

## **RETURN OF TITLE IV FUNDS POLICIES**

In performing any refund and repayment calculation for a student who withdraws from the college, IWU



**Note:** In the event that a student does owe an overpayment of Title IV funds, IWU will be responsible for notifying the student. Furthermore, immediately upon discovery of the overpayment, IWU will flag the student's record to indicate that the student is ineligible for further Title IV funds until the overpayment has been repaid.

**State aid:** State aid is only reduced if the adjusted tuition rate drops below the amount of state aid originally awarded. If a refund is due to the state, only that portion that exceeds the adjusted tuition rate will be returned.

**Identifying withdrawn students can be done in two ways:**

1. Official Withdraw – The student obtains a Withdrawal Form from the Dean of Students
2. Unofficial Withdraw – The student ceases attending classes.

If in the case of an Official Withdrawal, the date of determination is the date that the form is received by a school official or the date that the school was first informed of the student's intent to withdraw. Students are asked to provide their last date of attendance.

If in the case of an Unofficial Withdrawal, the date of determination will be the date when the professor certifies the last date of attendance for the student. The last date of

Regardless of the circumstances of withdrawal from the university, a withdraw can be initiated by:

- a. A



funds must be accepted or declined by signing and returning the authorization letter within a specified time frame (typically 14 business days).

The post-withdrawal authorization letter will include the source, type, and amount of loan funds they would like to accept for disbursement. Should the post-withdrawal disbursement include a PLUS loan, the parent may not receive a direct disbursement of funds that the institution wishes to credit to the student account and IWU will obtain permission to credit loan funds to a student's account to cover unpaid institutional charges. Students and parents are discouraged from obtaining the post-withdrawal loan disbursement to keep their total loan indebtedness down. This notification will be sent ASAP but no later than 30 calendar days after the determination that the student withdrew.

### **Returning Unearned Funds**

As stated above the Financial Aid Office will calculate the institutional and student shares of unearned aid using the US DOE system.

Returning Unearned Funds will be distributed in the following order:

1. Unsubsidized Federal Stafford Loans
2. Subsidized Federal Stafford Loans
3. Federal PLUS Loan
4. Federal Pell Grant
5. Iraq and Afghanistan Service Grant
6. Federal SEOG
7. Other sources of aid

Upon determining a Title IV repayment exists the Financial Aid Office may:

Notify students they may owe a Title IV grant repayment.

Inform students they owe a debt to the university as a result of the Title IV grant repayment.

Return the school's portion of unearned funds

May report any overpayment to the National Student Loan Data System (NSLDS) if the student has neither repaid nor made satisfactory repayment arrangements.

### **Tuition Assistance Returns**

Any student receiving Tuition Assistance (TA) funds who is determined to have withdrawn from all classes will be considered for a return of funds up to 60% of the semester. This policy will mimic the federally required policies concerning Title IV aid. TA funds will be returned to the appropriate agency if funds still need to be returned after all required Title IV funds have been returned first.

A return calculation will be made if a student withdraws from all of their classes on or before the 60% point in time of the enrollment period for which the student was charged.

Withdraw is taken to mean the student voluntarily (or involuntary for medical or other reasons) chooses to stop attending in the classes enrolled. Since IWU has neither applicable state nor accrediting agency refund policies to consider in determining which calculation provides the largest refund, allowable institutional charges are refunded to Title IV programs based on the Return of Title IV Refund percentage of the enrollment period that remains. State aid is only returned or refunded as part of the return process if the state aid would exceed the adjusted tuition charge once the calculation is performed. Otherwise, IWU will prioritize and keep 100% of all processed state aid up to the semester's budget amount where possible. Refunds will be made to the state if the state aid exceeds the tuition charged for the semester. TA funds will be returned only if applicable and only after Title IV funds are returned first.

### **Schedule of Return**

Returns of TA funds will be at the rate the student completed the semester as determined by the return calculation for Title IV funds up until 60%. After 60% completion, the student has effectively earned 100% of charges and aid for the term. No return calculation will be performed after 60% and no funds will be returned. The completion rate is calculated based on the number days in the semester and the number of days the student completed within that semester. The last date of academic related activity will be used as the date of withdraw for the calculation.

If a student's federal aid exceeds the direct costs, the student will be liable to repay the excess funds as an overpayment has occurred. The student's eligibility for federal aid will be recalculated at the time of the withdraw calculation and based on the percentage of the semester the student earned eligibility for the federal aid.

### **Overaward Resolution**

IWU may return funds on behalf of a student who owes an overaward and consider the returned funds as the student's debt to the institution. The institution may enter into a repayment agreement with the student. The consequences of owing an overpayment may impact the student's eligibility for future Title IV aid, continued enrollment in the university until the debt is paid, or referred to collections.

Per the HERA amendments, a student does not have to repay a grant overpayment of \$50 or less for grant overpayments resulting from the student's withdrawal. As a result, a grant overpayment of \$50 or less will not make the student ineligible to receive Title IV aid should the student return to school, and the student will not be reported as an overpayment on NSLDS.

### **Zero Units Earned**

A report from the Registrar is obtained after the end of each term for those students that did not earn any academic credit for the recently ended term. Those students who did not withdraw/take a leave of absence and have federal aid are identified for a possible R2T4 calculation due to non-attendance. Once identified, the names of the professors

for each class the students were enrolled for is collected from the Registrar's Office. The Financial Aid Office emails and follows up with the professors to determine if the student completed the semester and earned an unsatisfactory grade through poor performance or received the unsatisfactory grade due to non-attendance. Students with unsatisfactory grades due to non-attendance in all classes (unless it is documented that the students completed the semester) are considered to have withdrawn for the semester and a R2T4 calculation will be run to determine how much aid as student earned for the term. The return calculations are run based on the last documented date of academic participation (up to the 60% point of the semester) or 50% of the semester if the latest date of participation is undeterminable. Students with at least one earned grade (even if unsatisfactory) are still considered to have been attending for the full term and no return calculation will be performed.

### **Credit Balances**