

## **REFUND – RETURN OF FUNDS POLICY**

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### **REFUND POLICY**

Business, trades, and allied health students are charged tuition and fees on a quarterly basis during which they attend classes. This refund policy is intended for those students who withdraw from all classes at the college. For those who withdraw (drop) an individual course but remain in other courses, their financial aid may need to be reevaluated to determine a possible refund. If this is the case, see the Financial Aid Department.

Ohio Business College uses the Council on Occupational Education's refund policy. The refund policy is based on credit and clock hour programs. Refunds are to be made within 45 days after the school has determined that a student has withdrawn or been notified of the student's cancellation. The date of determination of an unofficial withdrawal is defined as the last date of physical attendance and participation in an academic activity at the college.

All refunds are calculated based on tuition and fees. The refund policy for students attending Ohio Business College who incur a financial obligation for a period of 12 months or less is as follows:

- ❖ All prospective students are required to attend a personal interview prior to enrollment in to the program.
- ❖ Students who have not visited the school facility prior to enrollment have the opportunity to withdraw without penalty within three days following either attendance at a regularly-scheduled orientation or following a tour of the facilities and inspection of the equipment.
- ❖ During the drop period (receiving a grade of WD) of financial obligation, the institution refunds 100% of the tuition.
- ❖ During the first 10% of the period of financial obligation, the institution refunds at least 90% of the tuition;
- ❖ After the first 10% of the period of financial obligation and until the end of the first 25% of the period of obligation, the institution refunds at least 50% of the tuition;
- ❖ After the first 25% of the period of financial obligation and until the end of the first 50% of the period of obligation, the institution refunds at least 25% of the tuition; and
- ❖ After the first 50% of the period of financial obligation, the institution may retain all of the tuition.

A student withdrawing from school during the first week of classes may return unmarked textbooks that were purchased from Ohio Business College to the Student Accounts Office to receive a refund credit on their account. For a full refund, books must be returned within the first 14 days of the quarter. A student is responsible for returns through either the College's Bookstore website or with assistance through the Student Accounts Office. Please note: lab and supply fees are charged in addition to the tuition and are refunded on a pro-rated basis.

If a student withdraws from school, the amount of monies disbursed for non-institutional educational expenses will be based on the expenses incurred by the student up to the time of withdrawal, based on established budgets. No overpayment will result after half of the payment period has been completed.

\*Should OBC cancel a course offering, students will automatically receive a 100% refund of any tuition and fees paid for that course.

## **VETERANS REFUND POLICY**

Students using VA Educational Benefits or their eligible persons sponsored as students fail to enter the Program or withdraw or are discontinued therefrom at any time prior to completion, the amount charged for tuition, fees and other charges shall not exceed the approximate pro rata portion of the total charges for tuition, fees and other charges that the length of the non-accredited program bears to its total length.

Refunds will be made within 45 days of date of determination (normally last date of attendance).

## **RETURN OF TITLE IV FUNDS POLICY**

This policy applies to students' who withdraw officially, unofficially or are dismissed from enrollment at the school. It is separate and distinct from the school refund policy. The calculated amount of the Return of Title IV, HEA (R2T4) funds that are required to be returned for the students affected by this policy, are determined according to the following definitions and procedures as prescribed by regulations.

The Federal Department of Education specifies how Ohio Business College must determine the amount of Federal Student Aid (FSA) assistance a student earns if they withdraw from school. The FSA programs available at OBC that are covered by this law are: Federal Pell Grants, Stafford Loans, and PLUS Loans. For state grant aid, the amount earned when a student withdraws is equal to the % of tuition and fees earned according to OBC's institutional refund policy. When a student withdraws or is terminated, the funds returned to Title IV programs will take place in the following order:

- ◆ Federal Direct Student Loan-Unsubsidized
- ◆ Federal Direct Student Loan-Subsidized
- ◆ Federal Direct Plus Loan
- ◆ Federal Pell Grant
- ◆ Federal Supplemental Education Opportunity Grant
- ◆ Iraq-Afghanistan Service Grant
- ◆ Other grants or loan assistance

Because Ohio Business College is a school that is required to take attendance, the law specifies that OBC must routinely monitor attendance records to determine in a timely manner when a student has withdrawn. This determination must be made no later than 14 days after the last date of attendance according to the school's attendance records. Even though OBC has a policy that states a student who is absent more than 30% of the scheduled class meetings before dismissal is a consideration, the date of withdrawal determination will never be more than 14 days after the last date of attendance. If a student provides notification of official withdrawal earlier than the 14 days after the last date of attendance, and there is no class or activity participation after that notification, the withdrawal determination date will be the date the student provided notification. Although, the last date of attendance is always used to determine refund amounts. All refunds will be calculated and made by 45 days after the withdrawal determination date.

When a student withdraws or their enrollment is otherwise terminated, the amount of Federal Title IV Financial Aid that has not been earned must be returned to the Federal Student Aid Programs. This process is referred to as "Return to Title IV" (R2T4).

## **R2T4 CALCULATION INFORMATION**

Title IV funds are earned in a prorated manner based upon scheduled class hours that have occurred as of the student's Last Date of Attendance (LDA). Although an R2T4 calculation is required regardless of percentage of the period completed, after the 60 percent point in the payment period, a student is considered to have earned 100 percent of the Federal Student Aid funds they were eligible to receive.

If, based on the calculation, the student has earned less than the amount of Title IV funds disbursed, the unearned funds must be returned.

Refunds are calculated according to applicable federal laws. All returned funds for which the school is responsible will be issued promptly after the school has determined that the student has withdrawn. The school will make this determination within 14 days of the students Last Day of Attendance. The return calculations must be completed within 30 days of the Date of Determination, all funds will be returned within 45 days of the Date of Determination.

## **TREATMENT OF R2T4 TITLE IV CREDIT BALANCES**

If the R2T4 Calculation results in a credit balance on the student's account, it is handled as follows:

- ❖ Any Title IV credit balance must first be allocated to repay any grant overpayment owed according to the R2T4 calculation as a result of the current withdrawal. OBC will return such funds to the Title IV grant account within 14 days of the date the R2T4 calculation is performed.
- ❖ With the student or parents written authorization, the Title IV credit balance will first be applied to any unpaid, authorized charges,
- ❖ Any credit balance remaining after overpayments and unpaid, authorized charges have been satisfied, the school will issue a refund directly to the student or parent as soon as possible and no later 14 days of the date the R2T4 calculation is completed
- ❖ If OBC is unable to locate the student and/or parent to whom the Title IV credit balance is due, the credit balance will be returned to the Title IV programs in the order outlined in the "Return of Title IV Policy".

## **POST-WITHDRAWAL DISBURSEMENT**

The school will disburse Federal Pell Grant funds that had not yet been disbursed at the time of the student's withdrawal/termination, but for which the student remains eligible under the R2T4 calculation within 45 days. In the case of borrower's loan funds, the school will calculate the borrower's eligibility for a "post-withdrawal disbursement".

### **POST-WITHDRAWAL DISBURSEMENT PROCEDURE:**

- ❖ The Financial Aid Office will advise the borrower in writing of the loan amount(s) available within 30 days of the date of determination,
- ❖ The notification requesting confirmation will identify the loan type, amount and current account balance. The student is required to respond by 14 days explaining that (1) they accept all funds available, (2) accept only enough funds available to satisfy any outstanding balance, or (3) decline all funding.
- ❖ If a response is not received from the borrower within 14 days, or the student declines the funds, the school will not request the funds.
- ❖ If the post-withdrawal disbursement is accepted, the funds will be applied to direct costs before any refund/stipend will be granted to the borrower.

\*Note: The student is obligated to repay any loan funds disbursed directly to the student's loan servicer.

## **OVERPAYMENTS**

Any amount of unearned federal grant funds that a student must return is referred to as an "overpayment". The maximum amount of a grant overpayment is one half of the grant funds received or scheduled to be received. While this occurs very rarely, students in this circumstance must make arrangements with the school and/or the Department of Education to return the unearned grant funds. Failure to do so will result in loss of future eligibility for Federal Student Aid and potential other actions by the Department of Education.