

## **Refund Policy for Tuition and Fees** **Treatment of Title IV Funds when Students Withdraw** **2019-2020**

### **Refund Policy (all students)**

To obtain a refund of tuition and fees upon withdrawal from Montgomery College (MC), students must complete the appropriate procedure specified by the Office of Admissions and Enrollment Management. The effective date of a dropped course or complete withdrawal will be the date when written notification is received by the Admissions Office. Refunds of tuition and fees are calculated from the date the student withdraws from a class or classes.

100% refunds of tuition and fees are issued for courses canceled by the College due to insufficient enrollment.

### **Tuition and Fee Refunds** **Fall/Spring/Summer semesters**

The refund deadline date is equivalent to 6% of the number of times a course meets. Refunds are paid at 100% for courses dropped on or before the date printed on the confirmation. There are no partial refunds for courses dropped after that date.

For students involuntarily withdrawing from the College, refunds are prorated based on the total amount of expired course time after the first week of classes. A withdrawal is involuntary if it results from one of the following:

- 1). Entering involuntarily on active duty into the armed services;
- 2). Illness of the student or in the immediate family of the student;
- 3). Death of the student or in the immediate family of the student; and
- 4). Involuntary transfer/change in work hours by the student's employer which precludes continued attendance.

### **Treatment of Title IV Funds when Students Withdraw**

Students awarded Title IV financial aid must earn their aid by attending classes. Faculty will report students' non-attendance in class within the first 20% of the term. Faculty also report students' last day of attendance in any class where the student earns a grade of "F." When students completely withdraw from school or stop attending school during a semester, the school must follow rules established by the federal government to determine the amount of financial aid earned.

- When students receive more Title IV funds than they have earned, the unearned portion must be returned to program accounts.
- When students have not received all of their earned Title IV funds, they may still receive disbursements of this aid.
- In order to maintain a semester SEOG award, students must stay enrolled in at least one class past the 6% date (MC last date for refund) for the classes in which they registered. If students withdraw from all classes prior to their 6% dates, SEOG will be cancelled for that semester.

Title IV funds include the following programs:

Federal Pell Grant  
Federal Supplemental Educational Opportunity Grant (FSEOG)  
Federal Direct Loans (subsidized and unsubsidized)  
Federal Direct PLUS Loans

The school and the student share responsibility for returning unearned Title IV aid.

- The school returns unearned Title IV funds that have been paid to the school to cover the student's institutional charges.
- The student returns unearned Title IV funds that he or she received from loan and/or grant funds.

Returning Title IV funds to program accounts after the 100% tuition and fee refund period ends may cause students to owe charges to the school. Students must make arrangements with the Student Accounts Receivable Office to pay the debt.

#### Calculating Earned and Unearned Title IV Aid

If a student leaves MC prior to completing 60% of a payment period or term, the financial aid office recalculates eligibility for Title IV funds. Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula:

*Percentage of payment period or term completed = the number of days completed up to the withdrawal date divided by the total days in the payment period or term. (Any break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.*

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

*Aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term.*

If students earn less aid than was disbursed, MC is required to return a portion of the funds and students are required to return a portion of the funds.

If students earn more aid than was disbursed, MC owes them a post-withdrawal disbursement which must be paid within 180 days of the date the institution determines the student withdrew.

MC must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of the determination of the date of the student's withdrawal.

Returned aid is allocated in the following order:

Unsubsidized Federal Direct Loans  
Subsidized Federal Direct Loans  
Federal Parent (PLUS) Loans

Federal Pell Grants for which a Return of funds is required  
Federal Supplemental Opportunity Grants for which a Return of funds is required

Montgomery College uses the SCT Banner "Return of Title IV Funds" program to calculate earned and unearned Title IV aid when students withdraw from school. The software follows the format of the U.S. Department of Education's (ED's) recommended calculation worksheets for credit hour programs.

**Period of Enrollment Dates for 15 week semester**

Fall 202020 semester:  
Start 9/03/2019  
End 12/22/2019  
**60% date: 11/05/2019**

Spring 202030 semester:  
Start 1/27/2020  
End 5/17/2020  
**60% date: 4/06/2020**

**60% date for winter term: 1/11/2020**

**Period of Enrollment Dates for Fall Parts of Term (for students not enrolled in 15 week term)**

**First Half of Term (HF1)**

Start 09/03/2019  
End 10/21/2019  
**60% date: 10/02/2019**

**Week 2 Starts (WK2)**

Start 09/09/2019  
End 12/22/2019  
**60% date: 11/08/19**

**Second Half of Term (HF2)**

Start 10/23/2019  
End 12/22/2019  
**60% date: 11/25/2019**

**Period of Enrollment Dates for Spring Parts of Term (for students not enrolled in 15 week term)**

**First Half of Term**

Start 01/27/2020  
End 03/15/2020  
**60% date: 2/22/2020**

**Week 2 Starts**

Start 02/03/2020  
End 5/17/2020  
**60% date: 4/08/2020**

**Second Half of Term**

Start 03/23/2020  
End 05/17/2020  
**60% date: 4/25/2020**

**Summer**

Start 05/25/2020  
End 08/14/2020

The 60% date for Return of Title IV Funds for summer sessions is determined by the individual student's start and end dates for all summer classes enrolled.

**Allowable Institutional Charges**

Institutional charges for the period of enrollment (the semester) are tuition and required fees. Montgomery College is a commuter school and does not charge students for room and board.

The cost of books is considered an institutional charge for the purpose of calculating earned and unearned aid when the student uses an MC Book Credit to purchase books at an MC bookstore. Students are not able to use their Book Credits of Title IV aid to pay for books outside of the MC bookstores. If the student does not purchase books with an MC Book Credit, the cost of books is not an institutional charge.

### **Examples of Calculating Earned and Unearned Title IV Aid**

Alex is an associate degree student at Montgomery College. He was awarded \$4,798 in Title IV aid for the fall, 2018 semester. His aid was disbursed. He Received:

\$3,098	Federal Pell Grant
<u>\$2,250</u>	Federal Direct Loan
<u>\$5348</u>	

The semester is 15 weeks, or 106 days. For personal reasons, Alex withdrew on October 18 after completing 46 calendar days of the semester. He completed 43%(46 divided by 106) of the enrollment period.

- Because he completed 43% of the semester, he also earned 43% of the Title IV aid the school awarded him for the semester.
- This means that Alex earned \$2299.64 in Title IV aid ( $\$5348 \times 43\%$ ).
- It also means that he didn't earn 57% of his aid.
- As a result, \$3048 ( $\$5348 \times 57\%$ ) is unearned aid that was disbursed and must be returned to Title IV program accounts.

Federal funds must be returned in a specific order – first to Title IV loans, and then to Title IV grants. In this case, \$2,250 will be returned to Alex's Direct Loan and \$798.00 will be returned to his Pell Grant. If the school used any of the \$3,048 to pay Alex's institutional charges, that portion of the money will be returned to the Direct Loan program and to the Pell Grant program. If Alex received any of the \$3,048 in a refund check, he will repay the loan portion when he enters repayment on the entire loan. The Pell portion will be repaid either to the school or directly to the U.S. Department of Education.

Paul is also enrolled at Montgomery College in an associate degree program. He was awarded \$3,299.00 in Title IV aid for the fall 2019 semester. His aid was disbursed. He received:

\$1,549.00	Federal Pell Grant
<u>\$1,750.00</u>	Federal Direct Loan
<u>= \$3,299.00</u>	

Paul is enrolled in two courses. One class begins on 09/03/19 and ends on 10/21/19; the other begins on 09/03/19 and ends on 12/22/19.

The total calendar days in which the student was scheduled to attend was 106 days. Paul stopped attending his classes on 10/18/19 after completing 46 days of the semester. He completed 43.3 (43%) (46 divided by 106) of the enrollment period.

- Because he completed 43% of the semester, he earned 43% of the Title IV aid the school awarded him for the semester.
- This means that Paul earned \$1,418.57 in Title IV aid ( $\$3,299 \times 43\%$ ).
- It also means that he didn't earn 57% of his aid.

As a result, \$1,880.43( $\$3,299 \times 57\%$ ) is unearned aid that was disbursed and must be returned to Title IV program accounts.

In this case, \$1,750 will be returned to Paul's Direct Loan and \$130.43 will be returned to his Pell Grant. If the school used any of the \$1,880.43 to pay Paul's institutional charges, that portion of the money will be returned to the Direct Loan Program and to the Pell Grant program. If Paul received any of the \$1,880.43 in a refund check, he will repay the loan portion when he enters repayment on the entire loan.

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