Mississippi Barber Academy

Return of Title IV Funds Policy

The return of Title IV funds is administered by the Financial Aid Department. This policy applies to students who withdraw (officially, unofficially or fail to return from a Leave of Absence) or are dismissed from enrollment at Mississippi Barber Academy. It is separate and distinct from the Mississippi Barber Academy Refund Policy in the school catalog and on the contract. Therefore, the student may still owe funds to the school to cover unpaid institutional charges. The school may also attempt to collect from the student any Title IV program funds that the school was required to return. The calculated amount of the "Return of Title IV Funds" that is required for students affected by this policy are determined according to the following definitions and procedures, as prescribed by regulation.

The Institution has 45 days from the date 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.

The Return of Title IV Funds (R2T4) regulation does not dictate the institutional refund policy, however. The calculation of Title IV funds earned by the student has no relationship to the student's incurred institutional charges.

A school is required to determine the earned and unearned Title IV aid a student has earned as of the date the student ceased attendance based on the amount of time the student was **scheduled** to be in attendance.

Withdrawal before 60%:

Mississippi Barber Academy must perform a R2T4 to determine the amount of earned aid up through the 60% point in each *payment period*. Mississippi Barber Academy will use the Department of Education's prorate schedule to determine the amount of R2T4 funds the student has earned at the time of withdrawal. **After the 60% point in the payment period or period of enrollment, a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period.** The institution must still perform a R2T4 to determine the amount of aid that the student has earned.

Withdrawal after 60%:

For a student who withdraws after the 60% point-in-time, there are no unearned funds. However, Mississippi Barber Academy will still determine whether the student is eligible for a post-withdrawal disbursement.

Note: Mississippi Barber Academy has provided an example of the calculation used to determine the amount of unearned aid a student would be expected to repay based on the reported last day of attendance of the term from which a student withdraws.

Example of Calculation:

1. Determine the percentage of Title IV aid earned by the student by taking the clock hours the student was scheduled to complete in the payment period, divided by the total clock hours in the payment period (excluding breaks of **5** days or more AND days the student was on an approved LOA)

   69 (scheduled hours) = 15.3% (% of completed clock hours)
   450 (total hours)

2. Determine the amount of Title IV aid earned by the student by multiplying the percentage of Title IV aid earned times the total of the Title IV aid disbursed **plus** the Title IV aid that could have been disbursed for the payment period.

   15.3 % X $2,775.00 = $425.00 (Amount of aid earned by student)

3. If this amount is greater than the total Title IV aid disbursed for the payment period, a post-withdrawal disbursement will be calculated; if the amount is less than the amount of Title IV aid disbursed, the difference will be returned to the Department of Education.

4. If the R2T4 results in a credit balance on the student's account, the credit balance will be issued to the student no later than 14 days after the calculation of the R2T4.

Withdrawals – Official vs. Unofficial:

The Financial Aid Officer at MBA can provide you with the requirements and procedures for officially withdrawing from school.

A student who withdraws is one who either officially goes through a "withdrawal" from Mississippi Barber Academy, unofficially withdrawals (is administratively withdrawn), suspended, or officially withdraws and submits it in writing to the School Executive Director.

A student's withdrawal date is determined by using one of the following:

- **the date the student began the institution's official withdrawal process or officially notified the institution of intent to withdraw**
- **14 days after student's last day of attendance--date used on Return to Title IV as date of determination will be last day of attendance.**
- **the student's last date of attendance at a documented academically related activity**

A student may rescind his or her official notification to withdraw by filing a written statement with the School Executive Director that he/she is continuing to participate in academically-related activities, and intends to complete the term (payment period) for which payment of Title IV funds were or would be received. The rescission of withdrawal is negated if the student subsequently ceases to attend prior to the end of the payment period. The withdrawal date then is the student's original date of withdrawal.

Failure to return from an LOA:

If a student does not return on their scheduled date from a documented Leave of Absence, Mississippi Barber Academy will withdraw the student **10** days after they were scheduled to return. Their last day of attendance will then be the last day they clocked in prior to the LOA.

Earned AID:

Title IV aid is earned in a prorated manner on a per diem basis (clock hours) up to the 60% point in the payment period. Title IV aid is viewed as 100% earned after that point in time. A copy of the worksheet used for this calculation can be requested from the financial aid director.

In accordance with federal regulations, when Title IV financial aid is involved, the calculated amount of the R2T4 Funds is allocated in the following order:

- Unsubsidized Direct loans
- Subsidized Direct loans
- Direct PLUS Loans
- Federal Pell Grants
- Iraq and Afghanistan Service Grants
- FSEOG
- Teach Grants

Mississippi Barber Academy's responsibilities in regard to the return of Title IV funds follow:

- providing students with the information given in this policy;
- identifying students who are affected by this policy and completing the Return of Title IV Funds calculation for those students;
- Returning any Title IV funds that are due the Title IV programs.

The student's responsibilities in regard to the return of Title IV funds include:

- Returning to the Title IV programs any funds that were disbursed to the student and which the student was determined to be ineligible for via the Return of Title IV Funds calculation.
- Any notification of a withdrawal should be in writing and addressed to the School Director.
- A student may rescind his or her official notification of intent to withdraw. Submission of intent to rescind a withdrawal notice must be filed in writing.
- Either of these notifications, to withdraw or a rescission of intent to withdraw must be submitted to the School Director in writing.

If you would like examples of the worksheets for this Return of Title IV Funds policy, contact the Financial Aid Director at 601-372-9800.

Post Withdrawal:

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the institution must get your permission before it can disburse them. You may choose to decline some or all of the loan funds so that you don't incur additional debt. The Institution may automatically use all or a portion of your post-withdrawal disbursement (including loan funds, if you accept them) for tuition and fees. For all other school charges, the institution needs your permission to use the post-withdrawal disbursement. If you do not give your permission, you will be offered the funds. *However, it may be in your best interest to allow the school to keep the funds to reduce your debt at the school.*

The school must advise the student or parent that they have 14 calendar days from the date the school sent the notification to accept a post-withdrawal disbursement. If a response is not received from the student or parent within the permitted time frame or the student declines the funds, the school will return any earned funds that the school is holding to the Title IV programs. Once the school has received confirmation from a student, or parent in case of a PLUS loan, that he or she wants to receive the post-withdrawal disbursement of loan funds, a school must make the post-withdrawal of Title IV loan proceeds as soon as possible, but no later than 180 days after the date of the school's determination that the student withdrew.

If Mississippi Barber Academy is not required to return all of the excess funds, you must return the remaining amount. Any loan funds that you must return, you (or your parent for a PLUS Loan) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an overpayment. The amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You must make arrangements with your school or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when you withdraw are separate from any refund policy that your school may have. Therefore, you may still owe funds to the school to cover unpaid institutional charges. Your school may also charge you for any Title IV program funds that the school was required to return. If you don't already know what your school's refund policy is, you may ask your Financial Aid Director for a copy of the refund policy, or refer to your student contract.

If you have questions about your Title IV program funds, you can call the Federal Student Aid Information Center at:

1-800-4-FEDAID (1-800-433-3243)
TTY users may call:
1-800-730-8913
You may also contact your Financial Aid Advisor at:
601-372-9800
Information is also available on Student Aid on the Web at **www.studentaid.ed.gov**

This policy is subject to change at any time, and without prior notice