Return of Title IV Funds Calculations Policy

Policy:

In accordance with 34 CFR § 668.22 Treatment of Title IV Funds when a student withdraws, Prism Career Institute (Prism) must determine the amount of Title IV funds that a student earns if he/she withdraws from school officially or unofficially.

A student who withdraws and has been awarded Title IV funding requires that the following calculation be performed by the Financial Aid Office to determine the percentage of funds the school must return to the funding resource. Title IV programs covered under this policy include Federal Pell Grants, Iraq and Afghanistan Service Grants, Direct Loans, Direct PLUS Loans, and Federal Supplemental Educational Opportunity Grants (FSEOG).

Student aid is posted to the student's ledger card (account) at the start of each payment period. The student earns the funds as he/she completes the payment period. If the student withdraws during the payment period, the amount of Title IV program assistance that was earned up to that point is determined by a specific formula.

Full Refund Withdrawal Exemption

In accordance with 34 CFR 668.22, Prism Career Institute may apply the Full Refund Withdrawal Exemption when all regulatory requirements are met:

- **Return all Title IV funds disbursed for the payment period or period of enrollment;**
- **Return any Title IV credit balance issued to the student or parent;**
- **Reverse or refund all institutional charges for the payment period or period of enrollment;**
- **Cancel any remaining institutional balance resulting from the return of Title IV funds; and**
- **Treat the student as though they never attended the payment period or period of enrollment**.

When all requirements are met, Prism Career Institute will not perform a Return of Title IV Funds calculation and will document the application of the exemption in the student's financial aid file.

The amount of Title IV aid that is earned is determined on a pro rata basis. For example, if a student completed 30% of the payment period, the student earned 30% of the Title IV that was originally scheduled for the payment period. Once a student has completed more than 60% of the payment period, the student earns 100% of the Title IV funds for the payment period.

The formula used to determine the amount earned is by dividing the scheduled hours attended through the student's last day of attendance in the payment period by the total scheduled hours in the payment period.

For students withdrawing after 60% of their payment period, no return of Title IV funds is required. (The school may keep 100% of the Title IV funds.) For purposes of Return of Title IV Funds, the withdrawal date will be the student's last date of attendance as determined from the institution's attendance records. For students who withdraw or cease attendance, Prism Career Institute will document the Date of Determination no later than 14 days after the student's last date of attendance.

Definition of Withdrawal:

Prism Career Institute has two definitions in regards to students withdrawing from the program. The students last date of attendance or participation in any academic acidity will be the date used to calculate the Return of Title IV funds. The last date of attendance is determined by using the school's attendance records.

Official Withdrawal:

Students who wish to withdraw should meet with the Campus Director to review their progress and options for completing their education at Prism Career Institute later. A statement of withdrawal should be submitted in writing or by email. If no notification of withdrawal is provided in writing, the withdrawal date will be the students last day of attendance.

Unofficial Withdrawal (Dismissal):

If a student's leaves the program without notice and has 14 consecutive days of non-attendance, students will be withdrawn from their program of study. The Date of Determination will be 14 days from their last day of attendance to ensure refunds are returned with 45 days.

If the institution is required to return Title IV funds as a result of the Return to Title IV Calculation, the refunds will occur within 45 days of the date the institution determined you have withdrawn. For Official Withdrawals the due date is 45 days from the last day of attendance. For Unofficial withdrawals or dismissals, the due date is 45 days from the date of determination you were withdrawn.

Post Withdrawal Process:

If the student did not receive all the funds that were earned, the student may be due a post withdrawal disbursement. If the post withdrawal disbursement includes Direct Loan funds, the school will attempt to obtain the students permission before it can disburse the funds. In the case of a Post withdrawal disbursement for Parent Plus loan, the school will obtain the parents permission. Post withdrawal permissions are not required for Federal Pell Grant or FSEOG. Post withdrawal funds are applied to the students account first and if a credit balance is created the school will process the credit balance within 14 days. See below for further details regarding Credit Balances.

All post withdrawal notifications are sent via email or by regular mail and the student has 30 days to respond. Failure to respond will result in the funds not being applied and the student will be notified.

Credit Balance:

If the R2T4 results in a Title IV credit balance Prism will refund the credit balance based off the students signed authorization form to either the Direct Loan or to the student. The authorization form allows the student to give Prism permission to refund any credit balance to their Direct Loan program or the student. If no authorization form is signed Prism will refund the credit balance to the student. All credit balances will be processed within 14 days from the date of the Refund Calculation.

If the student withdraws with a Title IV credit balance the credit balance will be either refunded directly to the student or returned to the Direct Loan program. Prism will use the authorization signed by the student directing us where to send back any credit balance.

Title IV Overpayment

Any amount of unearned grant funds that the student must return is called an overpayment. The maximum amount of a grant overpayment that the student must repay is half of the grant award received or were scheduled to receive. A student does not have to repay a grant overpayment if the original amount of the overpayment is $25 or less. The student must make arrangements with Prism Career Institute or the Department of Education to return the earned grant funds.

If the student (or parent) received excess Title IV funds that must be returned, the institution will return a portion of the excess equal to the less of:

- Institutional Charges multiplied by the unearned percentage of the students Title IV Funds, or
- The entire amount of excess funds.

The school must return this amount even if it didn't keep this amount of Title IV funds.

If Prism is not required to return all of the excess funds, the student must return the remaining amount. For any Direct Loan funds that the student must return, the student (or the parent for a Direct PLUS loan) must repay the loan in accordance with the terms and conditions of the promissory note.

Unearned Title IV funds as a result of the Return of Title IV calculation will be returned in the following order.

1. Direct Unsubsidized loan
2. Direct Subsidized loan
3. Direct PLUS loan
4. Federal Pell Grants
5. The student