

## **RETURN TO TITLE IV FINANCIAL AID POLICY**

### Treatment of Title IV Aid When a Student Withdraws

Official withdrawal occurs when the student notifies in writing to be withdrawn from all classes. Unofficial withdrawals occur when the student ceases attending and receives grades of "W" in all of their classes. If a student does not officially withdraw from school or does not return from an approved Leave of Absence, the institution will use the last day of attendance as withdraw date. Last day of attendance is determined by the last day the student officially clocks in to receive credit for attendance.

The institution uses the payment period to determine the amount of Title IV program assistance that you have earned up to that point. You may be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned by the school and/or you. US Department of Education regulations state all refunds should be made within 45 days from the date of determination.

The amount of assistance that you have earned is determined on a pro rata basis. For example, if you completed 30% of your payment period, you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the payment period, you earn all the assistance that you were scheduled to receive for that period.

If you did not receive all the funds that you earned, you may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, you may choose to decline the loan funds so that you don't incur additional debt. Your school may automatically use all or a portion of your post-withdrawal disbursement (including loan funds, if you accept them) for tuition, fees and room and board charges (as contracted with the school). For all other school charges, the school needs your permission to use the post-withdrawal disbursement. If you do not give your permission (which some schools ask for when you enroll), you will be offered the funds. However, it may be in your best interest to allow the school to keep the funds to reduce your debt at the school.

There are some Title IV funds that you were scheduled to receive that you cannot earn once you withdraw because of other eligibility requirements. For example, if you are first-time, first-year undergraduate student and you have not completed the first 30 days of your program before you withdraw, you will not earn any FFEL or Direct Loan funds that you would have received had you remained enrolled past the 30th day.

If you receive (or your school or parents receive on your behalf) excess Title IV program funds that must be returned, your school must return a portion of the excess equal to the lesser of:

- 1) Your institutional charges multiplied by the unearned percentage of your funds or
- 2) The entire amount of excess funds.

The school must return this amount even if it didn't keep this amount of your Title IV program funds.

The school must return the unearned aid for which the school is responsible by repaying funds to the following sources, in order, up to the total net amount disbursed from each source:

- Unsubsidized FFEL/Direct Stafford Loan
- Subsidized FFEL/Direct Stafford Loan
- FFEL/Direct PLUS (Parent)
- Federal Pell/Grant
- Other Title IV programs
- Other Federal, State, Private or Institutional/assistance
- The student

If your school is not required to return all of the excess funds, you must return the remaining amount. Any loan funds that you must return, you (or your parent for a PLUS loan) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an overpayment. The amount of a grant overpayment that you must repay is half the unearned amount. The student is not responsible for returning funds to any program where the student owes \$50 or less. You must make arrangements with your school or the Department of Education to return the unearned grant funds. Failure to do so may result in losing eligibility for any further Title IV student aid at any institution. The requirements of the Title IV program funds when you withdraw are separate from any refund policy that your school may have. Therefore, you may still owe funds to the school to cover unpaid institutional charges. Your school may also charge you for any Title IV program funds that the school was required to return. If you don't already know what your school's refund policy is, you can ask your school for a copy. Your school can also provide you with the requirements and procedures for officially withdrawing from school. Clarksburg Beauty Academy's return to Title IV and Refund Policy are provided to the students in the school handbook and are also available on the school web site.

### **RETURN TO TITLE IV FINANCIAL AID (EXAMPLE)**

When a student withdraws from school, the institution is required to apply a pro-rated reduction on the financial aid that has been awarded. This pro-ration is required to be in effect through the 60% of the payment period, which is until you were scheduled to complete at least 270 clock hours. The effect of this policy is that even if you have a financial aid award that covers your institutional costs, you may have a balance with the institution if you withdraw.

EXAMPLE Financial Aid Award:

Pell Grant	\$5775	1st disbursement	\$2888
Direct Loan (Less Fees)	\$3500	1st disbursement	\$1750
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			Total \$4638

Student withdraws and was scheduled to complete 135 hours of the 450 payment period.  $135 \text{ hours} / 450 = .30$  or 30%. The student was scheduled to complete 30% of the payment period and therefore, had earned 30% of the financial aid that had been awarded.

$\$4638 \text{ aid awarded} \times 30\% = \$1357 \text{ earned financial aid}$

Clarksburg Beauty Academy must return the unearned aid to the Department of Education.

$\$4638 \text{ aid received} - \$1357 \text{ earned aid} = \$3168 \text{ unearned aid}$

Clarksburg Beauty Academy will return \$1750 to the Direct Loan program and \$1497 to the Pell Grant Program.

Return to Direct Loan: \$1750

Return to Pell Grant: \$1497

Amount owed to Clarksburg Beauty Academy: \$1391

be retained in the student file. If the student prevails upon appeal, the satisfactory academic progress determination will be reversed and federal financial aid will be reinstated, if applicable.

### **RE-INSTATEMENT**

Students who have been deemed ineligible for Title IV funding due to unsatisfactory progress, who have not been granted extenuating circumstances may be returned to satisfactory progress status if the following requirements are met:

1. Student must meet attendance requirements for the next evaluation period.
2. Student must make up any incomplete work.
3. Student must bring grade point average to at least 70%.