

Return of Title IV Funds Policy

IESE Business School

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 IESE Business School, includes the following programs: unsubsidized Direct Loans and Direct PLUS Loans.

Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive.

According to the 1998 Amendments to the Higher Education Act, Section 484B, IESE Business 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, a pro rata 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, 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.

This policy applies to students who withdraw, are approved for a leave of absence for longer than 180 days, or are academically dismissed from the institution. Tuition refunds for these students are determined in accordance with the following policy.

1. A student's withdrawal date is:

- a) the student's last date of attendance as documented by academically related activity (reported by the MBA Department)
- b) an unofficial withdrawal (withdrawals without notification). In this case, the MBA Department will check the last date of activity and may use a midpoint of term when this information cannot be established.

2. Determining the amount of Title IV funds to be returned:

- When Title IV funds are due for return, the school and the student may both be responsible for returning the funds. Funds that the school is not responsible for returning must be returned by the student.
- IESE Business School must return the lesser amount of the Title IV funds that the student does not earn.
- Refunds on all allowable charges, including tuition and fees, will be prorated on a per diem basis based on the number of days in attendance as a proportion to the number of days in the payment period, up to the 60% point in the semester. There are no refunds after the 60% point in time, as federal regulations understand that the aid has been “100% earned” after that point in time. A copy of the worksheet used for this calculation can be requested from the Financial Aid Office (Annex 1 “Calculation of Title IV Returns”).

3. Order of return of Title IV funds

- In accordance with federal regulations, the return of Title IV funds from IESE Business School should be paid in the following order:
- Unsubsidized Federal Direct Stafford Loan
- Federal Direct PLUS Loan

4. Post-withdrawal disbursement

If the student receives less federal student aid than the amount earned, IESE Business School offers, within 30 days of the date the school determines the student withdrew, a disbursement of the earned aid that was not received. This is called a post-withdrawal disbursement.

A post-withdrawal disbursement must be made within 180 days of the date the Financial Aid Office determines that the student withdrew. The amount of a post-withdrawal disbursement is determined by following the requirements for calculating earned Title IV aid and has no relationship to incurred educational costs.

The Financial Aid Office will notify a student about the post-withdrawal disbursement by sending an email with all the required information (calculation, deadlines and procedure).

5. Actions a school must take before making a post-withdrawal disbursement:

The Financial Aid Office will obtain confirmation from the student before making any disbursement of loan funds from a post-withdrawal disbursement. Without obtaining the student's permission, Title IV grant funds from a post-withdrawal disbursement are credited to the student's account to pay for Institutional Charges such as tuition or are disbursed directly to the student. The school will obtain the student's authorization to credit the student's account with Title IV aid for charges other than current charges.

6. Institutional responsibilities of IESE Business School regarding the return of Title IV Funds.

- Informing each student regarding this policy (by having the Financial Aid Office send a written notification by email to all incoming students and during entrance counseling sessions).
- Identifying students who are affected by this policy.
- Performing, within 30 days, the Return of Title IV Funds calculation for students who are subject to the policy.
- Returning the Title IV Funds that are due within 45 days of the date of determination.

7. Students' responsibilities regarding the return of Title IV Funds.

- Returning any funds to the Title IV programs that were disbursed directly to the student and for which the student was determined to be ineligible via the Return of Title IV Funds calculation.
- Students with Title IV financial aid must notify the IESE Financial Aid Office immediately of a pending withdrawal or leave, as federal refunds must be made within 45 days of the date of withdrawal or leave. Students have the right to obtain a final calculation of the return of Federal Funds.

8. The requirements for Title IV program funds when students withdraw are separate from the school refund policy. According to IESE regulations, the student may have to reimburse any funds to the school that were previously required to be returned to the U.S. federal government. Full-Time MBA Refund Policy is provided by the MBA Department (mbaoffice@iese.edu).

[Annex 1 "Calculation of Title IV Returns"](#)