



## ZORGANICS INSTITUTE BEAUTY AND WELLNESS

410 WEST BAKERVIEW RD, SUITE 112, BELLINGHAM, WA. 98226

### FEDERAL RETURN OF TITLE IV FUNDS POLICY

The Zorganics Institute participates in the Title IV federal financial aid programs (Title IV). The Return of Title IV (R2T4) policy and formula are used by the Zorganics Institute to determine the amount of Title IV funds that must be returned if the student withdraws from the Zorganics Institute.

The R2T4 formula is applicable when the student withdraws at any point during a payment period.

The requirements for returning Title IV funds under the R2T4 formula is different from Zorganics Institute refund policy. The R2T4 formula determines the amount of unearned Title IV funds that must be returned when a student withdraws. In contrast, the refund policy determines how much tuition a student owes after a student withdraws.

Therefore, it is possible that the R2T4 policy might result in a return of Title IV funds that previously paid for tuition and other charges at the Zorganics Institute.

In turn, the Zorganics Institute refund policy might result in a student owing funds to the Zorganics Institute to cover unpaid institutional charges even though the student withdrew from the Zorganics Institute without completing the program. The R2T4 policy is discussed below.

The institutional refund policy is discussed in the previous section of the Enrollment Agreement.

**R2T4 Calculation:** The R2T4 formula applies if the student received or could have received federal Title IV financial assistance during the payment period in which the student withdrew based on applicable eligibility criteria (e.g., Pell Grants, Direct Subsidized Loans, Direct Unsubsidized Loans, or Direct PLUS Loans).

The percentage of Title IV aid earned is equal to the percentage of the payment period that was completed as of the student's withdrawal date. For clock-hour programs, a student earns the percentage of scheduled clock hours up to the date of withdrawal divided by the number of scheduled clock hours in the payment period.

In other words, if a student completes 30 percent of the scheduled clock hours, the student will earn 30 percent of the assistance the student originally received or was eligible to receive. Once a student completes 60 percent or more of the scheduled clock hours in the payment period, the student is considered to have earned 100% of the assistance for the payment period

The amount to be returned as unearned is calculated by subtracting the amount of Title IV assistance earned from the amount of Title IV aid that was or could have been disbursed as of the withdrawal date.

If a student does not start or begin attendance at the Zorganics Institute or start or begin attendance in a payment period at the Zorganics Institute, the R2T4 formula does not apply but the Zorganics Institute must return any Title IV funds disbursed on the student's account ledger for the applicable payment period.

**Title IV Funds returned by the Zorganics institute:** If a student receives (or the ZI or parent receive on the student's behalf) excess Title IV funds that must be returned, the Zorganics Institute must return all or a portion of the excess funds equal to the lesser of:

- The institutional charges multiplied by the unearned percentage of the student's Title IV funds:  
or  
The entire amount of excess Title IV funds.  
The school must return its share in the following order:

*Unsubsidized Direct Loan*

*Subsidized Direct Loan*

*Direct PLUS Loan (Parent)*

*Federal Pell Grant*

*Federal SEOG*

Returns must be made no later than 45 days after the date of determination of the student's withdrawal.

**Title IV Funds Returned by the Student:** If the Zorganics Institute is not required to return all of the excess Title IV funds, the student may be required to return the remaining amount. This is determined by subtracting the amount returned by the Zorganics Institute from the total amount of unearned Title IV funds to be returned.

For any Direct Loan funds, a student must return, the student (or the parent in the case of PLUS Loans) will repay the Direct Loan funds in accordance with the terms and conditions of the Master Promissory Note (MPN). That is, a student will not be required to repay any Direct Loan funds immediately, but instead, the student will make scheduled payments to the Department of Education over a period of time.

Any amount of unearned Pell Grant funds that a student must return is called an overpayment. The maximum amount of Pell Grant overpayment that a student must repay is any amount of the overpayment that is greater than one-half of the Pell Grant funds the student received or was scheduled to receive. A student does not have to repay a Pell Grant overpayment if the original amount of the overpayment is \$50 or less. The student must make arrangements with the Zorganics Institute or the Department of Education to return the unearned Pell Grant funds or lose eligibility for the Title IV funds.

Within 30 days of the date of the Zorganics institute determination that the student withdrew, the Zorganics institute will send a written notice to the student advising the student that he/she owes a Title IV overpayment as a result of the student's withdrawal. If the student is not able to pay the overpayment within 45 days of the date of the notice, the student may enter into a repayment arrangement with the Department of Education. If the student does not pay the overpayment or make a repayment arrangement, the student will be ineligible for any further Title IV funds.

**Credit Balances:** If a credit balance still exists on the student's account after the Return of Title IV calculation is completed, the credit balance will be used to pay any grant overpayment that exists based on the current withdrawal or any remaining institutional charges. Any remaining credit balance will be paid to the student within 14 days from the date that the Return of Title IV calculation was performed.

**Post Withdrawal Disbursements:** If a student did not receive all of the Title IV funds earned, a student may be due a post-withdrawal disbursement. If the post withdrawal disbursement includes Direct Loan funds, the Zorganics Institutemust obtain the student's or parent's (in the

case of PLUS Loans) permission before it can disburse the Direct Loan funds. A student or parent may choose to decline some or all of the Direct Loan funds, the student or parent do not incur additional debt. The Zorganics Institute may automatically use all or a portion of a post-withdrawal disbursement of grant funds for institutional charges. The Zorganics Institute needs to obtain permission from the student to apply Title IV funds for other educationally related expenses.

Post-withdrawal disbursements will be made from Pell Grant funds first if the student is eligible. If there are current educational costs still due the Zorganics Institute at the time of withdrawal, a Pell Grant post-withdrawal disbursement will be created to the student's account. Any remaining Pell funds will be released to the student without the student having to take any action. Any Direct Loan funds due in a post-withdrawal disbursement must be offered to the student or parent and the school must receive the student's authorization before crediting their account. The authorization is required to be sent to the student within 30 days of the date of Zorganics Institute determining the student's last date of attendance.

For students who are required to return Title IV aid in addition to the portion of aid the school is required to return, there is a 50% protection allowance on unearned Title IV student grants only. Loans would need to be repaid in full.

The requirements for Title IV program funds when a student withdraws are separate from any refund policy that the Zorganics institute may have. Therefore, the student may still owe funds to the Zorganics institute to cover unpaid institutional charges. The Zorganics institute may also charge the student for any Title IV program funds that the Zorganics institute was required to return.

### **Questions regarding Title IV Program**

If you have questions about your Title IV program funds, you can call the Federal Student Aid Information Center at 1-800-4-FED AID (1-800-433-3243). Information is also available on Student Aid on the Web at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).