

## **Return of Federal Title IV Aid Policy**

The federal “Return of Title IV Funds” applies to any student receiving federal financial aid, who fails to complete the academic term for which he or she has been charged. The formula to determine the amount of Title IV federal aid to be returned by the school to the federal government is calculated as follows: A percentage of Federal Title IV aid will be returned to the federal government if the student withdraws during the first 60% of the school’s payment period. The percentage of Title IV aid to be returned is equal to the number of calendar days remaining in the payment period, divided by the total number of days in the payment period. Scheduled breaks of more than five consecutive days are excluded from the calculation. The withdrawal date used in the calculation of Return of Title IV financial aid funds will be based on the student’s last day of academic attendance in class. This date is used whether a student officially or unofficially withdraws based on the daily academic attendance records.

An “official” withdrawal is when a student formally drops all their classes for a given academic term, by notifying the school director in writing or verbally. The student’s last day of academic attendance in class will be used in the refund calculations.

An “unofficial” withdrawal is when a student is enrolled in at least one class for a given academic term and the student does not officially withdraw. The school attempts to contact the student after three days of consecutive absences and if the student does not return to class within 14 days of their last day of academic attendance the institution will determine the student has withdrawn. The student’s last day of academic attendance in class will be used in the refund calculations.

A student may be granted a leave of absence (LOA) for a period of up to 180 days at the discretion of the institution. The request for a LOA must be in writing, include the reason for the LOA and must be signed and dated by the student. If a student fails to return from an approved LOA, the withdrawal date used in the calculation of Return of Title IV financial aid funds will be the student’s last day of academic attendance in class.

The institution is responsible to return any unused Federal Title IV grant and loans funds within 45 days from the date the institution determines the student withdrew.

If it is determined a student owes all or a portion of the financial aid received after the refund calculation, the student will be required to repay to the school the portion of the funds that were obtained for the student’s tuition. A notice will be sent to the student indicating what funds and the amount that is to be returned within 30 days. The student is required to repay the amount owed, regardless of the reason they withdrew.

If a student received less federal financial aid than the amount earned, the student may be able to receive those additional funds. In the event the student did not receive Federal Title IV funds to cover all of their tuition charges and is still eligible for Federal Title IV funds in order to pay their tuition charges, a “Post-withdrawal Disbursements” may apply to cover those charges. All grant funds will be applied to cover those charges. In the event there is still a

tuition balance due and if loans are still needed to cover charges, a notice will be sent to the student requesting permission to disburse the loan funds. The notice will indicate what type of loan and amount that will be needed, and the student must notify the institution of their acceptance or denial within 30 days. The institution is responsible to return any unused Federal Title IV grant funds must be returned within 45 days from the date the institution determines the student withdrew and all loans within 180 days of that determination. A student may request from the financial aid department a copy of the federal worksheet used to calculate the amount of federal funds to be returned.

Any refund of federal funds shall be applied to the Federal Title IV program in the order indicated below:

1. Federal Additional Unsubsidized Direct Loan
2. Federal Unsubsidized Direct Loan
3. Federal Subsidized Direct Loan
4. Federal Pell Grant
5. Federal Supplemental Educational Opportunity Grant

## **2. Student Refunds**

Student refunds must be processed within 30 days of the date the Status Change was signed by the school director. Cash refunds will be returned to the student and refunds of Title IV federal aid funds are returned to the school's federal funds bank account. Title IV refunds must be returned to federal government by using the Department of Education G5 Management System within four days from the date the funds were deposited in the federal bank account.

## **3. Federal Funds**

The FA Solutions financial aid department provides their business office with the amount of funds to draw down based on the disbursement amounts required for each student. The funds are drawn down by using the Department of Education G5 Management System and deposited in the school's federal funds bank account. The funds are transferred to the student accounts the day after receipt and deposited in the school's bank account.