

Federal Return of Title IV Funds Policy

The Office of Financial Aid is required by the Higher Education Act of 1965, as amended in 1998, to determine the amount of financial aid that a student "earned" for an academic semester when the student does not complete at least one course within that semester. When the "earned" aid is less than the disbursed aid, the institution and student are responsible for returning the "unearned" disbursed funds to the appropriate agency.

Withdrawal Types

Official (student initiated withdraw) – A student begins the withdrawal process or otherwise provides official notification of intent to withdraw. The official withdrawal process can be found on the college website and within the academic catalog.

Unofficial (college initiated & administrative withdrawal) – Official notification not provided by the student because of circumstances beyond the student's control, expulsion and all other instances where a student withdraws without providing official notification.

Leave of Absence Related – A student takes an unapproved leave of absence or does not return from an approved leave of absence. Additional information can be found within the academic catalog and by contacting the Registrar.

General Information

Federal funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student's enrollment status changes, the student may no longer be eligible for the full amount of aid that the student was originally scheduled to receive.

Any student who does not complete at least one course within an academic semester for which financial aid is received, or could have been received, will be reviewed for a Return of Title IV Funds calculation. This includes students who drop, officially or unofficially withdraw, are dismissed or take a leave of absence during a semester.

The Federal Return of Title IV Funds policy determines the amount of aid earned by dividing the number of calendar days up to the withdrawal date by the total number of calendar days in the enrollment period.

Withdrawal Date Determination

When a student is withdrawn from a course, regardless of the withdrawal type, the Registrar's Office will consult with college administration to determine the student's last date of attendance at an academically related activity. College administration may include but is not limited to; the student's instructors, academic advisor, the Academic Services Department, or the Academic Dean.

Approved Leave of Absence

A leave of absence (LOA) must meet certain conditions to be counted as a temporary interruption in a student's education instead of being counted as a withdrawal requiring a school to perform a Return calculation. Please refer to the Leave of Absence Policy for eligibility requirements and application procedures. A student granted an LOA is not considered to have withdrawn, and no Return calculation is required. Upon the student's return from the leave, he or she continues to earn the federal student aid previously awarded for the period.

Consequences of Not Returning from a LOA

- If a student on an approved LOA fails to return, the student will be considered withdrawn.
- The school must report to the loan holder the student's change in enrollment as of the withdrawal date.
- A student's grace period for a Title IV program loan might be exhausted. After a grace period has expired, the repayment period begins.

The Calculation

Adrian College uses the U.S. Department of Education's Return of Title IV Aid Web product to calculate and determine the amount of aid a student is eligible to receive.

The Return of Title IV Funds is based on the premise that students "earn" financial aid for each calendar day that they attend classes. For example, if a student attends 32 days of a semester that is 80 calendar days in length, the student will have "earned" 40 percent of his or her aid.

Students who complete more than 60 percent of the semester are considered to have earned 100 percent of their financial aid.

If the student receives more aid than the amount earned, the school, the student, or both must return the unearned funds in a specified order. The specified order is listed below.

The "unearned" portion of aid is refunded to the appropriate programs in the following order:

- Unsubsidized Stafford Loan
- Subsidized Stafford Loan
- Federal PLUS Loan
- Federal Pell Grant
- Federal SEOG
- TEACH Grant Funds

Post-withdrawal disbursement

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.

A school is required to make (or offer as appropriate) post-withdrawal disbursements.

A school must disburse grant funds no later than 45 days after the date of the school's determination that the student withdrew.

A school must offer any post-withdrawal disbursement of loan funds within 30 days of the date the school determined the student withdrew. In addition, the school must disburse loan funds within 180 days of the date of determination.

Returning Unearned Aid

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.

Return Due from the School

The school must return the unearned aid for which the school is responsible as soon as possible but no later than 45 days after the date of the school's determination that the student withdrew.

Return Due from the Student

A student is responsible for all unearned Title IV program assistance that the school is not required to return. A school should notify the student within 30 days that he or she must repay the overpayment or make satisfactory payment arrangements.

A student must take action to resolve the overpayment within 45 days of the date the school sent or was required to send notification.

A student does not have to repay a grant overpayment of \$50.00 or less for grant overpayment resulting from the student's withdrawal.

The student loans that remain outstanding are repaid by the student according to the terms of the student's promissory note.

Consequences of Not Resolving an Overpayment

A student who does not take positive action during the 45-day period becomes ineligible for Title IV funds. The student will remain ineligible until the student enters into a satisfactory payment agreement with the Department of Education.

Calculating “Earned” Institutional Aid

Adrian College uses the results from the Federal Return of Title IV calculation to determine the amount of earned institutional aid a student is eligible to receive.

Example: If a student earned 50% of their federal aid (as determined by the federal calculation), the institutional scholarships and grants will also be reduced to 50%.

Tuition Refund

If a student withdraws from college, the payment agreement made at the time of registration is still in effect and subject to the Tuition & Fee Liability Schedule. Please note that the refund of Tuition, Room and Board charges is a different calculation than the Return of Title IV Funds calculation. The Tuition & Liability Schedule and Refund Policy establishes the amount you will be charged for the semester if you withdraw. The Tuition & Liability Schedule and Refund Policies can be found in the academic catalog and online. In addition, students can contact the Student Business Services Office for additional assistance.

The Return of Title IV Funds Policy calculates how much Federal financial aid you are allowed to keep to help pay your adjusted charges. Therefore, both calculations must be completed before you will know your financial account balance.