

## Refund Policy

**Policy Owner: Office of General Council, DOFA Compliance**

**Implementation - 7/01/2021**

**Revision Effective Date – 07/01/2021**

**Required Policy and Consumer Information Updates:** [Last Date of Attendance](#), [Refund Policy](#),

---

### References:

School catalog and addenda, applications for admission and enrollment agreements, student consumer information

[34 CFR Regulatory Citation 668.22\(a\)\(1\) - Treatment of title IV funds when a student withdraws](#)

[34 CFR Regulatory Citation 668.22€\(2\) – Percentage of Title IV earned](#)

2020-2021 Federal Student Aid Handbook, [Volume 5 - Withdrawals and the Return of Title IV Funds](#)

### Who Should Read

#### This Policy:

|   |   |
|---|---|
| All District Executive Leadership, Campus Presidents, Vice Presidents, Deans, Directors, Financial Aid Directors and Staff, Student Business Services Directors and Staff, Registrars | X |
|---|---|

### Policy Summary

#### Statement:

To provide guidance on the refund of Federal Title IV Aid and tuition for all Education Systems.

#### Definitions:

Date of Determination – The date the school determined that the student withdrew completely or ceased attendance from school. This may be the date the student begins the official withdrawal process at the school, or the date the institution becomes aware that the student has ceased attendance.

Earned Aid Calculation – The amount of Title IV aid earned by the student is determined by multiplying the percentage of Title IV aid earned by the total of Title IV program aid disbursed plus the Title IV aid that could have been disbursed to the student or on the student's behalf.

Official Withdrawal - A student who begins the official withdrawal process or provides official notification to the school of his or her intent to withdraw; the date of the school's determination that 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. Schools will utilize a change in student status or comparable form to record a student's withdrawal, official or unofficial (see "Unofficial Withdrawal" definition); if the student is present, the student will sign and date the form as well as the designated office staff, which is retained in the student file at the school.

To officially withdraw, the student will need to notify a designated office; this office for most MCCC colleges is the Admissions and Records department.

The designated office will assist the student to complete the withdrawal process; the school registrar will determine the last date of attendance and the date of determination. The date of determination would be the earlier of the date the student begins the school's withdrawal process or the date the student provides notice. For an unofficial withdrawal, the student will be determined to be withdrawn from school if the student violates its published attendance policy in all their classes for term programs, or course for non-term and module programs; the school registrar will determine the last date of attendance using attendance records.

Order of Return of Funds - A federally prescribed order for returning federal funds required as a result of a Return of Title IV funds (Return) calculation; see topic later in this policy for the ED prescribed order of return of federal funds. If there is additional money to be refunded from Federal funds after calculating the Return of Title IV formula and the refund policy, it is policy for the refund to be made to the student or, with the student's authorization, to the federal loan program(s) in the following order, up to the amount received for the period of withdrawal: Unsubsidized Direct Loan, Subsidized Direct Loan, PLUS Loan and Alternative Loan. If there is an additional credit balance made up of non-Title IV funds, it will be refunded in the following order, up to the amount received for the period of withdrawal: Unsubsidized Direct Loan, Subsidized Direct Loan, PLUS Loan, Alternative Loan, other loans, other aid (if required), and student. If unearned funds remain to be returned after repayment of all outstanding loan amounts, the remaining excess must be credited to any amount awarded for the

payment period or period of enrollment for which a return of funds is required in the following order: Federal Pell Grants, Iraq and Afghanistan Service Grants, FSEOG Program aid, TEACH grants

Percentage of Title IV Aid Earned – Definitions for Term , and Modular programs below, in accordance with ED regulations:

*Standard Term Programs:*

The DOSFS will calculate the percentage and amount of awarded Federal student financial assistance that the student has earned if the student withdraws up through the 60 percent point of the term or payment period. If the student has completed more than 60 percent of the term or payment period, the student earns 100 percent of the Federal student financial assistance. The amount earned will be based on the percentage of the term or payment period that was completed in days up to and including the last date of attendance. To calculate the amount earned, DOFA will determine the percentage by dividing the number of calendar days completed in the term/payment period up to and including the last date of attendance by the total number of calendar days in the term/payment period. The number of days a student is scheduled to attend during a payment period is determined at census date, also known as the pell recalculation date. If there is a scheduled break of five or more days, it will reduce the term length and if the scheduled break is before the student's last date of attendance, it will also reduce the calendar days completed.

*Modules:*

A program that is offered in modules is a program that consists of course(s) in the program that do not span the entire length of the payment period or period of enrollment. ***Regulatory change effective July 1, 2021: A program is offered in modules if the program uses a standard-term or non-standard term academic calendar, is not a subscription-based program, and a course or courses in the program do not span the entire length of the payment period or period of enrollment.*** The DOSFS will calculate the percentage and amount of awarded Federal student financial assistance that the student has earned if the student withdraws up through less than 49 percent of the payment period, *or* has completed the requirements for graduation from his/her program before completing the days/hours in the period that he/she was scheduled to complete, *or* if the student completes coursework equal to or greater than the coursework required for the institution's definition of a half-time student for the payment period, *or* the school receives written notification that the student will attend a module that begins in the same payment period or period of enrollment, the student is not considered to have withdrawn and a Return of Title IV Funds (R2T4) will not be calculated.

When a student withdraws from the payment period before completing 49 percent of the payment period, the amount of federal financial aid assistance the student earned is determined by a specific formula. The number of days a student is scheduled to attend during a payment period is determined at census date, also known as the pell

recalculation date. Scheduled breaks of at least five consecutive days are excluded from this calculation. The amount of assistance the student earned is determined on a rate-of-progression basis.

Return of Title IV Funds (R2T4) - When a recipient of Title IV aid withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the school must calculate the amount of Title IV aid the recipient earned and return the unearned portion for which the school is responsible and notify the student of any amount the student must return.

*Title IV Loans:*

For unearned funds calculated to be returned by the school:

It is policy, as part of the R2T4 process, to provide notification to the student indicating the loan type(s) and amount(s) calculated as needing to be returned and, thus, the date returned by the school. Should there be remaining credit balances returned to loans based on the student's or parent's authorization to do so, it is policy to provide notification to the student or parent to include the date of return, loan type(s) and amount(s) being returned; if the credit balance is being refunded to the student or parent, notification will be provided to the student or parent indicating such.

For unearned funds calculated to be returned by the student:

If it is calculated that unearned loan(s) need to be returned by the student, The Center will notify the lender or servicer of the student's last date of attendance; the student will not need to repay the loan(s) immediately, but will repay it based on the terms of the promissory note. The lender or servicer will notify the student or parent, per the terms of the promissory note.

*Title IV Grants:*

For unearned funds calculated to be returned by the school or student:

It is policy, as part of the R2T4 process, to provide notification to the student indicating the grant type(s) and amount(s) calculated as needing to be returned and, thus, the date returned by the school. If it is calculated that unearned grant(s) need to be returned by the student, any unearned amounts for the Federal Pell Grant, SEOG and ISAG are reduced by 50% of the amount that was awarded, and are due immediately from the student. It is policy for the school to return the grant funds on behalf of the student; notification will be provided to the student indicating the grant type(s), amount(s) and the date returned on the student's behalf.

Return of Unearned Aid - If the student receives more Title IV Aid than the amount earned, the school, the student or both must return the unearned funds in a specified order.

Unofficial Withdrawal (Also known as an "Administrative" Withdrawal) - A student who did not begin the official withdrawal process or provide notification of his or her intent

to withdraw; the date of the school's determination that the student withdrew would be the date that the school becomes aware that the student ceased attendance. See "Official Withdrawal" definition above.

A student who does not notify the school that s/he is withdrawing but ceases attending, is administratively withdrawn by the school; this is otherwise known as an unofficial withdrawal. Students are administratively withdrawn from school when they have consecutive lack of attendance based on each school's attendance policy. Schools have an attendance policy published in their catalog; school attendance policies must adhere to state licensing and accreditation requirements, as applicable. Please see the school's catalog for its current attendance policy.

Withdrawal Date (Also known as the "Last Date of Attendance") - The date the student withdraws from school, as determined by the school.

### **The Policy:**

#### **Federal Refund policy**

Return to Federal Title IV Aid (R2T4) is required to be calculated for all students who receive Federal aid and who withdraw from school during the first 60% of a term (semester) or payment period or up through less than 49% point of a payment period if enrolled in modules. A return of a portion of the Federal funds is required based on the percent of time remaining in the term or payment period after the student's last date of attendance. A student's last date of academic attendance represents the last date a student attended a class as determined by the school from its attendance records or the last date of the course if the student earned a passing grade. A pro-rata schedule is applied up to 60% of the term, or up through less than 49% of the payment period for modules, to determine the earned amount(s) of Federal aid; after the student has completed 60% of the term, a refund of Federal aid is not required. A Return to Title IV (R2T4) worksheet is only calculated when a student ceases attendance in all courses, i.e. withdrawal. This policy is not related to any adjustments that are made to charges other than tuition.

#### **Accreditation Refund policies**

None of the accrediting agencies that accredit our schools has a mandated refund policy. They refer to state policies, or, in the absence of a state policy, require a refund policy that is fair and equitable. Enrollment agreements and course catalogs outline the refund policies and, if required, are submitted to the accrediting agencies.

#### Withdrawal Procedure Overview:

To officially withdraw, the student will need to notify the Admissions and Records Office in person or in writing. The registrar (A & R) will assist the student to complete the

withdrawal process and will determine the last date of attendance and the date of determination. The date of determination would be the earlier of the date the student begins the school's withdrawal process or the date the student provides notice. For students who unofficially withdraw, the registrar will determine the last date of attendance using attendance records. The refund policies will apply in the event that a student withdraws, is suspended, or is terminated from school.

Every course for which a student receives an "F", an "UF", or a "W" grade/code must be repeated and completed with a passing grade in order to graduate. The original grade/code and the subsequent passing grade(s) will remain on the record for reference purposes. However, when a course is successfully repeated, only the passing grade will be computed in the grade point average. Tuition is charged for repeated courses.

When a final course grade has been established and recorded in the student record, the grade may not be changed without approval by the Academic Director or Chair and the Dean of Academic Affairs.

For the purpose of determining a refund, a student is deemed to have withdrawn from a course of instruction when any of the following occur:

1. The student notifies the college of withdrawal or of the date of withdrawal.
2. The college terminates the student's enrollment in accordance with institutional policies.
3. The student exceeds the number of absences allowed in accordance with institutional policies, and must be withdrawn from school. The date of withdrawal shall be deemed the last date of recorded attendance.
4. All refunds and return of funds will be made within [thirty (30)] calendar days of the date of determination.

**Return of Federal Title IV Aid:**

In compliance with Federal regulations, the school will determine how much Federal student financial assistance the student has earned or not earned when a student withdraws from school; this is also summarized in the Definitions section above.

*Term Programs:*

The school will calculate the percentage and amount of awarded Federal student financial assistance that the student has earned if the student withdraws up through the 60 percent point of the term or session if the student is only attending a session. If the student has completed more than 60 percent of the term, the student earns 100 percent of the Federal student financial assistance.

The amount earned will be based on the percentage of the term that was completed in days up to and including the last date of attendance. To calculate the amount earned,

the school will determine the percentage by dividing the number of calendar days completed in the term up to and including the last date of attendance by the total number of calendar days in the term. If there is a scheduled break of five or more days, then it will reduce the term length and if the scheduled break is before the student's last day of attendance, it will reduce the calendar days completed. If the student received more than the amount of Federal student financial assistance earned, the difference will be returned to the Federal student financial assistance programs from which funds were received in the following order: Unsubsidized Direct Loan, Subsidized Direct Loan, Perkins Loan, PLUS Loan, Pell Grant, SEOG. Funds will be returned to the aid source within forty-five (45) calendar days of the date that the school determines that the student has withdrawn.

*Module programs:*

The school will calculate the percentage and amount of awarded Federal student financial assistance that the student has earned if the student withdraws up through less than the 49 percent point of the payment period. If the student has completed more than 49 percent of the payment period, the student earns 100 percent of the Federal student financial assistance.

When a student withdraws from the payment period, the amount of federal financial aid assistance the student earned is determined by a specific formula. The number of days a student is scheduled to attend during a payment period is determined at census date, also known as the pell recalculation date. Scheduled breaks of at least five consecutive days and days in which the student was on an approved leave of absence are excluded from this calculation. If the student received less assistance than the amount the student earned, the student may be able to receive those additional funds as a post-withdrawal disbursement. When the student completes more than 49 percent of the payment period, the student earns all the assistance scheduled for that payment period.

*Term and Non-Term Programs:*

If the student received less assistance than the amount the student earned, the student may be able to receive those additional funds as a post-withdrawal disbursement. If the student received more assistance than the amount the student earned, the excess funds must be returned by the school and/or the student. The excess funds could result in an overpayment. If more Federal student financial assistance has been earned than has been received, the student may be eligible for a post-withdrawal disbursement. The school will notify the student of any post-withdrawal disbursement for which the student may be eligible and what steps need to be taken for the Federal financial assistance funds to be received.

If Federal student financial assistance funds need to be returned, the institution must return a portion or all of the unearned funds equal to the lesser of:

- The institutional charges multiplied by the percentage of the unearned Federal student financial assistance funds; or
- The entire amount of unearned funds.

If there are remaining unearned Federal financial assistance funds to be returned, the student must return any loan funds that remain to be returned in accordance with the terms and conditions of the promissory note. If the remaining amount of funds to be returned includes grant funds, the student must return any amount of the overpayment that is more than half of the grant funds received. The school will notify the student as to the amount owed and how and where it should be returned.

**Policy Disclaimer**

This policy serves as a guideline for the refund of title IV and tuition procedure with the understanding that it does not cover every possible scenario. As a result, complex areas may arise where certain refund procedures may need to be addressed on a case by case basis.

**Party(ies) Responsible**

**For Policy Training:**                    **The Policy Owner is responsible to determine the method, means and frequency of training on this Policy**

**Exceptions:**                                **Requests for an exception to this Policy should be addressed to the Policy Owner as outlined in the *Procedure for Requesting a Policy Exception*.**

**Policy Review/Update  
And Audit:**

**This Policy will be reviewed annually. Compliance with this Policy is audited on a random basis by Internal Audit.**

**Policy Revision History:**

| <b>Last Updated Date<br/>(MO/DD/20XX)</b> | <b>Editor</b> | <b>Location of change(s), what was changed, and why</b>              |
|---|---------------|--|
| 06/07/2021                                | Patti Curtis  | Update with new definitions of modules, and percentage of earned aid |
|   |               |  |
|   |               |  |
|   |               |  |
|   |               |  |

|  |  |  |
|--|--|--|
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |