



Return of Title IV Funds Policy

The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for students who withdraw, drop out, or are dismissed prior to completing 60% of the program of study. Federal Title IV financial aid or other tuition assistance is earned pro-rata up to 60%, based on the last date of attendance. Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula:

Percentage of Program Completed = the number of days attempted up to the withdrawal date divided by the total number of days for the entire program. This percentage is also the percentage of earned aid.

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

Aid to be Returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed for the program.

If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a debit balance to the institution. Failure to return any funds due will result in the student's loss of further Title IV eligibility. If a student earned more aid than was disbursed to him/her, the institution would owe the student a post-withdrawal disbursement which must be paid within 120 days of the student's withdrawal.

The institution must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of the determination of the date of the student's withdrawal. Refunds are allocated in the following order:

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. PLUS loans on behalf of the student
4. Federal Pell Grants for which a Return of funds is required
5. Other assistance under this Title for which a Return of funds is required
6. Student

Example of a Refund of Tuition and Return of Title IV Financial Aid

Student enrolls in the Interior Design program beginning on May 21st, 2019 and ending on August 13th, 2019. The student withdraws voluntarily 3 weeks before the mid-point of the program and only the first financial aid disbursement has been made.

Tuition Refund Calculation

Step 1:	Total Charges for Tuition and Fees (\$11,900 Tuition + \$100 supplies fee)	\$12,000.00
Step 2:	Percentage of Tuition earned: May 21 to August 13 (the withdrawal date) = 49 days/108 days in program = 45.4% of the program	45.4%
Step 3:	Amount of Tuition earned: $\$11,900 \times 0.454 + \$100 = \$5,502.60$	\$5,502.60
Step 4:	Institutional Charges paid: \$100 (supplies fee) + \$2,667 (Pell) + \$1,516 (Sub) + \$2,598 (Unsub) - \$881 (excess tuition refund) = \$6,000.00	\$6,000.00
Step 5:	Institutional Refund due Student: $\$6,000.00 - \$5,502.60 = \$497.40$	\$497.40

Example of Return of Title IV Aid Calculation

Step 1:	Federal Aid Awarded:	
	Pell Grant	\$5,333.00
	Unsubsidized Loan	\$5,198.00
	Subsidized Loan	\$3,031.00
	Total Aid (that could be disbursed)	\$13,562.00
Step 2:	Percentage of Title IV federal aid earned: May 21 to August 13 (the withdrawal date) = 49 days/108 days in program = 45.4% of the program	45.4%
Step 3:	Amount of Title IV aid earned: $\$13,562 \times 0.454 = \$5,960.57$	\$6,157.15
Step 4:	Total Title IV aid disbursed for 1st half of program: $\$13,562/2 = \$6,781$	\$6,781.00
Step 5:	Total Title IV aid to be returned: $\$6,781.00 - \$6,157.15 = \$623.85$	\$623.85
Step 6:	Amount of unearned Title IV Aid returned by the School: NOTE: Unsubsidized Loan gets returned first, up to the amount disbursed. Since $\$623.85 < \$5,198/2$, this is the only applicable aid to be returned. Also note that the School will return the funds, but the amount will be charged back to the student's account.	Unsubsidized Loan \$623.85

Student Account Balance

Step 1:	Institutional Refund due Student	\$497.40
Step 2:	Total Title IV aid returned by School	\$623.85
Step 3:	Student Account Balance: $\$497.40 - \$623.85 = (\$126.45)$	(\$126.45)

The student shows a balance due to the School as a result of withdrawing from the program.