

**Finger Lakes School of Massage / Central Maryland School of Massage / ASIS
Title IV Funds Return Policy**

Effective Date June 1st, 2018 - Last Revision ___/___/___

Campus - Ithaca, Mount Kisco, Frederick, ASIS

Return of Title IV, Higher Education Act (HEA) Policy

When a student applies for financial aid, the student agrees that financial aid funds will be used for educational purposes only. If a student withdraws before completing their program, a portion of the funds received may have to be returned. FLSM will calculate the amount of financial aid to be returned to the Title IV, HEA programs according to the policies listed below.

Return of Title IV Policy

This policy applies to students who officially withdraw, unofficially withdraw, fail to return from a leave of absence, or are dismissed from enrollment at FLSM. This is a separate policy from the FLSM refund policy.

The calculated amount of the Return of Title IV (R2T4), HEA funds that are required for the students affected by this policy are determined according to the following definitions and procedures as prescribed by regulations.

The amount of Title IV federal aid earned is based on the amount of time a student was scheduled to be in academic attendance and the total aid received; it has no direct relationship to student's incurred institutional charges. Therefore, federal funds may be returned leaving the student with an outstanding balance to the institution.

Because these requirements deal only with Title IV, HEA funds, the order of return of unearned funds do not include funds from sources other than the Title IV, HEA programs.

Title IV, HEA funds are awarded to the student under the assumption that he/she will attend school for the entire period for which the aid is awarded. When a student withdraws, he/she may no longer be eligible for the full amount of Title IV, HEA funds that were originally scheduled to be received.

Therefore, the amount of Federal funds earned must be calculated. If the amount disbursed is greater than the amount earned, unearned funds must be returned. FLSM has 45 calendar days from the date that the institution determines that the student withdrew to return all unearned funds for which it is responsible. The school is required to notify the student if they owe a repayment, via written notice.

Eligibility for post withdrawal disbursements will be confirmed within 30 calendar days of the date that the student withdrew. The school must advise the student or parent that they have 14 calendar days from the date that the school sent the post withdrawal disbursement

notification to accept a post withdrawal disbursement. If a response is not received from the student or parent within the allowed time frame or the student declines the funds, the school will return any earned funds that the school is holding to the Title IV, HEA programs.

- When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, FLSM will determine the amount of title IV grant or loan assistance that the student earned as of the student's last date of attendance.
- If the total amount of Title IV grant or loan assistance, or both, that the student earned is less than the amount of Title IV grant or loan assistance that was disbursed to the student (or on behalf of the student in the case of a PLUS loan), as of the date of the institution's determination of the student's last date of attendance.
 1. The difference between these amounts must be returned to the Title IV programs, and:
 2. No additional disbursements may be made to the student for the payment period or period of enrollment.
- If the total amount of Title IV grant or loan assistance, or both, that the student earned is greater than the total amount of Title IV grant or loan assistance, or both, that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the date of the institution's determination that the student withdrew, the difference between these amounts must be treated as a post-withdrawal disbursement in accordance with Sec. 668.164(g).

Calculating Refunds

- FLSM/CMSM calculates all student refunds using the payment period. The percentage of a period completed is calculated by dividing the number of hours the student was scheduled to complete in the payment period, as of the day the student withdrew, by the total number of clock hours in the same period. The date of withdrawal is considered the last day of attendance.

Program Overview

- FLSM's program is completed over the course of 258 classes that are 3.5 hours in duration, plus 1 class that is 3 hours in duration. Of the 1000 hours in the program, 906 occur on a fixed schedule established by the institution prior to the start of the program. FLSM requires students to complete 94 clinic hours over the duration of the program. Students schedule these 94 hours in two hour increments, in evening clinic sessions offered by the institution, as their schedules permit, throughout their

period of enrollment.

- CMSM's program is completed over the course of 140 classes that are 4.5 hours in duration. Of the 750 hours in the program, 630 occur on a fixed schedule established by the institution prior to the start of the program. CMSM requires students to complete 120 clinic hours over the duration of the program. Students schedule these 120 hours in two hour increments, in morning, afternoon, evening and weekend clinic sessions offered by the institution, as their schedules permit, throughout their period of enrollment.

Determining Scheduled Hours for the Purposes of R2T4

- For FLSM full-time students, multiply the number of class days scheduled to complete as of the last day of attendance by 7 hours.
- For FLSM morning or evening students, multiply the number of class days scheduled to complete as of the last day of attendance by 3.5 hours per day.
- For CMSM full-time students, multiply the number of class days scheduled to complete as of the last day of attendance by 4.5 hours per day.
- For CMSM part-time program students, determine scheduled hours by consulting program calendar and adding up hours scheduled to complete. In general, part-time students at CMSM are scheduled to complete 15 hours per program weekend, but hours shortened at the end of the mod should be accounted for if applicable.
- The school uses actual clinic hours completed because a student's clinic hour schedule is not established by the institution prior to the student's beginning class date, rather the schedule is controlled by the student throughout the program. The school monitors clinic hours through attendance, required submissions and institutional deadlines. To calculate hours completed for the purposes of the R2T4 calculation, the school adds the total of instructional and clinic hours completed as of the last day of attendance. This calculation is used to determine the percentage of a period completed on the R2T4.
 1. If the student drops in the **first payment period**, use scheduled hours plus actual clinic hours (i.e. do not subtract hours for classes or days the student was absent).
 2. If the student drops in the **second payment period**, determine the actual date the student hit 450 hours (FLSM) or 375 hours (CMSM) by running the SAP report, which will show actual classroom and clinic hours completed. Then determine how many scheduled hours are on the program calendar between the date the student ACTUALLY hit 450 or 375 hours, and the LDA. Add any additional clinic hours completed between 450/375 hour mark and LDA.

Determining Payment Periods for the Purposes of R2T4

- FLSM utilizes two payment periods of 450 hours and one payment period of 100 hours. For the purposes of the R2T4 calculation, the payment period is determined by calculating total instructional class hours scheduled to be completed and completed clinic hours.
- CMSM utilizes two payment periods of 375 hours. For the purposes of the R2T4 calculation, the payment period is determined by calculating total instructional class hours scheduled to be completed and completed clinic hours.

Return of Funds & Post Withdrawal Disbursements

- All refunds are calculated on a Return of Title IV funds, (R2T4) worksheet and reviewed by Financial Aid staff and our third party processor, Boston Educational Network (BEN), for accuracy. The calculation will be completed within 30 calendar days of the date of determination of the withdrawal. All post-withdrawal disbursement of loan funds will be made within 45 calendar days of the school's date of determination that the student withdrew. All post-withdrawal of grant funds will be made within 45 days of the school's date of determination that the student withdrew
- All post-withdrawal disbursements will be made from available grant funds before available loan funds. FLSM will get confirmation from student or parent borrower prior to disbursement.
 - If outstanding charges exist on the student's account, the institution may credit the student's account up to the amount of outstanding charges with all or a portion of the aid
- Students are responsible to repay any loan funds not returned by the school. Loans are to be repaid in accordance with terms of the promissory note.

Order of Funds Returned

- The school must return the unearned aid for which the school is responsible by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.
 1. Unsubsidized Direct Stafford Loan
 2. Subsidized Direct Stafford Loan
 3. Direct PLUS (Parent)
 4. Pell Grant

Example - Student withdraws from 1000 hour program in 1st payment period (during hours 0-450).

Assumptions (for example's sake):

- Student A is attending FLSM Ithaca's Campus. Total Tuition Charges are \$15,900. Payment Period Charges are \$7155 (1st Payment Period); \$7155 (2nd Payment Period); \$1590 (3rd Payment Period)
- Student A enrolls in school's 1000 hour program. The start date is January 3, 2017. Her anticipated graduation date is July 27, 2017.
- Student A has borrowed Stafford Loans in the amount of \$9500 and has received a Federal Pell Grant in the amount of \$3165.
- Of these amounts, \$4700 in Stafford Loans (\$2968 in Unsubsidized Direct Loans and \$1732 in Subsidized Direct Loans) and \$1582 in Pell Grant have disbursed for the first payment period.
- Institutional Charges for the First Payment Period are \$7155.
- Student A last attends class on February 9th, 2017, which is Scheduled Class Day 26. There are 7 scheduled hours of classes on each day; therefore, Student A is scheduled to complete 182 hours in the classroom.
- In addition, Student A has completed 10 clinical hours, at 2 hours per clinic, for a total of 20 actual clinic hours completed since the first day of school on January 3, 2017 and her last date of attendance.
- The school adds the Hours Scheduled to Complete (182) to the Actual Clinic Hours (10) to arrive a Total Hours Scheduled to Complete of 192.

Return of Funds Required

- 192 Hours Scheduled to Complete/450 Hours in the first payment period) = .4266 = .427 = 42.7%. Student A has completed 42.7% of her first payment period and has therefore earned 42.7% of the aid disbursed.
- A total of \$6282 has disbursed in Pell and Loan funds for Student A. $\$6282 \times 42.7\% = \2682.41
- The school may keep \$2682 (amounts are rounded to nearest whole dollar) of the total aid disbursed for Student A's First Payment Period.
- The School must return 57.3% of the aid disbursed, or \$3599.59 (rounded to \$3600). The funds will be returned to the Department of Education in the following order:

\$2968 - Unsubsidized Direct Stafford Loan

\$631.59 (rounds to \$632) - Subsidized Direct Stafford Loan

Official Withdrawal from FLSM

A student is considered to be officially withdrawn on:

1. The date the student provided official notification of intent to withdraw, in writing or orally; or
2. The date the student began the withdrawal process from FLSM records. A student is allowed to rescind his notification in writing to the Education Office and continue the program. If the student subsequently drops, the student's withdrawal date is the original date of notification of intent to withdraw.

The Last Day of Attendance is always the last day of attendance in an academic-related activity, such as class or clinical work. Students with financial aid who are withdrawing from FLSM are advised to contact the financial aid office and the Education office.

If a student receives Title IV grant or loan assistance and does not begin attendance in a period of enrollment, the student is considered to be ineligible for any Title IV aid.

Upon receipt of the official withdrawal information, FLSM will perform the Return to Title IV (R2T4) calculation to determine the amount of federal funds the student has earned and the amount of unearned federal funds for which the school and the student is responsible to return (if any). The calculations are completed using the U.S. Department of Education's Return of Title IV, HEA Funds Worksheets, the student's attendance and withdrawal date, and are based upon the period of enrollment. FLSM will return the amount of any unearned portion of the Title IV funds for which the school is responsible within 45 calendar days of the date the official notice of withdrawal was provided. The financial aid office will provide the student with a letter explaining any returns that have been made to the Title IV, HEA Federal programs on the student's behalf as a result of exiting the program. Remaining unearned Title IV loan funds (e.g. Direct Loans) must be repaid by the student in accordance with the terms of the loans.

If a student's scheduled attendance is more than 60% of the period of enrollment, he/she is considered to have earned 100% of the federal funds received for the period of enrollment. In this case, no funds need to be returned and no letter will be sent from the financial aid office. A copy of the completed worksheet and notification letter will be kept in the student's file.

Officially withdrawing from classes may affect the student's future eligibility for financial aid due to satisfactory academic progress requirements and R2T4 balances owed.

Withdrawal Before 60% Point of the Term

The institution must perform a R2T4 calculation to determine the amount of earned aid up through the 60% point in each period of enrollment. The institution will use the U.S. Department of Education's prorated schedule to determine the amount of R2T4 funds the student has earned at the time of withdrawal.

Withdrawal After 60% Point of the Term

For a student who withdraws after the 60% point of the period of enrollment, a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period. Thus, there are no unearned funds. FLSM must still perform a R2T4 to determine the amount of aid that the student has earned and whether or not the student is eligible for a post withdrawal disbursement.

Further Examples of R2T4 Calculation

The financial aid office determines the percentage of Title IV, HEA aid the student earned by taking the hours scheduled to be completed in the period of enrollment, up to the last day of attendance and dividing by the total number of hours scheduled in the period of enrollment.

Example:

60 scheduled hours up to the last day of attendance divided by 450 total hours = 13.3%
Title IV Aid earned

The financial aid office determines the dollar amount of Title IV aid the student earned by multiplying the percentage of Title IV, HEA aid earned by the total of the Title IV aid disbursed plus the Title IV aid that could have been disbursed for the period of enrollment. For clock hour schools, this is the number of scheduled hours up to the last day of attendance, divided by the total number of scheduled hours for the payment period.

Example:

$13.3\% \times (\$1800 \text{ disbursed} + \$1005 \text{ that could have disbursed}) = \$373.07 \text{ Aid Earned}$

If this percentage is greater than 60%, the student earns 100% of the disbursed Title IV, HEA funds or aid that could have been disbursed. If this percentage is less than 60%, then the percentage earned is equal to the calculated dollar amount earned.

Aid to be returned is equal to unearned percentage (100% minus the percent earned) multiplied by the amount of aid disbursed toward institutional charges. If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student may be required to return a portion of the funds. All Title IV fund returns must be completed no later than 45 calendar days after the date the financial aid office determines that the student withdrew.

Funds are returned to the appropriate federal program based on the percentage of aid earned and the order of return dictated by the U.S. Department of Education. As a reminder to students, when Title IV, HEA funds are returned, the student may owe a balance to the institution.

Earned Aid

Title IV, HEA aid is earned in a prorated manner on a per diem basis (calendar days) up to the 60% point in the semester. Title IV, HEA aid is viewed as 100% earned after that point in time. A copy of the worksheet used for this calculation can be requested in writing from the financial aid office.

Post-Withdrawal Disbursement Conditions

If a student has accepted Title IV, HEA financial aid by the date of the withdrawal, but the financial aid has not been disbursed, the student may be eligible for a post-withdrawal disbursement. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement for the earned aid that was not received. Under these circumstances, a R2T4 calculation must be performed to determine whether the student is actually eligible for a post-withdrawal disbursement. FLSM must make this determination within 30 calendar days after the student withdraws.

The following conditions apply when processing a post-withdrawal disbursement:

A student may not owe a prior year balance or fail to meet Satisfactory Academic Progress according to FLSM and financial aid policy. The student must have accepted aid by the date of the withdrawal. If, before the student's withdrawal date a loan offer has been accepted, the loan must also have been originated by FLSM.

If the student is eligible for a post-withdrawal disbursement of a loan, the financial aid office must send notification of post-withdrawal disbursement eligibility to students within 30 calendar days after the student withdraws. Students will be given a minimum of 14 calendar days to respond to the post-withdrawal disbursement offer.

FLSM will disburse any Title IV grant funds a student is due as part of a post-withdrawal disbursement within 45 calendar days of the date FLSM determined the student withdrew and disburse any loan funds a student accepts by the post withdrawal disbursement deadline within 180 calendar days of the withdrawal date. A school cannot make a post-withdrawal disbursement to a deceased student or a student who has not signed the loan's promissory note.

For students who provide notification back to FLSM that they want the loan funds prior to the post withdrawal disbursement deadline, the financial aid office will disburse the loan.

Time Frame for the Return of Title IV Program Funds

The following rules apply when completing a Return calculation for a student.

FLSM will return any unearned Title IV funds it is responsible for returning within 45 calendar days of the date FLSM determined the student withdrew, and offer any post-withdrawal disbursement of loan funds within 30 calendar days of that date.

If it is determined that a student who failed to provide all required verification documents in time for FLSM to meet the Return deadline and later provides those documents prior to the applicable verification deadline, FLSM must perform a new Return calculation on all of the aid the student qualified for based on the completed verification documents and make the appropriate adjustments.

To give a Pell grant to a student, FLSM must have a valid output document (one with an official EFC computed from correct data) while the student is still enrolled for the award year or in the time frame the student qualifies for a late disbursement under 34 CFR 668.164(g)(4)(i).

Institution Responsibilities

FLSM's responsibilities in regards to Title IV, HEA funds include providing students with information in this policy; identifying students who are affected by this policy and completing the Return to Title IV funds calculation for those students; and returning any Title IV, HEA funds required to the correct Title IV programs within 45 calendar days of the date the official notice of withdrawal was provided.

If less Title IV aid has disbursed than the student has earned, a post-withdrawal disbursement will be calculated and must be offered. The institution will always return all of the excess funds, including funds the Return to Title IV calculation identifies as the student's responsibility to return.

Student Responsibilities

Any notification of withdrawal should be in writing and sent to the Education Office. A student may rescind his or her notification of intent to withdraw. Submissions of intent to rescind a withdrawal notice must be filed in writing with the Education Office.

Student must repay any funds to FLSM that were disbursed to the student in which the student was determined to be ineligible for via the R2T4 calculation

Remaining unearned Title IV loan funds (e.g. Direct Loans) must be repaid by the student in accordance with the terms of the loans.

Refund vs. Return to Title IV Funds

The requirements for the Title IV, HEA program funds when a student withdraws are separate from any refund policy that FLSM may have to return to the student due to a cash credit balance. Therefore, the student may still owe funds to the school to cover unpaid institutional charges. FLSM may also charge the student for any Title IV, HEA program funds that they were required to return on the student's behalf.

Return to Title IV Questions

If you have questions regarding Title IV, HEA program funds after visiting with or emailing the financial aid office at the school, you may call the Federal Student Aid Information Center at 1-800-4-fedaid (800-433-3243). TTY users may call 800-730-8913. Information is also available at Student Aid on the Web www.studentaid.ed.gov.