

Return of Title IV Funds Policy

Students that withdraw from some or all of the courses, stop attending classes, and/or enroll for less than half-time status will be required to repay all or a portion of the student loans received. Students must inform the Financial Aid Administrator and Registrar in writing immediately if these changes occur.

The Higher Education Amendment of 1998 required ICAOM financial aid office to implement The Return of Title IV Refund Funds policy when a Title IV funds recipient withdraws from school. A Title IV recipient is defined as a student who has received Title IV funds (excluding Federal Work Study funds but including Federal Direct PLUS Loan funds) OR has met the conditions that entitle the student to a late disbursement.

The Amendment states that Title IV funds are awarded to students with the assumption that he/she will attend school for the entire enrollment/payment period.

If a student receiving the above-mentioned assistance completely withdraws from school or ceases to attend classes up through the 60% point of the semester (as calculated by calendar days), the Financial Aid Office is required to calculate the amount of funds the student earned prior to their withdrawal and calculate the amount that was unearned and must be returned to reimburse the appropriate Title IV programs.

After the 60% point, the student is deemed to have earned 100% of the Title IV funds. If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for federal Title IV purposes, that the student has “*unofficially withdrawn*”, unless the institution can document that the student completed the period. If the student did not attend any or all classes, the institution must determine if the student was entitled to the award(s). A return to Title IV funds must be calculated to determine how much the student must repay for classes that the student did attend but failed.

The withdrawal date is used to determine the point in time that the student withdrew or ceased to attend so that the percentage of the enrollment/payment period completed can be determined. A student’s withdrawal date will vary depending on the type of withdrawal. If a student officially withdraws, the date the institution would use would be the day the student started the withdrawal process or notifies their intent to withdraw whichever is earlier. However, the school may choose to use an earlier last date of attendance at an academically related activity as the student’s withdrawal date. If a student does not notify the institution that he/she has withdrawn, the date that the student withdrew would be the date the institution became aware that the student ceased to attend classes. The percentage of Title IV aid earned is equal to the percentage of the enrollment/payment period the student completed.

In cases where funds must be returned, the school's CFO will reimburse the Title IV programs via the tuition revenue account. As a result, any tuition refunds due to the student will first be returned to reimburse the Title IV programs. Funds will be returned to the appropriate program in the following order: Federal Direct Unsubsidized loans, Federal Direct Subsidized Loans, Federal Direct PLUS loans, or other Title IV grant funds. Students will then be billed for any unpaid institutional charges that result from the return of funds to the Title IV programs. In addition, the student may be required to directly repay a portion of the Title IV funds that were received. Any repayment outstanding or unpaid will be referred to the U.S. Department of Education for collection and legal disposition. Furthermore, a financial obligation will be placed on the student's account by the institution, which will prohibit the student from registering in the future semesters, receiving academic transcripts, or receiving any additional federal aid funds.

In some cases, a student may be eligible to receive a "post-withdrawal" disbursement after the student completely withdraws from school when the amount of aid earned is less than the amount of aid disbursed. In such cases, the Financial Aid Office will notify the student of the "post-withdrawal" disbursement via an award letter email.