

Return of Title IV Funds

Policies and Procedures

The following governs the return of Title IV funds disbursed for students at SAU Tech. This policy applies to students receiving any Title IV funds, which includes, but is not limited to, the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Direct Loans (Subsidized, Unsubsidized, and/or Parent PLUS loans) who officially withdraw, stop attending, drop out, are expelled, take a qualified leave of absence or fail to return from an approved leave of absence.

A student begins the withdrawal process when they consult their advisor, fill out the withdrawal form and communicate a firm intent to withdraw from their class(es). A student is said to have officially withdrawn when they have turned the withdrawal form, with all of the necessary signatures, in to the Registrar's office.

Failure to attend class or failure to follow the official withdrawal procedures could cause a student to receive a letter grade of F, I, or W in all courses. In this case, the Return to Title IV Funds Policy would still apply once an official last date of attendance is established.

1. A student's withdrawal date is:

- a. the date the student began the institution's withdrawal process or officially notified the institution, verbally or in writing, of intent to withdraw; or
- b. the student's last date of attendance in an academically-related activity for a student who leaves without notifying the institution; or
- c. the student's last date of attendance at a documented academically-related activity; or
- d. The date the institution determines is related to special circumstances if those special circumstances prevent a student from beginning the withdrawal process.

Merely discontinuing class attendance is not considered to be a formal withdrawal from college. Students who were awarded Title IV financial assistance and who discontinue class attendance may be held responsible for repayment of part or all tuition and fees. The Return of Title IV Funds (R2T4) regulation does not dictate the institutional refund policy. The calculation of Title IV funds earned by the student has no relationship to the student's incurred institutional charges.

Return of Title IV funds is handled on a payment period basis. The amount of Title IV aid earned is determined by multiplying the total Title IV aid that was disbursed or could have been disbursed to the student's account by the percentage of time during the payment period completed by the student.

For clock hour programs, only scheduled hours are used to determine the percentage of the period completed by a student withdrawing from the program. The percentage of the period completed is determined by dividing the number of hours the student was scheduled to complete in the payment period as of the day the student withdrew by the total number of clock hours in the same period.

Title IV aid is viewed as 100% earned after the 60% point of the payment period. The amount of Title IV funds to return (unearned aid) to the specific federal programs will be determined, using the student's withdrawal date or last date of attendance, by calculating the percentage of the payment period for which the student did not complete. Scheduled breaks of at least 5 consecutive days are excluded. The institution must return, in the specified order, the lesser of the total amount of unearned Title IV aid to be returned as calculated or an amount equal to the total institutional charges incurred by the student multiplied by the

percentage of unearned Title IV aid. The student will be responsible for repaying, in the specified order, any remaining portion of the unearned Title IV aid. Federal Direct loans will be repaid in accordance with the terms of the loan program as explained in the Master Promissory Note (MPN).

Unearned aid funds are allocated to the Title IV Programs from which the student received assistance in the following specified order of those Title IV Programs at SAU Tech:

- 1) Unsubsidized Federal Direct Loans
- 2) Subsidized Federal Direct Loans
- 3) Direct Parent PLUS Loans
- 4) Federal Pell Grants
- 5) Federal Supplemental Educational Opportunity Grants
- 6) Other Federal Title IV assistance if applicable

After the institutional refund has been credited in the specified order, any remaining amount will be returned to the student in a post-withdrawal disbursement within 30 days.

In the event of an official withdrawal, the SAU Tech institutional refund policy will be applied and tuition and fees will be reduced, if applicable. See the Business Office for a detailed explanation of SAU Tech's refund policy. **The student may be liable for any Title IV Funds disbursed to their account to cover institutional charges in excess of the amount allowed by the Return to Title IV Calculations. Any amounts owed to SAU Tech due to a Return of Title IV Funds calculation must be repaid to the school.** If payment is not received, holds will be placed on the student's account. It is also possible that the student may lose eligibility for future Title IV aid until such time that the overpayment is paid in full or satisfactory repayment arrangements are made.

SAU Tech makes this information available on the college's website and a written copy may be obtained in the financial aid office. Examples of worksheets for the Return of Title IV Funds policy may also be obtained by contacting the Financial Aid Office.

For students who completely withdraw after the 60% point in the term the Financial Aid office will conduct an analysis of the students file to determine if there is any aid "that could have been disbursed." If there is aid "that could have been disbursed" then an R2T4 calculation will be done to determine the students' eligibility for a post-withdrawal disbursement. In the event of a post-withdrawal disbursement the Business Office will contact the student to ensure the student receives all Title IV funds. If there is not aid "that could have been disbursed" that will be documented and a copy of the students' withdrawal form will be kept in the R2T4 file. If a student has no aid "that could have been disbursed" then it is mathematically impossible for the student to be eligible for a post-withdrawal disbursement.

Return of Title IV Funds calculations will be performed within 30 days of the students' withdrawal. Unofficial withdrawals will be determined and calculated within 30 days of the end of the term in which students unofficially withdrew.

The Institution has 45 days from the date the institution determines that the student withdrew to return all unearned funds for which it is responsible. The school is required to notify the student if they owe a repayment via written notice. The school must advise the student or parent that they have 14 calendar days from the date the school sent the notification to accept a post-withdrawal disbursement. If a response is not received from the student or parent within the permitted time frame or the student declines the funds, the school will return any earned funds that the school is holding to the Title IV programs. Post-withdrawal disbursement must occur within 180 days of the date the student withdrew.

In a clock hour program, if a student returns to the same program within 180 days, the student is treated as if he/she never left and returns to the same payment period. Actions to be taken by the school would include: redispersing aid that had been disbursed and then returned under the Return of Title IV provisions, dispersing aid the student was otherwise eligible for that had not yet been disbursed at the time the student withdrew, and canceling any overpayments assessed the student as a result of the prior withdrawal if those funds were disbursed upon reentry. Once the student completes the payment period for which he or she has been paid, he or she becomes eligible for subsequent Title IV student aid payments. If the withdrawn student reenters the same program of study after 180 days, or transfers into a new program at any time and at least some hours transfer in, the student begins a new payment period upon reentry or transfer, and the remaining portion of the program is treated as the length of the entire program for awarding Title IV funds. For a student who completed more than 60% of his or her training before ceasing attendance, the school would not have returned any Title IV aid. If that student were to reenter training within 180 days, because the student had received 100% of his or her aid for the period, the student would not be eligible to receive additional Title IV aid until he or she has completed the weeks of instructional time and hours in the academic year.

There are limitations on redispersing and making second disbursements of Direct Loan funds when a student reenters:

- When originating a loan for a reentering student for a new Borrower-Based Academic Year (BBAY), the Cost of Attendance may include only those costs associated with the period for which the loan is originated. It may not include any costs used in originating the previous loan unless those costs represent charges for which funds were returned to the Department or refunded to the student, subsequent to the previous withdrawal.
- When a student reenters the same program within 180 days and before the end of the student's initial loan period, a school can change the original loan period end date and reschedule the second disbursement. In this case, the student is held to the same disbursement requirements that applied initially (e.g., for one additional disbursement, the student must successfully complete one-half the coursework and one-half the weeks of instructional time in the loan period before he/she can receive the second disbursement).
- When a borrower reenters the same program within 180 days and before the end of the borrower's initial loan period, the school can originate a loan with a new loan period that begins on the date the borrower returns to the school and extends to either the balance of the original loan period or balance of the program, whichever is shorter. The borrower is eligible to receive only the balance of the loan, and it must be disbursed in multiple disbursements.
The borrower is not eligible for a new loan until the original academic year has ended. If some portion of the program remains after the completion of the new loan period, the school can originate a new loan for that portion of the program. If the portion of the program that remained was less than an academic year, the loan would be subject to proration.
- If a student reenters a program after the end date of the initial loan period or BBAY, a school may originate a new loan for either the balance of the program or academic year, whichever is shorter. If the portion of the program that remained was less than an academic year, the loan would be subject to proration.

****This policy is subject to change at any time, and without prior notice***