

Treatment of Federal Financial Aid Title IV Funds When a Student Withdraws

The Department of Education requires NDSU to maintain and publish a written policy regarding federal financial aid recipients who withdraw or otherwise fail to complete the term for which their financial aid was disbursed.

Federal financial aid funds (Title IV Funds) are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, they may no longer be eligible for the full amount of Title IV funds that they were originally scheduled to receive.

Up through the 60% point in each payment period or period of enrollment, a prorata schedule is used to determine the amount of Title IV Funds the student has earned at the time of withdrawal. After the 60% point in the payment period or period of enrollment, federal regulations affirm that a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period. For a student who withdraws after the 60% point-in-time, there are no unearned funds.

If a recipient of Title IV grant or loan funds withdraws from a school after beginning attendance, the amount of Title IV grant or loan assistance earned by the student must be determined. If the amount disbursed to the student is greater than the amount the student earned, unearned funds must be returned.

Withdrawal Procedure

Students who wish to withdraw from all courses after the semester start date must officially withdraw to zero credits. To withdraw, complete the Withdrawing to Zero Credits form at <http://www.ndsu.edu/fileadmin/registrar/forms/withdrawzero.pdf> and submit it to Bison Connection. Campus Connection does not allow you to drop your last or only class. If you live in a residence hall, check out with your hall director and submit the appropriate forms to the Office of Residence Life prior to submitting the Withdrawal form. Students in university apartments should contact the Office of Residence Life directly.

Withdrawal Date and Calculation of Earned and Unearned Title IV Aid

For purposes of this policy, the date of withdrawal will be the date the student begins the withdrawal process or the date, as determined by NDSU, that the student otherwise notified NDSU in writing or verbally, of their intent to withdraw to zero credits. The amount of aid earned is calculated by dividing the number of calendar days from the beginning of the term to the point of withdrawal by the total number of days in the term. This percentage is multiplied by the amount of federal financial aid that was awarded and accepted for the term and becomes the amount of aid that was earned. This is subtracted from the amount of aid disbursed and the balance becomes the amount of unearned aid that must be returned.

Responsibility for repayment of these funds will be shared by NDSU and the student, according to policies and procedures contained within the federal formula for prorata refunds of unearned Title IV Aid.

Post-Withdrawal Disbursements

A student may be eligible for a post-withdrawal disbursement if the amount of earned aid is less than the disbursed aid. Students will be notified at the point of withdrawal if they are eligible for a post-withdrawal disbursement as determined by the Office of Student Financial Services.

Distribution of Unearned Title IV Aid

In compliance with federal regulations, a school must return Title IV funds to the programs from which the student received aid during the payment period or period of enrollment as applicable, in the following order, up to the net amount disbursed from each source:

- Unsubsidized Federal Stafford loans
- Subsidized Federal Stafford loans
- Unsubsidized Direct Stafford loans (other than PLUS loans)
- Subsidized Direct Stafford loans
- Federal Perkins loans
- Federal PLUS loans
- Direct PLUS loans
- Federal Pell Grants
- Academic Competitiveness Grants
- National Smart Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG)

Federal Work-Study funds paid to recipients will not be included in the computation of earned Title IV aid, nor will these funds be refunded to the federal account from which they were paid.

Unearned Title IV grants and loan funds due from NDSU will be repaid to the federal accounts for the specified semester. Unearned portions of Title IV grant aid due from the student will also be repaid to the federal accounts by NDSU. All repayments made by NDSU pursuant to this policy will be charged to your student account.

Unofficial Withdrawals

In the absence of an official withdrawal and the student ceases attendance, the following procedures will apply.

1. A list of students who received all F's, I's or U's for a term (period of enrollment) will be extracted from the Registrar's Office records.
2. A letter will be sent to all of the student's class instructors asking them to document the last known date of an academically related activity for the student, i.e., an exam, daily assignment, attendance in class, etc.
3. If the latest date **any** instructor can document is after the 60% point in the enrollment period, the student is considered to have earned 100% of their financial aid funds and no further action will be required. If the latest date is before the 60% point in the term, the latest documented date or the 50% point in the term (whichever is later) will be used as the last date of attendance by the student. If documentation indicates no attendance in any class, the student will be deemed ineligible for financial aid per federal regulations and required to repay all aid received for that semester.
4. Based on the last date of attendance, a Return of Title IV funds calculation will be processed to determine the type(s) and amount(s) of financial aid to be returned.

5. **All financial aid funds to be returned will be the responsibility of the student.**
The institution will **not** refund any tuition, fee, and room or board charges.
6. A letter and NDSU's policy on unofficial withdrawals will be mailed to the student notifying them of their obligation at the time the institution returns the financial aid funds.
7. Customer Account Services will place a hold on the student's record at NDSU. Institutional collection procedures will be followed in accordance with NDSU Policy 513.
8. Students will also be placed on Financial Aid Disqualification following the term in which they receive all F's, I's or U's.