

## RETURN OF TITLE IV FUNDS

Students who withdraw from the Academy prior to completing 60 percent of the term have not “earned” all of their federal financial aid, and a Return of Title IV Funds calculation must be performed. The unearned portion of the aid that has been disbursed to a student who withdraws (based on the number of days remaining in the term) must be repaid by the student. Cranbrook Academy of Art is required to perform a Return of Title IV Funds calculation for any student who has requested federal aid (that is, those for whom there is a processed SAR or ISIR on file) and withdraws on or after the first day of class. Because the Return of Title IV funds calculation may require Cranbrook Academy of Art to return a portion of the student’s loans to the lender, in accordance with the provisions of the Higher Education Act, as amended, students who have received a refund of Direct Loan funds and subsequently withdraw may owe a balance to Cranbrook Academy of Art. The Return of Title IV Funds calculation does not affect and is not affected by Cranbrook Academy of Art’s Tuition Refund Policy. Contact the Registrar, Financial Aid & Admissions Manager with questions.

For those students who submit written notification of withdrawal to the Registrar, Financial Aid & Admissions Manager prior to the first day of the semester, all Federal Title IV funds already disbursed to the student’s account must be returned to the Department of Education/Direct Loans. Refunds are only made via paper check, and students do not receive refund checks prior to the first day of class; therefore, a student who does not begin attendance will not have received a refund. The Business Office will remove the full loan disbursement from the student’s account and return the funds to Direct Loans.

For all other students, aid awarded through the Federal Title IV Student Financial Aid Programs must be recalculated based on the date of withdrawal. The date a student is determined to have withdrawn for the Return of Title IV Funds calculation may differ from the official date of withdrawal for institutional refund purposes. Withdrawal dates for recalculation purposes may be official or unofficial:

- Official: For Return of Title IV Funds purposes, the official date of withdrawal is the earliest date the student indicates an intent to withdraw to the Registrar, Financial Aid & Admissions Manager, or the date the student is administratively withdrawn (if dismissed).

- Unofficial: When a student stops attending departmental requirements as determined by the Department Head, they are considered to have unofficially withdrawn; the unofficial date of withdrawal is based on the last date of attendance provided to the Registrar, Financial Aid & Admissions Manager by the Department Head.



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Aid awarded through the Federal Title IV Student Financial Aid Programs must be recalculated in these situations. Based on the date of withdrawal, a calculated portion of the student's Title IV aid may have to be returned according to federal regulations. The federal formula requires a return of Title IV financial aid if the student was eligible for Federal Title IV financial aid assistance and the student withdrew before completing more than 60% of the enrollment period. The Registrar, Financial Aid & Admissions Manager is informed of all withdrawals and is responsible for identifying those students for whom a Return of Title IV Funds calculation is required. She performs all calculations, determines if a post-withdrawal or late disbursement is required and contacts the student when necessary.

To determine the amount of aid the student has earned up to the time of withdrawal, the number of calendar days the student attended classes is divided by the number of calendar days in the enrollment period (scheduled breaks of 5 days or more are excluded):  $\text{Days Attended} \div \text{Days in Enrollment Period} = \text{Percentage of Enrollment Completed}$ . The percentage derived is then multiplied by the total federal funds that were disbursed (applied to the student's account and/or refunded) or that could have been disbursed for the enrollment period:  $\text{Total Aid Disbursed} \times \text{Percentage of Enrollment Completed} = \text{Earned Aid}$ . This calculation determines the amount of aid earned by the student which he/she may keep. The unearned amount (total aid disbursed or that could have been disbursed less the earned amount) must be returned to the federal government by the Academy or the student.

The return of federal funds is allocated in the following order: Unsubsidized Federal Direct Loans; Subsidized Federal Direct Loans; Federal Perkins Loans; Federal Direct Graduate PLUS Loan; Federal Direct Parent PLUS Loans; Federal Pell Grants; Federal Supplemental Opportunity Grants; Iraq and Afghanistan Grant; Other Federal assistance.

In accordance with Return of Title IV Funds, the Academy processes the Return of Title IV Funds calculations within 30 days of the student's last date of attendance for students who officially withdraw, and within 30 days of identifying students who unofficially withdraw from the payment period. The Academy is required to return the unearned portion of the student's Title IV aid to the Federal government within 45 days of identifying that the student officially or unofficially withdrew. In accordance with federal regulations, any money that must be returned to Direct Loans will be returned.



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If a student earned less aid than was disbursed, the Academy is required to return a portion of the funds and the student may be required to return a portion of the funds. When Title IV funds are returned, this may create a balance due to the Academy from the student. The student will be contacted by the Registrar, Financial Aid & Admissions Manager in such a case.

If a student earned more aid than was disbursed to him/her, the Academy may owe the student a post-withdrawal disbursement which must be paid within 120 days of the student's withdrawal (the student will be notified of eligibility for a post-withdrawal disbursement within 30 days of the withdrawal date). The student will be contacted by the Registrar, Financial Aid & Admissions Manager in such a case.

Contact Leslie Tobakos, Registrar, Financial Aid & Admissions Manager with questions:  
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