

**Return of Title IV Funds
Policies And Procedures
Updated 09/01/2023**

Mineral Area College is required to have a policy which allows for the recalculation of Title IV aid eligibility for students receiving Federal Student Aid who officially or unofficially withdraw from classes.

Policy

In accordance with Federal Student Aid regulations, Mineral Area College has established a policy and related procedures to insure timely recalculation and return of unearned funds for students who have withdrawn from all classes.

1. Official Withdrawal

If a student withdraws or is withdrawn or dismissed from Mineral Area College, the school and/or the student may be required to return some of the Federal Student Aid funds awarded to the student. The student may also be eligible for a refund of a portion of the tuition and fees paid to Mineral Area College for the semester. If the student received financial assistance other than federal funds, a portion of the refund may be returned to the program from which the assistance was received.

Refunds to all Title IV aid (Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Direct Loans) recipients who withdraw during an enrollment period will be reviewed and recalculated to comply with Federal Student Aid regulations.

If a student wishes to withdraw, the student should contact Student Services and complete a withdrawal form. The date used when calculating the refund will be the date of withdrawal documented by Student Services.

2. Unofficial Withdrawal or Dropping Class

All students who enroll and are Federal Student Aid recipients must attend all classes for which they were originally enrolled. Dropping classes may result in a repayment obligation. If a student fails to attend one or more classes and does not officially withdrawal, any aid disbursed is subject to repayment by the student.

If a student is withdrawn by the instructor for excessive absence or failure to actively participate (in the case of a web class) from the College at any time during the semester, any aid disbursed is subject to repayment by the student. The amount of repayment due is calculated based on the student's last day of attendance.

If a student stops attending all classes before completing at least 60% of the semester, they will have a repayment obligation for Federal Student Aid program(s).

3. Receipt of all F's for the Semester

Students who enroll and are Federal Student Aid recipients are evaluated at the end of each semester to determine if they received all grades of F or a combination of grades of F and Withdrawn Courses. Those students are subject to the Return of Title IV Funds Policy.

4. Example of Earned/Unearned Title IV Aid Calculation and Repayment Calculation

A. Calculation of the amount of Title IV Assistance earned by the student:

- (1) Amount of Title IV Assistance earned by the student is equal to the percentage of the payment period that the student completed as of the student's withdrawal date, if this date occurs on or before— Completion of 60 percent of the payment period .
 - a. Example: $\text{Total Completed Days in the Payment Period} / \text{Total Days in the Payment Period} = \text{Percentage Completed}$. $\text{Total Percentage Completed} \times \text{Total Aid Disbursed/Could Have Been Disbursed} = \text{Total Aid Earned}$.
- (2) 100%, if the student's withdrawal date occurs after—Completion of 60 percent of the payment period or period of enrollment.
- (3) Apply this percentage to the total amount of title IV grant or loan assistance that was disbursed and could have been disbursed to the student, or on the student's behalf, for the payment period or period of enrollment as of the student's withdrawal date. Aid that could have been disbursed is aid that the student had been awarded for the payment period on or before the date of withdrawal/date of last attendance.

B. Calculation of the amount of Title IV Assistance unearned by the student:

The percentage of title IV grant or loan assistance that has not been earned by the student is calculated by determining the completion of the percentage of title IV grant or loan assistance earned by the student as described in Section 4A above.

C. Total amount of unearned title IV assistance to be returned:

The unearned amount of title IV assistance to be returned is calculated by subtracting the amount of title IV assistance earned by the student from the amount of title IV aid that was disbursed to the student as of the date of the institution's determination that the student withdrew.

5. Repayment is made to the Federal Student Aid Programs by the College in the following order as mandated by the U. S. Department of Education:

Unsubsidized Direct Stafford Loan
Subsidized Direct Stafford Loan
Direct PLUS (Parent)
Pell Grant
FSEOG

Repayment is made to the Federal Student Aid programs by the College based on the U.S. Department of Education's Return of Title IV funds distribution hierarchy.

6. Post-Withdrawal Disbursements

- (1) For a student who withdraws after the 60% point in time, even though a return is not required, a return calculation is completed to determine whether the student is eligible for a post-withdrawal disbursement if the following conditions are met:
 - (a) ISIR (Institutional Student Aid Report) or SAR (Student Aid Report) processed with an official expected family contribution (EFC)
 - (b) All Verification Documents Received by the Financial Aid Office (if selected by the Department) prior to the student's last date of attendance or within 30 days thereafter.
- (2) Post-Withdrawal Disbursement is made within 180 days of the student's last date of attendance.
- (3) Post-Withdrawal Disbursements are made first from available grant funds and then available loan funds. Available funds, refers 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 that the student withdrew. Further aid that could have been disbursed includes aid that had been awarded to the student prior to the date of withdrawal/date of last attendance.
- (4) Without obtaining a student's permission, Title IV grant funds from a post-withdrawal disbursement are credited to a student's account to pay for tuition, fees, and room and board (if the student contracts with the school).
- (5) Post-withdrawal of loan funds will be offered to student if the following conditions are met:
 - (a) ISIR or SAR processed with an official EFC
 - (b) All Verification Documents received by the Financial Aid Office (if selected by the Department) prior to the student's last date of attendance or within 30 days thereafter
 - (c) Student has completed all required Direct Loan Paper work prior to last date of attendance.
- (6) Post-withdrawal disbursement of loan funds is not automatic. Student is emailed a letter through their MAC email address of the availability of those funds. If accepted, disbursement is made as soon as possible by credit to the student account.

Procedures

Students can withdraw at any of the Mineral Area College campus locations. They may also withdraw by submitting a withdrawal form downloaded from the Registrar's website. The downloaded document can be mailed, emailed from the student's Mineral Area College email address or faxed to the Registrar's Office.

The Registrar's Office processes the documents within the Registrar's Office. This information is not distributed to other offices because they have other means to receive the information through reporting methods.

The official withdrawal date is determined by the Registrar's Office and entered into the student record. This information is determined through various resources: official withdrawal record from the student or administrative withdrawal information submitted by the instructor(s). If the

withdrawal date is determined with end of semester grading, the Financial Aid Office receives the information through a reporting method. The last date of attendance is provided by the instructor(s).

The Director of Financial Aid oversees the processing of Return of Title IV Funds in the Financial Aid Office. In the absence of the Director of Financial Aid, the Grant & Scholarship Coordinator will oversee this process.

The Director of Financial Aid and/or the Grant & Scholarship Coordinator run a drop report and a billing report daily so that they can review activity for financial aid students.

For students who meet the criteria for a Return of Title IV Funds Calculation, an R2T4 Checklist is prepared; student statement and student schedule printed by the Financial Aid Director/Grant & Scholarship Coordinator. The Return of Title IV is calculated by the Grant & Scholarship Coordinator.

The CFO/Business Manager will review the return of funds calculation and sign off if correct before returning to the Director of Financial Aid. If a repayment is required, the Director/ Grant & Scholarship Coordinator /Loan Program Coordinator will make the necessary adjustments to transfer to the students account. Mineral Area College will repay their portion of the repayment as well as that of the student and then proceed with collection of the student's portion from the student.

If an overpayment of federal financial aid occurs, the student may be required to return a portion of the overpayment to the school and to the U.S. Department of Education. The College will bill the student for the total overpayment and allow 45 days for repayment. Any unpaid balance of a required overpayment due to the U.S. Department of Education will be reported to them after 45 days. Any unpaid balance due to the school will be subject to collection action.

Students may not use the next semester's financial aid award to pay a past due balance incurred during a different financial aid award year.

The Director of Financial Aid notifies the student through MAC email of their obligation to return unearned funds. In the email, students are directed to contact the Business Office to discuss payment obligations which can be repaid through a cash, check or charge payment.

The Business Office notifies the student of their financial obligation once the funds have been removed and returned to the appropriate program. The Business Office places a hold on the student's account until the account is paid in full upon which time the hold is removed.

It is anticipated, returns can be calculated within two weeks of the official withdrawal date. This allows for the return calculation and the reversal or post payment to occur on the student's account. This allows additional processing time to accommodate the 30/45 day regulatory time frames should systems or processes become unavailable for the process to run effectively.

End of the semester processing is anticipated to be finalized within 15 calendar days of the time the financial aid office is notified all final grades have been posted. The Financial Aid Office corresponds with the Business Office to determine the best timeframe to update the returns to

the student's account to be within the 45 day allowance. Both offices attempt to update accounts earlier than the 45 day allowance so students can be notified of account obligations and the impact of future registration.

When the student's withdrawal date is determined, the appropriate information is input into the Jenzabar Financial Aid Software. The following information is determined:

1. Percentage of aid earned
 2. Amount of aid earned
 3. Amount of aid unearned
 4. Amount of student's repayment responsibility
 5. Amount of school's repayment to appropriate program responsibility
 6. Post-withdrawal amounts due to the student and the program from which it is earned
- The length of the classes is reviewed to determine if any block/module exists as the only registration activity. If the only classes available for the return calculation are block/module, the number of days is adjusted to accommodate the payment period timeframe.
 - If at the time of report review, it is determined a student has new registration activity in a future block/module, the return of funds calculation is voided and appropriate aid reinstated.

The final withdrawal date information is reported to the National Clearinghouse by the Computer Services Department within 30 days.