

**CATEGORY: STUDENTS – TITLE IV RECIPIENTS**

**SUBJECT: RETURN OF TITLE IV FUNDS POLICIES AND PROCEDURES**

**General Policy – It is the policy of the Maine College of Health Professions (MCHP) to follow the federal requirements of 34 CFR 668.22 as explained in this document.**

The return of Title IV (R2T4) funds requirements apply to a Title IV grant or loan recipient who withdraws from or leaves school before completing the payment period or period of enrollment. The requirements do not apply to students who never actually begin attendance in classes or to students for whom attendance in at least one class during a payment period or period of enrollment cannot be documented.

**Procedures – MCHP is not required to take attendance, and in case of withdrawals, the official withdrawal date is the date the student began the withdrawal process. For unofficial withdrawals**

Students wishing to withdraw from the College should contact their Academic Advisor and the Director, and must submit a letter of resignation to the Registrar. Withdrawal is not considered official until the dated letter of resignation is filed with the Registrar. Until such filing, the student remains enrolled in the College and is responsible for fulfilling its academic and financial requirements.

At MCHP, the following offices are responsible to coordinate the withdrawal process:

- The Registrar's Office is the designated contact point for students who choose to withdraw. The student may contact the college in person or via electronic mail.
- The Financial Aid Office is responsible to perform the R2T4 calculations and to notify the student accounts office of appropriate adjustments to the student's account.
- The student accounts staff is responsible to return any unearned Title IV funds to the Federal Government.

A student's aid is posted to his or her account at the beginning of each period, and the student earns the funds as they complete the period. If the student withdraws during the payment period, the amount of Title IV earned by the student up to that point is determined by a formula on a pro rata basis. If the student receives excess program funds that must be

returned, MCHP will calculate the portion to be returned to the Federal Government. The portion to be returned will be equal to the lesser of:

Institutional charges X the unearned % of the funds, or  
The entire amount of excess funds

### **Official Withdrawals**

The following procedures are in place at MCHP for official withdrawals:

1. The student notifies the MCHP Registrar's Office of intent to withdraw.
  - a. MCHP may allow a student to rescind his or her official notification to withdraw by filing a written statement that he or she is continuing to participate in academically related activities and intends to complete the payment period or period of enrollment.
2. The Registrar notifies the Financial Aid and Student Account's Offices of the student's withdrawal and the official withdrawal date, to be used in the R2T4 calculation.
3. If the student had federal financial aid (Title IV aid), the R2T4 calculation is performed.
  - a. The college is required to determine the amount of Title IV aid that a student has earned if he or she withdraws. Within 30 days, the college will calculate the amount of Title IV aid that a student has earned based on the payment period of period of enrollment. The student will be obligated for any tuition, fees, books or equipment not covered by Title IV funds.
  - b. The amount of assistance that a student has earned is determined on a pro-rata basis. That is, if 25 percent of the payment period has been completed, the student has earned 25 percent of the assistance that he or she was originally scheduled to receive for the payment period. Once a student has completed more than 60 percent of the payment period, he or she will be considered to have earned all of the Title IV aid.
  - c. If a student has received more assistance than he or she has earned, the excess funds must be returned. The funds are returned in the following order: Unsubsidized loan first, Subsidized loan, then Pell grant last.
  - d. If the student has received (or the college received it on his or her behalf) less assistance than the amount earned for the payment period, he or she will be able to receive those additional funds through a post-withdrawal disbursement.

- i. If the student has grant eligibility due to a post withdrawal disbursement, the school will process grant funds and post to the student account.
  - ii. If the student has loan eligibility due to a post withdrawal, MCHP will offer the loan(s) post withdrawal and will not process until the student and/or parent has accepted all or a portion of the loan within 30 days of the school sending notification. Once the school has the signed acceptance from the student, MCHP will process the loans and post to the student account within the time frames allowed. If the school does not receive notification back from the student, MCHP will not process the loan and it will not be credited to the student account. Any unclaimed post withdrawal loan funds will be sent back to the Federal loan program.
4. If the R2T4 calculation results indicate that the student received more TIV assistance than they earned, funds are returned to the Education Department using the electronic refund functionality in G5. If the R2T4 calculation results indicate that the student received less TIV assistance than he or she earned, a post-withdrawal disbursement is arranged.
  - a. The conditions and limitations for a post-withdrawal disbursement are the same as for all other late disbursements. However, there are additional requirements for late disbursements made as post-withdrawal disbursements. MCHP follows the rules for paying and/or offering a post-withdrawal disbursement in regulations governing the Return of Title IV Funds. From the date MCHP determined that a student withdrew, grants are returned as soon as possible, but not later than 45 days.
  - b. Although MCHP must make or offer late disbursement in certain situations, a student is never required to accept it, particularly loans. For example, a student may decline a late disbursement of a loan to avoid taking on additional debt.
  - c. The regulations prohibit MCHP from making a late disbursement in certain situations, even if a student otherwise meets the conditions for a late disbursement. MCHP will not make a
    - i. Late second or subsequent disbursement of Direct Loan funds unless the student has graduated or successfully completed the loan period;
    - ii. Late disbursement of Direct Loan funds to a first-year, first-time borrower who withdraws before the 30<sup>th</sup> day of the student's program of study

- (unless the school meets the requirements for a waiver based on low default rates).
- iii. Late disbursement later than 180 days after the date the student becomes ineligible.
  - iv. Late disbursement of a grant later than 45 days after learning of a student's withdrawal.
5. The student is notified of the action(s) taken.
- a. Borrowers who withdraw from school will receive exit interview information.

### **Determining Unofficial Withdrawals**

MCHP assumes that the student has unofficially withdrawn if:

- They began attendance at MCHP and
- Did not officially withdraw and
- Failed to earn a passing grade in at least one course during an entire period.

This policy and related procedures are required under the federal Title IV student financial aid programs.

MCHP has policies and procedures to identify and timely perform R2T4 calculations for unofficial withdrawals. This requires the collaboration of a number of different areas on campus, including faculty. The policy accounts for:

1. A student has attended at least one class day.
  - a. Prior to performing R2T4 calculation for an unofficial withdrawal, the college will document that the student attended at least one class day of the course for which the student received a non-passing grade. MCHP cannot assume that the student began attendance in a class simply because the student was registered in the course.
2. Determining the difference between an earned non-passing grade and an unearned non-passing grade.

The following procedures are in place at MCHP for tracking unofficial withdrawals:

1. At the end of each semester, the Financial Aid Office (FAO) runs a query of all Title IV aid recipients with all non-passing grades for the enrollment period.

2. Registrar's Office reviews the student's files and communicates with faculty as needed to determine if the student had any academic-related activity for the semester and to determine the last day of attendance, or the last day of academic-related activity, if available. The list is updated and returned to the FAO for follow-up.
3. The FAO uses the last date of attendance or last day of academic-related activity, if available, or uses 50 percent of the period date as the withdrawal date, whichever is appropriate.
4. The FAO performs the R2T4 calculations.
5. Adjustments are made in SONIS by the FAO.
6. The students are notified in writing of all returns and any obligations required by the student with instructions.
7. The Student Accounts staff is notified of any refunds that need to be returned, and returns the unearned funds no later than 45 days after MCHP determines the student withdrew.
8. The Student Accounts office adjusts the student's account for all Title IV fund reduction.

Approved: \_\_\_\_\_  
Dr. Monika Bissell  
President

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