

# Return of Title IV Financial Aid and Reduction of Charges

The Refund Policy/Return of Title IV Financial Aid Policy applies once the semester begins to all students withdrawing or taking a leave of absence for any reason, including disciplinary action. If a student withdraws or takes a leave of absence before the first day of classes for a semester, all charges and financial aid for that semester are canceled. If a student withdraws or takes a leave of absence on or after the first day of classes for a semester, charges will be reduced and aid will be recalculated in accordance with this policy. If after these recalculations a balance is owed to the student, a refund check will be issued approximately one month after the student leaves Earlham. Any balance due the College after application of this refund policy is still the responsibility of the student, per our Statement of Student Financial Responsibility.

Earlham College's refund policy assumes that:

1. a student, parent or fund will not receive a refund/return of funds in an amount greater than the student, parent or fund has paid; and
2. refunds/return of funds are first paid according to federal policies on the return of Title IV funds, then to other aid programs, then to the student or parent.

Students may receive the Earlham-funded aid for which they qualify for a maximum of eight semesters. The semester during which a student withdraws is included in the eight semesters.

## Return of Title IV Federal Funds

### 1. Date of Withdrawal

The Dean of Student Life (in cases of medical withdrawal) or the Office of the Registrar (in cases of academic withdrawal) determine the date of official withdrawal and notify the Financial Aid Office, as well as other offices who need to know of the withdrawal. If a student did not begin the official withdrawal process or provide notification of his or her intent to withdraw, the date of the institution's determination that the student withdrew is the last date of academic activity or the 50% mark in the term. These withdrawal dates, whether official or unofficial are used as the withdrawal dates in calculating the Return of Title IV federal funds.

### 2. Federal Financial Aid

A student who receives federal financial aid (Federal Pell, Federal SEOG, Federal Direct Loans (subsidized or unsubsidized), Federal Perkins or Federal Direct PLUS funding) and who leaves Earlham before completing 60 percent of the semester will have federal financial aid eligibility recalculated on a pro-rata basis. To make this calculation, we divide the number of calendar days the student has attended classes by the number of calendar days in the semester (minus any scheduled breaks of 5 days or more). The resulting percentage is multiplied by the amount of federal funds disbursed, or eligible to be disbursed to the student's account to determine the amount of federal funds the student is eligible for, and what funds need to be returned.

Federal Title IV Student Aid fund(s) will be returned to the appropriate program(s) according to federal regulation. Currently, federal regulations require "unearned" Federal Title IV funds (excluding Federal College Work-Study funds) to be returned on a pro-rata basis when a student withdraws. For example, if a student who has received Federal Title IV aid withdraws and 30 percent of the semester is completed, then 70 percent of his/her federal aid is "unearned" and must be returned. Funds returned to the federal government are used to reimburse individual federal programs, and must be returned as soon as possible after the withdrawal but no later than 45 days after the date of withdrawal. Aid is returned to federal programs in the following order, up to the net amount disbursed from each source:

1. Federal Unsubsidized Direct Loan

2. Federal Subsidized Direct Loan
3. Federal Perkins Loan
4. Federal Direct PLUS (Parent) Loan or Grad PLUS Loan
5. Federal Pell Grant
6. Federal Supplemental Educational Opportunity Grant (FSEOG)
7. Other Federal Loan or Grant Assistance

When calculating the amount of Federal Title IV aid which is "earned," we divide the number of calendar days the student has attended classes by the number of calendar days between the first day of classes and the last day of exams, excluding scheduled breaks of five days or longer during which no classes, exams or reading days are held. That percentage is then multiplied by the total federal funds that the student was eligible for in that period of enrollment to determine how much federal aid the student is eligible for. The rest of the federal aid is considered "unearned." If a student withdraws after 60 percent of the semester is completed, Federal Title IV aid is not returned to federal financial aid programs.

### 3. Post-Withdrawal Disbursement

If the student receives less federal student aid than the amount earned, the school must offer a disbursement of the earned aid that was not received. In other words, if all requirements for eligibility of a federal loan or grant program had been met but the aid had not yet disbursed at the time of the student's withdrawal, the student may be eligible for a disbursement of federal aid after withdrawal. Any Federal Pell grant funds that were earned, but not yet applied to the student's account may be applied to the student's tuition charges without written authorization from the student. In order to have federal loan funds applied to the account that were earned, but not yet disbursed, the school must get authorization from the student (in cases of Federal Direct Loans or Federal Perkins loans) or the parent (in cases of Federal Direct PLUS loans). An authorization form must be sent from the school to the student/parent with 30 days of withdrawal if the student is eligible for a post-withdrawal disbursement, and the school has 180 days to disburse the federal Direct Loan funds or Federal Direct PLUS Loan funds.

## Reduction of charges

### 1. Reduction of Room Charges

Room charges are not reduced for students who leave Earlham for any reason after the semester begins.

### 2. Reduction of Meal Charges

Meal plans are charged for the full semester. The charge for meals is reduced on a pro-rata basis for the entire semester and is calculated on a weekly basis. A week is defined as any Monday through Sunday with at least one scheduled class, exam or reading day. If a student withdraws at any time during the week, it is considered that the student has used a week of the board plan.

### 3. Reduction of Tuition and Fees

Please note, a semester starts for anyone taking a J-Term at the beginning of J-Term, and does not re-start when Spring semester classes begin.

A student who officially withdraws from Earlham on or after the first day of classes for a semester will have tuition and fees for that semester reduced as follows:

Week of Semester	Percent Reduction
1st Week	90%
2nd Week	80%

Week of Semester	Percent Reduction
3rd Week	70%
4th Week	60%
5th Week	50%
6th Week	40%
7th Week	30%
8th Week	20%
9th Week	10%
10th Week or later	No reduction

## Return of Financial Aid

Financial aid is calculated assuming a student will be enrolled during the entire enrollment period. If a student leaves Earlham prior to the end of the semester, eligibility for both federal and institutional aid must be recalculated.

### 1. Earlham Funded Financial Aid

After federal calculations have been done, and the amount of federal aid (if any) to be returned has been calculated, Earlham calculates the student's eligibility for Earlham aid. "Unearned" Earlham-funded aid is returned to the appropriate Earlham College funds on the same pro-rata basis as for federal funds.

### 2. Other Funding

Financial aid funds from states or other external agencies are returned following the requirements of the agency awarding the aid.