

## 2017-2018 Federal Title IV Return of Funds Policy

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. Nonattendance† 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.

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.

1. Recalculation is based on the percent of earned aid using the following formula:

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

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

$$(100\% - \text{percent of earned aid}) \times \text{Amount of aid disbursed toward institutional charges} = \text{Aid to be returned}$$

When a student receives federal financial aid in excess of earned aid:

1. The College must return any unearned federal financial aid that was used to cover institutional costs. 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 Attorney General and further registration at Edison State will be blocked.
2. 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.

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

Student is registered in a first 8-week class and a 2<sup>nd</sup> 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 2<sup>nd</sup> 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, Federal Pell Grant and Federal SEOG.