

Return to Title IV Facts

According to federal financial aid regulations, when a recipient of Title IV grants or Direct Loans completely withdraws from an institution during the semester in which he/she began attendance, or is unsuccessful in all classes, the institution must determine the amount of Title IV grant and/or loan assistance the student has earned. In other words, if a student does not remain enrolled for the entire period of the term, he/she has not earned all of his/her Title IV aid. In that case, the institution must complete a Return to Title IV calculation and determine how much aid the student actually earned.

If a student completely withdraws from classes prior to aid being disbursed, the institution will determine how much aid “could have been disbursed” based on the withdrawal date, and credit that amount of Title IV funds to the institutional charges. Even after this amount is applied, the student may still owe the institution a portion of their institutional charges. If the amount of aid that could have been disbursed is greater than the student’s institutional charges, the student may receive a refund of Title IV funds via the Refund Policy.

If a student withdraws (officially or unofficially) after aid has been disbursed, all or a portion of the Title IV funds that were credited to the student’s account must then be returned to the Department of Education. The portion of funds that must be returned is based on the percentage of time the student remained enrolled. Once these funds are returned, the student MUST repay those funds back to the institution. Students have 45 days to repay the college the balance of the returned funds. If the student’s account goes unpaid after that time, the account will be referred to the Kentucky Department of Revenue for collection. Students who also have a Federal Grant Overpayment, in addition to the institutional liability, will be required to set up satisfactory payment arrangements or be turned over to the U.S. Department of Education for collection.

Students who find it necessary to withdraw from ACTC should follow the institutional withdrawal policy in the Office of Admissions and Records.

Per Federal Return to Title IV regulations, a student’s withdrawal date is:

- The date the student began the institution’s withdrawal process or officially notified the institution of intent to withdraw;
- The midpoint of the semester the student leaves without notifying the institution OR who receives all failing grades;
- The student’s last date of attendance of an academically related activity.

Title IV aid is earned in a prorated manner on a per diem basis up to the 60% point in the semester. Title IV aid is viewed as 100% earned after that point in time. If a return of funds is necessary, federal regulations state the institution must return unearned funds as follows:

1	Unsubsidized Direct Loan	5	Federal Pell Grant
2	Subsidized Direct Loan	6	Federal SEOG
3	Federal Perkins Loan	7	TEACH Grant
4	Direct Parent PLUS Loan	8	Iraq Afghanistan Service Grant

If you have any further questions about the Return to Title IV process, please contact the ACTC Office of Financial Aid.