

RETURN OF TITLE IV FUNDS POLICY

Title IV (TIV) (federal) financial aid funds are awarded under the assumption that a student will remain in classroom attendance for the entire period (semester) for which the funds were awarded.

When a student withdraws from all courses, regardless of the reason, s/he may no longer be eligible for the full amount of TIV funds originally awarded. The return of funds to the federal government is based on the premise that a student earns financial aid in proportion to the length of time during which s/he remains enrolled. A pro-rated schedule determines the amount of federal student aid funds s/he will have earned at the time of full withdrawal. For example, a student who withdraws in the second week of the semester has earned less of his/her aid financial aid than a student who withdraws in the fifth week. Once the 60% point in the semester 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.

Federal regulations require a recalculation of financial aid eligibility if a student:

- completely withdraws;
- stops attending before the semester's end;
- does not complete all modules in which the student is enrolled as of the start date of the module.

IECC students who receive federal financial aid and who do not remain in attendance through the end of the semester could be responsible for repaying a portion of the financial aid originally received. Students who do not begin attendance in classes are not eligible for federal financial aid.

A student's certification of attendance that is not supported by institutional documentation is not acceptable to establish a last date of attendance. An institution must demonstrate that a student participated in class or was otherwise engaged in an academically related activity.

Calculating Earned Financial Aid

Financial aid recipients "earn" the aid they originally received by remaining in classes. The amount of federal assistance earned is based on a pro-rated system. Students who withdraw or do not complete all classes in which they were enrolled may be required to return some of the aid originally awarded.

IECC is required to determine the percentage of TIV aid "earned" by the student and return the "unearned" portion to the appropriate federal aid programs. IECC is required to perform this calculation within 30 days of the date the school determines that a student has completely withdrawn. The school must return the funds within 45 days of the calculation. The R2T4 calculation is completed by the Financial Aid Office.

The Financial Aid Office will calculate the student's liability for Return of Funds with the internet based program approved by the U.S. Department of Education.

Module Courses

For a period in which courses in the program are offered in modules, a student is not considered to have withdrawn if:

- The student gives the institution written confirmation that he or she will attend a module that begins later in the same payment period or period of enrollment (this confirmation must occur at the time that would otherwise have been a withdrawal).

A student may change the date of return if he or she will attend a later module than originally intended, provided that:

- The later module begins in the same payment period or period of enrollment;
- The student makes that change in writing prior to the return date that he or she had previously confirmed

If a student who confirmed his/her intent to return to a later module in the payment period or period of enrollment does not actually return, the student's withdrawal date is what it would have been had the student not indicated any intent to return within the period. An institution could be required to "undo" an R2T4 calculation and restore a student's aid. This situation would occur if a student reenters a term-based credit-hour program offered in modules prior to the end of the payment period or period of enrollment from which the student withdrew. Subject to conditions established by ED, the student could be eligible (depending on enrollment status) to receive any Title IV funds for which he or she was eligible prior to withdrawal, including funds that were already returned by the institution or student. The institution must make adjustments to reflect any changes to the student's enrollment status.

R2T4 Process

Student and School Responsibility for Return of Funds

Within 30 days of the date of the student's complete withdrawal from classes, IECC will:

- Perform the Return of Funds calculation based on the date the school determines that a student has completely withdrawn

THEN

Within 45 days of the date on the notice of liability, IECC will:

- Return the funds to the Department of Education

AND

- Send the student notice of liability and repayment options via US mail

FINALLY

The student will:

- Repay in full his/her return of funds liability to IECC

OR

- Make satisfactory repayment arrangements with IECC.

Failure to comply may result in loss of federal Title IV aid eligibility.

Banner Process

Hours enrolled are automatically set to zero on ROAENRL when a student drops all classes. To pay financial aid on a R2T4 student, manually set the adjusted hours to 12 and lock the award. Disburse funds, and then manually reset the adjusted hours back to zero on ROAENRL and unlock the award.

Determination of Withdrawal Date

Students not attending classes in which they have enrolled must be withdrawn; IECC does not have a "leave of absence" policy. Official withdrawals are processed by the Office of Admissions and Records. The student may initiate the withdrawal by completing a "Drop/Add" form, available from the Admissions and Records Office at Olney Central College, Frontier Community College, Lincoln Trail College, and Wabash Valley College.

When the student submits the form to the Office of Admissions and Records, s/he has begun the withdrawal process; that date will be used to determine the percentage of the enrollment period the student completed.

Students, who withdraw from all classes prior to verification of their file, must be calculated as a federal refund student to determine aid eligibility for all Title IV aid. The student has 120 days after the drop date to complete the verification process; at that point, the financial aid office will calculate the federal refund to determine eligibility for Title IV aid.

In accordance with federal regulations, students who receive all F's because of non-attendance will be processed for Return of Title IV aid. The financial aid officer must make a determination if the student attended the course past 60% of the term. Faculty will be contacted to verify that a student participated in class or was otherwise engaged in an academically-related activity, such as by contributing to an online discussion or initiating contact with a faculty member to ask a course-related question. If written documentation from the instructor(s) in question can be made past the 60% point, then the student earned the Pell disbursed for that semester. If no determination of attendance beyond 60% can be made, the student did not earn the aid that was disbursed. In both instances, the Financial Aid Officer will process the Title IV calculation and the school/student will be responsible for returning the appropriate funds.

In compliance with federal regulations, the financial aid officer will determine, within 45 days after the end of the semester, which students received all F's for that term, and complete the refund calculation. Documentation of the last date of academic activity from instructors is required to determine Title IV aid earned.

Post-Withdrawal Disbursement

IECC is permitted to credit a student's account with a post-withdrawal disbursement of Title IV grant funds when an R2T4 calculation permits. IECC may credit the student's account without the student's permission for current charges for tuition, fees, and room and board (if the student contracts with the school) up to the amount of outstanding charges. IECC must obtain a student's authorization to credit a student's account with Title IV grant funds for charges other than current charges.

When the R2T4 calculation results in the student being eligible to receive either Federal Direct Stafford Subsidized or Unsubsidized Loan proceeds, s/he will be contacted via US mail by the Financial Aid Office prior to making any post-withdrawal disbursements of loan funds. Written authorization from the student will be requested and is required before loan proceeds can be processed and awarded to the student.

For R2T4 calculations that result in the student or parent being eligible to receive a Direct Parent PLUS Loan, s/he will be contacted via US mail by the Financial Aid Office prior to making any post-withdrawal disbursement of loan funds, whether those loan funds are to be credited to the student's account or disbursed directly to the student (or parent). Written authorization from the student and/or parent will be requested and is required before loan proceeds can be processed and awarded to the student.

IECC will disburse any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account no later than 45 days after the date of the school's determination that the student withdrew. Students and parents wanting to accept any disbursement of loan funds will be informed to provide documentation within 30 days of the date of the school's determination that a student has withdrawn.

Return of Funds Distribution

The distribution of any return of funds is prescribed by law and regulation. Federal programs that are included in the distribution list at IECC are listed below:

1. Unsubsidized Federal Direct Loan	5. Federal PELL Grant
2. Subsidized Federal Direct Loan	6. FSEOG
3. Federal Direct Plus Loan	7. Other Title IV aid programs

**Federal programs that the institution does not participate in are not included in the distribution list.*