

# College of the Ozarks

## Return of Title IV Funds Policy

### A. Purpose

In order to be eligible for and retain Federal Student Aid funds, students must maintain enrollment in classes for the entire semester. Failure to do so results a recalculation of aid funds and may result in a return of unearned Federal Student Aid funds.

### B. Policy

In accordance to Federal Student Aid regulations, College of the Ozarks has established procedures to allow for the recalculation of Federal Student Aid and Return of Title IV Funds (R2T4) for students who officially or unofficially withdrawal from classes.

### C. Procedures

#### 1. Determination of Withdrawal or Failure of Classes

The amount of federal student aid earned by the student will be recalculated if the student:

- a. completely withdraws from the College, or
- b. ceases attendance in classes before the semester is completed, or
- c. does not complete all classes for the semester, or
- d. fails all classes for the semester, or
- e. fails and drops all classes for the semester

#### 2. Determination of Withdrawal Date

The withdrawal date used for official withdrawals for the R2T4 calculation will be:

- a. the official date of withdrawal as recorded by Registrar's Office

The withdrawal date used for unofficial withdrawals for the R2T4 calculation will be:

- b. the last date of attendance (LDA), as recorded by the institution
- c. if an LDA is unavailable, the midpoint of the semester will be used as the LDA

Note: the LDA is recorded by the faculty member based on actual attendance or the last date the student was involved with an academically related activity.

#### 3. Earned and Unearned Federal Student Aid Funds

A student earns a percentage of student aid (*earned aid*) each day the student attends classes.

- a. If a student attends classes for at least 60% of the semester, then 100% of the Federal Student Aid funds are considered earned
- b. If a student attends classes less than 60% of the semester, the R2T4 calculation will be used to determine the amount of aid earned
- c. If Federal Student Aid funds have been credited to the student's account, and the student attended less than 60% of the semester, the student's account will be debited for the appropriate ineligible amount aid (*unearned aid*)
- d. If a student's account is credited with Federal Student Aid funds, then the institution learns the student never attended classes, all Federal Student Aid funds will be returned to the appropriate program.

#### 4. Failing Grades

Financial aid is paid with the expectation that the student will attend for the entire semester and receive a passing grade for classes attended or, if a class is failed, have attended the entire semester and simply failed the class.

- a. A student must pass at least one class for the semester. Otherwise, the institution must determine if the student established eligibility for the aid funds disbursed via attendance and/or participated in an academically related activity as is also noted in (C)(2).
- b. Unless the student attended for the entire semester, if all classes are failed and/or dropped, an R2T4 calculation must be performed using the LDA.
- c. Once all grades are posted for the semester, the financial aid office will determine which students are subject to R2T4 calculations and collect the appropriate LDA information.

**5. Notification of R2T4 Results**

A notification regarding the amount of earned and unearned Federal Student Aid funds determined via the R2T4 calculation will be mailed to the student.

- a. Unearned funds will be debited (charged) to the students account at the College

**6. Return of Federal Student Aid Funds**

Any funds determined to be returned to Federal Student Aid will be done so by the College in the following order:

- a. Federal Pell Grant
- b. Federal Supplemental Educational Opportunity Grant

Note: Student loans are not included in the return order since the College does not participate in student loan programs.

**7. Refund Calculation Example**

In order to provide a clearer understanding of how an R2T4 calculation may impact a student, the following example is provided.

A student begins attendance in classes for a semester with 108 days in the semester. The student is scheduled to receive a Federal Pell Grant in the amount of \$2,887, as a full time student. After completing 23 days of the semester, the student withdrawals from classes. Since the student completed 21.3% of the days in the semester ( $23/108 = 21.3\%$ ), the student is eligible for 21.3% of the Federal Pell Grant award or \$614.93 ( $\$2,887 \times 21.3\% = \$614.93$ ).

In the example above, if the student has not received any of the Federal Pell Grant funds, the \$614.93 is applied towards the student's account balance at the College. The ineligible amount of \$2,245.07 must be repaid to the Federal Pell Grant Program.