
	Return of Federal Financial Aid Funds Policy ----- Wake Forest School of Medicine	Original Effective Date:	8/28/2015
		Current (Revised) Date:	8/4/2020
		Contact:	Director, Enrollment Services
Approval Signature:		Date of Signature:	8/5/2020
Name and Title:	Julie A. Freischlag, MD Chief Executive Officer, Wake Forest Baptist Medical Center Dean, Wake Forest School of Medicine		

- **General Policy Statement:**

Students enrolled in Wake Forest School of Medicine or Wake Forest University Graduate School of Arts and Sciences who receive federal financial aid and do not complete their classes during a semester or term could be responsible for repaying a portion of the aid they received. Students who do not begin attendance must repay all financial aid disbursed for the term.

a) **Scope:** This policy applies to all Wake Forest School of Medicine and Wake Forest University Graduate School of Arts and Sciences-Biomedical Sciences faculty, staff, and students.

b) **Responsible Department/Party/Parties:**

- i. Policy Owner: Director, Enrollment Services
- ii. Procedure: Director, Enrollment Services
- iii. Implementation: Director, Enrollment Services

- **Definitions:** For purposes of this Policy, the following terms and definitions apply:

a) **WFBMC:** Wake Forest Baptist Medical Center and all affiliated organizations including Wake Forest University Health Sciences (WFUHS), North Carolina Baptist Hospital (NCBH), all on-site subsidiaries as well as those off-site governed by WFBMC policies and procedures.

b) The term “**Student**” is defined as a person who matriculates into, is enrolled in, or is taking courses in the Academic Nursing, the Physician Assistant (PA), or the Undergraduate Medical Education (MD) programs of Wake Forest School of Medicine or the Wake Forest University Graduate School of Arts and Sciences-Biomedical Sciences programs (hereinafter jointly referred to as “School”).

- **Policy Guidelines:**

- a) **Return of Federal Financial Aid Funds**

In accordance with federal regulations, a Student who receives federal financial aid but does not complete the payment period for which that aid was awarded may not be entitled to all of the financial aid funds awarded and/or disbursed. The requirements of this policy pertaining to return of financial aid funds apply to leaves of absence as well as withdrawals and dismissals.

Federal regulations require Title IV financial aid funds to be awarded under the assumption that a Student will attend the institution for the entire period in which federal assistance was awarded. When a Student withdraws from all courses for any reason, including dismissals and leaves of absence, they may no longer be eligible for the full amount of Title IV funds that they were originally scheduled to receive. The return of funds is based upon the premise that Students earn their financial aid in proportion to the amount of time in which they are enrolled. A pro-rated schedule is used to determine the amount of federal Student aid funds they will have earned at the time of the withdrawal. Thus, a Student who withdraws in the second week of classes has earned less of his/her financial aid than a Student who withdraws in the seventh week. Once 60% of the semester is completed, a Student is considered to have earned all of his/her financial aid and will not be required to return any funds. An exception may apply for a leave of absence. See information regarding a leave of absence, below.

The School is required to calculate how much federal financial aid a Student has earned. Based on this calculation, Students who receive federal financial aid and do not complete their classes during a semester or term could be responsible for repaying a portion of the aid they received. Students who do not begin attendance must repay all financial aid disbursed for the term.

Return of financial aid funds is determined according to the following:

- i. The term “Title IV Funds” refers to the federal financial aid programs authorized under the Higher Education Act of 1965 (as amended) and for Students enrolled at the School includes the following programs: Federal Direct Unsubsidized Stafford Loans and Federal Direct Graduate PLUS Loans.
- ii. The withdrawal date used in the return calculation of a Student’s federal financial aid is the actual date indicated on the official drop form. If a Student stops attending classes without notifying the School, the withdrawal date will be the midpoint of the semester or the last date of academic activity as determined by the School. Additional documentation supporting the last date of academic activity may be provided by the Student if they verify a later date of attendance than determined by the School.
- iii. Determining the amount of Title IV funds to be returned:

The amount of earned and unearned financial aid is calculated on a daily basis from the first day of the payment period. The process uses calendar rather than business days. Earned aid is

determined by the percentage of the number of days attended before enrollment ended divided by the total number of days in the payment period (excluding any breaks of five days or more). There are no returns after the 60% point in time, as the federal regulations view the aid has been “100% earned” after that point in time. The amount of Title IV funds to be returned is calculated by multiplying the unearned aid percentage by the total of all Title IV aid received. A copy of the worksheet used for this calculation and examples can be requested from the Financial Aid Office.

In accordance with federal regulations, the return of Title IV funds is paid in the following order:

- Unsubsidized Direct Loans
- Subsidized Direct Loans
- Federal Perkins Loans
- Direct PLUS Loans
- Other Title IV Assistance
- The Student

iv. Institutional and Student Responsibilities

- School’s responsibilities include:
 - Providing each Student with the information given in this policy
 - Review of examples of the Return of Title IV Aid and the Refund Policy with Students
 - Identifying Students who are affected by this policy
 - Completing the Return of Title IV Funds calculation for Students who are subject to the policy
 - Returning the Title IV Funds that are due the Title IV programs within 30 days of withdrawal, dismissal, or leave.
- The Student’s responsibilities include:
 - Students with Federal/Title IV financial aid must notify the Financial Aid Office to discuss the implications of a status change, inclusive of withdrawal, or leave of absence, , before it occurs.
 - Dismissed students should consult with the Financial Aid Office as directed in their dismissal paperwork. Students are also responsible for returning to the Title IV programs any funds that were disbursed directly to the Student and for with the Student was determined to be ineligible under the Return of Title IV funds calculation. The Student will also be billed for and required to pay any balance that results from a return of funds.

b) Post-Withdrawal Disbursements

In some cases, a Student may be eligible to receive a “post-withdrawal” disbursement after the Student withdraws when the amount of aid earned is less than the amount of aid disbursed. In such cases, the Financial Aid Office will notify the Student of the “post-withdrawal” disbursement.

c) **Leave of Absence**

Students are permitted to have one leave of absence (medical, personal, educational, administrative) within a 12-month period that does not require a return of federal financial aid funds provided that:

- i. The Student completes the requirements for formal leave of absence in accordance with the Leave of Absence policy of the Student’s program;
- ii. The leave of absence does not exceed 180 days in length; and
- iii. The leave of absence ends before the next payment period begins.

Students who are on a leave of absence as of the first day of the academic year are not eligible to receive financial aid until they return from the leave, register for classes, and begin coursework.

Students who begin a leave after the academic year begins are eligible for financial aid already disbursed but are not eligible for additional financial aid disbursements until they return from the leave of absence.

If a Student takes an approved leave of absence and then does not return from the leave within 180 days or within the payment period, the Student will be subject to the requirements for the return of federal financial aid. For the purposes of calculating earned financial aid, the last date of attendance will be retroactive to the day the leave of absence began.

4) Review/Revision/Implementation

- a) **Review Cycle:** This policy shall be reviewed at least every three (3) years from the effective date.
- b) **Office of Record:** After authorization, this policy will be housed in the WFBMC policy database, which shall be the office of record for this policy.

5) Governing Law or Regulations:

- d) Higher Education Act of 1965 (as amended)
- e) Student Payment Policy
- f) Tuition Refund Policy

**6) Revision Dates: 12/02/2015
10/17/2019
8/4/2020**