

REFUND & WITHDRAWAL POLICY

We realize that outside circumstances may sometimes impact a student's ability to complete the program of study. When a student stops attending **all** of his or her classes, depending on the circumstances, it may be classified as a "withdrawal," or "dismissal" from the institution. For the purpose of charges assessed and financial aid eligibility listed below, a dismissal will be handled the same as a withdrawal from the Institution.

Students who do not complete at least 60% of the hours of each pay period must repay the unearned portion of all awarded aid. This unearned portion is based on the total number of hours scheduled to be completed and divided by the total hours in the pay period (Title IV Refund Process below). Students must repay the amount received as an overpayment. Students who owe repayments or overpayments are ineligible for additional Federal and/or State Aid. When learning of an over-award, Tri-Community Adult Education (TCAE) Student Services Advisors will report the over-award to the funding source.

REFUND PROCESS

I. GENERAL

Federal Law regulations require that schools compute a student withdrawal refund calculation to determine the federal student aid & state aid earned by the student when he or she withdraws from a school either officially, or unofficially.

A. Official Withdrawal after commencement of classes

1. The date the student notifies TCAE of withdrawal or
2. The date of withdrawal, whichever is earlier.

B. Unofficial Withdrawals after commencement of classes

1. The beginning date of any start date, in which a student fails to start classes,
2. The first business day following 10 consecutive class days of absences or
3. The date when the school terminates the student's enrollment.

C. Cancellations - Applicants not accepted by TCAE, or who cancel within 3 to 5 business days are entitled to a refund of all monies paid. Minus a \$25 dollar registration fee.

II. INITIATING WITHDRAWAL PROCESS/TIMELINES

Schools are required to withdraw students from school within the guidelines indicated above in section (B) or as soon as the school determines that the student will not be returning. Withdrawal calculation are processed by the Financial Aid Counselor and sent to the Student Accounts office within 7 days of notification or withdrawal.

A. The withdrawal is initiated for any of the following occurrence:

1. Student's failure to maintain satisfactory progress.
2. Student's failure to follow attendance policy guidelines.
3. Student notifies school that they are withdrawing.
4. Student is dismissed from the program.

B. The individual at the campus who is responsible for updating the schools computer system must change the student's status to withdrawn. The following dates must match:

1. The effective date of change on the Student Status Change Form.
2. The date the student signs and dates the Student Status Change Form (if Applicable).
3. The computer system termination or drop date.

4. The date of determination for return of Title IV calculations. (This date must reflect the date the student was not eligible to continue, or the date the student notified the school they would not be returning).

C. The person/department responsible for initiating the drop completes the effective date of change on the Student Status Change Form. Copies of all Student Status Change Forms are given Student Accounts and Student Services Office. Both departments continue the paper work. The Academic office department has 7 consecutive days from the date of determining the withdrawal to communicate to Student Services and Student Accounts department by paper.

III. FINANCIAL AID WITHDRAWAL PROCESS (RETURN OF TITLE IV FUNDS (R2T4) POLICY)

The Financial Aid Counselor is responsible for handling all student status change forms received by the academic department. TCAE uses the Department of Education Template R2T4 form "Treatment of Title IV Funds When a Student Withdraws". TCAE certificate programs are measured in clock hours.

A. Review - The Financial Aid Counselor reviews the following Data on the Status Change Form for accuracy:

1. The number of clock hours the student has completed verses what's on the computer system.
2. Verifies the student funding source (Federal, Institutional, etc.)

B. RT24 Completion – The Financial Aid Counselor completes the Refund Calculation form for all Title IV recipients. The R2T4 form is completed steps 1-10 according to the directions of the form and ensures that the following is completed correctly:

1. The net amount of Title IV funds disbursed, and what could have been disbursed for the payment period is multiplied by the percentage of the payment period completed. The result is the amount of "unearned" Title IV.
2. The earned aid is subtracted from the aid that was actually disbursed to or on behalf of the student.
3. If the amount of Title IV aid earned by the student is **greater** than the total Title IV aid disbursed for the payment period; a Post-withdrawal disbursement to the student will be made within 45 days from the date the school determined the student withdrew.
4. If the amount of Title IV aid earned is **less than** the amount of Title IV aid disbursed for the payment period, a calculation for Title IV aid to be returned will be made. A school must return any unearned Title IV funds it is responsible for within 45 days of the date the school determined the student withdrew.
5. If the amount of Title IV aid earned and the amount of Title IV aid disbursed is **equal** to the payment period, no further action will be taken.
6. The Institution will return the lesser of the total earned aid or the unearned institutional charges for the payment period.
7. If the R2T4 form requires a Title IV refund due by the school under "Step 6" of the RT24 form the Financial Aid Counselor completes award adjustments in the database system and exports the refund to COD.
8. Student Accounts, ensures that all refunds due are refunded to G-5 account.
9. The Financial Aid Counselor is responsible for providing copies of the R2T4 forms for all title IV recipients to the Student Accounts department within 7 calendar days from the first day of receiving the status change form.

C. Post Withdrawal Disbursements - A Student who withdraws, or otherwise ceases attendance, has lost Federal Student Aid eligibility and generally may not receive further disbursements for the enrollment period. A post-withdrawal disbursement distinguishes payments made after a student loses eligibility, whereas Post-withdrawal disbursements is aid a student has "earned" based solely on the period of enrollment calculated on the Return of Title IV Funds Calculation (RT24) and must be disbursed within 90 days of the date of determination (withdrawal date). If the student is eligible to receive a post-withdrawal disbursement for the period of enrollment for which an R2T4 calculation was determined, the Financial Aid Counselor may only approve a post withdrawal disbursement for amounts indicated in the completed R2T4 calculation. Any credit balance on student's account must be dispersed as soon as possible and no later than 14 days after the calculation of R2T4. To ensure the correct amounts are approved and disbursed, the Financial Aid Counselor provides copies to student accounts of the R2T4 post-withdrawal disbursement information with the disbursement Batch roster request.

Under this policy, the student and school each may have some responsibility to return funds to the U.S. Department of Education. If the student does not return amount owed within 45 days, the amount of overpayment will be reported to the U.S. Department of Education (DOE) via the National Student Loan Database (NSLDS) and the student will be referred to the DOE for resolution of debt.

IV. STUDENT ACCOUNTS WITHDRAWAL PROCESS

Institutional Drop Calculation - Student Accounts completes an Institutional drop calculation for all students, regardless of their funding. Identification is made if the student withdrew prior to the 60% point or after the 60% point of the program.

To determine the percentage of the payment period completed, the number of days* attended in the payment period is divided by the total days*in the payment period.

**Days=calendar days for purposes of this formula, and therefore include weekends and holidays. Only scheduled breaks of 5 days or more and approved leave of absences are excluded.*

The percentage of federal student aid will be returned as “unearned” by the student if the withdrawal is prior to completing over 60 % of their program. The portion of Title IV federal student aid earned by the student as of the withdrawal date is calculated on a pro rata basis by comparing the total program hours to the total number of hours of class and lab time attended, or scheduled to have been attended prior to withdrawal. Federal Regulations state that the amount of the Title IV refund is based on the percentage of Title IV funds earned by the student at the time of withdrawal. In order to determine whether Title IV funds must be returned, the school must calculate the following:

A. **Refunds of Unearned Aid** - Student Accounts is responsible to complete all refunds of unearned aid back to the funding source in the following order as specified by law:

1. Pell Grant
2. Other sources.

B. **Recording Refunds** - Student Accounts Staff is responsible for the completion of the all necessary refunds and record the refunds to the student account ledger indicating the source and the refund amounts.

C. The total Title IV funds earned may not be enough to cover the institutional charges for the period of enrollment. When this occurs, the student is responsible for any outstanding charges not paid to the school through the student's Title IV funds.

V. 45 DAY OR LESS TIMEFRAME

It is TCAE's policy that the timeframe from withdrawal date, to receipt of drop calculation at the student accounts department, be no longer than 15 days from the date of determination that the student withdrew. Adherence to this policy ensures refunds are processed in a timely manner. This is critical to the success of the school, as late refunds are the most serious audit finding by the U.S. Department of Education, and can cause serious liabilities for the school. Therefore, drops must be fully processed at the student accounts office by: 15 days from the date of determination that the student withdrew. The 15-day timeframe will allow student accounts to meet the 45 day timeframe policy per the U.S Department of Education. An Institution must return the amount of Title IV funds for which it is responsible as soon as possible, but no later than 45 days after it determines, or should have determined that the student withdrew.