

Return of TIV Funds Policy.

Official Withdrawal:

Students who wish to discontinue their enrollment at IWC must notify their Classroom Coach, Academic Manager, Instructor, or Director of Education that they wish to withdraw. The acceptable methods of notification are electronic communication, written statement, or verbal request. The date of determination that the student withdrew will be the received date of the notification as long as it is no later than 14 days after the student's last date of attendance. Students who notify the school after 14 days will be considered an unofficial withdrawal.

Unofficial Withdrawal:

Students who have not made previous arrangements or attested to their return to class will be withdrawn after 14 days of non-attendance.

Return of Title IV Funds (R2T4) Policy

The law specifies how IWC must determine the amount of Title IV program assistance that you earn if you withdraw from IWC. The Title IV programs that are covered by this law are Federal Pell Grants, TEACH Grants, Stafford Loans, PLUS Loans, and Federal Supplemental Educational Opportunity Grants (FSEOGs). When you withdraw during your payment period the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. If you received (or IWC or your parent received on your behalf) less assistance than the amount that you earned, you may be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned by IWC and/or you.

Prior to administering the policy, IWC must first determine your withdrawal date. For a definition of the withdrawal date, see below.

Determination Date/Withdrawal Date (Official/Unofficial Withdrawal):

The last date of attendance would be the last day the student was physically in attendance at the IWC. A withdrawal date on a student who had been previously attending could be up to, but not to exceed, 14 calendar days from that student's actual last date of attendance. An active student officially withdraws when they notify the IWC administrative office of their intention to withdraw from IWC. An active student is considered unofficially withdrawn when they have been absent for 10 consecutive SCHOOL days (14 calendar days) from their last date of physical attendance without notifying IWC's administrative office.

R2T4 – Official and Unofficial Withdrawals

The process will begin with the student's official or unofficial withdrawal from IWC.

Students wishing to officially withdraw from IWC must notify the Campus Director, Classroom Coach, Director of Education, Registrar or Director of Financial Aid verbally or in writing via physical letter or email that they are no longer wish to continue their enrollment. This communication should include the last day they intend to attend classes as well as the reason for their withdrawal. Students will be considered an unofficial withdrawal if they fail to attend courses for two consecutive weeks without prior approval or an approved Leave of Absence (LOA).

R2T4 – Leave of Absence

The student must follow IWC's Leave of Absence Policy when requesting an LOA and get approval of the request for an LOA. There must be reasonable expectations that the student will return from the LOA. The institution will not assess the student any additional institutional charges as a result of the LOA. A student granted an LOA that meets the criteria is not considered to have withdrawn, and no refund calculation is required at that time. Title IV loans will not be disbursed during the LOA.

Students taking an unapproved LOA will be considered withdrawn at the start of the unapproved LOA. The last date of attendance prior to the LOA will be utilized for the purposes of calculating a refund.

The maximum time frame for an LOA is 180 calendar days and the minimum is 5 calendar days. IWC permits more than one LOA provided the total number of days of all LOA does not exceed 180 calendar days within a 12-month period. If the student does not return from the LOA within the 180 calendar days, the student will be dropped from IWC. The student's loans will go into repayment after 180 days from the last date of attendance.

On the day the student returns from an LOA the student is required to inform the Financial Aid Office of the return and complete an enrollment agreement addendum or initial the correction on the contract. The student's contract and maximum time frame will be extended for the same number of days the student was on LOA without any penalty to the student.

R2T4 – Last Date of Attendance & Date of Determination

The Last Date of Attendance will be the last day the student physically attended classes for both Official and Unofficial Withdrawals. Official attendance records are maintained in the office of the Registrar.

The Date of Determination for Unofficial Withdrawals will be after two weeks of failure to physically attend classes without prior approval or an Approved Leave of Absence. The Date of Determination for Official Withdrawals will be the later of the date the student notified IWC or their Last Date of Attendance. Students who fail to return from an Approved Leave of Absence will have a Date of Determination equal to the date that they were expected to return without an approved extension of the Leave of Absence.

R2T4 – Calculation of Title IV Earned by the Student

Several steps are applied in determining the amount of aid the student earned.

Step 1: A review of the student ledger will determine the total amount aid that disbursed, total grant aid that could have disbursed, and a combination of total aid disbursed plus total aid that could have disbursed.

Step 2: A review of the student attendance record will determine the percentage of aid earned. This percentage of aid earned is determined by dividing the number of clock hours scheduled to be completed as of the student's last date of attendance (also known as the withdrawal date) by the total number of clock hours in the payment period. If this number is equal to or greater than 60%, the student is to be considered 100% earned for the period.

Step 3: The percentage of aid earned will be multiplied by the total amount of disbursed and could have been disbursed for the period.

Step 4: A comparison is now done of the amount of funds earned to the amount of funds disbursed. If the student earned more funds than were disbursed, the student may be entitled to a post withdrawal disbursement (defined later in this policy). If the student earned less than was disbursed, a refund is required. If the amounts are equal, no further action is necessary. If a refund is required, the calculation must continue to Step 5.

Step 5: Using the student ledger and results from Step 2, IWC will determine its responsibility for returning unearned aid. All eligible institutional charges will be totaled first. This total will be multiplied by the percentage of unearned aid. This will determine the amount that the school must return.

Step 6: The school must return *funds in the following order up to the total amount disbursed for each fund source for the period:

1. Federal Direct Unsubsidized Loan
2. Federal Direct Subsidized Loan
3. Federal Direct PLUS Loan
4. Federal PELL Grant

*Please note that only TITLE IV funds that IWC students are eligible for are listed above.

Step 7: A comparison is done of the amount of funds that student is required to return and the funds the school is required to return. The amount the student was required to return will be subtracted from the amount the school was required to return. If the student was required to return more, proceed to step 8.

Step 8: If the amount determined in Step 7 is all loan funds, students will repay the refunds in accordance with the terms outlined in the Master Promissory Note.

R2T4 – Post Withdrawal Disbursements

A Post Withdrawal Disbursement (PWD) is a fund that was not yet disbursed but was determined to be earned as a result of the R2T4 Calculation. PWD grant funds will be disbursed based on the amount that was determined to be eligible to cover eligible institutional charges. Permission is required to cover other charges and will be included in the PWD offer letter referenced in the following paragraph.

If a loan fund is determined to be eligible for PWD, the school will require the student's written permission prior to disbursing those funds. A document, PWD Offer Letter, will be mailed or emailed to the student indicating the date the offer was made, the type and amount of each loan fund eligible, allowance for partial acceptance of the funds, and lastly the due date for acceptance of the PWD offer. The student must respond to the offer of loan funds no later than 14 days from the offer date in order to accept the funds. Students will be reminded of the responsibilities of repayment prior to accepting the disbursements.

PWD must be offered to the student within 30 days of the date that the institution determined that the student withdrew. If any grant funds are eligible for PWD, they must be disbursed within 45 days from the date the institution determined the student has withdrawn. Loan funds that have been accepted as a PWD must be disbursed within 180 days from the date the institution determined the student has withdrawn.

If a PWD creates a credit balance, this credit balance will be disbursed to the student immediately upon the creation of the credit balance if possible but not to exceed 14 days from the date of the creation of the credit balance.

R2T4 – Treatment of Credit Balances

If a student has a credit balance at the time of withdrawal, the credit balance will be held until all final calculations are complete. These calculations include the R2T4 calculation as outlined above and the institutional refund policy. If a credit balance exists after applicable adjustments and refunds have been made, the credit balance will be issued immediately if possible but no longer than 14 days from the final adjustment.

R2T4 – Timeframe for returning Title IV funds

The completion of R2T4 calculation, as well as the timely processing of all required refunds, are due no later than 45 days from the Date of Determination that the student withdrew. The funds will be returned in the

following order:

1. Federal Direct Unsubsidized Stafford Loan
2. Federal Direct Subsidized Stafford Loan
3. Federal Direct PLUS Loan
4. Federal PELL Grant

R2T4 – Delivery of Refund Information

Students are initially made aware of the policy by providing the student catalog as well as discussing the information at new student orientation. Students who officially or unofficially withdraw are notified in writing via certified mail. This notification includes updated final ledger, official withdrawal letter, change in student status form, exit counseling requirements if applicable, the return of funds calculation, refund documentation, and PWD information and document if applicable.

R2T4 – Example R2T4

Sally Sample Student enrolled at IWC. She was awarded \$4252 in Financial Aid Funds. Sally was only scheduled to complete 50 of her 375 hours (13.3%) before she moved to Russia and had to withdraw. The total amount of aid she earned based on all of her disbursements and percentage completed was \$565.52. The refunds required to return were \$3686.48.