

Return of Title IV Funds Policy

The law specifies how Mountwest Community and Technical College must determine the amount of Title IV program assistance that you earn if you withdraw from school. The Title IV programs covered by this law are: Ford Federal Direct Loans, PLUS Loans, Federal Pell Grants, and Federal Supplemental Educational Opportunity Grants (FSEOGs),

The funds will be returned to the programs based on a concept of earned versus unearned aid. The "Return of Title IV Funds" rule assumes that a student earns his or her aid based on the period of time he or she remained enrolled. The Office of Student Service is required by federal statute to determine how much financial aid was earned by students who are dismissed, withdraw, drop out, or take a leave of absence prior to completing 60% of a payment period or term. For a student who withdraws after the 60% point-in-time, there are no unearned funds. However, a school must still complete a Return calculation in order to determine whether the student is eligible for a post-withdrawal disbursement.

Unearned Title IV funds, other than Federal Work Study, must be returned. Unearned aid is the amount of disbursed aid that exceeds the amount of Title IV aid earned. During the first 60% of the enrollment period, a student earns Title IV funds in direct proportion to the length of time he or she remains enrolled. A student who remains enrolled beyond the 60% point earns all aid for that period. The Return calculation 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.

For a student who officially withdraws, the date of MCTC'S determination that the student withdrew is the later of: the withdrawal date or the date of the student's notification to the Office of Student Services. You must contact the Office of Student Services, 304-696-3005, to officially withdraw from school. For a student who did not provide notification of withdrawal, the date of MCTC'S determination that the student withdrew is the date that MCTC becomes aware that the student ceased attendance. If MCTC is unable to determine the last date of attendance, we will use the 50% point of the term as the withdrawal date.

The responsibility to pay unearned aid is shared by MCTC and the student. MCTC'S share is the lesser of the total amount of unearned aid or the institutional charges multiplied by the percentage of aid that was unearned. The student's share is the difference between the total unearned amount and MCTC'S share.

A student who earned more aid than was disbursed prior to withdrawal is owed a post-withdrawal disbursement which must be paid within 120 days of the student's withdrawal. Post-withdrawal disbursements must be made from available grants before loans. MCTC will credit post-withdrawal disbursements towards unpaid institutional charges. Any portion of a post-withdrawal disbursement not credited to the student's account will be offered to the student as a cash disbursement (or parent in case of a PLUS loan).

MCTC 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. 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.