

**OFFICE OF FINANCIAL AID**

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Return of Title IV Funds Policy

Essex County College is required by the Higher Education Act to recalculate the eligibility for federal Title IV student financial assistance for students who withdraw, drop out, or are dismissed prior to completing 60% of a semester. Title IV programs at Essex County College include: Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (SEOG), Federal Work-Study.

The application of the Return of Title IV Funds Policy may result in funds being due to the College. Students will be responsible for any outstanding balance due to the College. Students may check for any balances due to the College by signing in and checking their College account online or by contacting the Bursar's Office.

Mandated Sequence for Return of Title IV Funds – If a student who has received Title IV funds withdraws from or leaves the College prior to completing 60% of a semester, the College will recalculate the amount of such Title IV funds the student has earned or entitled to retain. This recalculation is based on the percent of earned aid using the following Return of Title IV funds formula:

$$\# \text{ of days completed} \div \text{total} \# \text{ of days in the semester} = \% \text{ of aid earned}$$

*Days completed is defined as the first day of semester through withdrawal date. Any break of five days or more is not counted as part of the days in the semester

In accordance with Federal regulations governing treatment of title IV funds when a student withdraws, keeping in mind that Essex County College does not participate in Federal student loan programs, unearned funds will be credited to any amount awarded for the payment period or period of enrollment for which a return of funds is required in the following order:

- Federal Pell Grants for which a return of funds is required
- Academic Competitiveness Grants for which a return of funds is required
- National SMART Grants for which a return of funds is required
- Federal Supplemental Educational Opportunity Grants (FSEOG) for which a return of funds is required
- TEACH Grants for which a return of funds is required; and
- Iraq-Afghanistan Service Grant for which a return is required.

(Please bear in mind that Academic Competitiveness Grants and National SMART Grants are no longer available from the US Department of Education, though Federal student aid regulations [34 CFR 668.22(i)(2)] still cite these programs in the required sequence for return. Essex County College does not participate in the TEACH Grant program. Therefore, Academic Competitiveness Grants, National SMART Grants and TEACH Grants, cited in this mandated sequence, would not apply at Essex County College).

Return of Title IV Funds Calculation Example

In the following example, the student's institutional charges will be adjusted by the amounts that must be returned to the Title IV programs. Please note that charges used in these examples may not reflect true College charges.

Example: Student is a full-time undergraduate living off-campus.

Student's financial aid package consists of:

Federal Pell Grant \$3,047.00

Federal Supplemental Educational Opportunity Grant (FSEOG) \$500.00

Student withdraws on 10/09 This is day 35 out of 108 days in the semester. $35/106 = 33\%$ of Title IV aid earned by the student.

Title IV funds = $\$3547 \times 33\% = \1170.51 in Title IV funds earned.

Title IV funds to be returned: $\$3547 - \$1170.51 = \$2376.49$ to be returned to Federal student aid programs. In this case, \$2376.49 would be returned to the Federal Pell Grant program and the student's amount of Federal Pell Grant funds adjusted

Please keep in mind that Return of Title IV calculations, which result in funds being returned to Federal student aid programs, might result in a balance due to the College.