

Federal Financial Aid - Overpayment Policy

Students awarded Title IV financial aid funds are expected to earn those funds by attending classes for the entire period in which federal assistance was received. A student who stops attending or withdraws from all courses for any reason, including medical withdrawals, may have been overpaid and no longer be eligible for the full amount of aid they originally received. When an overpayment occurs, the student may be required to return a portion of the unearned funds.

A federal formula is used to calculate the amount of earned aid, unearned aid, and overpayment. Students earn their financial aid in proportion to the amount of time they attend, and a pro-rated schedule is used to determine the amount of federal student aid funds earned at the time of the withdrawal. The more days the student was in attendance and actively participating in classes, the less the overpayment. Once 60% of the semester is completed, a student is considered to have earned all of their financial aid and will not be required to return any funds.

When determining the last date of attendance and calculating the portion of funds earned by the student, the College must use the student's last date of an academically-related activity as documented in official attendance records of the College and reported by faculty. This includes (1) attending a class, lecture, recitation or field laboratory activity, physically or online; (2) submitting an academic assignment; (3) taking an assessment or an exam; (4) participating in an interactive tutorial, webinar, or other interactive computer-assisted instruction; (5) participating in a study group, group project, or an online discussion assigned by the instructor; or (6) interacting with an instructor about academic matters. It does not include (1) living in student housing; (2) participating in the college's meal plan; (3) logging into an online class or tutorial without any further participation; or (4) participating in academic counseling or advisement.

Unless the student withdraws from courses on the same day as the student's last academic activity, the withdrawal date listed on the student's withdrawal form will not be used as the student's last date of attendance.

Overpayment of the unearned funds will be returned to the Title IV program from which the student received aid during the period of enrollment in the following order, up to the net amount disbursed from each source:

1. Unsubsidized Federal Direct Stafford Loan
2. Subsidized Federal Direct Stafford Loan
3. Federal Direct PLUS (Parent) Loan
4. Federal Pell Grant
5. Iraq and Afghanistan Service Grant
6. Federal Supplemental Education Opportunity Grant (FSEOG)

The College will return the funds to the appropriate aid program(s) on behalf of the student and then bill the student's Jefferson College account for the total overpayment. A hold will be placed on the student's account, preventing the student from registering for additional classes until the balance is paid. Any unpaid balance of a required overpayment may be reported to the U.S. Department of Education after 45 days, and the balance due to the school will be subject to collection action, which may include referral to a collection agency and/or interception of a tax return refund.

If the total amount of Title IV funds earned by the student is more than the amount disbursed to the student as of the withdrawal date, the difference between the two amounts will be treated as a post-withdrawal disbursement and applied to the student's tuition and fee account. Any credit balance will then be issued within 14 days.

This policy applies only to students who officially or unofficially withdraw from all classes prior to the 60% point of the semester. It does not apply to a student who withdraws from selected courses but remains actively enrolled and participating in other courses in the enrollment period.