

# Return of Title IV Funds

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A portion of Title IV grant or loan funds, but not Federal Work Study funds, must be returned to the Title IV programs upon a Title IV recipient's withdrawal from the school.

## Withdrawal Date

**Withdrawal Date** is determined by the date on which:

- The student *began* the withdrawal process prescribed by the school;
- The student otherwise provided the school with official notification of the intent to withdraw; or
- For the student who does not begin the school's withdrawal process *or* notify the school of the intent to withdraw, the mid-point of the period of enrollment for which Title IV assistance was disbursed (unless the institution can document a later date).

If the school determines the student did not begin the withdrawal process or notify the school of the intent to withdraw due to illness, accident, grievous personal loss, or other such circumstances beyond the student's control, then the school may determine the appropriate withdrawal date.

## Percentage of the Payment Period or Period of Enrollment Completed

The percentage of the period of enrollment for which assistance was awarded that was completed is determined by dividing the total number of calendar days comprising the period of enrollment (less any breaks of five days or more within that period) for which the assistance is awarded into the number of calendar days completed in that period as of the day the student withdrew. (**Days of attendance / Days in POE = Percentage of Period of Enrollment Completed**)

## Calculation of Title IV Assistance Earned

To calculate the **Percentage of Title IV Assistance Earned** by a student, the school must first determine the percentage of Title IV assistance the student earned. Up through the 60% point of time, the percentage of assistance earned is equal to the **Percentage of Period of Enrollment Completed** as determined above using the **Withdrawal Date**. If this percentage is higher than 60%, the **Percentage of Title IV Assistance Earned** by the student is 100%, none of the Title IV funds are returned. The R2T4 calculation process is aided through the use of the web form provided by the Department of Education labeled "Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program."

## Calculation of Title IV Assistance Not Earned

The amount of Title IV grant and loan assistance not earned by the student is calculated by determining the complement of the **Percentage of Title IV Assistance Earned** by the student and applying it to the total amount of grant and loan assistance that was disbursed (or could have been

disbursed) to the student, or on the student's behalf, for the period of enrollment as of the day the student withdrew.

## **Difference Between Amounts Earned and Amounts Received**

The school will follow the regulations for late disbursement if the student received less grant or loan assistance than the amount earned. If the student has received more grant or loan assistance than the amount earned, then the unearned funds shall be returned by the school, the student, or both.

## **Responsibility of the School**

The school shall return the lesser of the unearned amount of Title IV assistance or an amount equal to the total institutional charges the student incurs for the period of enrollment of which the assistance was awarded, multiplied by the unearned percentage of awarded Title IV grant and loan assistance. In addition, it is also the responsibility of the school to notify the student of the return of Title IV funds.

## **Responsibility of the Student**

Students shall return unearned Title IV assistance minus the amount the school returns.

## **Order of Return of Title IV Funds**

Excess funds returned by the school or student are credited to the outstanding Title IV loan balances for the student or made on the student's behalf for which a return of funds is required. Excess funds must be credited to outstanding balances in the following order:

1. Unsubsidized Stafford Loans
2. Subsidized Stafford Loans
3. Federal Perkins Loans
4. Federal PLUS Loans
5. Federal Pell Grant
6. Federal SEOG Grant
7. Other Title IV Aid Programs