

Pine Technical and Community College Policy

2.PTCC.12 Return of Financial Aid Funds

Chapter: 2 – Students

Date: 6/27/2025

Part 1: Purpose

This policy establishes Pine Technical & Community College’s guidelines for the return of Title IV and Non-Title IV financial aid funds.

Under this policy, students earn financial aid in proportion to the time they are enrolled up to, and including, the 60% point. Financial aid recipients who completely withdraw or stop attending prior to, and including, the 60% point of the term are subject to the federal return of Title IV funds rules and the Minnesota Office of Higher Education refund calculation for state financial aid.

The student may be required to repay a portion of the financial aid they had received.

The student may be owed a disbursement of financial aid funds after withdrawal if certain conditions are met.

Part 2: Definitions

For the purposes of this procedure only, the following words and terms are defined as follows:

Academic Attendance and Academically-Related Activities

The federal Financial Aid Handbook identifies the following parameters regarding academic attendance and academically-related activities as it relates to Title IV funding (V.5 Ch.1).

Academically-related activities include but are not limited to:

- Physically attending 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
- Attending a study group that is assigned by the college
- Participating in an online discussion about academic matters
- Initiating contact with a faculty member to ask a question about the academic subject studied in the course



*PTCC further defines physical attendance as being consciously attending or engaged.

Examples that are *not* considered evidence or proof of academic activities or academic engagement with the college:

- Living in institutional housing
- Logging into an online class without active participation
- Participating in counseling, advising, or other student services

The Federal Student Aid Handbook specifically states that documenting that a student logged into an online class *does not* demonstrate academic attendance. The college must demonstrate student participation in class or via other academic activities.

Examples of online academically-related activities may include:

- Participation in an academically-relevant online discussion
- Contact (including email) with the faculty member to ask a course-related question
- Student submission of an academic assignment
- Student submission of an exam
- Documented student interaction in an interactive tutorial or computer-assisted instruction (third-party software)
- Posting in an online study group assigned by the instructor/institution

Date of Determination

This is the date the College determines the student started the withdrawal process from the College. This is regulated and formulated by federal law and can vary based on withdrawal circumstances.

Non-Title IV Funds

State or agency-funded aid such as Minnesota State Grant, Minnesota SELF Loan, etc.

Title IV Funds

Federally funded aid such as the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (SEOG), or Federal Subsidized and Unsubsidized Loans.

Withdrawal Date or Last Date of Attendance

The last date a student participated in an academically-related activity.

Part 3: Return of Title IV Funding (34 CFR 668.22)

This policy applies to any student who receives Title IV funding and ceases to be enrolled before the end of a period of enrollment (e.g. Fall, Spring, or Summer Semester). A student is considered to have withdrawn if the student does not complete all the days in a period of enrollment that the student was scheduled to complete. Federal regulations require the College to calculate the return of Title IV refunds within 30 days of determining the student has withdrawn from all federal aid eligible courses.

Title IV funds are awarded to a student under the assumption that the student will attend courses for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive.

Regardless of whether or when the student begins the official withdrawal process or whether the student gives oral, written, or electronic notification to the College of their intent to withdraw; if a student ceases attendance from all Title IV eligible courses in a given period of enrollment, the student is considered a withdrawal for Title IV purposes.

The last date of attendance/participation in the course is used to determine the withdrawal date, whether the withdrawal is official (student actively withdraws) or unofficial (instructor records a last date of attendance which results in a withdrawal). The U.S. Department of Education (DoE) Return of Title IV Funds formula determines the amount of Title IV Funds a student has based on the amount of time the student spent in attendance up until the date the student ceased attendance/participation. Federal regulations require the College to calculate the return of Title IV refunds within 30 days of determining the student's official or unofficial withdrawal date.

The amount of Title IV funds a student earns is a proportional calculation based on the number of days the student attends courses through 60% of the term. For example, if a student withdraws after completing 30% of the term, they are entitled to keep approximately 30% of their financial aid and 70% must be repaid.

If a student ceases to attend courses after the 60% point, a student has earned 100% of the Title IV funds the student was scheduled to receive during the period. (Note: this may differ if a student is enrolled in short-term courses, and thus the period of enrollment differs from the standard term.)

If the amount of Title IV funds disbursed to the student is greater than the amount a student earned, the unearned funds must be returned within 45 days of the date of determination.

Subpart A. Order of Return of Title IV Funds

Per federal regulation, the College returns the unearned share of Title IV Funds in the following order, up to the net amount disbursed from each:

1. Unsubsidized Federal Direct loans
2. Subsidized Federal Direct loans
3. Federal PLUS loans
4. Federal Pell Grant
5. Federal SEOG (grant)
6. Other Title IV grant or loan assistance

Subpart B. Credit Balance

If there is an existing credit balance at the time of withdrawal, the College is required to perform the Title IV withdrawal calculation (referred to as an R2T4 calculation) to determine whether adjustments to the credit balance are required. If a credit balance remains after the R2T4 calculation it will be disbursed within 14 days of the R2T4 calculation.

Subpart C. Student Responsibility

A student may be responsible for all or a portion of the refund back to the DoE.

By applying for a Federal Direct Loan, a borrower authorizes the school to pay directly to the Secretary of the DoE that portion of a refund or return of Title IV, Higher Education Act (HEA) program funds from the school that is allocable to the loan.

Therefore, a school must pay that portion of the student's refund or return of Title IV, HEA program funds that is allocable to a Federal Direct Loan to the DoE. Because of this, the College will provide simultaneous written notice to the student/borrower if the school pays a refund or return of Title IV, HEA program funds to the DoE on behalf of that student. Then, the College will collect the portion of loan funds returned to the DoE from the student.

Subpart D. Post Withdrawal Disbursement

Per federal regulation, a student may be owed a disbursement of Title IV funds after the withdrawal date if the conditions for Post-Withdrawal Disbursement are met. If the amount of Title IV funds disbursed (if any) is less than the amount the student earned, the student is eligible for a post-withdrawal disbursement.

A post-withdrawal disbursement of federal grant funds will automatically be applied to tuition and fees within 45 days of the date of determination of the withdrawal.

If a student is eligible for a post-withdrawal of loan funds, a notice will be sent to the student within 30 days of the date of determination of the withdrawal. The student must notify the College within 45 days that they want the loan applied to their account. Written permission from the student is required before loan funds can be dispersed.



Part 4: Return of Non-Federal Financial Aid

Refunds for state aid programs and non-state aid programs are calculated on a proportional basis using the state-mandated or institutional refund policy. State financial aid programs are refunded to the Minnesota Office of Higher Education/ State of Minnesota. To calculate the minimum refund for the Minnesota State Grant Program, the SELF Loan program, and other state aid programs (except the Minnesota State Work-Study program), the Minnesota Office of Higher Education Refund Calculation Worksheet is used.

Related Documents:

Federal Regulatory Code: 34 CFR 668.22

2.PTCC.12.1 Return of Financial Aid Funds Procedure

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