

## **Policy No: FOO4 -Return of Title IV Funding (R2T4)**

EFFECTIVE DATE: September 19, 2007

Revised: July 1, 2019

### **Policy**

If a student withdraws from all of their courses during the term, Taylor College is required to determine if any of the federal financial aid the student received should be returned. Federal financial aid is based on the length of time a student is in classes; if a student does not attend the entire term, the College may be required to return all, or a portion of, the aid the student received. The repayment percentage is determined by the number of days remaining in the term from the student's last date of attendance.

Satisfactory Academic Progress (SAP) requirements apply to all financial aid recipients regardless of the funding status due to a Return of Title IV Funds. Repayment of part of a student's federal financial aid does not release the student from the satisfactory academic progress requirement discussed in this catalog.

Taylor College will use the federal policy to determine the amount which must be returned by the College and/or the student to Title IV programs. The procedure is:

1. Determine appropriate withdrawal date
2. Determine amount of earned Title IV Aid
3. Determine amount of unearned Title IV Aid
4. Determine Title IV Aid to be disbursed
5. Determine Title IV Aid disbursed
6. Determine Title IV Aid to be returned
7. Calculate the School's responsibility
8. Determine amount school returns by program
9. Determine student's responsibility
10. Determine amount student returns by program

Examples of the calculations used to determine the amount of earned and unearned Title IV Aid, Title IV Aid to be disbursed, Title IV Aid to be Returned, Taylor College's responsibility, student's responsibility, and amount returned to programs are available from the Financial Aid Office on a case-by-case basis.

Students who withdraw from ALL classes prior to completing more than 60% of the term will have their eligibility for aid recalculated based on the percentage of the term completed. For example, a student who withdraws after completing only 20% of the term will have "earned" only 20% of any Title IV aid received. The remaining 80% of Title IV funds received is considered as unearned aid and must be returned by Taylor College and/or the student.

The Return to Title IV policy shall apply to all students who withdraw, dropout, fail all classes, or are dismissed from Taylor College.

A student's withdrawal date is determined based on the following:

The date the student officially withdraws from class

The student's last date of attendance at a documented academically related activity

The Return to Title IV rules are federally mandated and the amount of aid a student has earned for the enrollment period is based on the length of time the student remains enrolled for that period. Therefore, the percentage of the enrollment period completed is also the percentage of aid the student has earned. If a student withdraws on or before the 60% point of the enrollment period, defined as the TERM, the percentage of aid earned is equal to the percentage of time completed. Taylor College must return all ineligible amounts of received Title IV funds to each respective Title IV program within 45 days of the date that the school determined the student withdrew. A student who remains enrolled beyond the 60% point of the enrollment period has earned 100% of the aid for that period.

*The Percentage of Title IV Aid Earned Shall Be Calculated As Follows:*

Number of days completed divided by the total number of days in the term enrolled = % of aid earned. Using this formula, the percentage of the term completed is considered as the percentage of aid earned. The amount of financial aid earned will be applied towards your tuition and fees.

Unearned Title IV aid shall be returned to the following Programs in the following order:

- Direct Stafford Loan (Unsubsidized)
- Direct Stafford Loan (Subsidized)
- Direct PLUS (Parent) Loan
- Pell Grant
- FSEOG

Before withdrawing from class, all students are encouraged to stop by the Financial Aid Office for advisement. After withdrawal, Taylor College Financial Aid Office will:

- Determine the number of calendar days the student attended classes, (Calendar day does not include scheduled breaks of at least five consecutive days or more)
- Calculate the percentage of Title IV Aid earned and unearned,
- Calculate the amount of institutional charges,
- Determine the amount that must be returned to each Title IV program,
- Calculate the student's and school's responsibility to the grant and loan programs,
- Return funds to the programs according to regulatory requirements,
- Collect grant overpayment or follows the overpayment procedures.

Students cannot earn all of their financial aid unless they attend and participate in class for more than 60% of their scheduled term. A student earns his or her financial aid award in proportion to the number of days in the term completed prior to the student's complete withdrawal. When a student completely withdraws from Taylor College prior to completing more than 60% of any given term, a portion of the Title IV financial aid grant and loan funds received (excluding Federal Work-Study) is considered to be an overpayment and must be returned to their respective federal financial aid programs.

Taylor College must determine the amount the student has earned and the amount of federal financial aid that must be returned to the Department of Education. The College is required to perform this calculation within 30 days of the date the school determines that a student has completely withdrawn. The school must return the funds to the DOE within 45 days of the date of determination.

The institutional charges (tuition and fees) incurred by the student are considered to be paid by Title IV funds for the purpose of the formula, even if the institutional charges were directly paid by a source

other than Title IV funds. Students can repay the student portion of federal loans under the terms and conditions of the master promissory note (MPN) for the loan. However, the unearned portion of the loans that Taylor College must return is posted as a charge to the student account and must be repaid. If the student owes unearned Title IV funds from the Federal Direct Loan Programs, the money must be returned to the program directly.

NOTE: The Return to Title IV policy is a separate calculation of eligibility that is in ADDITION to the determination obligation to Taylor College upon completion of the Return to Title IV process. Any changes in a student's scheduled course credits or clock hours WILL impact a student's eligibility upon withdrawal.

All students must have a Return to Title IV calculation even if they had separated from academic study at Taylor College prior to the receipt of any scheduled or awarded FSA Title IV funds. Students who are eligible for FSA Title IV funds upon separation from academic study will be provided an opportunity to receive those funds as a Post-Withdrawal Disbursement