



KVCC Refund/Return 2 Title IV Policy

January 2026

Students may add/drop courses only during the first six business days of the semester.

Students who retain some enrollment may continue DROPPING courses without academic penalty through the twelfth week of the semester (students should check with the Registrar for the exact dates. This does not apply to summer.). However, all costs associated with the dropped courses will be charged according to the college's Refund Policy. Grades of "W" (Withdraw) will be entered on student records.

The add/drop period is the **first six business days of each term**. Between seven and ten business days of the semester's first day of classes, students can drop one or more courses, receive a W and a 50% refund. After that, the student is responsible for 100% of the charges and no refund will be required by the college. To summarize:

Official total withdrawal within 6 class days of the semester.....	100% refund
Official total withdrawal between 7 and 10 class days of the semester.....	50% refund
Official total withdrawal after 11 class days of the semester.....	0% refund
Course canceled by KVCC.....	100% refund

For students with federal Title IV financial aid who are totally withdrawing, the KVCC Refund policy for Title IV recipients applies (see "Refund Policy for Title IV Federal Financial Aid Recipients" below). Letter grades will be reported for all courses carried after the twelfth week of the fall or spring semester. Students should check with the Registrar for the corresponding date in the summer semester.

When a student completely withdraws during the add/drop period, KVCC will refund 100% of the charges, except for charged books. **It is up to the student to inform the Academic Affairs Office (207-453-5822) during the add/drop period, preferably in writing, that he/she is withdrawing. Telling an instructor is not sufficient. If the student does not inform the Academic Affairs Office during the add/drop, then the student is liable for the charges and cannot inform the Registrar at a later date and expect a retroactive refund.**

No refunds are given for terminations resulting from academic, disciplinary, or financial dismissal. Students who feel that individual circumstances warrant exceptions from the published policy may appeal to the Dean of Finance.

A separate calculation (described below) will be made **for all federal financial aid recipients** to determine the amounts of financial aid they are eligible to keep. In many cases, the financial aid may not be large enough to cover the outstanding bill and the student will need to make payment arrangements for the balance due.

Before withdrawing completely from Kennebec Valley Community College (KVCC), all financial aid recipients are encouraged to read this policy and check with the Financial Aid Office for guidance about **"unearned"** financial aid that may need to be repaid to KVCC or the federal government.

Financial aid monies must be returned to the federal government for any Title IV recipient who **withdraws before completing 60% of the semester** (calculated using calendar days). Students receiving awards from any of the Title IV programs, including Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Direct Loans (Subsidized and Unsubsidized), Federal PLUS, but **not** Federal Work Study, are subject to this policy.

When students withdraw from classes, the financial aid that has been received for those courses at KVCC will likely be reduced based upon the amount of time the student attended. If the tuition, fees and book charges were paid with financial aid, all or a portion of the student's stipend must be returned to the student aid programs from which the financial aid was awarded. ***A student who receives a stipend check to assist with living expenses and later withdraws, drops out, or is expelled, will likely be required to repay money to the aid programs from which the money was awarded.*** KVCC has designed the following policies and procedures to ensure proper accountability when a student leaves the college.

REFUND POLICY FOR TITLE IV FEDERAL FINANCIAL AID RECIPIENTS

Institutions are required to have a refund policy for Title IV financial aid recipients that conforms to the updated version (Section 668.22) of the Higher Education Amendments of 1998. Students receiving awards from any of the federal programs, including Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Direct Loans (Subsidized and Unsubsidized), Federal PLUS, but **not** Federal Work Study are subject to this policy.

If a student withdraws before the 60% point of any semester (*see Section 2 of this document for definitions*), a portion of the Title IV funds awarded or paid a student must be returned. At the 60% point, the student is considered as having earned all their aid. For students who withdraw before the 60% point, if KVCC must return Title IV funds, this will likely leave the student with an outstanding bill owed to KVCC.

The percent (%) ***“earned,”*** or the amount of financial aid the college and student are entitled to keep is calculated using the following formula:

$$\% \text{ Earned} = \frac{\text{\# of days completed up to the withdrawal date}}{\text{Total \# of days in the semester}}$$

****Total # of days in the semester excludes any scheduled breaks of five days or more. Days of the weekends are included unless they directly precede or follow a scheduled break of five days.***

The percent (%) ***“unearned,”*** or the amount of financial aid that must be returned to the federal government will be calculated using the following formula:

$$\% \text{ Unearned} = (100\% - \% \text{ earned}) \times \text{Aid paid to institutional charges}$$

For example, a student who withdraws completing only 20% of the term, will have ***“earned”*** only 20% of the total Title IV financial aid awarded. KVCC and/or the student must return the remaining 80% of ***“unearned”*** financial aid.

$$\text{Amount KVCC returns} = \% \text{ Unearned} \times \text{Total institutional charges}$$

$$\text{Amount the student returns} = \% \text{ Unearned} - \text{Amount KVCC returns}$$

1. REFUND DISTRIBUTION FOR FINANCIAL AID RECIPIENTS

The law (Higher Education Amendments of 1998) specifies the order of return of the Title IV funds to the programs from which awarded. Accordingly, both KVCC and students must return their respective shares of the “unearned” financial aid to the following sources, in the following order:

1. Federal Direct Unsubsidized Loan*
2. Federal Direct Subsidized Loan*
3. Federal Direct PLUS Loans (Parent Loans for Undergraduate Students)*
4. Federal Pell Grant
5. Iraq and Afghanistan Service Grant

5. FSEOG

6. TEACH Grant

* Student repayment of unearned loan amounts is returned in accordance with the terms of the promissory note

Funds are returned only to programs from which they were received. For example, if a student were awarded a Federal Pell Grant, but no loans, the first program to receive a refund would be the Federal Pell Grant.

Adjusted bills will be sent to the student's home address on file with the Office of Academic Affairs following withdrawal. Students are responsible for any portion of their institutional charges that are outstanding after the Title IV funds are returned.

KVCC will notify the federal government of any grant amounts owed by the student. Federal Loan Servicers will be notified of the date of the student's withdrawal.

2. REFUND WITHDRAWAL DATE

According to the Federal Student Aid Handbook, "A student is considered withdrawn from a payment period if

- In the case of a program that is measured in credit hours, the student does not complete all the days of the payment period ... that the student was scheduled to complete...."

The withdrawal date established for purposes of calculating financial aid refunds will be determined and documented by the Office of Academic Affairs as follows:

2.1 Official Withdrawal Date

For students who "officially" withdraw, the withdrawal date will be:

1. The day the student begins the process prescribed by KVCC or the last date of attendance at an academically related activity* (whichever is earlier) ; or
2. The date the student notifies KVCC of the intent to withdraw; or
3. The date of the expulsion or dismissal, if the student is expelled or academically dismissed.

*For an online class, this is not the last log-in date; it is the last date of actual participation, such as engagement in an online discussion, or writing/submitting classwork, papers or tests.

2.2 Unofficial Withdrawal

For students who neither began the withdrawal process nor notified KVCC of the intent to withdraw, the date used is:

1. The last documented date of attendance at an academically related activity; or
2. The midpoint of the semester.

REFUND POLICY EXAMPLE

STEP 1. Determine the percentage of time the student was enrolled.

Test Record withdrew after attending 40 days of the fall semester (payment period) that spans 115 days from first day to last. The period includes one 7-day break. Excluding the break, the payment period consists of 108 calendar days. This student was enrolled for **37.03% (40/108)** of the payment period.

STEP 2. Determine the amount of aid “*earned*” by the student.

Test Record was awarded \$5563 of Title IV funds for the payment period, and all of it was disbursed prior to her withdrawal. (Federal Stafford loans disbursed equal the award amounts of \$1313 (subsidized) and \$2000 (unsubsidized) minus the three percent (in this example) loan fees.

Federal Pell Grant	\$1650.00
FSEOG	\$400.00
Subsidized Direct Loan	\$1273.00
Unsubsidized Direct Loan	<u>\$1940.00</u>

Title IV Disbursed \$5263.00

She attended 37.03% of the payment period; thus earning **\$1963 (37.03% of \$5263)** of the disbursed financial aid awards.

STEP 3. Compare the amount of financial aid “*earned*” to the amount disbursed.

Since Test Record only earned \$1963 of the \$5263, the balance of \$3300 (\$5263 minus \$1963) must be returned to the Title IV financial aid programs.

STEP 4. Allocate the responsibility for returning the “*unearned*” (62.97%) *financial aid* between the school and the student.

Original Institutional charges for the period are determined:

Tuition	\$ 846
Fees	\$ 142
Books	<u>\$ 250</u>
Total Charges	\$1238

- Calculate KVCC’s responsibility to return Title IV funds by multiplying the percentage of “unearned” Title IV aid or **62.97%** times the Institutional Charges (**\$1238 = \$780**).
- Compare the amount of Title IV aid to be returned (**\$3300**) to the above.
KVCC MUST RETURN the lesser amount (\$780.)

STEP 5. Distribute the unearned funds back to the Title IV programs.

Subtract the amount of Title IV aid due from KVCC from the amount of Title IV aid to be returned (\$3300 minus \$780 = \$2520). **The \$2520 is Test Record's share to repay to the Title IV financial aid programs.**

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible by repaying funds as noted in the distribution policy below up to the total net amount disbursed from each source, after subtracting the amount the school will return.

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|--|---------------------------------------|
| 1. Unsubsidized Stafford Loan** | 4. Federal Pell Grant |
| 2. Subsidized Stafford Loan** | 5. Iraq and Afghanistan Service Grant |
| 3. Parent Loans to Undergraduate Students (PLUS)** | 6. FSEOG |
| | 7. TEACH Grant |

STEP 6. Determine the distribution of Test Record's Title IV repayment amount.

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|-------------------------------------|-----------------|
| 1. Unsubsidized Stafford Loan | \$1940.00** |
| 2. Subsidized Stafford Loan | <u>580.00**</u> |
| Total Repayment Due \$2520** | |

Since Test Record's total repayment due to the Title IV programs is less than the total student loans received, no action is necessary (see note below). She will repay the loans according to the terms of her promissory note.

**Loan amounts are returned with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

3. Post-Withdrawal Disbursements After a "Return to Title IV" Calculation

If the student receives less federal student aid than the amount earned, the school must offer a disbursement of the earned aid that was not received. This is called a post-withdrawal disbursement. If the student receives more Title IV Aid than the amount earned, the school, the student, or both must return the unearned funds in a specified order. A post-withdrawal disbursement whether credited to the student's account or disbursed to the student or parent directly, must be made from available grant funds before available loan funds.

Without obtaining a student's permission, Title IV grant funds from a post-withdrawal disbursement are credited to a student's account to pay for tuition and fees, or disbursed directly to a student. A school must obtain a student's authorization to credit a student's account with Title IV grant funds for charges other than current charges, or for charges that are considered non-institutional.

A school must disburse any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account. Moreover, the school must make the disbursement as soon as possible but no later than 45 days after the date of the school's determination that the student withdrew.

KVCC must notify a student, or parent for a Direct Parent PLUS Loan, in writing prior to making any post-withdrawal disbursement of loan funds, whether those loan funds are to be credited to the student's account or disbursed directly to the student (or parent). This notice must be sent within 30 days of the date of KVCC's determination that the student has withdrawn.

KVCC must notify a Title IV borrower about (a) the type and amount of loan funds it wishes to credit to the student's account or disburse directly to the student; (b) the student's right to accept or decline all or a portion of the funds; and (c) the student's obligation to repay the loan funds. The Financial Aid Office does this by sending an email to the student at the time the R2T4 calculation is done. If a student has charges other than institutional, the letter will ask for permission to make a post-withdrawal disbursement of grant or loan funds to cover those charges. The student is given a 14-day deadline from the date of the letter to respond. No post-withdrawal disbursement of loan funds will be made, (unless KVCC chooses to make a post-withdrawal disbursement based on a late response), if the student or parent in the case of a parent PLUS loan, does not respond within 14 days of the date that KVCC sent the notification.