



Return of Federal Title IV Funds Policy

A Return of Title IV (R2T4) calculation determines the unearned Title IV funds that must be returned to the Federal Student Aid Program when a student receiving federal aid withdraws from the Art Academy of Cincinnati (AAC). If a student withdraws prior to the 60% point and has received Title IV aid in excess of the amount of aid earned, the unearned portion of the aid must be returned to the Federal Student Aid Programs.

Withdrawing

An official withdrawal begins when a student submits an exit interview/withdrawal form to the Registrar's Office, at which time the Registrar will record the date of determination. The Registrar will immediately provide both the Financial Aid and Business Office with a copy of the withdrawal form for their office to process. Students will also complete an exit interview with both the Financial Aid and Business Offices so that they may be informed of the consequences that a complete withdraw will have on the repayment of their student loans and possible balance owed to the school.

An unofficial withdrawal occurs in the event of a student not attending classes and failing to notify the school of withdrawing. The date of determination is set as the midpoint of the semester, or the last date of recorded attendance, as outlined in date of determination withdrawal policy.

The Financial Aid Office

The Financial Aid Office will complete the R2T4 Calculation through the Department of Education (DOE) system (FAA Access or COD). Once the amounts are determined by the DOE, the AAC Financial Aid Office will make the required adjustments to the student's aid on both COD and the school's processing system. Any adjustments will be sent to the Business Office for processing on the student's account. The Financial Aid Office will give the R2T4 to the CFO for review. The Financial Aid Office will process the R2T4 as early within the required 45 day window as possible to allow time (at least 10 days) for the CFO to review, and for any necessary adjustments to be completed within the 45 day period.

The Financial Aid Office will send exit counseling information if counseling was not completed in person while the withdrawal form was being signed by the student.

The Business Office

The Business Office will make any adjustments to the tuition per the school's tuition policy as well as any adjustments sent from the Financial Aid Office. Once all adjustments are completed in the Business Office system they will notify the CFO for review. Once the R2T4 has been finalized the Business Office will send the student a statement showing the adjustments and request that the student pays any outstanding balance within 45 days of the statement date or set up a payment plan to pay off the student balance.

The CFO

The CFO will review both the Financial Aid and the Business Office processing to insure both systems are in agreement. The CFO returns the required funds to the Federal Student Aid Program through the G5 system. The return will be completed within the required 45 days from the date of determination. All documentation will be given to the Financial Aid Office for record keeping.

Post-Withdrawal

If earned aid exceeds the amount of disbursed aid, AAC Financial Aid Office must offer a post-withdrawal disbursement to the student/borrower or PLUS borrower within 30 days of the date of determination. If this happens the Financial Aid Office will notify the student/borrower asking for a signed post-withdrawal statement from the student/borrower to request/authorize the late disbursement. The student/borrower has the right to decline some or all of the post-withdrawal funds. If the student/borrower does not respond within 14 days, the Financial Aid Office will not complete the post-withdrawal. This may result in an unpaid balance on the student's tuition account.

- A post-withdrawal must be made from available grant funds before available loan funds
- If the student has outstanding charges on their tuition account, AAC may credit the student's account up to the amount of the outstanding charges.
 - Once the student charges are covered, the school may disburse the remaining available funds directly to the student/borrower or student of the PLUS borrower, if approved by the borrower.
- All disbursements and refund credits must be completed within 45 days from the date of determination, but only if the student/borrower responded to the Financial Aid Office's post-withdrawal request within the requested timeframe.
- Any loans that are disbursed through a post-withdrawal will fall under the student/borrower or Parent/borrower Loan Agreement/MPN along with the rest of their past loans.
- All post-withdrawal information must be documented within the student's Financial Aid file.

Unpaid Overpayment of Grants Due to R2T4

If a R2T4 determines that the student did not earn the full amount of federal grant (Pell or FSEOG), the school will return the required amount to the Federal Student Aid Program on the student's behalf. The school will then notify the student of the overpayment/unearned portion (both loans & grants) no later than 45 days from the date of determination. If the student does not pay in full, or set up a payment plan, for the unearned grant within 45 days from the date the school sent notification of the overpayment, the school obtains the right to notify the Department of Education of the unpaid overpayment, at which time the student will lose their Title IV eligibility until the grant is repaid or a payment plan has been established.

- The student will maintain their eligibility during the notification period of 45 days.
- If the student enters into a payment plan with the school for the overpayment of a federal grant, the grant must be repaid within two years of the student's withdrawal date (date of determination).
- All payment plans for repayment of federal grant overpayment must clearly layout the terms and conditions that the student must maintain in order to maintain their eligibility for Title IV.

- The school is responsible for notifying the Department of Education of all overpayment repayment plans and updates.
- The AAC Business Office will notify the AAC Financial Aid office if a student enters a payment plan, pays off a payment plan, or fails to make the required payment. The Financial Aid Office will notify the Department of Education.
- Anytime a student fails to meet the terms of the payment plan they will lose their Title IV eligibility.

Additional Important Information:

- A R2T4 must be completed if a student withdraws after the first day of the semester, even if it's after the 60% mark.
- If a student withdraws prior to the 60% point and has received Title IV aid in excess of the amount of aid earned, the unearned portion of the aid must be returned to the Federal Student Aid Programs. This money will be returned to the Federal Student Aid programs from AAC and the student will be responsible for repaying AAC. If the student does not pay or set up a payment plan and make their first payment within 45 days of the date of determinations, they will be sent to collections.
- In regard to Federal Title IV financial aid funds, the Art Academy's institutional policies of charges and refunds are not a factor. Only the concept of earned and unearned aid, as determined by federal regulations, affect the Title IV funds to which students are entitled.
- During the first 60% of an academic period (semester or summer session), a student "earns" Title IV funds in direct proportion to the length of time he/she/they remains enrolled. A student who remains enrolled beyond the 60% point and has received Title IV aid, is considered to have earned all of his/her/their financial aid and will not be required to return any of these funds.
- Unearned Title IV funds, other than Federal Work Study funds, must be returned to the Federal Student Aid Programs. If a student withdraws prior to the 60% point and has received Title IV aid in excess of the amount of aid earned, the unearned portion of the aid must be repaid to the Federal Student Aid Programs.
- The enrollment percentage will be determined by the number of days in the academic period including weekends, divided by the number of days enrolled including weekends. Scheduled breaks of five days or more will be excluded from the calculation.
- Federal regulations operate under the assumption that Title IV funds are directly disbursed to a student only after all the Art Academy of Cincinnati's charges have been recovered and that Title IV funds are the first resource applied to students' accounts. The Art Academy of Cincinnati charges are the amounts that have been assessed to a student's accounts prior to the student's withdrawal, not the reduced amount that might result from the tuition refund policy.
- The Art Academy of Cincinnati's share is allocated before the student's share among the Title IV programs, in the following order specified by the Federal regulations, up to the total net amount. Disbursed from each source: • Direct Unsubsidized Student Loan • Direct Subsidized Student Loan • Parent PLUS Loan • Federal PELL Grant • Federal Supplemental Educational Opportunity Grant (FSEOG)
- The student's share is first allocated among the loan programs, in the following order as specified by the Federal regulations, up to the total net amount disbursed from each source, after subtracting the amount the Art Academy of Cincinnati will return. • Direct Unsubsidized Student Loan • Direct Subsidized Student Loan • Parent PLUS Loan. The student's share of the

amount owed to the PELL and FSEOG program is reduced up to the total net amount disbursed from each source, after subtracting the amount the Art Academy of Cincinnati will return the required funds to the Department of Education.

- The student will have 45 days after the withdrawal date of determination to repay the student's share of unearned funds to the Art Academy of Cincinnati.
- If the student fails to repay any unearned grants within 45 days, the account will be turned over to the U.S. Department of Education for an overpayment of Title IV funds. A student who owes an overpayment of Title IV funds is ineligible for further disbursements through the Title IV Federal Financial Aid programs at any institution.
- The student may rescind his/her/their withdrawal with a written declaration of intent to complete the period of enrollment and continued attendance. However, if the student withdraws again before completing this same period, the official withdrawal date will be determined as the actual date the student submits the latter withdrawal form to the Registrar's Office.
- The Art Academy's Office of Financial Aid will discuss the ramifications of withdrawals regarding receipt and repayment of Federal Title IV funds with any student who seeks counseling on this policy.