

Return of Title IV Funds

Return of Title IV Funds (Federal Aid)

The law specifies how Johnson & Wales (JWU) must determine the amount of Title IV program assistance that students earn if they withdraw from school. The Title IV programs that are covered by this law are Federal Pell Grants, TEACH Grants, Federal Supplemental Educational Opportunity Grants (FSEOGs), Direct Loans, and Direct PLUS Loans (including Graduate PLUS Loans).

Though aid can be posted to accounts at the start of each period, students earn the funds as they complete the period. Students who withdraw during their payment period or period of enrollment are subject to a specific formula to determine the amount of Title IV program assistance that they have earned. Students who received (or JWU received) less assistance than the amount that they earned may be able to receive those additional funds in the form of a post-withdrawal disbursement. Students who received (or JWU received) more assistance than they earned must return the excess funds.

The amount of assistance earned is determined on a pro rata basis. For example, students who complete 30% of their payment period or period of enrollment earn 30% of the assistance they were originally scheduled to receive. Students who complete more than 60% of the payment period or period of enrollment earn all of the eligible assistance that they were scheduled to receive for that period. The amount of institutional assistance earned is based on the week that the student withdraws from the university and follows the percentage the university credits the student's charges. Specific examples of Return of Title IV Funds (Federal Aid) are available upon request via the JWU Consumer Information page contact.

In certain situations (i.e., module delivery), students may not be subject to returns of their Title IV program assistance if they successfully complete one of the following exemptions:

- all graduation requirements
- a class or multiple classes that comprise at least 49% of the days in the term
- a class or multiple classes that comprise at least half-time enrollment

Students who did not receive all funds earned may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, JWU must receive the student's permission before the university can disburse them. Students may choose to decline some or all of the loan funds so that they don't incur additional debt. JWU may automatically use all or a portion of this post-withdrawal disbursement for tuition, fees, and room and board charges, but will email requesting the consent of the borrower (i.e., the student or parent) to post the funds for all other institutional charges to the student's account.

Some Title IV funds cannot be disbursed once students withdraw because of other eligibility requirements. For example, first-time, first-year undergraduate students who have not completed the first 30 days of their program before they withdraw will not receive any Direct Loan funds that they would have received had they remained enrolled past the 30th day. Federal loans must be certified prior/on the student's last date of attendance.

Students (or JWU or parents on behalf of students) who receive excess Title IV program funds must return a portion of the excess funds equal to the lesser of

- institutional charges multiplied by the unearned percentage of funds, or
- the entire amount of excess funds

JWU must return this amount even if it didn't keep this amount of the student's Title IV program funds. If JWU is not required to return all of the excess funds, students may be required to return the remaining amount.

Students (or parents for a Direct PLUS Loan) will repay any loan funds that must be returned in accordance with the terms of the promissory note. That is, students will not be required to repay any loan funds immediately, but instead, will make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that students must return is referred to as an overpayment. The maximum amount of a grant overpayment that students must repay is half of the grant funds received or were scheduled to receive. Students do not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. Students must make arrangements with JWU or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when students withdraw are separate from any refund policy that JWU may have. Therefore, students may still owe funds to JWU to cover unpaid institutional charges. JWU may also charge students for any Title IV program funds that JWU was required to return.

Refer to the University Withdrawal Credit Policy for more information regarding JWU's institutional refund policy.