



**Subject: Return of Title IV Funds Policy for the Massage Therapy Program**

**Purpose: To ensure compliance in the return of Title IV funds**

**Policy:**

### **Return of Title IV Funds**

The law specifies how the Ohio Institute of Allied Health (OIAH) must determine the amount of Title IV program assistance that has been earned if a student withdraws from school. The Financial Aid Office will perform a Return of Title IV Funds calculation when a federal student financial aid (Title IV) recipient withdraws from his/her program. This process ensures that the institution correctly calculates the amount of federal student financial aid earned by the student and returns any unearned funds back to the respective federal student financial aid program(s). In some cases, the student will be required to return unearned Title IV funds. In addition, the Return of Title IV process may result in the student owing the school for unpaid tuition and fees.

The requirements for Title IV program funds when you withdraw are separate from OIAH institutional refund policy. Therefore, the student may still owe a balance to the school to cover unpaid institutional charges.

A student may withdraw from OIAH at any time by notifying the Financial Aid Officer in writing using OIAH's withdraw form, of his/her decision to withdraw. It is highly recommended that the student speak a Financial Aid Advisor prior to withdrawing.

A student's withdrawal date is defined as:

- 1) The date the student notifies OIAH of his/her decision to withdraw, or
- 2) The last date of attendance for a student who has ceased attending all classes and has not provided OIAH with his/her decision to withdraw.

The portion of Title IV funds a student is allowed to retain is calculated on a percentage basis by dividing the total number of clock hours scheduled to be completed as of the withdrawal date in the period, by the total clock hours in the payment period.

For example, if the student withdrew at 114 scheduled clock hours of a payment period that has 380 clock hours, the student has completed 30% of the period and therefore has earned 30% of federal student financial aid that was disbursed or could have been disbursed. That means that 70% of the aid that was disbursed or could have been disbursed remains unearned and must be returned to the federal student financial aid programs(s).

A student earns 100% of federal financial aid once he or she has completed more than 60% of the scheduled clock hours in the payment period.

**Note: In a non-term based school, a student must meet both the weeks and the credits in the payment period.**

If the amount of aid disbursed to the student is greater than the amount of aid earned by the student, the unearned portion must be returned to the federal student financial aid program(s). In returning unearned funds, OIAH is responsible for returning the portion of the excess equal to the *lesser of* :



- 1) The institutional charges for the payment period multiplied by the unearned percentage of funds, or
- 2) The entire amount of excess funds.

A student may be required to return excess unearned Title IV funds. However, if the excess unearned funds consist of Title IV loans, then the student repays the loan(s) in accordance with the terms and conditions of the promissory note. If the excess unearned funds consist of a Title IV grant, the student is required to repay only the portion which exceeds 50 percent of the amount of grant received over \$50.

If the amount of aid disbursed to the student is less than the amount of aid earned by the student, a post-withdrawal disbursement may be available to assist the payment of any outstanding tuition and fee charges on the student's account. The post-withdrawal disbursement will be made from Title IV grant funds before available Title IV loan funds. If part of the post-withdrawal disbursement is a grant, the institution may apply the grant funds to tuition and fees or disburse the grant funds directly to the student.

If a student is eligible to receive a post-withdrawal disbursement from Title IV loan funds, the student (or parent in the case of a PLUS loan) will be asked for his/her permission to either disburse the loan funds to the student's account to reduce the balance owed to the institution, or disburse the excess loan funds directly to the student. OIAH has 30 days from the date of OIAH's determination the student withdrew to offer the post-withdrawal disbursement of a loan to the student (or the parent in the case of a PLUS loan).

The student (or parent) has 14 days from the date OIAH sends the notification to accept the post-withdrawal disbursement in writing. If the student accepts the post-withdrawal disbursement, OIAH will make payment as soon as possible, but no later than 180 days from the student's withdrawal date. No portion of the post-withdrawal disbursement of loan funds will be disbursed if the student (or parent) does not respond to OIAH's notification.

Once the unearned portion of the return of funds has been calculated, the Financial Aid Office will return the aid to the appropriate federal student financial aid program(s) within 45 days of the date of determination that the student withdrew. The order of return is specified below. The unearned funds will be "charged back" to the student's tuition account, and this may result in unpaid tuition and fees. The students will then be billed for any unpaid institutional charges that result from the return of funds to the Title IV programs, and will be responsible for full payment. A student will not be allowed to re-enter, register, or receive an official academic transcript until the outstanding balance has been paid in full.

Unearned Title IV funds will be returned to the federal student aid programs in the following order:

1. Unsubsidized Direct Loan
2. Subsidized Direct Loan
3. Direct PLUS
4. Federal Pell Grant
5. FSEOG