

Consumer Information for Withdrawals and Return of Title IV Funds Policy

Return of Title IV, Higher Education Act (HEA) Policy

Federal Law requires an institution to return all unearned Title IV funds to the appropriate Title IV programs when a recipient of Title IV aid withdraws on or before completing 60% of the period of enrollment. If a recipient of Title IV funds withdraws during a period of enrollment, the College must calculate the amount of Title IV Aid the recipient did not earn, must return it to the Title IV Programs. This action may require the recipient to repay funds issued directly to them prior to the calculation. The non-payment of Title IV aid will also be reported to U.S. Department of Education for collections and the overpayment of grants reported to the National Student Loan Data System as required by Federal Law.

Federal Law requires that refunds on behalf of student financial assistance recipients must be returned in the following order:

1. **Federal Direct Unsubsidized Stafford Loan**
2. **Federal Direct Subsidized Stafford Loan**
3. **Federal Direct PLUS (Parent)**
4. **Federal Pell Grant**
5. **Federal Supplemental Educational Opportunity Grant (FSEOG)**
6. **TEACH Grant**

***Note: If a student is deemed eligible for a post-withdrawal award / disbursement, the student will be notified and a response must be submitted to the Financial Aid Office within 10 days of the notification. If the student does not respond all funds will be returned to the designated programs.**

Official Withdrawal

An official withdrawal is when a student provides a notification of intent to withdraw, in writing or orally. Or, the date the student began the withdrawal process with the Records Office. A student is allowed to rescind the notification in writing to the Records and Provost Offices. Once the notification is received the student can continue their program of studies and their financial aid will remain as originally offered. If the student subsequently drops, the student's withdrawal date is the original date of the notice of intent to withdraw.

Official dates and datelines for withdrawal are located on the academic calendar.

A student may withdraw from the College at any time from the first class day to the official last day to withdraw as indicated in the Academic Calendar. The official last day to withdraw is approximately two weeks before the first day of final examinations for fall or spring terms or the equivalent dates for summer sessions.

Students with financial aid who are withdrawing from the College are advised to complete the withdrawal form through the Records Office. For withdrawals processed after Census for fall or

spring terms or the equivalent dates for summer sessions, the grade of W/WD is recorded for each course in which a withdrawn student was enrolled.

Students called to active military service during a term in which they are enrolled may be entitled to a refund of tuition and fees if they withdraw or the student may be entitled to receive a final grade or incomplete grade in courses. Students should contact the Provost Office to determine their options.

If a student receives Title IV grant or loan assistance and does **not** begin attendance in a period of enrollment, the student is considered to be ineligible for any Title IV aid.

Upon receipt of the official withdrawal information, the College will complete the following:

1. The Records Office verifies the student's last date of attendance through the withdrawal form and/or Blackboard (last date of academic activity).
2. The Return of Title IV (R2T4) calculation is performed by the Financial Aid Office to determine the amount of federal funds the student has earned and the amount of unearned Federal funds for which the school and the student is responsible to return (if any).
 - o Calculations are completed using the U.S. Department of Education's Return of Title IV, HEA Funds Worksheets, student's attendance and withdrawal date, and are based upon the period of enrollment.
3. Financial Aid will return the amount of any unearned portion of the Title IV funds for which the school is responsible within 45 calendar days of the date the official notice of withdrawal was provided.
4. Financial Aid will provide the student with a letter explaining any returns that have been made to the Title IV, HEA programs on the student's behalf as a result of exiting the program.
 - o Remaining unearned Title IV loan funds (e.g. Direct Loans) must be repaid by the student in accordance with the terms of the loans.
5. If a student's scheduled attendance is more than 60 percent of the period of enrollment, he/she is considered to have earned 100 percent of the federal funds received for the period of enrollment. In this case, no funds need to be returned and no letter will be sent from Financial Aid.
6. A copy of the completed worksheet and notification letter will be kept in the student's file.

Officially withdrawing from classes may affect the student's future eligibility for financial aid due to Satisfactory Academic Progress requirements and R2T4 balances owed.

Unofficial Withdrawal

An unofficial withdrawal is when a student stops attending classes and does not notify the school of his or her withdrawal. The following circumstances are classified as unofficial withdrawals:

1. Student ceased attending classes after the three period of attendance verification and is issued an "FA" grade at the midpoint of the term.

Note: The Records Office will make at least three (3) attempts to notify the student of the unofficial withdrawal status. And, continue to monitor these students throughout the term.

The Financial Aid Office receives a report from the Records Office at the midpoint of the semester of all "FA's". Once the Records Office receives confirmation/verification from the instructors and/or students the R2T4 calculation is performed.

2. The student did not begin the withdrawal process or otherwise notify the school of the intent to withdraw due to illness, accident, grievous, personal loss, or other circumstances beyond the student's control.

In the event the Records Office determines the student has unofficially withdrawn, the withdrawal date will be the last date of academic activity. Or, if no date of census can be met it will be the midpoint of the payment period. In the event a student is considered to be an unofficial withdrawal, the student could be subject to a 50% or higher loss of aid eligibility that could result in an outstanding balance due.

Note: The Records Office will make at least three (3) attempts to notify the students of the unofficial withdrawal status.

The Financial Aid Office receives a report from the Records Office at the midpoint of the semester of all "FA's". Once the Records Office receives confirmation/verification from the instructors and/or students the R2T4 calculation is performed.

The calculations are completed using the U.S. Department of Education's R2T4 worksheet. Funds will be returned within the 45-day period of notification.

Financial Aid will provide the student with a letter explaining any returns that have been made to the Title IV, federal programs on the student's behalf as a result of the calculation.

A copy of the completed worksheet will be kept in the student's file.

Unofficially withdrawing from classes may affect the student's future eligibility for financial aid due to Satisfactory Academic Progress requirements and R2T4 balances owed.

Withdrawal Before 60 Percent Point of the Term

The College must perform a R2T4 calculation to determine the amount of earned aid up through the 60 percent point in each period of enrollment. The College will use the U.S. Department of Education's prorate schedule to determine the amount of R2T4 funds the student has earned at the time of withdrawal.

Withdrawal After 60 Percent Point of the Term

For a student who withdraws after the 60 percent point of the period of enrollment, a student has earned 100 percent of the Title IV funds he or she was scheduled to receive during the period. Thus, there are no unearned funds. The College must still perform a R2T4 to determine the amount of aid that the student has earned and whether or not the student is eligible for a post withdrawal disbursement.

Example of R2T4 Calculation

1. Financial Aid determines the percentage of Title IV aid the student earned by taking the calendar days completed in the period of enrollment and dividing by the total calendar days in the period of enrollment (excluding breaks of 5 days or more and days the student was on an approved leave of absence)
 - o Example:
 - $(47 \text{ completed days}) / (108 \text{ total days}) = 43.5 \text{ percent Title Aid Earned}$
2. Financial Aid determines the dollar amount of Title IV aid the student earned by multiplying the percentage of Title IV, HEA aid earned by the total of the Title IV aid disbursed plus the Title IV aid that could have been disbursed for the period of enrollment.
 - o Example:
 - $43.5 \text{ percent} \times (\$1,048.00 \text{ disbursed} + \$3,711.00 \text{ that could have disbursed}) = \$2,070.70 \text{ Aid Earned}$
3. If this percentage is greater than 60 percent, the student earns 100 percent of the disbursed Title IV, HEA funds or aid that could have been disbursed.
4. If this percentage is less than 60 percent, then the percentage earned is equal to the calculated dollar amount earned.
5. Aid to be returned is equal to unearned percentage (100 percent minus the Percent earned) multiplied by the amount of aid disbursed toward institutional charges. 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. All Title IV fund returns must be completed no later than 45 calendar days after the date SFAS determines that the student withdrew.
6. Funds are returned to the appropriate federal program based on the percentage of aid earned and the order of return dictated by the U.S. Department of Education.
7. When Title IV, HEA funds are returned, the student may owe a balance to the institution.

Earned Aid

Title IV, HEA aid is earned in a prorated manner on a per diem basis (calendar days) up to the 60 percent point in the semester. Title IV, HEA aid is viewed as 100 percent earned after that point in time. A copy of the worksheet used for this calculation is located in the Financial Aid Office

Post-Withdrawal Disbursement Conditions

If a student has accepted Title IV, HEA financial aid by the date of the withdrawal, but the financial aid has not disbursed, the student may be eligible for a post-withdrawal disbursement. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement for the earned aid that was not received. Under these circumstances, a R2T4 calculation must be performed to determine whether the student is actually eligible for a post-withdrawal disbursement. The College must make this determination within 30 calendar days after the student withdraws.

The following conditions apply when processing a post-withdrawal disbursement:

Time Frame for the Return of Title IV Program Funds

The following rules apply when completing a Return calculation for a student.

1. The College will return any unearned Title IV funds it is responsible for returning within 45 calendar days of the date Miles determined the student withdrew. The College will offer any post-withdrawal disbursement of loan funds within 30 calendar days of the date of determination.
2. Unless a student subject to verification has provided all required verification documents in time for the College to meet the Return deadlines, includes as Aid Disbursed or Aid That Could Have Been Disbursed in the Return calculation.
3. If it is determined that a student who failed to provide all required verification documents in time for the College to meet the Return deadline and later provides those documents prior to the applicable verification deadline, The College must perform a new Return calculation on all of the aid the student qualified for based on the completed verification documents and make the appropriate adjustments.
4. To give a Pell Grant to a student, the College must have a valid output document (one with an official Expected Family Contribution computed from correct data) while the student is still enrolled for the award year or in the time frame the student qualifies for a late disbursement under [34 CFR 668.164\(j\)\(4\)\(i\)](#).

Time Frame for the Return of an Unclaimed Title IV Credit Balance

In the event the College cannot locate the student (or parent) to whom a Title IV credit balance must be paid; the Business Office will determine what programs constitute the refund. The Business Office will also notify Financial Aid of any unclaimed credit balances that need to be returned to Title IV, HEA programs. Financial Aid must return the funds no later than 240 calendar days after the date the school issued the check.

Institution Responsibilities

The following are the College responsibilities in regards to Title IV, HEA funds:

- The College will provide students with information in this policy.
- The Record Office will identify students who are affected by this policy.
- The Financial Aid Office will complete the Return of Title IV funds calculation for those students that are affected by the policy.
- Any Title IV, HEA funds required will be returned to the correct Title IV programs within 45 calendar days of the date the official notice of withdrawal was provided.
- If less Title IV aid has disbursed than the student has earned, a post-withdrawal disbursement will be calculated and must be offered.

The institution will always return all of the excess funds, including funds the Return of Title IV calculation identifies as the student's responsibility to return.

Student Responsibilities

- Any notification of withdraw should be in writing and sent to the Records Office.
- 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 with the Records or Provost Office.
- These notifications, to either withdraw or rescind to withdraw, must be sent to the Records or Provost Office.
- Student must repay any funds to the College that were disbursed to the student in which the student was determined to be ineligible for via the R2T4 calculation
- Remaining unearned Title IV loan funds (e.g. Direct Loans) must be repaid by the student in accordance with the terms of the loans.

Refund vs. Return of Title IV Funds

The requirements for the Title IV, HEA program funds when a student withdraws are separate from any refund policy that the College may have to return to the student due to a cash credit balance. Therefore, the student may still owe funds to the school to cover unpaid institutional charges. The College may also charge the student for any Title IV, HEA program funds that they were required to return on the student's behalf.

Should a student or parent have any question concerning the withdrawal and R2T4 policies please feel free to contact the Financial Aid Office via email (finaid@miles.edu) or telephone

(205) 929-1665. For additional information concerning Federal Title IV, financial assistance you can contact the Federal Student Aid Information Center at 1(800)433-3233.