Revision Responsibility: Director of Financial Aid
Responsible Executive Office: President/CEO

Purpose:
To outline the policy for return of Title IV Funds.

Policy:

General Requirements

Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive.

If a recipient of Title IV grant or loan funds withdraws from a school after beginning attendance, the amount of Title IV grant or loan assistance earned by the student must be determined. If the amount disbursed to the student is greater than the amount the student earned, unearned funds must be returned. 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.

Return of Title IV Funds

The Return of Title IV Funds regulations dictate that a college is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the amount of time the student spent in attendance or was scheduled to be in attendance.

Up through the 60% point in each payment period or period of enrollment, a pro rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. 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, Platt College must still determine whether the student is eligible for a post-withdrawal disbursement (PWD).

**Post Withdrawal Disbursements**

A post-withdrawal disbursement must be made within 180 days of the date the institution determines that the student withdrew. The amount of a post-withdrawal disbursement is determined by following the requirements for calculating earned Title IV aid and has no relationship to incurred educational costs.

**Disburse grant before loan**

A post-withdrawal disbursement, whether credited to the student’s account or disbursed to the student or parent directly, must be made from available grant funds before available loan funds. Available grant or loan funds refers to Title IV program assistance that could have been disbursed to the student but was not disbursed as of the date of the institution’s determination that the student withdrew.

**Summary of Actions Platt College Must Take Before Making a Post Withdrawal Disbursement**

The actions Platt College must take before it may disburse funds from a post withdrawal disbursement vary depending on the source of the funds.

Platt college must obtain confirmation from a student, or parent for a Direct Parent PLUS Loan, before making any disbursement of loan funds from a post-withdrawal disbursement.

Without obtaining a student’s permission, Title IV grant funds from a post-withdrawal disbursement are credited to a student’s account to pay for tuition and fees or disbursed directly to a student. A school must obtain a student’s authorization to credit a student’s account with Title IV grant funds for charges other than current charges.

**Post Withdrawal Disbursement of Title IV Grant Funds**

Platt College is permitted to credit a student’s account with the post-withdrawal disbursement of Title IV grant funds without the student’s permission for current charges for tuition and fees up to the amount of outstanding charges. Platt College must obtain a student’s authorization to credit a student’s account with Title IV grant funds for charges other than current charges.

Platt College is permitted to use a student’s or parent’s authorization for crediting the student’s account for educationally related expenses that the school obtained prior to the student’s
withdrawal date so long as that authorization meets the cash management requirements for student or parent authorizations. If Platt College does not obtain authorization prior to the student’s withdrawal, the College has to obtain authorization in accordance with the cash management requirements before a student’s account can be charged for other current charges or for educationally related activities.

Platt College must credit the student’s account with the post withdrawal disbursement for current charges within 180 days of the date of determination.

Platt College must disburse any amount of a post withdrawal disbursement of grant funds that is not credited to the student’s account. Moreover, the school must make the disbursement as soon as possible but no later than 45 days after the date of the school’s determination that the student withdrew.

Platt College must notify a student, or parent for a Direct Parent PLUS Loan, in writing 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). The information provided in this notification must include the information necessary for the student, or parent for a Direct Parent PLUS Loan, to make an informed decision as to whether the student or parent would like to accept any disbursement of loan funds and must be provided within 30 days of the date of a school’s determination that a student has withdrawn. In addition, the notice must request confirmation of any post-withdrawal disbursement that the student or parent, as applicable, wishes the school to make.

The notice must identify the type and amount of the loan funds it wishes to credit to the student’s account or disburse directly to the student or parent, explain that a student, or parent for a Direct Parent PLUS Loan, may accept or decline all or a portion of the funds. The notice must also explain to the student, or parent for a Direct Parent PLUS Loan, the obligation to repay the loan funds whether they are disbursed to the student’s account or directly to the borrower.

The notice must also make clear that a student, or parent for a Direct Parent PLUS Loan, may not receive as a direct disbursement loan funds that the institution wishes to credit to the student’s account unless the institution agrees to do so. If the student, or parent for a Direct Parent PLUS Loan, does not wish to accept some or all of the loan funds that the institution wishes to credit to the student’s account, the institution must not disburse those funds.

In the information Platt College provides to a student when the school informs the student that he or she is due a post-withdrawal disbursement of loan funds, the school should include information about the advantages of keeping loan debt to a minimum. If a post-withdrawal
disbursement includes loan proceeds, unless the recipient needs the funds to pay educational costs, the school might want to suggest that the student cancel the loan. With a student’s permission, Title IV grant funds due a student in a post-withdrawal disbursement can be used to pay down a Title IV loan, thereby reducing any post-withdrawal disbursement made directly to the student.

The school must document the result of the notification process and the final determination made concerning the disbursement and maintain that documentation in the student’s file.

**Time Frame for Notification of Eligibility for Post Withdrawal Disbursement of Loan Funds**

Platt College may not delay its disbursement processes while it ascertains whether a student wishes to receive the grant funds the student is entitled to. However, while Platt College is processing the disbursement or notifying the student about his or her eligibility for a post-withdrawal disbursement of loan funds, the College may, at its discretion, notify the student that it may be beneficial to turn down all or a portion of the grant funds to preserve his or her grant eligibility for attendance at another institution.

Of course, if a student should independently contact the institution and state that he or she does not wish to receive a grant disbursement, the institution is not required to make the disbursement.

**Cash Management Requirements for Student and Parent Authorizations**

If Platt College has completed post-withdrawal loan notification (described previously) and confirmed a student’s desire for any Direct Loan funds included in the post withdrawal disbursement, the school is permitted to credit a student’s account with the post withdrawal disbursement without additional permission from the student (or parent, in the case of a Direct PLUS Loan) for current charges as described earlier.

Platt College combines providing loan counseling, obtaining authorization to credit loan funds to a student’s account for outstanding charges, and obtaining authorization to make a direct disbursement to the student.

Once Platt College has received confirmation from a student, or parent in case of a Direct PLUS Loan, that he or she wants to receive the post-withdrawal disbursement of loan funds, a school must make the post-withdrawal disbursement of Title IV loan proceeds as soon as possible but no later than 180 days after the date of the school’s determination that the student withdrew.
Order of Return of Title IV Funds

A school must return Title IV funds to the programs from which the student received aid during the payment period or period of enrollment as applicable, in the following order, up to the net amount disbursed from each source:

- Unsubsidized Direct Loans (other than Direct PLUS Loans)
- Subsidized Direct Loans
- Federal Perkins Loans
- Direct PLUS Loans
- Federal Pell Grants for which a Return is required
- Federal Supplemental Educational Opportunity Grants (FSEOG) for which a return of funds is required
- TEACH Grants for which a Return is required
- Iraq and Afghanistan Service Grant, for which a Return is required.

Time Frame for the Return of Title IV Funds

A school must return unearned funds for which it is responsible as soon as possible but no later than 45 days from the determination of a student’s withdrawal.