

# Ralph R. Willis Career and Technical Center

## RETURN OF TITLE IV FUNDS POLICY

According to the Feral Aid Handbook, "Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive.

If a recipient of Title IV grant funds withdraws from school after beginning attendance, the amount of the grant earned by the student must be determined. If the amount disbursed to the student is greater than the amount the student earned, unearned funds must be returned. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement of the earned aid that was not received."

The law defines the amount of Title IV grant and loans that the student has earned the right to use. The amount a student has earned is directly related to the length of time he or she has maintained attendance during the semester. The law requires that if a recipient of Title IV assistance withdraws from an institution before completing more than 60% of the semester in which the recipient began attendance, the institution must calculate the percentage and amount of Title IV assistance the student earned. Unearned Tile IV funds must be returned to the Title IV program by the school and /or student. Since Ralph R. Willis Career and Technical Center only processes PELL Grants it will be the first and only means of repayment is necessary.

For official withdrawals, the Return of Title IV funds calculation must be performed and the student notified of any overpayment within 30 days of date the institution determined the student withdrew. In many cases, students will owe money to the federal aid program and to Ralph R. Willis.

Unofficial Withdrawal will be students that stop attending classes and /or receive F's. For unofficial withdrawals, the withdrawal date is defined as the last documented date of attendance at an academically-related activity, as defined by Federal Regulations. An institution must determine the withdrawal date for a Title IV recipient who unofficially withdraws not later than 30 days after the end of the semester in which the student unofficially withdrew or the end of the academic year in which the student unofficially withdrew, whichever is earlier.

The percentage of time the student completed for the semester determines the "earned percentage". The earned percentage is based on the calendar days in the semester. A return of Title IV funds calculation must be performed it a student withdraws (officially or unofficially) before completing more than 60% of the semester in which any of the following Title IV funds were disbursed or could have been disbursed as defined by Federal Regulations.

The payment period for the calculation of the Return of Title IV Funds formula. The payment period is the semester in which the student received Title IV funds. Regarding class attendance, each instructor keeps a permanent attendance record for each student in each class. These records are subject to inspection by the administration of the center at any time.

Institutional charges are tuition and fees. These are the amounts that were initially assessed the student before any institutional refund was applied. These charges include tuition and required fees for the appropriate semester. If a student is due a refund based on the institutional refund policy, the refund will be applied first to the student's portion of Return of Title IV funds. Any remaining portion will be applied toward the school's portion of Return to of Title IV funds. If any portion remains after applying toward Return of Title IV funds, it will be used to repay Ralph R. Willis funds and the student in proportion to the amount received.

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If Ralph R. Willis is required to use institutional funds to pay the school's portion of Return of Title IV funds, Ralph R. Willis will set up an account receivable for the student's account. The student will then owe a debt to Ralph R. Willis for the amount Ralph R. Willis was required to return to the Title IV programs due to the student's withdraw. The student's account will have a hold on it until the debt is satisfied. The Financial Aid office will send a letter to the student to notify him/her of this debt and how to resolve it.

### RETURN OF TITLE IV FUNDS FORMULA

1. Determine the amount of Title IV Aid received by the student.

This includes aid that has been disbursed and aid that could have been disbursed. "Aid that could have been disbursed" is defined as aid for which the student was eligible to receive at the time of withdrawal.
2. Determine percentage of aid earned (Percentages are rounded to three decimal Ex .4486 would be .449 or 44.9%)
  - A. Determine student's withdrawal date.

For official withdrawals, the withdrawal date is the date the student provides official notification of intent to withdraw by providing Withdrawal form signed.  
For unofficial withdrawals, the withdrawal date is the last date of attendance at academically-related Activity as documented by the school.
  - B. Determine the percentage of payment period completed.

Divide the number of days attended by the number of days in the semester. This percentage is the percentage of payment period completed (semester) and the percentage of Title IV aid earned for the semester. For example: if the semester consisted of 103 days, and the student attended for 43 days, he complete 41.7% of the semester; therefore, he earned 41.7% of his Title IV aid.
3. Determine the amount of aid earned by the student.

Determine the amount of Title IV aid that was disbursed and could have been disbursed as of the withdrawal date.  
Multiply the percentage from step 2B (earned aid) by this amount. The amount that could have been disbursed includes late disbursements for which the student qualifies.
4. Compare the amount earned to the amount disbursed.

If earned aid exceeds disbursed aid, a post withdrawal late disbursement is due the student.  
If disbursed aid exceeds earned aid, funds must be returned to the Title IV program.
5. Determine if the student is due post- withdrawal disbursement or if Title IV aid must be returned.

Subtract the Title IV aid actually disbursed from the amount of Title IV aid earned. If aid disbursed is greater than aid earned, funds must be returned to the Title IV programs. If aid disbursed is less than aid earned the student may be due a post-withdrawal disbursement.

  - A. Title IV funds to be returned to Title IV program: PELL is the only Title IV fund so it is first.
    2. **Amount due from School** (actual amounts):

Determine the amount of institutional charges the student incurred for current semester. Multiply the unearned aid percentage by the amount of institutional charges. School is responsible for returning the lesser of the two amounts (a or b) School must return funds no later than 45 days after the date student was determined to withdraw. If Ralph R. Willis is required to use institutional funds to pay the school's portion of Return of Title IV funds, an account will be set up for the student to repay owed debt.
    3. **Amount due from student**

Subtract amount due from school (from above) from the amount of Title IV aid to be returned. Student is responsible for returning this amount. Amounts to be returned to

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grant programs are limited to the amount by which the original grant overpayment exceeds half of the total Title IV grant funds disbursed or could have been disbursed. Ralph R Willis will notify student of repayment obligation within 30 days of the date determined Student withdrew. Student must repay grant overpayment to Ralph R. Willis within 45 days of notification of overpayment. Grant overpayments not paid within 45 days will be reported to the Department of Education and the student will be ineligible for future Title IV aid until the over payment is resolved or repayment arrangements are made with the Department of Education.

B. Post-withdrawal disbursements-These disbursements will be made in accordance with Federal Regulations. If a student is due a post-withdrawal disbursement, the disbursement must be made from available grant funds. The disbursement must be made within 90 days of the institution's determination that the student withdrew. After the eligible Post-withdrawal disbursements are credited to the student's outstanding current semester charges, the Institution must follow specific steps, outlined in Federal Regulations, offering the remaining balance to the student.