

Treatment of Federal Financial Aid When a Student Withdraws

The US Department of Education requires Bismarck State College (BSC) to maintain and disseminate 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 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, the student may no longer be eligible for the full amount of Federal financial aid funds that the student was 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 Federal financial aid 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 Federal financial aid funds he or she was scheduled to receive during the period of enrollment. For a student who withdraws after the 60% point-in-time, there are no unearned funds.

If the recipient of a Federal grant or Federal loan withdraws from school after beginning attendance, the amount of the Federal grant or Federal 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. Bismarck State College must return unearned funds for which it is responsible as soon as possible but no later than 45 days from the determination of a student's withdrawal.

Withdrawal Procedure

Students who wish to withdrawal from all courses must officially withdraw to zero credits. To withdraw, complete the Withdrawing to Zero Credits form at

<http://www.bismarckstate.edu/current/records/withdraw/>

Complete the form and submit to Academic Records. 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.

Withdrawal Date and Calculation of Earned and Unearned Federal Financial 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 BSC, that the student otherwise notified BSC 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 of 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 amount 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 BSC and the student, according to policies and procedures contained within the federal formula for proration of refunds of unearned Federal Financial 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 Financial Aid Office.

Distribution of Unearned Federal Financial Aid

In compliance with federal regulations, a school must return Federal financial aid funds to the programs from which the student received federal 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 Direct loans
- Subsidized Federal Direct loans
- Federal Perkins loans
- Federal Direct PLUS loans
- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG)

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

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

Any refund amount above the amount of unearned aid will be returned to the federal aid programs according to the distribution of Unearned Federal Financial Aid schedule.

Unofficial Withdrawals

Federal Regulations require that an institution must have a procedure in place for determining whether a Federal financial aid recipient who began attendance during a period of enrollment completed the period.

If a student earns a passing grade in one or more of his or her classes offered over an entire period, for that class, BSC will presume that the student completed the course and thus completed the period of enrollment. If a student who began attendance and has not

officially withdrawn, fails to earn a passing grade in at least one course offered over an entire period, BSC will assume the student has unofficially withdrawn.

The determination of unofficial withdrawals will occur after grades are posted at the end of each semester. For unofficial withdrawals, the withdrawal date that BSC will use is either the midpoint of the period of enrollment or the last date of an academically related activity the student participated in.

1. A list of students who received all F's, I's or U's for the term (period of enrollment) will be extracted from the Academic Records Office.
2. An email 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 document date or the 50% point in the term (whichever is later) will be used as the last date of attendance by the student. If the 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 Federal Financial Aid 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 BSC's policy on unofficial withdrawals will be mailed to the student notifying them of his or her obligations at the time the institution returns the financial aid funds.
7. Students will also be placed on Financial Aid Disqualification following the term in which they receive all F's, I's of U's.

