

# Pine Technical and Community College Procedure

## 2.PTCC.12.1 Return of Financial Aid Funds

**Chapter:** 2 – Students

**Date:** 6/27/2025

### Part 1: Purpose

This document establishes the procedure that Pine Technical & Community College is required to carry out when a student completely withdraws or stops attending courses, per Federal and State financial aid regulations.

### Part 2: Procedure

Faculty record in eServices the last date a student participated in an academically-related activity. If the College is unable to obtain from the faculty the last date of attendance, the College will assume a midpoint withdrawal and calculate the return of funds accordingly.

This date is used to determine the amount of financial aid funds the student is able to retain. Students “earn” financial aid in proportion to the time they are attending courses up to the 60% point of the term. Scheduled breaks of more than four consecutive days are excluded from the calculation. If there is an outstanding balance after Title IV and/or state funds are returned and the student’s institutional charges are adjusted, the student would be liable for this amount.

#### Subpart A. Refund and Repayment of non-Federal (non-Title IV) Financial Aid

When a student’s enrollment changes or a student completely withdraws, the College determines if the student is eligible for a refund based on the College’s refunds and withdrawal policy. All or a portion of any non-Federal refunds may be required to be returned to the program from which the refund was originally paid. The Minnesota Office of Higher Education Refund Calculation Worksheet will be used to determine refunds for Minnesota State Grant, SELF, institutional grants, and other non-Federal financial aid programs that require a refund. The non-Federal refunds are pro-rated between the Minnesota financial aid programs and other non-Federal financial aid programs that require a refund.

The College returns the College share of loans and both the student and College share of grants. The College then bills the student for these amounts.

#### Subpart B. Return to Title IV (R2T4) Calculation

- No calculation will be performed when a student earns at least one passing grade during the semester, even if the course in which the student earned the passing grade ended before the 60% point in the semester.



- An R2T4 calculation will be performed when a student has no passing grades and earned a failing grade (i.e. attended until the end of the course) in a course that ended before the 60% point in the semester. In other words, there were no passing grades and no attendance after the 60% point in the semester.
- An R2T4 calculation will be performed when a student stopped attending (i.e. formally or informally withdrew) all courses before the 60% point in the semester.
- The percentage of earned aid is determined by dividing the number of completed calendar days by the number of calendar days in the semester, including weekends and holidays and excluding any scheduled breaks longer than five days.
- If the R2T4 calculation indicates the student has unearned aid previously disbursed, the College will return the unearned aid to the Department of Education on the student's behalf which will create a balance due to the College. The student is responsible for repaying any unearned aid as a result and will be billed to inform them and initiate repayment. If any unearned aid was determined to be, all or in part, a loan disbursement, the institution-initiated return of these Title IV funds will reduce the overall loan debt accordingly with the Department of Education. If the return does not completely reduce the student's loan balance with the Department of Education, then the outstanding loan debt will be repaid to the Department of Education based on the terms of the student's master promissory note.

### **Subpart C. Timeframe for the Determination and Calculation**

- At least monthly, the Financial Aid Office runs a report to determine students who officially withdrew from all courses. The Financial Aid Office then performs an R2T4 calculation for students who received financial aid.
- During the semester, the College may obtain knowledge that a student dropped out (i.e. unofficially withdrew). In these cases, the Financial Aid Office will be notified so an R2T4 calculation can be performed.
- The College will determine the withdrawal date or last date of attendance for students who stopped attending (i.e. unofficially withdrew) within 30 calendar days from the earlier of (1) the end of the payment period (i.e. defined as "semester" at Pine Technical & Community College), (2) the end of the academic year, or (3) the end of the student's educational program.
- Federal regulation requires the College to calculate the Return to Title IV refunds within 45 days of determining an official or unofficial withdrawal date.

### **Subpart D. Credit Balances After Withdrawal**

Title IV credit balances due to the student that are calculated as a result of R2T4 calculations will be disbursed to the student account within 14 days of the R2T4 calculation.

### **Subpart E. Post-Withdrawal Disbursements**

In some cases, a student may withdraw from all courses before aid has disbursed. A post withdrawal disbursement is done when a student shows they have withdrawn from all of their classes prior to financial aid disbursement but began attendance in all courses and are qualified for some (earned) aid.

- For Pell grant eligibility only, the earned portion of the grant is disbursed to the student account and a letter is sent to notify them of their eligibility and right to return funds within 45 days of the date the letter was issued.
- For loan eligibility, a notice is sent to the student within 30 days of the date of the school's determination that the student has withdrawn. The student will be granted at least 14 days to respond to accept or decline the funds. If no response is received, the College will not release any loan funding. Post-withdrawal disbursements of Federal Direct Loans will be made within 180 days after the determination of the withdrawal. All post-withdrawal disbursements are applied to a student's account balance first, and the resulting credit balance will be disbursed to the student within 14 days.

### **Subpart F. Notifying Students**

The Financial Aid Office reviews and calculates any returns of Title IV aid. The Financial Aid Office then returns the funds and runs the "Aid Applied" process. The Financial Aid Office prepares a letter to the student, and sends the letter and calculation worksheets to the Business Office to review for accuracy. The Business Office runs the "Funds Applied" process and ensures that the activity on the student's account is correct. The Business Office then generates a student account summary to show the amount the student is responsible for repaying. The Financial Aid Office mails the student the summary, calculation worksheet, and letter.

### **Part 3. Responsibilities**

The Return of Title IV calculation process is shared by the Records/Registration Office, the Financial Aid Office, and the Business Office. The Records/Registration Office works with faculty to obtain last date of attendance information and grade clarification. The Financial Aid Office performs the calculation based on the grade and LDA information entered into ISRS. The Financial Aid Office returns the funds on the student's behalf. The Financial Aid Office and Business Office work together to notify the student of the amounts returned, the calculation of this amount, and the amount the student owes.

### **Related Documents:**

Federal Regulatory Code: 34 CFR 668.22

2.PTCC.12 Return of Financial Aid Funds Policy



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**Policy History:**

*Date and Subject of Amendments:*