



SULLIVAN AND COGLIANO TRAINING CENTERS

Return of Title IV Funds

Process Overview & Applicability

The return of Title IV funds requirement is a complex process involving a great deal of interoffice cooperation and coordination at Sullivan and Cogliano Training Centers and between Sullivan and Cogliano Training Centers and ECM. The Office of Student Services is designated as contact point for students who wish to withdraw. Inter-Office email may be used to communicate that information to faculty, program office, Accounting's Office and the Office of Financial Aid. The Office of Student Services determines the withdrawal date (Last Date of Attendance) and reports it to other institutional offices. The Office of Financial Aid calculates the Return to Title IV funds using federal formulas, notifies ECM in writing to complete recovery of Title IV funds to specific programs, notifies the student of his or her obligation to repay funds if applicable, tracks the repayment, and refers overpayments to ED. It also offers the student any earned post-withdrawal disbursement. The *FSA Handbook*, Vol. 5, Chapters 1 & 2 provides details on R2T4 calculations and regulations.

The date of the Sullivan and Cogliano Training Centers' determination that a student withdrew is identified through faculty input related to attendance and participation in an academically related event, student's failure to return from an approved leave of absence, and/or student's verbal or written notification to any office such as Office of Student Services, Office of Financial Aid, etc.

In the event of any unofficial withdrawals, R2T4 calculations must be completed and all required return of funds must be fully executed within 45 days from the Date of Determination (DOD) of such withdrawal. The Date of Determination must occur within 14 calendar days from the Last Day of Attendance (LDA).

All enrolled students are notified through Sullivan and Cogliano Training Centers' catalog about the withdrawal process and the student's rights and responsibilities including how a student reports the intent to withdraw and how the student executes the withdrawal process.

This policy applies to students' who withdraw officially, unofficially, fail to return from a leave of absence or are dismissed from the School. It is separate and distinct from the School refund policy. (Refer to institutional refund policy.)

The calculated amount of the Return of Title IV, HEA (R2T4) funds that are required to be returned for the students affected by this policy, are determined according to the following definitions and procedures as prescribed by regulations.

The amount of Title IV, HEA aid earned is based on the amount of time a student was in academic attendance, and the total aid received; it has no relationship to student's incurred institutional charges. Because these requirements deal only with Title IV, HEA funds, the order of return of unearned funds do not include funds from sources other than the Title IV, HEA programs.

Title IV, HEA funds are awarded to the student under the assumption that he/she will attend school for the entire period for which the aid is awarded. When a student withdraws, he/she may no longer be eligible for the full amount of Title IV funds that were originally scheduled to be received. Therefore, the amount of Federal funds earned must be determined. If the amount disbursed is greater than the amount earned, unearned funds must be returned.

In the case of a program that is measured in credit hours, if the student does not complete all the days in the payment period that the student was scheduled to complete, the student is considered to have withdrawn.

If a student ceases attendance (drops/withdraws/is dismissed) from all his or her Title IV eligible courses in a payment period, the student must be considered withdrawn for Title IV purposes.

The Date of Determination is the date of the institution's determination that the student withdrew and varies depending on the type of withdrawal. If the student begins the official withdrawal process or provides official notification to the school or of his/her intent to withdraw, the date of the institution's determination that the student withdrew would be the date the student began the official withdrawal process or the date of the student's notification, whichever is later. If the student did not begin the official withdrawal process or provide notification of his/her intent to withdraw, the date of the institution's determination that the student withdrew would be the date the school becomes aware that the student ceased attendance.

For a student who withdraws without providing official notification, the school must determine that a student has withdrawn no later than 14 calendar days after the Last Date of Attendance (LDA).

The institution has 45 days from the date of determination (DOD) to return all unearned funds for which it is responsible. The school is required to offer a post withdrawal disbursement that is not credited to the student's account, within 30 days of the date of determination.

Payment Period: For a non-term program, the payment period is defined in both credit hours and weeks of instructional time. A payment period is a minimum of 15 weeks of instructional time (one-half the weeks in the Academic Year). Further, the student must successfully complete the number of credits for which the student enrolled. For a full-time student, this is equal to 12 credits (one-half the credits in the Academic Year).

Withdrawal Date

The faculty is required to take attendance and notify the Office of Student Services if a student has stopped attending class without any notice for 3 (three) consecutive scheduled class days. The Office of Student Services monitors attendance of all enrolled students. It will contact student via email, phone call and letter. If no response is received within the following week, the school will assume the student has unofficially withdrawn. The Office of Student Services will determine the withdrawal date which would be no later than 14 calendar days from the last day of attendance. However, if the student responds, the official withdrawal date will be the date on which student notifies school via any means of communication. A student who wishes to withdraw from school for compelling personal reasons should notify the Office of Student Services in writing stating the reasons for withdrawal and whether or not the student intends to return at a later date to pursue a program of study. All documentation for a withdrawn student will be kept in the student's file in the Office of Financial Aid and Student Services Office.

Formula Calculation

Sullivan and Cogliano Training Centers' Financial Aid Office is required by federal regulation to recalculate federal financial aid eligibility for students who withdraw, drop out, or are dismissed prior to completing a payment period. Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula:

Percentage of payment period completed = The number of calendar days from the start date of the payment period to the withdrawal date (Last Date of Attendance) in the payment period, divided by the total days in the payment period. (Any scheduled break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid. Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

Aid to be returned = Total aid disbursed and aid that could be disbursed minus the amount of aid earned.

If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student may be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a balance to the institution.

If a student earned more aid than was disbursed to him/her, the institution must offer the student a post-withdrawal disbursement (PWD), provided disbursement of that aid meets the late disbursement requirements. The PWD must be paid within 180 days of the school's determination that the student withdrew. The institution must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of the determination of the date of the student's withdrawal.

Refunds are allocated in the following order:

- Unsubsidized Direct Stafford Loans (other than PLUS loans)
- Subsidized Direct Stafford Loans
- Direct PLUS Loans
- Federal Pell Grants for which a Return of funds is required

The following is a step-by-step process that is followed in all R2T4 calculations

Step 1: Determine the percentage of aid earned by calculating the percentage of the scheduled period that the student completed.

Step 2: Determine the amount of earned aid by applying the percentage to the total Title IV aid that was or could have been disbursed.

Step 3: Determine the amount of unearned aid by subtracting earned aid from disbursed aid **or** determine the amount of a post-withdrawal disbursement by subtracting disbursed aid from earned aid.

Step 4: If unearned funds must be returned, determine the school's and the student's shares; **or** if a post-withdrawal disbursement is due, determine the sources from which it will be funded.

Step 5: If unearned funds must be returned, allocate unearned aid to programs from which student was funded; **or** if a post-withdrawal disbursement is due, send student applicable notification.

Step 6: Return the institution's share and any funds repaid by the student or refer the student to ED; **or** make the post-withdrawal disbursement.

The Department of Education provides a Return to Title IV funds worksheet in Volume 5, Chapter 1 of the FSA Handbook. These are used to calculate all R2T4 calculations. A copy of the worksheet is placed in student's file. The Office of Financial Aid performs all R2T4 calculations as it has all Title IV award and institutional charges information which are required in the calculations.

Post-Withdrawal Disbursements

In the event a student is eligible for a post-withdrawal disbursement based on student's budget, awarded financial aid R2T4 calculations, a post-withdrawal disbursement must be made only after the following conditions are met.

1. Student and/or parents are notified in writing of the availability of post-withdrawal disbursement of any loan and/or Pell funds for other than current charges by the Office of Financial Aid within 30 days of the Date of Determination.
2. Student and/or parents confirm to the Office of Financial Aid within a reasonable time indicating their acceptance of available post-withdrawal disbursement amounts. The reasonable time refers to allowing sufficient time for the school to process a post-withdrawal disbursement within the deadlines set by the Department of Education.
3. Student has outstanding institutional charges that are due and wants to pay off those charges by applying his/her post-withdrawal disbursement.
4. Student/Parents complete all necessary paperwork related to such post-withdrawal disbursement within a reasonable time.

The Office of Financial Aid must track the notification and authorization to make the disbursement and meet deadlines as prescribed by ED. A school must process a Post-Withdrawal Disbursement (PWD) within 180 days from the last day of the enrollment period, provided the disbursement meets all requirements of a late disbursement.

The post-withdrawal disbursement must be applied to outstanding institutional charges before being paid directly to student.

Institution Responsibilities

The School's responsibilities in regards to Title IV, HEA funds follow:

- Providing student's information with information in this policy;
- Identifying students who are affected by this policy and completing the Return to Title IV (R2T4) funds calculation for those students;
- Returning any Title IV, HEA funds due to the correct Title IV programs.

The institution is not always required to return all of the excess funds; there are situations once the R2T4 calculations have been completed in which the student must return the unearned aid.

Overpayment of Title IV, HEA Funds

Any amount of unearned grant funds that a student must return is called an overpayment. The amount of grant overpayment that you must repay is half of the grant funds you received. You must make arrangements with the School or Department of Education to return the amount of unearned grant funds.

Student Responsibilities in regards to return of Title IV, HEA funds

- Returning to the Title IV, HEA programs any funds that were dispersed to the student in which the student was determined to be ineligible for via the R2T4 calculation.

- Any notification of withdraw should be in writing and addressed to the appropriate institutional official.
- A student may rescind his or her notification of intent to withdraw. Submissions of intent to rescind a withdraw notice must be filed in writing.
- Either these notifications, to withdraw or rescind to withdraw must be made to the official records/registration personal at your school.

Refund vs. Return to Title IV

The requirements for the Title IV, HEA program funds when you withdraw are separate from any refund policy that The School may have to return to you due to a cash credit balance. Therefore, you may still owe funds to the school to cover unpaid institutional charges. The amount you owe to the School may also increase due to Title IV, HEA program funds being required to be returned on your behalf.