The Return of Title IV Federal Funds Policy (R2T4) applies to students who have received federal financial aid assistance and have officially or unofficially withdrawn from Milwaukee Area Technical College. Federal financial aid assistance includes the PELL Grant, Supplemental Education Opportunity Grant (SEOG), Direct Student loans (subsidized or unsubsidized), and Plus loans for parents. The official withdrawal date is defined as the actual date the student begins the College’s withdrawal process. The student’s last date of academically related activity is used for unofficial withdrawals.

The amount of the federal financial assistance that a student earns is determined on a pro-rata basis. Once the student has completed sixty percent (60%) of the term, all financial aid is considered to be earned. Please contact the Financial Aid Office for the 60% refund dates. If a student withdraws from school before 60% of the term has been completed or does not officially withdraw and receives all failing grades for the term, the Financial Aid Office will calculate the amount of unearned financial aid and return the funds in the following refund distribution order: Unsubsidized Direct Loan, Subsidized Direct Loan, Direct Plus Loan, Federal PELL Grant, SEOG, and Other Title IV assistance programs.

If a student receives all “U” or “Withdrawal grades and/or a combination of “U” and “Withdrawal” grades for a term, they will be considered an unofficial withdrawal. If a student receives all “U” grades for a term, but attended at least one class the entire term and “earned” the grade of “U”, the student will not be considered an unofficial withdrawal and no aid will be returned. If the student received financial aid and failed to attend classes, they are considered a “no show” and have not established eligibility for any financial aid. No shows must repay in full any funds received.

**How Title IV Funds are returned**

Milwaukee Area Technical College must return the Title IV funds to the programs from which they received it during the period of payment or period of enrollment, as applicable, up to the net amount disbursed from each source.

Any unearned Title IV aid must be returned to the federal government within 45 days of the date of determination of the student’s withdrawal. Any funds returned after the Return of Title IV Aid calculation is complete and processed are then used to repay Milwaukee Area Technical College funds, state funds, other private sources, and the student, in proportion to the amount
received from each non-federal source as long as there was no unpaid balance at the time of withdrawal. All aid sources are repaid before any funds are returned to the student.

Milwaukee Area Technical College must return the lesser of 1) the total amount of unearned aid or 2) institutional charges multiplied by the unearned percentage.

The student will be billed for the funds that Milwaukee Area Technical College is required to repay. Milwaukee Area Technical College will notify the student with instructions on how to proceed if the student owes funds back. The student must contact the Student Accounts Office to make payment arrangements. The information to the student will include what Return of Title IV is and why the student owes funds back.

The student must take action within 45 days of the Return of Title IV notice of an overpayment of a federal grant. If the student does not take action within 45 days of the notice, Milwaukee Area Technical College will report the overpayment to the National Student Loan Data System. If a student does not pay funds due to the College that resulted after the College returned their unearned portion of federal funds, the student’s record will be placed on hold. The student will not be permitted to register for classes or receive transcripts until the balance is paid in full.

Students are encouraged to consult with the Financial Aid Office prior to any withdrawal to discuss their situation or if they have any questions regarding their financial aid. Students who want to dispute an amount should address all concerns in writing to: Director of Financial Aid, Milwaukee Area Technical College, 700 West State Street, Milwaukee, WI 53233

**How Return of Title IV Funds is Calculated**
Federal regulations assume that students “earn” federal financial aid in direct proportion to the percentage of the term they complete. Federal law requires schools to calculate how much federal financial aid a student has earned if that student:

- Completely withdrawals, or
- Stops attending before completing the semester, or
- Does not complete all modules (classes which are not scheduled for the entire term) for which he/she registered at the time those modules began, or
- Receives all U’s and W’s (or a combination of both) for all classes in any semester

Students who received federal financial aid earn the aid they receive by staying enrolled and participating in college. The amount of federal financial aid the student earns is determined on a pro-rated basis. Student who withdraw or do not complete all registered classes during the semester may be required to return some of the financial aid they were awarded.
For example, if you complete 30 percent of the payment period or period of enrollment, you earn 30 percent of the aid you originally were scheduled to receive. This means that 70 percent of your scheduled awards remain unearned and must be returned to the federal government. Once you have completed more than 60 percent of the payment period or period of enrollment, you earn all of your federal financial aid.

The following formula is used to determine the percent of unearned aid that has to be returned to the federal government:
- The percent earned is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in the payment period (minus any scheduled breaks that are at least 5 days long).
- The percentage earned is equal to the number of clock hours the student was scheduled to complete in the period divided by the total number of clock hours in the period.
- The payment period for many students is the entire semester. However, for students enrolled in modules (classes which are not scheduled for the entire semester), the payment period only includes those days for the module(s) in which the student is registered.
- The percent unearned is equal to 100 percent minus the percent earned.

Post-withdrawal Disbursements
Withdrawals from all classes before aid disburses could result in a post withdrawal disbursement of aid based on percent earned before aid was disbursed. One hundred percent withdrawals, class cancellations, not attending and complete withdrawals may require adjustments and repayments of federal financial aid funds.

A student may be eligible for a post-withdrawal disbursement if, prior to withdrawing, the student earned more federal financial aid than was disbursed. If a student is eligible for a post-withdrawal disbursement for Title IV funds, it will be processed for the student and a refund will be issued within 14 days of the credit balance.

If the post-withdrawal disbursement includes loan funds, Milwaukee Area Technical College must get the student’s permission before it can disburse the loan. Students may choose to decline some or all of the loan funds so that she/he does not incur additional debt. A notice will be sent to the student, no later than 30 calendar days after the date the school determines the student withdrew. The signed original document must be returned to the school within 14 days.

Milwaukee Area Technical College may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition and fees. However, the school needs the student’s permission to use the post-withdrawal grant disbursement for all other school charges. If the
student does not give her/his permission, the student will be offered the funds. However, it may be in the student’s best interest to allow the school to keep the funds to reduce the student’s debt at the school.

It is also important to understand that accepting a post-withdrawal disbursement of student loan funds will increase a student’s overall student loan debt that must be repaid under the terms of the Master Promissory Note. Additional, accepting the disbursement of grant funds will reduce the remaining amount of grant funds available to the student should the student continue her/his education at a later time.