The Federal Return of Title IV Funds Policy applies to students who have received federal financial aid assistance (Title IV Funds) and have officially or unofficially withdrawn from WITC. The official withdrawal date is defined as the actual date the student begins the College withdrawal process or the student's last date of academically related activity as identified by the instructor.

The amount of federal financial aid assistance that a student earns is determined on a prorated basis. Once the student has completed sixty percent (60%) of the term, all financial aid is considered to be earned.

If a student (1) withdraws from school before 60% of the term has been completed, (2) drops a class before the start date, (3) does not officially withdraw and receives all failing grades for the term (4) does not attend a class or classes, the Financial Aid Office calculates the amount of unearned financial aid and returns financial aid funds in refund distribution order. The student is billed for funds WITC is required to repay. The financial aid office will mail the student a repayment letter and account balances not paid within 45 days are turned over to a collection agency.

When a student receives federal financial aid in excess of earned financial aid:
- The school returns the lesser of
    - College charges multiplied by the unearned percentage, or
    - Title IV federal financial aid disbursed multiplied by the unearned percentage; and
- Any remaining unearned financial aid not covered by the school;
    - Any loan funds are repaid in accordance with the terms of the promissory note; that is, scheduled payments to the holder of the loan over a period of time;
    - Any grant amount the student has to return is a grant overpayment, and arrangements must be made with the school or Department of Education to return the funds.

Financial aid is considered to be used first for institutional charges; therefore, if a student officially withdraws or unofficially withdraws and is scheduled to receive a refund of tuition and fees, all or part of this refund will be used to reimburse financial aid program(s). The order of refund distribution as prescribed by Federal Regulation:
- Unsubsidized Federal Stafford Loan
- Subsidized Federal Stafford Loan
- Federal PLUS Loan
- Federal Supplemental Opportunity Grant
- Other Title IV programs
- Other federal, state, private or institutional aid

These funds will be returned to the Department of Education within 45 days of the withdraw date.

Any funds remaining after the above distribution are returned to students.

Post-Withdrawal Disbursement
If a student withdraws before receiving a financial aid disbursement, under certain circumstances, the student may be eligible for a post-withdrawal disbursement. The Financial Aid Office will contact the student (or parent in the case of a PLUS Loan), to request permission to disburse the funds. If the signed authorization is not received in the timeframe indicated on the letter sent to the student, the funds will be cancelled.

Return of Title IV Funds Calculation Example
Title IV Funds include Pell Grants, SEOG Grants, Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS loans.

Student withdraws on the 40th day of the fall term

Title IV Aid

Pell	$2,960
Subsidized Loan	$1,732
Unsubsidized Loan	$990
Total Aid	$5,682

Institutional Charges

Tuition	$2,047.84
Books	$300
Total Charges	$2,347.84

Unearned Percentage
    40 days completed / 112 days in semester = 36%
    100% - 36% = 64%

Unearned Title IV Aid
    $5,682 X 64% = $3,636

Unearned Institutional Charges
    $2,347.84 X 64% = $1,503

The school is returns the lesser of the Unearned Title IV Aid or Unearned Institutional Charges. Funds are returned to programs in the following order: Direct Unsubsidized Loan, Direct Subsidized Loan, SEOG, and Pell.

In this example the school is required to return $1,503 ($990 to the unsubsidized loan plus $513 to the subsidized loan) and the student is required to repay this amount to WITC.