



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

### **Purpose**

The purposes and intent of this policy are to provide guidance as to how Helena College will calculate the amount of Federal Title IV funds to be returned for a student who has withdrawn from all classes, inform interested parties of the methods and procedures used to calculate the amount, provide a fair and equitable policy, and provide a policy that conforms to federal regulations and the intent of those regulations.

This policy governs the return of Federal Title IV funds disbursed for a student who completely withdraws from a term, payment period, or period of enrollment. It does not apply to a student who has dropped some classes but remains enrolled in other classes at or through Helena College. A student is considered to have withdrawn from a period of enrollment or payment period if they do not complete all the days in the period of enrollment or payment period they were scheduled to complete. This applies whether or not the period included modules, and for any program format. The general assumption is that a student earns aid based on the period of time they remained enrolled.

### **The Process – General**

1. The student meets with an academic advisor to discuss withdrawal and to fill out a withdrawal form. The academic advisor guides the student to meet with a Financial Aid Administrator prior to withdrawal if at all possible.
2. The academic advisor sends the completed form to the Financial Aid Office.
3. The Financial Aid Administrator calculates the amount of funds to be returned. The student is mailed a copy of this calculation along with a print-out of the student's bill for the payment period from which they are withdrawing, as well as a letter that speaks to Satisfactory Academic Progress (SAP) and loan exit requirements (if applicable).
4. The Financial Aid Administrator sends the completed form to the Registrar's Office.
5. The Financial Aid Office gives a copy and notifies the Business Office of funds Helena College must return and the amount the student must return.
6. The Financial Aid Office returns its share of unearned Federal Title IV funds within 30 days after it determines the student withdrawal process is complete. The student must repay their share either by (1) paying loans in accordance with the terms and conditions of the promissory note or (2) repaying grants directly to the U.S. Department of Education (ED) or under a payment arrangement through the College.

Note: In addition to calculating a return of Federal Title IV funds for students who notify Helena College of withdrawal, the College must also make the calculation for students who do not "officially" withdraw. Return of Title IV Calculations are based on the official and the unofficial last date of attendance as determined by the school. The Financial Aid Office reviews midterm and final semester grades to determine students with all "F" grades followed by attempts to determine if the student withdrew from all classes. If so, the last date of academically related activity is obtained. To facilitate the process, faculty are required to indicate last date of academic activity as defined by ED for all students awarded an "F" grade. Charges are not adjusted for unofficial withdrawals. Federal aid is adjusted based on Federal Title IV return of funds calculations.



### **The Details**

Earned aid – During the first 60% of the period, a student “earns” Federal Title IV funds in direct proportion to the length of time they remain enrolled. That is, the percentage of time during the period the student remained enrolled is the percentage of disbursable aid for that period the student earned. A student who remains enrolled beyond the 60% point earns all aid for the period.

Note that institutional costs play no role in determining the amount of Federal Title IV funds to be retained or returned. Also, aid is “disbursable” if the student could have received it at the point of withdrawal.

The institution will disburse any funds that result in a credit balance on a student’s account after the Return of Title IV Calculations has been completed. These funds will be sent to the student as soon as possible, but no later than 14 days after the date of the calculation (i.e. the date the Return of Title IV Calculations was performed.)

Unearned aid – The amount of disbursed Title IV aid that exceeds the amount of Title IV aid earned under the required formula. Unearned Federal Title IV funds, other than Federal Work Study, must be returned.

Percentage of period enrolled – The number of days the student remained enrolled divided by the number of days in the period. Calendar days are used, but breaks of at least five days are excluded from both the numerator and denominator. The number of days used to determine the enrolled percentage normally includes weekends; however, scheduled breaks are measured from the first day of the break to the next day classes are held.

Repayment of unearned aid – The responsibility to repay unearned aid is shared by the institution and the student in proportion to the aid each is assumed to possess.

The institution’s share is the lesser of:

- The total amount of unearned aid; or
- Institutional charges multiplied by the percentage of aid that was unearned.

The formula assumes that Federal Title IV funds are directly disbursed to a student only after all institutional charges have been covered, and that Title IV funds are the first resource applied to institutional charges. Institutional charges comprise the amounts that had been assessed prior to the student’s withdrawal, not a reduced amount that might result from an institution’s refund policy.



The student's share is the difference between the total unearned amount and the institution's share. The institution's share is allocated among Title IV programs, in an order specified by statute, before the student's share:

- Unsubsidized Direct Loans
- Subsidized Direct Loans
- Direct PLUS Loans
- Federal Pell Grants
- Iraq and Afghanistan Service Grants
- FSEOG Grants
- TEACH Grants

After the student's share is fully allocated among the Title IV programs, any amount owed to a grant program is reduced by half. Students return their share of unearned aid attributable to a loan under the terms and conditions of the promissory note.

#### **Timeframe for Returning Funds**

The institution must return its share of unearned Federal Title IV funds no later than 30 days after it determines the student withdrew.

The student must repay their share either by (1) paying loans in accordance with the terms and conditions of the promissory notes or (2) repaying grants directly to ED or under a payment arrangement through the College or ED.

#### **Late Disbursements**

A student who earned more aid than was disbursed prior to withdrawal is owed a late disbursement or a post-withdrawal disbursement. Only the difference between earned aid and aid already disbursed may be disbursed late. Thus, conditions under which unearned aid must be returned and conditions under which a late disbursement is required are mutually exclusive.

Any post-withdrawal disbursement due must meet the current required conditions for late disbursements. A school is required to make (or offer as appropriate) post-withdrawal disbursements. A post-withdrawal disbursement involving grants must be made within 45 days and loans must be offered to the student or parent, in the case of a PLUS loan, within 30 days of the date the institution determines the student withdrew, allowing the student or parent at least 14 days to respond. The amount of a post-withdrawal disbursement is determined by following the requirements for calculating earned Title IV aid and has no relationship to incurred educational costs. A post-withdrawal disbursement, whether credited to the student's account or disbursed to the student directly, must be made from available grant funds before available loan funds. Available grant or loan funds refer to Title IV program assistance that could have been disbursed to the student but was not disbursed as of the date of the institution's determination the student withdrew. A school must obtain confirmation from a student before making any disbursement of loan funds from a post-withdrawal disbursement. A school is permitted to credit a student's account with the post-withdrawal disbursement of Title IV grant funds without the student's permission for current charges for tuition and fees up to the amount of outstanding charges.



The institution may credit late disbursements towards unpaid institutional charges. Authorizations for current year charges remain valid for late disbursements; authorizations for prior year charges become invalid. Any portion of a late disbursement not credited to the student's account must be offered as a cash disbursement to the student. If there is a credit balance remaining on the student account, a check will be mailed to the mailing address on file within 45 days of the date the institution determines the student withdrew.

### **Withdrawal Date (Unofficial Withdrawal)**

For students who withdraw without notifying the institution, the institution must determine the student's withdrawal date within 30 days after the expiration of the earlier date of the:

- Payment period or period of enrollment;
- Academic year in which the student withdrew; or
- Educational program from which the student withdrew.

The withdrawal date for unofficial withdrawals is the midpoint of the applicable period, except:

- If the student left without notification because of circumstances beyond his/her control, the institution may determine a withdrawal date related to the circumstances. The Executive Director of Compliance & Financial Aid is responsible for making this determination along with the Registrar and Academic Advisor.
- The institution may, at its option, use the student's last date of attendance at a documented "academically-related activity" in lieu of any other withdrawal date. "Academically-related activities" include activities confirmed by an employee of the institution, to include exams, tutorials, academic advisement, turning in a class assignment, and attending a study group assigned by the institution. Eating at institution-provided food services, and participating in off-campus study groups not assigned by the institution are not "academically-related activities", nor is only logging into an online platform.

### **Withdrawal Date (Official Withdrawal)**

The withdrawal date for official withdrawals (student notified the institution they are withdrawing) is the date the student began the institution's withdrawal process or officially notified the institution of intent to withdraw, except the institution may, at its option, use the student's last date of attendance at a documented "academically-related activity" in lieu of any other withdrawal date. "Academically-related activities" include activities confirmed by an employee of the institution, to include exams, tutorials, academic advisement, turning in a class assignment, and attending a study group assigned by the institution. Eating at institution-provided food services, and participating in off-campus study groups not assigned by the institution are not "academically-related activities", nor is only logging into an online platform.

The withdrawal date for a student who officially withdrew is the later of:

- The withdrawal; or
- The date of the student's notification to the institution.



For a student who unofficially withdrew (withdrew without notifying the institution), this date is the date the institution becomes aware the student ceased attendance.

The “date of institution’s determination that a student withdrew” is used for the following purposes:

- It provides the dividing date between disbursed aid and late disbursements; and
- It starts the clock for the period of time within which the institution must return federal funds.

### **Suspension/Withdrawal**

If a student is withdrawn based on a school initiated suspension during a period of enrollment, the date used for the withdrawal date is as follows:

- If the student is given the option to appeal the suspension and does not appeal within the time frame allowed, then the date of the initial suspension letter is used in the calculation.
- If the student does appeal and can attend classes during the appeal process (regardless of whether they attend or not), then the official date on the appeal denial letter from the college will be used for calculations rather than the initial suspension letter date.