



## RETURN TO TITLE IV REFUND POLICY

Federal Student Aid (FSA), also known as Title IV funding, is awarded and disbursed under the assumption that a student will complete course(s) for the entire semester and/or payment period for which the funds were awarded. When a student ceases attendance, officially and/or unofficially, the student may no longer be eligible for the full amount of Title IV funds originally awarded.

ACG's refund policy for undergraduate students can be found at the following link:

<https://www.acg.edu/admissions/undergraduate-admissions/admission-process/north-american-students/tuition-fees/>

ACG's refund policy for graduate students can be found at the following Link:

<https://www.acg.edu/admissions/graduate-admissions/tuition-and-fees/>

A student who withdraws from all courses and received Title IV funds must have a R2T4 calculation performed to determine the percentage of aid that was actually earned based on the amount of time the student was enrolled. Students are entitled to aid that was earned. ACG will return any unearned aid to appropriate Title IV program. This adjustment and process is most often referred to as performing the return of Title IV funds or simply "R2T4".

The return of funds to the federal government is based on the premise that financial aid is earned in proportion to the length of time during which the student attended. A pro-rated schedule determines the amount of federal aid a student has earned while attending. For example, a student who withdraws in the second week of the semester has earned less of his/her financial aid than a student who withdraws in the sixth week.

Once the 60% point in the semester/payment period is reached, a student is considered to have earned all of the financial aid originally awarded and will not be required to return any funds.

Financial aid that is processed for a student who never begins attendance in any class will be canceled.

If a recipient of Title IV funds stops attending ACG after beginning attendance, the amount of Title IV assistance earned by the student must be determined. If the amount disbursed to the student is greater than the amount the student earned, the unearned funds must be returned to the federal program(s). If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement of the earned aid that was not received.

### **Determination of Withdrawal Date**

The return of Title IV funds process begins when the student officially and/or unofficially withdraws from or stops attending courses.

#### **Official Withdrawal:**

If a student wishes to withdraw from the College, they must notify ACG of their intent by sending an email to the Registrar's Office. A deferral form is sent to the student to fill out. The Registrar's Office notifies the Office of Financial Aid of the withdrawal date.

#### **Unofficial Withdrawal:**

If a student stops attending classes without notifying ACG, the withdrawal date will be the last date of academic attendance as determined by ACG from its attendance records. Attendance records are sent every 14 days by the Registrar's Office to the Office of Financial Aid. This date is used for all students who cease attendance, including those who do not return from an approved Leave of Absence (LOA), those who take an unapproved LOA, and those who officially withdraw.

### **Earned versus Unearned Title IV funding**

If a student officially or unofficially withdraws, ceases attendance, or is administratively withdrawn from ACG, federal regulations require ACG to calculate the amount of Federal Title IV funds earned during the term from which the student withdrew.

The percent earned is equal to the number of calendar days completed up to the withdrawal (officially or unofficially) date divided by the total number of calendar days in the semester/payment period. Breaks of 5 days or longer are not included in the count of total days in the payment period.

**Percentage Earned** – The percentage of Title IV funds earned is equal to the percentage of the payment period completed as of the last day of attendance.

Earned Percent = Number of Days Completed ÷ Total Days in Payment Period

**Percentage Unearned** – The total Title IV funds disbursed minus the amount of Title IV funds earned determine the amount of Title IV unearned and must be returned to the Department of Education.

Unearned Percent = 100% - Earned Percent

As a result of a withdrawal, students who received federal funds will be required to repay unearned aid. The repayment calculation is performed utilizing the federal government's repayment worksheet.

After the 60% point in the payment period or period of enrollment, a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period. For a student who withdraws after the 60% point-in-time, there are no unearned funds. However, a school must still determine whether the student is eligible for a post-withdrawal disbursement.

**Calculation of earned and unearned (overpaid) funds will be based on:**

- Number of calendar days in the study period.
- Number of calendar days completed in the study period.
- Institutional charges (original tuition and fee charges before withdrawal, reduced course load).
- Total amount of the US Direct Loans awarded, accepted and/or disbursed.

**Example:**

- Student is notified that she is eligible for a net US\$6000 US Direct Loans for full-time study for the 2020-21 academic year from September 6 to April 30.
- Net US\$3000 US Direct Loans is disbursed for fall term in September.
- Based on attendance records it is determined that student's last day of attendance is Nov 10.
- No later than 30 days from this date, ACG must:
  - Calculate earned and unearned funds.
  - Notify the student of her earned and unearned loans.

### **Calculations**

- Number of calendar days in the fall term study period = 106 days (Sept 6 to Dec 21) o
- Number of calendar days completed in the fall term study period = 61 days (Sept 6 to Nov 5)
- Percentage of study period completed = 57% (61 days/106 days) o US Direct Loan funds earned = US \$1710 ( $\$3000 \times 57\%$ ) o US Direct Loans funds not earned = US \$1290 ( $\$3000 - \$1710$ )

### **Order of Return to Federal Aid Programs**

In accordance with federal regulations, unearned aid will be returned to the federal programs within 45 days of the student's withdrawal in the following order:

- Federal Direct Unsubsidized Loan
- Federal Direct Subsidized Loan
- Federal Direct Parent Loan for Undergraduate Students (PLUS)

### **Post-Withdrawal Disbursements**

Students may be eligible for a post-withdrawal disbursement if all of the "earned" loan funds have not yet been paid to them by the time of their withdrawal date. Notification will be sent to the student regarding eligibility for a post-withdrawal disbursement within 30 days of the date that the Registrar's Office determines that the student has officially withdrawn. Students will have 14 days from the date of notification to respond in writing that they will accept or decline all or a portion of the post-withdrawal disbursement. If students accept the post-withdrawal disbursement, the loan funds will be disbursed to students' accounts within 180 days of the date when the Registrar's Office determined that the student has officially withdrawn. For post-withdrawal disbursements of Parent PLUS Loans, notification will be made through the student, and the response to accept or decline all or a portion of the post-withdrawal disbursement must be made by the parent in writing. Parents should note that any post-withdrawal disbursements that they accept will still be disbursed to the students' accounts. The Business Office will not issue any post-withdrawal disbursement of loan funds if students and parents fail to respond within the required 14 days.

### **Student notification of Repayment**

The student and the school are both responsible for returning unearned federal financial aid to the federal government. ACG will return funds on the student's behalf to the appropriate federal programs and subsequently will bill the student for any balances owed back to ACG as a result of the return of Title IV funds. An email reflecting the adjustment(s) to the student's Title IV funds and the remaining student account balance will be sent to the student. The student is responsible for any outstanding balance resulting from a Return of Title IV calculation. Students are encouraged to contact the Business Office to make arrangements for any outstanding and/or past due balance owed to ACG.

**Treatment of Title IV credit balance when a student withdraws:**

If a credit balance exists on the student's account after applying institutional refund policy and the R2T4 calculation, the institution will disburse the credit balance to the student as soon as possible but no later than 14 days from the date the school performs the R2T4 calculation.

**Leave of Absence**

A leave of absence (LOA) is a temporary interruption in a student's program of study. A LOA cannot exceed 180 days in any 12 month period. A student granted a LOA is not to be considered withdrawn and no return of Title IV calculation is required. Students intending to stop their studies and take a leave of absence must inform the Office of Financial Aid in writing by email. If the student fails to return within the 180 day period, the student status is considered withdrawn and the withdrawal date is the student's last day of attendance based on the attendance records.