

**Return of Funds Policy for Withdrawing Students
SEAA-Administered State-Funded Grant Programs**

Effective for the 2020-2021 Academic Year and Thereafter

SCOPE:

State-funded grants are provided to assist students with the cost of attendance on the assumption that the students will attend college for the entire term for which the funds are awarded. When a student withdraws before the end of the term, an institution must determine how much, if any, State grant funds must be returned. The amount an institution must return depends on when the student withdraws. Changes in eligibility if a student reduced his or her original number of enrolled credit hours are addressed in specific program rules.

Institutions are required to calculate the amount of funds it must return, when a student withdraws prior to or on the 35% point of the term, via the CFI Grant System. In completing the calculation, the “last date of attendance” is determined consistent with Title IV regulations for a Return of Title IV Funds. “Term” means the academic period for which the State funds are awarded.

KNOWN LAST DATE OF ATTENDANCE:

- If a student’s last date of attendance can be verified and is prior to or on the 35% point of the term, the State grant repayment will be based on the percent of the term not completed (or the percent of the scheduled hours remaining in the payment period for clock hour schools).
- If the last date of attendance occurs after the 35% point of the term, the State grant award is considered 100% earned and no State grant repayment is due.

State grant repayment formula: Known last date of attendance, prior to or on the 35% point of the term:

1. The percent of State grant earned is calculated by dividing days in attendance by calendar days in term. Scheduled breaks of five or more days should be excluded from the calculation.
2. Subtract the percent of State grant earned from 100%; this equals the percent of unearned State grant.
3. Multiply the percent of unearned State grant by the grant amount.

Example:

A student is awarded \$1,000 for a State grant and completed 20% of the term prior to withdrawal. The State grant repayment is calculated as follows:

1. The **unearned** percentage equals 80% (100% less 20% completed). The **earned** percentage equals 20%.
2. Unearned aid equals \$800 (80% of \$1,000 State grant award).
3. The repayment equals \$800.

UNKNOWN LAST DATE OF ATTENDANCE OR SCHOOLS THAT DO NOT TAKE ATTENDANCE:

If a student attends a portion of a term and withdraws with no verified last date of attendance or documented academic activity, the State grant repayment will be 50% of the grant amount with **no additional adjustments**.

NO ACADEMIC CREDIT:

If a student earned no academic credit for the term (all 'F' grades), the institution must determine whether the student completed the term. If the institution determines that the student did not withdraw, but instead completed the courses and earned no academic credit, the institution is not required to return State funds. If the institution determines that the student unofficially withdrew, the institution must complete a calculation using a last date of attendance or date of last documented academic activity to determine if any funds must be returned to the state. If there is no last date of attendance or last documented academic activity for the unofficial withdrawal, 50% of the grant must be returned.

NO-SHOW REPAYMENTS:

If a State grant recipient never attends courses in the term for which they received a State grant award, the State grant repayment is 100% of the award. If a school is unable to distinguish between a no-show and an unofficial withdrawal, the no-show policy shall apply.

GENERAL STATE AID REPAYMENT POLICIES:

Repayments are based on the State grant award amount, including enrollment and packaging adjustments.

1. Verified withdrawal dates after 35% of the term equate to 100% earned State grant.
2. Unofficial withdrawals/no known last date of attendance equate to repayment of 50% of the State grant award.
3. If no academic credit is earned for the term, the institution must determine whether the student completed the term.
4. No shows are 0% earned and equate to repayment of 100% of the State grant.
5. Official withdrawals or verified last date of attendance repayment calculation: State grant award amount multiplied by the percent of unearned State grant equals the State grant repayment due.
6. The return of state funds required by this policy is applicable to the following programs:
 1. Education Lottery Scholarship (ELS);
 2. Institution-Specific State grants:
 - a. UNC Need Based Grant (UNCNGBG);
 - b. North Carolina Community College Grant;
 - c. North Carolina Need-Based Scholarship;
 3. North Carolina National Guard Tuition Assistance Program;
 4. UNC Campus Scholarships (Note: UNC Campus Scholarship funds are returned through the universities budget reversion process, as applicable);
 5. North Carolina School of Science and Mathematics Tuition Grant (UNC System).

Example: A student receives a \$1,000 North Carolina Community College Grant and a \$2,000 Education Lottery Scholarship. The student withdraws at the 20% point, requiring a refund of \$800 to the North Carolina Community College and a refund of \$1,600 to the Education Lottery Scholarship. The CFI Grant System will calculate appropriate returns for each program.

7. Institutions shall return State grant funds within **60 days** of the date that the institution determines a student has withdrawn.
8. Institutions are not required to return any funds that have been disbursed for the North Carolina Forgivable Education Loan for Service or other "scholarship-loan" programs administered by the Authority.