

## Return of Title IV Funds/Withdrawal Policy

### Purpose and background

Title IV HEA program 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 the student was originally scheduled to receive. The purpose of the Return of Title IV Funds/Withdrawal policy is to determine what unearned portions of Title IV funds that the student and the school received that must be returned to the U.S. Department of Education.

### Scope

The Return of Title IV Funds/Withdrawal policy applies to all federal Title IV financial assistance recipients who completely withdraw from Fine Mortuary College (FMC), or cease attending all classes during the term or period of enrollment, after federal Title IV funds has been disbursed or yet to be disbursed.

It is the policy of FMC to comply with 34 CFR 668.22 – Treatment of Title IV funds when a student withdraws.

### Withdrawal

There are two types of withdrawals that fall under the Return of Title IV Funds (R2T4) regulations:

1. Official Withdrawal: Students may choose to voluntarily and formally withdraw from all classes enrolled at FMC. Academic penalties and financial obligations may occur. To voluntarily withdraw from FMC, a student must:
  - Provide a letter of intent to withdraw to the school director or Registrar.
  - Complete, sign and date the FMC Drop/Add form with the Registrar.
  - The official U.S postmark on the letter of withdrawal or the date on the e-mail from the student to FMC will be used to calculate the R2T4 and the financial obligation to FMC, unless the student hand delivers the Drop/Add form and the letter to withdraw from the college.
2. Unofficial Withdrawal: If a student begins to attend class(es), receives Title IV funds, then ceases to attend the class(es) without official withdrawal from FMC, this is considered “unofficial withdrawal.” The withdrawal date for a student who unofficially withdraws is the last date of class participation as documented by the instructor in the attendance register.

The R2T4 rules for Title IV funds recipients who completely withdraw from FMC will be used to determine the unearned portions of Title IV funds that must be returned to the appropriate program funds.

The policy will not apply to any student who enrolled for class(es) but never began attendance in any class or withdraws from one or more classes but continues attendance in any other Title IV approved class(es).

Enrolled students who complete at least 60% of the term or period of enrollment and subsequently withdraws has earned 100% of the Title IV funds and a R2T4 refund is not required. Any withdrawals prior to the completion of 60% of the term or period of enrollment will be subject to the R2T4 rules.

#### Return of Title IV Funds Calculation

Since FMC is an attendance taking institution, for R2T4 purposes, the institution will use the date of withdrawal listed on the official withdrawal form submitted to the Registrar by the student as the last day of attendance (LDA) for the R2T4 calculation.

FMC has up to 30 days after the end of the payment period term ends to determine if a student unofficially withdraw to start the R2T4 calculation using the LDA under the unofficial withdrawal policy listed above.

The percentage of the payment period or term completed is equal to the number of days completed by the student up to the withdrawal date divided by the total number of days in the payment period or term.

Funds are returned to the appropriate Title IV program funds 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 that could have been disbursed during the payment period or term.

If a student earned less in aid than was disbursed, both FMC and the student may be required to return a portion of the unearned funds to the U.S. Department of Education, and if a student earned more aid than was disbursed, the student will receive a post-withdrawal disbursement within 120 days of the student's withdrawal.

#### Post-Withdrawal Disbursement

After the R2T4 calculation, FMC will disburse any Title IV funds that the student has earned but have not been disbursed to the student. Grants will be disbursed within 45 days. Loans will be offered to the student within 30 days, allowing the student at least 14 days to respond.

All post-withdrawal disbursements will be applied to the student's account first, and for any resulting credit balance from the loan funds, the institution will first obtain confirmation from the student or parent in the case of a parent PLUS, that they still wish to have the loan funds disbursed.

If the student/parent submits a timely response that confirms that they wish to receive all or a portion of a direct disbursement of the post-withdrawal disbursement of the loan funds or confirms that a post-withdrawal disbursement of the loan funds be credited to the student's account, the institution will disburse the funds in the manner specified by the student, as soon as possible, but no later than 180 days after the date the institution determined that the student withdrew.

FMC will return any amount of unearned Title IV funds for which it is responsible no later than 45 days after the date of the determination of a student's withdrawal from the College. Refunds will be returned in the following order:

#### Order of Return of Title IV Funds

1. Direct Unsubsidized loan
2. Direct Subsidized loan
3. Direct PLUS
4. Federal Pell Grant
5. Federal SEOG

#### Procedure:

1. Registrar provides withdrawal information to the Financial Aid Office
2. The Financial Aid Office completes the R2T4 calculation using the template provided by the U.S. Department of Education and updates COD
3. The Financial Aid Office instructs the Business Office/Bursar of any unearned institutional portion to be returned to G5

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