

## Return of Title IV Policy

**BCCC Institutional Refund Policy is located in the school catalog and on the website.**

The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for students who withdraw, drop out, or for students who are dismissed. A recalculation is also required for students who fail to return after taking a leave of absence.

Blue Cliff Career College must use clock hours scheduled to be completed as of the withdrawal date divided by the total hours in the payment period.

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

Aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term.

If a student earned less aid than was disbursed, then the institution would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a debit balance to the institution.

If a student earned more aid than was disbursed to him/her, the institution would owe the student a post-withdrawal disbursement which must be paid within 45 days (Pell) of the date the institution determined that the student withdrew.

### **Requirements and Procedures for officially withdrawing from the school**

Individuals wishing to withdraw are required to complete a written withdrawal request form. This form is available in the Education office and in the Financial Assistance office.

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Agencies and organizations sponsoring the payment of student tuition will be subject to the tuition refund policy.

The Federal Higher Education Funding authorization requires a return of Title IV funds (Pell Grant, Supplemental Educational Opportunity Grant, Federal Direct and PLUS Stafford Loans) to the Federal government if a student withdraws completely before 60% of the period has elapsed.

If a student completely withdraws during a period of enrollment for which he/she received financial aid, the Financial Assistance Office will determine the amount, if any, of the student's financial aid award that must be returned based on a Federally mandated refund formula. The R2T4 is calculated on the BCCC **VFAO** (Virtual Financial Aid Office) software or by hand. These calculations may be reviewed upon request to the Financial Assistance Office.

If and when unearned Title IV financial aid is returned by BCCC shall do the return in accordance with Federal regulations.

In the event that a student received less aid than the amount he/she earned at the time of withdrawal, the student is eligible to receive those funds. BCCC will notify the student of his/her eligibility of this post-withdrawal disbursement offer to which the student has 14 days to accept or decline these funds.





## **Return of Title IV Policy Continued**

### **Steps to Calculate the Percentage Earned of the period's Financial Aid award:**

#### **Step 1: Determine percentage of payment period:**

Number of days scheduled / Number of days in period = Percentage earned  
(A) > 60% = 100%

#### **Step 2: Determine amount of financial aid earned:**

Percentage earned (A) x Total aid = Earned Aid (B)

#### **Step 3: Determine the amount of INSTITUTIONAL charges assessed:**

Percentage earned (A) x Total Institutional charges = Assessed charges (C)

#### **Step 4: Determine amount of financial aid that must be refunded:**

Total aid - Earned aid (B) = Unearned aid that must be returned (D)

Unearned aid (D) > assessed charges (C) = unearned aid to be returned by the student

Unearned aid (D) < assessed charges (C) = unearned aid to be returned by BCCC

**All of the time of publication, the information above is provided to the students via the Student Handbook, the College Catalog, and the BCCC Community College website.**

**The following information regarding the Return of Title IV funds represents more specific institutional procedures:**

Once the unearned aid is established based on the prescribed calculations, the Financial Assistance Office (FAO) reduces the award and creates a letter of notification to the student. The unearned aid is removed from the student's account by the FAO and reported to Common Origination and Disbursement (COD). The letter is delivered to the BCCC Business Office from the FAO to be sent to the individual student, along with a statement of account from the Business Office. If the Return of Title IV (R2T4) calculation causes a balance on account, the student is informed of their responsibility to BCCC as well as the possible repayment for grant funds to the Department of Education. The Business Office is cognizant of the need to perform a return of funds within 3 business days.

Students are not permitted to re-enroll if they have a balance on account at BCCC and are not eligible for Federal Title IV aid if they owe a repayment to the Department of Education.