

Federal Title IV Return of Funds Policy

Federal financial aid (Title IV) funds are awarded to a student under the assumption that the student will attend school for the entire period for which the aid is awarded. This policy applies to students who receive federal funds and fail to complete the payment period or period of enrollment for which he/she was charged—even if one or more attempted classes within that period are completed. Non-attendance† in any class is considered a reduction of credit hours and aid will be adjusted accordingly prior to completing the Return of Title IV calculation.

DETERMINING IF A STUDENT IS A FULL WITHDRAWAL OFFICIALLY OR UNOFFICIALLY

For students who receive federal financial aid, their schedules are reviewed bi-weekly by the Office of Financial Aid. For any student who shows a schedule change by virtue of withdraw, drop or cancellation of a course, their full-term schedule and statement of account will be reviewed to determine if federal aid would need to be adjusted.

If a student begins the official withdrawal process or provides official notification to the school of his or her intent to withdraw, the date the student withdrew would be the date the student began the official withdrawal process or the date of the student's notification, whichever is later. If a student did not begin the official withdrawal process nor provide notification of his or her intent to withdraw, the date the student withdrew would be the date that the school becomes aware that the student ceased attendance or the last date of attendance provided by the instructors, whichever is later.

A student is a full withdrawal and cease to be enrolled when they:

1. Provide written notification to the school by completing and submitting the withdrawal form, by written notification, or by withdrawing from all classes through their MyESCC.
2. Stop attending without notification are considered unofficially withdrawn.
3. Take a course(s) in modules, and they cease attendance at any point prior to completing the payment period or period of enrollment, *unless* the school obtains written confirmation from the student at the time of the withdrawal that he or she will attend a module that begins later in the same payment period or period of enrollment.
4. Take a course(s) in modules, and they cease attendance at any point prior to completing the payment period or period of enrollment, *unless* the student successfully completed 49% of the payment period. I.e. Student completes an early module course that is 8 weeks of the total 16 week payment period with a "D," the student has then successfully completed over 49%
5. Take a course(s) in modules and they cease attendance at any point prior to completing the payment period or period of enrollment, *unless* the student completes, successfully, a half-time course load (6 credit hours) in any combination of other modules. I.e. Student takes 6 credit hours in module A that is only 4 weeks long of the 16 week payment period and passes both courses. This student is not considered withdrawn.
6. Take a non-term or nonstandard-term program, the student is not scheduled to begin another course within a payment period or period of enrollment for more than 45 calendar days after the end of the module the student ceased attending.
7. Enroll in all full-semester courses and do not complete all the days in the payment period or period of enrollment that the student was scheduled to complete.
8. Enroll in a program that is measured in clock hours and they do not complete all of the clock hours and weeks of instructional time in the payment period or period of enrollment that the student was scheduled to complete.

For any withdrawal, the last date of attendance is verified with the Registrar and/or course professor or instructor. Since professors or instructors are not required to take attendance, the last date of attendance is determined by the last documented "academic attendance" which constitutes more than simply logging into an

on-line class or sitting in a seat in a physical class. There must be direct participation/interaction between the instructor and student regarding academic matters. Instructors will determine a student's attendance based on federal guidelines and report last dates of attendance or nonattendance accordingly.

Federal law requires the College to recalculate federal financial aid eligibility for students who withdraw, cease to attend without official withdrawal, or are dismissed prior to completing more than 60% of the payment period for which he/she was scheduled to complete. The calculation of earned Title IV funds include the following federal aid, except for federal work study funds, that were disbursed or that could have been disbursed to a student for the period of time for which the calculation is being performed (payment period or period of enrollment).

- ◆ Pell Grant
- ◆ Iraq and Afghanistan Service Grant
- ◆ TEACH Grant
- ◆ Federal Supplemental Educational Opportunity Grant (FSEOG)
- ◆ Direct Loan

FORMULAS USED FOR THE CALCULATION OF THE AMOUNT OF TITLE IV FUNDS EARNED UPON WITHDRAWAL

All of Edison State Community College's courses are currently based on semester or term-based credit hours. Therefore, the primary formula for determining the percent of aid earned for the Return to Title IV recalculation is as follows:

$$\frac{\text{Number of days completed up to the last date of attendance}}{\text{Total number of days in payment period}} = \text{Percent of earned aid}$$

For a clock-hour 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 or period of enrollment, as of the day the student withdrew, by the total number of clock hours in the same period as follows:

$$\frac{\text{Number of clock hours the student was scheduled to complete in the period up to the day the student withdrew}}{\text{Total number of clock hours in period}}$$

At Edison State, for non-term credit hour or clock hour programs, the total number of calendar days in the period does not depend on the pace at which a student progresses through a program (the completion date is the same for all students) and the student has not failed any courses for which he or she was paid in the payment period, the total number of calendar days in the period will be the same for all students. For non-term credit-hour programs offered in modules where some or all courses are offered sequentially and all students begin and end the modules at the same time. For a student who successfully completed all modules attempted up to the time the student withdrew, the completion date (and the corresponding number of days in the R2T4 calculation) will be the number of days between the start of the first module and the originally scheduled end of the last module.

Nonstandard term, credit-hour programs with terms that are not substantially equal in length have two defined payment periods: one for Title IV grant funds, and one for Direct Loan funds. Because only one payment period may be used in determining earned Title IV grant and loan funds for a student who withdraws and was disbursed or could have been disbursed aid under both payment definitions, the regulations now specify the payment period a school must use in the R2T4 calculation, that is, the payment period that ends later. Any aid disbursed for payment periods that overlap the payment period used in the calculation must be attributed to the payment period that ends later.

GUIDELINES ON THE ORDER THAT TITLE IV AID MUST BE RETURNED

Federal financial aid is returned to the federal programs by the College based on the percent of unearned aid using the following formula:

$$\frac{100\% - \text{percent of earned aid}}{\text{Amount of aid disbursed or could have been disbursed toward institutional charges}} = \text{Aid to be returned}$$

The order in which federal aid is returned is as follows:

- Unsubsidized Direct Loans (other than Direct PLUS Loans)
- Subsidized Direct Loans
- Direct PLUS Loans
- Federal Pell Grants for which a return of Title IV funds is required.
- FSEOG for which a return of Title IV funds is required.
- TEACH Grants for which a return of Title IV funds is required.
- Iraq and Afghanistan Service Grant, for which a return of Title IV funds is required.

CONDITIONS THAT REQUIRE TITLE IV FUNDS TO BE RETURNED AND THE TIMEFRAMES FOR THE REQUIRED RETURN OF TITLE IV FUNDS

When a Title IV eligible student fails to complete the payment period or period of enrollment for which he/she received funds, even if one or more attempted classes within that period are completed, the Return to Title IV calculations must be performed. If the calculations previously discussed determines the student has not earned 100% of the financial aid that was disbursed or could have been disbursed, then Title IV funds must be returned to the Department of Education by the school and sometimes the student.

The College must return any unearned federal financial aid that was used to cover institutional costs as soon as possible but no later than 45 days from the determination of withdrawal. The student will then be billed by the College for the returned funds. The student must repay this amount in full or contact the Business Office to establish a satisfactory repayment plan. Unpaid debts will be turned over to the Ohio Attorney General's Office and further registration will not be allowed until balance is paid.

The student must return any remaining unearned federal financial aid not covered by the College. The College will notify the Federal Department of Education, as well as the student, of the student's receipt of the unearned aid. Failure to return those funds will result in the loss of eligibility for federal financial aid at any college.

CONDITIONS WHEN A STUDENT MAY BE OWED A DISBURSEMENT OF FEDERAL AID FUNDS UPON WITHDRAW

If a student would withdraw prior to federal aid being disbursed, the student may still be entitled to receive a portion of the federal aid that "could have been disbursed." If a student has received less federal aid than what was earned based on the recalculations, then a post-withdrawal disbursement may be made to the student.

A post-withdrawal disbursement of grant funds will be posted to the student's account to pay current charges for tuition, fees, and bookstore charges without the student's permission within 180 days of determination. Any excess grant funds after current charges are paid will be disbursed to the student within 45 days from the date the student withdrew.

The school must obtain written permission from the student or parent prior to making a post-withdrawal disbursement of loan funds. The student will be notified in writing within 30 days of withdraw determination. The student or parent must authorize the post-withdraw disbursement of loan funds prior to the notified deadline, within 14 days of notification, to be credited to the student's account to pay current charges. If the school does not receive authorization prior to the deadline date, no loan funds will be credited to the student's account.

* Example of completing one class but not all attempted classes within the payment period for which a student is scheduled to complete:

Students are registered in a first 8-week class and a 2nd 8-week class as well as a 16-week class. The student completes the first 8-week class with a grade of "A." The student attends but then ceases to attend the 2nd 8-week class and the 16-week class. Even though one class was completed a Return of Title IV Funds calculation will be done. (Attempted classes will, in some cases, include classes from which a student drops prior to the start of class.)

† Attendance must be "academic attendance" which constitutes more than simply logging into an on-line class or sitting in a seat in a physical class. There must be direct participation/interaction between the instructor and student regarding academic matters. Instructors will determine a student's attendance based on federal guidelines and report last dates of attendance or nonattendance accordingly.

‡ Federal financial aid refers to the following Federal Title IV programs: Federal Direct Unsubsidized Loans, Federal Direct Subsidized Loans, Federal Direct PLUS loans, TEACH Grant, Iraq and Afghanistan Service Grant, Federal Pell Grant and Federal SEOG.

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