



## RETURN TO TITLE IV FUNDS POLICY

Issued By: Student Financial Services & Compliance

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### I. Scope of Policy

This policy provides guidelines and established procedures on the return of Title IV funds for students who withdraw from the Institute so as to ensure clarity and understanding for all students, faculty and staff.

### II. Definition

A return of Title IV funds is required when a student receiving federal Title IV aid completely withdraws from the Institute before attending 60% of the semester.

### III. Determining the Last Date of Attendance

Students who receive Title IV federal aid and withdraw from all courses prior to completing 60% of the academic term will have their federal financial aid pro-rated in accordance with a Return to Title IV (R2T4) calculation. After the 60% point of the term, a student is considered to have earned all of their Title IV aid for the term.

For students who officially withdraw from the Institute, the last date of attendance will be the date that the student submits a completed, signed and returned Official Withdrawal Application or the date an official email request with all required information is submitted to the Office of the Registrar. In cases where the student partially withdraws from some classes before fully withdrawing for the term, the Institute will use the latest date as the last date of attendance. Students who are granted an official leave of absence in accordance with the Institute's Leave of Absence Policy are not considered to have withdrawn for the term.

For students who unofficially withdraw from the Institute, the last date of attendance will be the midpoint of the term. For students who receive a combination of W and WF grades and one F, the last date of attendance will be the midpoint of the term provided the Institute cannot further substantiate that the student warranted receipt of the F grade.

#### **IV. Calculation of the Amount of Title IV Assistance Earned by the Student**

The calculation of the amount of Title IV assistance earned by the student is based on the payment period associated with the term during which the student withdrew from classes. The payment period represents the duration between the start and end date of the term, less any scheduled breaks of five consecutive days or more.

To determine the amount of Title IV aid to be considered, the Institute will calculate the total amount of disbursed Title IV aid for the term in which the student withdrew. Aid is counted in the calculation if it has been applied to the student's account on or before the date the student withdrew or could have been disbursed had the student still been registered for classes. The amount of this Title IV aid earned is calculated on a pro-rata basis using the last date of attendance within the payment period.

#### **V. Return of Unearned Aid**

The amount of unearned aid to be returned is based on the total institutional charges for the term, which includes tuition, fees, room, and board, less the amount of aid earned by the student. The Institute will return, in the order specified below, the lesser of the following:

- the total amount of unearned Title IV assistance to be returned; or
- the total amount of unearned institutional charges.

When a Return of Title IV funds is due, the school and the student may both have a responsibility for returning funds. Funds that are not the responsibility of the school to return must be returned by the student. The Institute will notify each student in writing when they have a responsibility to return funds. In certain cases, the return of unearned aid will result in a balance due to the Institute, particularly if the student previously received and cashed one or more refund checks.

#### **VI. Order of Return of Title IV Funds**

The portion of federal aid that is not earned by a student will be returned to the appropriate federal student aid program(s) in the following order:

- Federal Direct Unsubsidized Loan
- Federal Direct Subsidized Loan
- Federal Perkins Loan
- Federal Direct Graduate PLUS Loan
- Federal Direct Parent PLUS Loan
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant

Once the Institute determines which federal student aid program(s) are to receive returns, a formal written letter is mailed to the student.

## **VII. Timeframe for the Return of Title IV Funds**

The Institute will return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the student's last date of attendance as defined above. For students who unofficially withdraw from the institute, Title IV funds will be returned no later than 45 days after the end of the term.

Returns of Title IV grant funds, other than funds that are being returned to stay in compliance with the excess cash requirements, are offset by a downward reduction in the student's records at the federal Common Origination and Disbursement (COD) system. Similarly, all returns of Direct Loan funds are offset by downward reductions to a student's record at COD. In addition, when all or a portion of a Direct Loan is cancelled (either because the borrower requested the cancellation within the regulatory time frames or to comply with statutory or regulatory requirements), the Institute will make the appropriate adjustment to the student's record in COD. All returns of FSA Grants and Direct Loan funds previously disbursed are also performed by the institute through the federal G5 system.

## **VIII. Post-Withdrawal Disbursements**

If the total amount of Title IV aid that the student earned is greater than the total amount of Title IV aid that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the student's last date of attendance, the difference between these amounts must be treated as a post-withdrawal disbursement.

If outstanding charges exist on the student's account, the Institute will obtain written confirmation from the student and/or parent to determine if they wish to have a Title IV post-withdrawal disbursement processed. Upon receipt of written approval, the Institute will apply the funds directly to the outstanding balance due. If the student and/or parent does not respond, no post-withdrawal disbursement will occur.