

Financial Aid Withdrawal/Refund Policy

Financial Aid Withdrawal Policy

Financial aid is awarded to students with the expectation they will attend their classes the entire semester for which they are awarded.

Moreover, colleges are required by federal regulation to re-calculate the financial aid eligibility of students who withdraw or drop out before completing more than 60% of their term. All federal Title IV and state financial aid programs must be re-calculated in these situations. Federal regulations require students to attend more than 60% of a semester to earn 100% of their financial aid.

Basically, students earn a percentage of their financial aid for each day they attend classes. If a student stops attending all of their classes, their financial aid is re-calculated to determine the percentage of aid that had been earned at the point of withdrawal and any unearned aid is returned to the appropriate aid program. For example, a student who attends 30% of the semester can keep 30% of their financial aid. This is known as the Return of Title IV Funds Policy. If earned aid is less than the student's bill, the student must pay the balance. After the 60% point in the semester, all financial aid is considered to be earned.

College Refund Policy

BCC has a published time frame each term during which students can drop or add courses without penalty. Students who withdraw from BCC during the Drop/Add period in any given term receive a 100% refund of all charges. No refund of charges is made after the Drop/Add period (see College refund policy).

Withdrawal Procedures

BCC recognizes that circumstances beyond a student's control can occur and withdrawal from college after a Drop/Add period has ended may become a necessity. However, because the College's refund period has ended, the student's charges are not reduced. Furthermore, a student is entitled to keep only a portion of their financial aid based on the date they withdrew or stopped attending.

Official Withdrawal: Students whose circumstances require them to drop all courses after the Drop/Add period in any given term should initiate a college withdrawal through the Academic Advising Office. It is important to complete an official withdrawal as a federally mandated calculation must be done to determine how much of their financial aid the student can keep.

Unofficial Withdrawal: If a student does not officially withdraw, we will review their non-passing final grades within 30 days after the semester ends, and use the latest last date of class attendance (or academic-related activity) provided by their instructors to calculate how much of their aid the student can keep.

(over)

Return of Title IV Funds Policy

This policy allows a student to earn a portion of their financial aid awarded for each day of enrollment. If a student drops out or withdraws from BCC before completing more than 60% of the semester, the amount of their financial aid will be reduced in proportion to the percentage of the semester attended.

Re-calculation Example: A student has been awarded \$1000 financial aid for the semester and withdraws from all classes at the 30% point. To determine the percentage, the College divides the number of days the student attended by the number of days in the semester. Based on this calculation, this student will keep \$300 of the \$1000 award because they only attended 30% of the semester. The College returns \$700 to the federal government. A letter is mailed notifying the student of the refund calculation, revised awards, and obligation to pay any outstanding balance.

Processing Timeline: Once the last date of attendance has been established, a refund calculation is processed within 30 days of that date. Unearned financial aid funds are returned to the federal government within 45 days of the confirmation of the student's last date of attendance.

Return of Federal Title IV Funds: Unearned financial aid funds are returned to federal accounts in the following order: Unsubsidized Federal Direct Loan, Subsidized Federal Direct Loan, Federal Direct PLUS loan, Federal Pell Grant, Federal Supplemental Grant (SEOG).

Post-Withdrawal Disbursement: If a student has not yet received the full amount of aid that they were eligible for at the time of withdrawal, they may be eligible for a post-withdrawal disbursement. If this disbursement includes a loan, the student will be contacted for their written permission to disburse the loan. Any credit balance resulting from a refund calculation will be disbursed to the student within 14 days.

Notification to Student: After the refund calculation is processed, a student receives written notification of their new revised award amounts and revised bill including any tuition, fee, and bookstore charges no longer covered by their aid.

Student Obligation to Pay: It is the student's responsibility to pay any outstanding debt owed to the College or federal government as a result of losing a portion of their aid due to withdrawal from the College. A hold is placed on the student's account to prevent them from registering for classes until the outstanding bill is paid. If a student's loan disbursement was reduced, that portion is returned to the federal government which then reduces the student's overall indebtedness.

Additional Consideration: When withdrawing from college, a student may also jeopardize their ability to maintain satisfactory academic progress standards to receive future financial aid. Classes that students start but do not successfully complete count against them (see Academic Progress Standards for Financial Aid).

For more information about the impact of withdrawing from college on financial aid, contact Student Financial Services at finaid@berkshirecc.edu.