

October 1, 1999

IMPORTANT!

MEMORANDUM

TO: Selected Financial Aid Officers

FROM: Kennon D. Briggs
Vice President for Business
and Finance

SUBJECT: Disbursement of North Carolina Community
College Grant Program Funds

There are a number of concerns that have been brought to the surface because of Hurricane Floyd which affect the disbursement of financial assistance and the refund of tuition. It is the purpose of this MEMO to share information with you as we think through these concerns, and simultaneously send forth the disbursement of funds from the North Carolina Community College Grant Program. Accompanying this MEMO is a single warrant per college, which is being mailed to you for further processing.

What has aroused our concern, and thus the slight delay in sending forth the grant funds, is that several colleges have received requests from students who, as a result of changes in their personal financial situation, want to obtain a refund of their curriculum tuition paid for the fall semester. While this varies college by college, and the magnitude of refund requests is not yet fully known, it does raise the issue of the disbursement of grant funds for financial assistance. For example, a college would not want to make a payment of financial assistance from the grant funds **IF** the student was simultaneously requesting a refund of tuition, and in essence withdrawing. On the other hand, a student who has paid tuition and fully intends to remain in school needs to receive their grant funds quickly.

The question fairly put, therefore, is “what is the State Board’s position regarding the refund of tuition for those students who have been most negatively impacted by the hurricane?” At the September 29 State Board meeting, the Board directed staff to prepare for consideration policy recommendations about a refund of tuition in this instance. The State Board will consider such policy at its next meeting, which will be held on October 14 and 15. At that time, the State Board will make a decision, which will then be widely communicated.

The second question then is how to distribute the grants (and loans) during the interim period. It is advisable that the Financial Aid Office work with each student carefully to make certain that the student intends to remain in school, and will not seek a refund if available in the future. Since the purpose of the grant is to cover tuition and fees, as good stewards of the state’s funds, we cannot give state grants and loans to students who intend to withdraw and who may receive tuition refunds. (Please follow the Pell guidelines on verification of enrollment.) Good college management of this situation protects both the student and the state’s best interest.

As you can see, these concerns must be weighed on a case-by-case basis until the State Board of Community Colleges has resolved the issue of refunds. Therefore, we appreciate your diligence in meeting the needs of affected students in these unusual circumstances.

/kdb

Attachment

pc: Selected Presidents
Selected Business Officers
Dr. Steve Scott
Mr. Ken Whitehurst