

RETURN OF TITLE IV FUNDS POLICY

The Department of Education has established a policy determining the amount of Title IV program assistance that you can earn if you withdraw from school. The Title IV programs covered by this law include Federal Pell Grants, SEOG Grants, Federal Stafford Loans, and Federal PLUS Loans.

When you withdraw during your payment period, the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. If you received (or your school or parent received on your behalf) less assistance than the amount you earned, you may be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned by the school and/or you.

The amount of assistance that you have earned is determined on a pro rata basis. For example, if you completed 30% of your payment period of enrollment, you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% percent of the payment period, you earn all the assistance that you were scheduled to receive for that period.

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If your post-withdrawal disbursement includes loan funds, your school must get your permission before it can disburse them. You may choose to decline some or all of the loan funds so that you don't incur additional debt. Your school may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school). The school needs your permission to use the post-withdrawal grant disbursement for all other school charges. If you do not give your permission (DSU asks for this when you enroll), you will be offered the funds. However, it may be in your best interest to allow the school to keep the funds to reduce your debt at the school.

There are some federal financial aid funds that you were scheduled to receive that cannot be disbursed to you once you withdraw because of other eligibility requirements. For example, if you are a first-time, first-year undergraduate student and you have not completed the first 30 days of your program before you withdraw, you will not receive any Direct loan funds that you would have received had you remained enrolled past the 30th day.

If you receive (or your school or parent receives on your behalf) excess Title IV program funds that must be returned, your school must return a portion of the excess equal to the lesser of:

1. your institutional charges multiplied by the unearned percentage of your funds, or
2. the entire amount of excess funds.

The school must return this amount even if it didn't keep this amount of your Title IV program funds.

If your school is not required to return all of the excess funds, you must return the remaining amount. Any loan funds that you must return, you (or your parent for a PLUS Loan) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an overpayment. The maximum amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You do not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. You must make arrangements with your school or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when you withdraw are separate from any refund policy that your school may have. Therefore, you may still owe funds to the school to cover unpaid institutional charges. Your school may also charge you for any Title IV program funds that the school was required to return.

Withdrawal date for Title IV purposes is defined as the date the student began the institution's withdrawal process, the student's last date of recorded attendance, or the midpoint of the semester for a student who leaves without notifying the institution if the last date of attendance cannot be established.

Attention ACCESS students:

For ACCESS students, the period of enrollment is considered to be the entire semester. If an ACCESS student has a Pell Grant, the sessions not yet begun will be discounted, and the Pell Grant will be reduced to the lower enrollment status before calculating the aid to be returned. Student loans are contingent upon a student being enrolled at least half time (6 credits) a semester. If you enroll and later drop classes that you have never begun so that your enrollment status falls below 6 credits, you technically are not eligible for a student loan that semester. If a loan disbursement was made before you dropped below half time, that disbursement can remain. However, subsequent disbursements must be cancelled.

For financial aid purposes, a student who stops attending (or officially withdraws) at any point in the ACCESS semester is considered to have withdrawn, even if one or more classes have been completed with a passing grade. In other words, a student is considered to have withdrawn if he/she does not complete all days scheduled to complete within the semester. If the student provides our office with written confirmation that he/she will return in a subsequent Session, as long as the return date is within 45 days of the date attendance ceased, it is not considered a withdrawal. Similarly, if a student is enrolled simultaneously in two courses within a Session and stops attending only one of those, it is not considered a withdrawal.

If a student officially drops classes that he/she has never begun attending before his/her withdrawal, those classes are not counted in the "days scheduled to complete." The school must document completion of all courses with a passing grade. If there is no passing grade in the last scheduled course, the school must demonstrate the student completed the period.

The following questions and examples may help clarify this:

1. Did the student cease to attend before completing or fail to begin attendance in a course scheduled to attend? If yes, go to question 2. If no, it is not a withdrawal.
2. When ceased to attend or failed to begin attendance in an enrolled course, was the student attending other courses? If yes, not a withdrawal. If no, go to question 3.
3. Did student confirm in writing attendance in a later Session in the term? If no, student is a withdrawal. If yes, not a withdrawal if attendance is resumed in the later Session and the resumption of attendance is within 45 days of the withdrawal.

Example 1:

Student has two 8 week Sessions within a semester with two classes each Session.

The student begins attendance in both courses in the first Session but stops attending both after a few weeks. No written confirmation of intent to attend Session 2 is received.

This student is a withdrawal and a Return of Title IV funds calculation must be performed.

Example 2:

Same scenario as above, but student stops attending only one of the two courses in the first Session. The student is not a withdrawal.

Example 3:

Same scenario as above. During the first Session, the student withdraws from both courses in the second Session, and he/she completes both courses in the first Session with a passing grade. The student has not ceased to attend a course he was scheduled to attend because the courses were dropped before they began. So the student is not a withdrawal. However, recalculation of a PELL grant is required because he/she was paid for two courses that he/she never attended.

Example 4:

Same scenario as above. The student begins attendance in both courses in the first Session but stops attending both after six weeks. However, he/she provides a written confirmation of intent to attend Session 2. Session 2 begins 30 days after the student stopped attending. The student is not a withdrawal unless he/she fails to begin Session 2. If he/she fails to begin Session 2, the withdrawal date and days of attendance are determined as if the confirmation of future attendance was never provided.

Example 5:

Same scenario as above. The student begins attendance in both courses in the first Session but stops attending both after a week. He/she provides a written confirmation of intent to attend Session 2; however, Session 2 begins 50 days after the student stopped attending. The student is a withdrawal, and the Return of Title IV funds calculation must be performed. (However, if he/she returns to Session 2, he/she is eligible for any Title IV funds for which he was eligible prior to withdrawal.)

When a Return of Title IV funds calculation is required, the total calendar days used in the calculation include all days in which the student is scheduled to attend but does not count days of courses officially dropped prior to complete cessation of attendance.