

Return of Title IV funds

Process Overview

The processing of Title IV returns at MCC is a complex process that involves a great deal of interoffice cooperation and coordination. The following information outlines the responsible parties involved in the Title IV return process. MCC strives to comply with the federal regulation requiring the Institution to return the identified funds as soon as possible, but no later than 45 days after the date of our determination that the student withdrew from classes. It is important to note that federal funds may not cover all unpaid institutional charges due to the institution upon the student's withdrawal.

Student Withdrawals: The Registrar's Office is designated as the contact point for students who wish to officially withdrawal. The Registrar's Office is responsible to complete verification of all official student withdrawals. Unofficial withdrawals are covered in greater detail below.

Notification of Student Withdrawals: The Financial Aid Administrator receives a copy of each "Complete Withdrawal Form" to identify those students who have officially withdrawn during the payment period. The Registrar's Office is responsible to submit official withdrawals to the National Student Clearinghouse via its established/required reporting criteria. Unofficial withdrawals are identified by a query in the Jenzebar EX system after final grades for the term are processed.

Calculating Title IV Returns: It is the responsibility of the Financial Aid Administrator to complete the calculation of Title IV returns within the timeframe required by federal regulation. It is also the responsibility of the Financial Aid Administrator to notify students of their obligation to repay funds. MCC returns the calculated amount to the Department of Education, which creates a bill owed to MCC.

Offering Post-Withdrawal Disbursements: It is the responsibility of the Financial Aid Administrator to offer post-withdrawal disbursements to eligible students. Responses to post-withdrawal disbursements must be made directly to the Financial Assistance Advisor as directed in the student's offer. Disbursements are made by the Business Office as required by separation of duties regulations.

Title IV Return Calculation Procedures:

The following steps outline the general procedures used to calculate a Title IV return.

- Step 1: Determine the percentage of aid earned by calculating the percentage of the period that the student completed.
- Step 2: Determine the amount of earned aid by applying the percentage to the total Title IV aid that was or could have been disbursed.
- Step 3: Determine the amount of unearned aid by subtracting earned aid from disbursed aid or determine the amount of a post-withdrawal disbursement by subtracting disbursed aid from earned aid.
- Step 4: If unearned funds must be returned, determine the school's and the student's shares; or if a post-withdrawal disbursement is due, determine the sources from which it will be funded.

Step 5: If unearned funds must be returned, allocate unearned aid to programs from which student was funded; or if a post-withdrawal disbursement is due, send student applicable notification.

Step 6: Return the institution's share and any funds repaid by the student or refer the student to the Department of Education; or make the post-withdrawal disbursement.

Withdrawal Date

Official Withdrawals: Students wishing to withdrawal from one or more courses, or totally withdrawal from the college, must contact an Academic Advisor or the Registrar's Office. If the notification is made prior to the drop deadline for the period of enrollment, a "W" will be issued to the student.

MCC is not an institution that is required to take attendance. MCC encourages faculty to record attendance on a daily basis as well as submitting grade books at the end of each semester.

The official withdrawal date is considered to be the date the student completes the "Complete Withdrawal Form" or the date the student initiates the withdrawal via email. The Financial Aid Administrator identifies possible Title IV return candidates based on the receipt of the completed form or a copy of the student email initiating the withdrawal.

Unofficial Withdrawals: For students who unofficially withdraw before the 60% point of the term, MCC utilizes the date of the midpoint (50% method) of the student's period of attendance as the student's unofficial withdrawal date. Students who unofficially withdrawal and are student loan borrowers are reported to have withdrawn to the National Student Clearinghouse within 30 days of the determination of withdrawal.

Formula Calculation

The Financial Aid Administrator performs the calculation of all Title IV returns. The calculation is performed using the functionality provided in the PowerFAIDS software system.

The following educational expenses are considered institutional charges: tuition, fees, room and board, and books charged at the MCC Bookstore. Each calculation is maintained in a file for the applicable award period.

Returning Unearned Funds

Students are notified in writing if they owe a payment due to a Title IV return calculation. Such correspondence is sent to the student by the Financial Aid Administrator, and a copy is retained with the Title IV return calculation in the student's file.

The portion of the unearned funds the school is responsible to pay is returned by the school immediately. The student is then notified of the school's responsibility to return funds to the federal aid program, and is subsequently billed for any funds the school was required to return. Any funds returned by the school represents a debt owed by the student to MCC. A student may not enroll in subsequent terms, or have academic records released, until such time that all debts have been repaid to the institution.

MCC or the student is required to return unearned financial aid assistance in a particular order when a student officially or unofficially withdrawal:

1. Unsubsidized Federal Direct Stafford Loans

2. Subsidized Federal Direct Stafford Loans
3. Direct PLUS Loans
4. Federal Pell Grant
5. Federal SEOG

Students owing a grant overpayment are provided 45 days (15 days during the summer term) to make payment to the school, or arranged satisfactory payment arrangements, prior to MCC referring the overpayment to the Department of Education.

It is the responsibility of the Financial Aid Administrator to ensure that the overpayment is reported accurately to the Department of Education, and that overpayment information is correctly submitted to the NSDLS.

Leaves of Absence

MCC does maintain a Leave of Absence policy. If a student is granted a leave of absence and does not initiate academic activity is considered to have withdrawn from the school and MCC must perform a return of Title IV funds calculation. Students may appeal any balance due from the result of a return of funds calculation through the Registrar's Office.