Educational Opportunity Grants (FSEOG) for which a return of funds is required.