

The basic concept underlying the Return of Title IV Funds (R2T4) regulations is that FSA funds paid to a student, or to his or her account at the school, are either “earned” or “unearned” based on the percentage of a student’s completion of a scheduled payment period or period of enrollment.

When a student withdraws or stops attending during a payment period, Debutantes School of Cosmetology and Nail Technology, LLC will determine if any FSA funds disbursed during the payment period were unearned. Unearned FSA funds will be repaid based on the result of R2T4 calculations that Debutantes School of Cosmetology and Nail Technology, LLC makes. A student is considered to have withdrawn from a payment period or period of enrollment if the student does not complete all of the clock hours and weeks of instructional time in the payment period or period of enrollment that the student was scheduled to complete.

These requirements do not apply to a student who does not actually cease attendance at Debutantes School. The Return of Title IV Funds Policy does not dictate Debutantes School’s Student Refund Policy. Debutantes School is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the amount of time the student was scheduled to be in attendance. Up through the 60% point in each payment period or period of enrollment, a prorata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. After the 60% point in the payment period or period of enrollment, a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period. For a student who withdraws after the 60% point-in-time, there are no unearned funds. However, Debutantes School will still determine whether the student is eligible for a Post-withdrawal disbursement. Debutantes School’s Student Refund Policy will not affect the amount of Title IV Aid the student has earned under the Return calculation. If the amount disbursed to the student is greater than the amount the student earned, the unearned funds will be returned. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a Post-withdrawal disbursement of the earned aid that was not received. If a student withdraws, school charges that were previously paid by FSA funds might become a debit that the student will be responsible for paying.

If a student never actually begins attendance for the payment period or period of enrollment, this policy does not apply. If a student begins attendance, but was not and could not have been disbursed Title IV grant or loan funds prior to withdrawal, the student is not considered to have been a Title IV recipient and this policy does not apply.

The student’s attendance record will determine the student’s withdrawal date. A Date of Determination of withdrawal will not be more than 14 days after the student’s withdrawal date. Within 30 days, Debutantes School will (1) Perform a R2T4 calculation (2) Notify student of grant overpayment (3) Notify student of eligibility for a post-withdrawal disbursement. Debutantes School will return Title IV funds within 45 days. In accordance with federal regulations, unearned aid will be returned to the federal programs in the following order: (1) Federal Direct Loans: Unsubsidized, then Subsidized (2) Federal Direct Parent Loans (3) Federal Pell Grant.

The R2T4 calculations may result in the student's and parent's being responsible for directly returning additional loan amounts to the US Department of Education. Your loan grace period begins on the student's withdrawal date from the school. If the student does not re-enroll within 6 months of their withdrawal date the loans will enter repayment. The student should contact the loan servicer or the US Department of Education to make repayment arrangements. The Master Promissory note signed by the borrower outlines repayment obligations. The student should contact the servicer or the US Department of Education with any questions. Students who owe the US Department of Education for an overpayment of Title IV funds are not eligible for any additional federal financial aid until the overpayment is paid in full or payment arrangements are made with the US Department of Education.

Below is the worksheet Debutantes School's Financial Aid Office uses to calculate the return of Title IV funds.

Return of Unearned Title IV Funds Calculation Form

Student Name _____

SSN _____

Withdrawal Date
(LDA) _____/_____/_____

Date Institution Determined
Student Withdrew
(Refund due within 45 days) _____/_____/_____

Step 1 Eligible Title IV Payments for Payment Period or Period of Enrollment

	Eligible Disbursed Amount	Eligible Undisbursed Amount		Eligible Disbursed Amount	Eligible Undisbursed Amount
1. FDSL Unsubsidized Stafford	\$ _____	\$ _____	5. Federal Pell Grant	\$ _____	\$ _____
2. FDSL Subsidized Stafford	\$ _____	\$ _____	6. ACG / SMART Grant	\$ _____	\$ _____
3. Federal Perkins Loan	\$ _____	\$ _____	7. Federal SEOG	\$ _____	\$ _____
4. FDSL PLUS Loan	\$ _____	\$ _____	8. TEACH Grant	\$ _____	\$ _____
I. Total Eligible Title IV Aid Disbursed: \$ _____		II. Total Eligible Title IV Aid Undisbursed: \$ _____			

Step 2 Determination of Percentages Earned & Unearned

Institutions Required to Take Attendance

Lines A & B intentionally omitted

C. Scheduled clock hours / calendar days elapsed as of withdrawal date:* _____

D. Total clock hours / calendar days in payment period or period of enrollment: _____

E. Percentage of period completed: _____%
(Line C / Line D x 100)
Round to the Nearest Tenth of a Percent

If Line E is greater than 60%, enter 100 in Line F and 0 in Line G. All aid for the period has been earned. If there is an Undisbursed Amount from Step 1, proceed to determine if the student is eligible for a Post Withdrawal Disbursement in Step 4.

F. Percentage of aid earned: _____%
(Enter value from Line E, or 100 if Line E is greater than 60%)

G. Percentage of aid not earned: _____%
(100% - Line F)

*For Line C:

- Clock Hour Schools Use Hours Scheduled to be Completed by Student Between 1st Date of Period and Last Date of Attendance not Including Excused Absences or Leaves of Absence
- Credit Hour Schools Use Calendar Days Between 1st Date of Period and Last Date of Attendance not Including Excused Absences, Leaves of Absence, or Scheduled Breaks of 5 or more days

Institutions Not Required to Take Attendance

A. Beginning date of payment period or period of enrollment: _____/_____/_____

B. Ending date of payment period or period of enrollment: _____/_____/_____

C. Number of calendar days elapsed as of withdrawal date: _____

D. Number of calendar days in period: _____

E. Percentage of period completed: _____%
(Line C / Line D x 100)

If Line E is greater than 60%, enter 100 in Line F and 0 in Line G. All aid disbursed has been earned. If there is an Undisbursed Amount from Step 1, proceed to determine if the student is eligible for a Post Withdrawal Disbursement in Step 4.

F. Percentage of aid earned: _____%
(Enter value from Line E, or 100 if Line E is greater than 60%)

G. Percentage of aid not earned: _____%
(100% - Line F)

Step 3 Determination of Title IV Funds Earned

H. Total Eligible Title IV Aid: \$ _____
(From Step 1, Line I+II)

K. Title IV Aid Amount Earned: \$ _____
(Line H x Line J)
(Round to the nearest dollar)

J. Percentage of aid earned: _____ %
(From Step 2, Line F)

Step 4 Determination of Title IV Funds to be Disbursed or Returned

L. Total Title IV Aid Earned by Student: \$ _____
(Step 3, Line K)

M. Total Title IV Aid Actually Disbursed: \$ _____
(Step 1, Line I)

N. Additional Amount to be Disbursed (if positive), or
Amount to be Returned (if negative) \$ _____
Confirm Eligibility Before Disbursing Any Additional Funds

Proceed to Step 5 Only if Step 4 Results in an Amount to be Returned

Step 5 Determination of Amount to be Returned by Institution

O. Institutional Charges for Payment Period or Period of Enrollment: \$ _____
(Must be the original charges assessed for the period if tuition is charged by period, or if tuition is charged at enrollment, then use the greater of the prorated contract charges, or the Title IV aid retained by school)

P. Percentage of period not earned: _____ %
(Step 2, Line G)

Q. Institutional Charges Unearned: \$ _____
(Line O x Line P)

R. Amount to be Returned by Institution: \$ _____
(Lesser of Line Q or Line N)

R1. Amount to be Returned to Loan Programs: \$ _____
(Not to Exceed Total Loans Disbursed)

R2. Amount to be Returned to Grant Programs: \$ _____
(Line R - R1)

Step 6 Determination of Amount to be Returned by Student

S. Title IV Aid to be Returned: \$ _____
(Step 4, Line N)

T. Amount to be Returned by Institution: \$ _____
(Step 5, Line R)

U. Amount to be Returned by Student: \$ _____
(Line S - Line T)

U1. Amount to be Returned to Loan Programs: \$ _____ (To be repaid under loan terms)
(Not to Exceed Loans Disbursed - Line R1)

U2. Remaining Amount Owed by Student: \$ _____
[(Line U - Line U1)]

U3. Grant Protection (Step 1, Lines 5+6+7+8) x 50%: \$ _____

V. Grant Refund Owed by the Student: \$ _____
(Line U2 - Line U3. If Negative, Enter "0")