RETURN OF TITLE IV AND STATE AID FUNDS

Policy Title: Return of Title IV and State Aid Funds – Official, Unofficial, and Retroactive Withdrawals

Policy Type: Administrative
Policy Number: #22-04 (2022)
Approval Date: 3/20/2019
Responsible Office: Financial Aid

Responsible Executive: Vice President for Operations & Chief Strategist for Institutional Effectiveness

Applies to: Students who officially or unofficially withdraw from the University

POLICY STATEMENT
The purpose of this policy is to describe effects on a student’s financial aid resulting from enrollment changes, including total withdrawal or non-attendance, in accordance with federal and state law and regulations governing student assistance, including Title IV of the federal Higher Education Act of 1965, as amended, 20 U.S.C. § 1001 et seq. (“Title IV”), 8VAC40-131-70 of the Virginia Student Financial Assistance Program, Virginia Code §§ 23.1-600 et seq. and the Standards for Participation in Title IV, HEA Programs, 34 C.F.R. Part 668, Subpart B.

Federal Aid
The university awards Title IV aid with the presumption that a student will complete all courses for the entire semester or module for which the funds were awarded. When a student ceases attendance in any manner in a course, regardless of the reason, the student may no longer be eligible for the full amount of the Title IV aid originally awarded. A student is entitled to the amount of Title IV aid student earned as of their withdrawal date. A student earns Title IV aid through attendance.

If the university disbursed more Title IV aid than a student earned, the student must return unearned funds to the Title IV program. If a school has disbursed less Title IV aid than the student has earned, the university will recalculate the Title IV aid and offer a post-withdrawal disbursement to the student.

If a student with Title IV aid withdraws from all courses before completing 60 percent of the semester or module, the Office of Financial Aid staff is responsible for evaluating and determining the student’s financial aid eligibility based on the federal Return of Title IV Funds (R2T4) formula. This formula determines a student’s eligibility based on the aid the student has earned according to the number of days attended prior to the total withdrawal date. If the student withdrawals from all courses after completing 60% or more of the scheduled calendar days in the semester, excluding any scheduled breaks of 5 days or more, the student has earned 100% of their Title IV aid.
Virginia State Grant Aid
NSU also applies the federal R2T4 formula when determining the earned and unearned portion of state aid.

Institutional and Other Aid (Scholarships)
NSU reviews all other financial aid (i.e., institutional grants and scholarships) on a case-by-case basis. Institutional aid awards are based on full-time enrollment status and enrollment changes may reduce the award.

Noncompliance with this policy may result in disciplinary action up to and including termination. NSU supports an environment free from retaliation. Retaliation against any employee who brings forth a good faith concern, asks a clarifying question, or participates in an investigation is prohibited.

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DEFINITIONS

Academically-related activity
Includes attending a class (including an online class that requires active participation), submitting an academic assignment, taking an exam, participating in an online discussion or tutorial, attending an assigned study group, initiating contact with a faculty member of a course in which the student is enrolled to discuss the academic subject studied in the course.

Census Date
The first day after the add/drop period has ended, as determined by the NSU academic calendar, on which a student’s enrollment, as measured in credits, is locked for the purpose of earning financial aid.
Course Drop
Student is officially removed from a course(s) during the add/drop period with no charges or credit appearing on their official transcript. A drop is considered as non-attendance in the course(s).

Designated School Official
The Office of the Registrar is the University’s designated office for a student to notify regarding course withdrawal and/or official withdrawal from the University.

Earned Aid
The dollar amount of federal and state aid that a student is able to retain based on the Return to Title IV formula calculation.

Module
A course or courses which do not span the entire length of the semester.

Original Charges
The original tuition, fees, room, and board that was charged for the semester to the student as reflected on student account prior to the adjustment of any charges due to withdrawal.

Official Withdrawal
When a student initiates and completes the University’s Official Application to Withdraw from the Semester.

Pell Recalculation
A federally-required calculation when eligibility for a Pell grant changes.

Post-withdrawal disbursement
A payment of federal financial aid that occurs after having withdrawn from the institution and is based on the return of funds calculation which determines that the student is eligible for the disbursement.

Retroactive Withdrawal
Action taken by the Dean of Students to grant an exception to the university’s standard withdrawal policy in order to withdraw a student who has begun attendance in a semester or module and who failed to initiate or complete the official withdrawal process to submit a request for a Retroactive Withdrawal Application

Semester
The official fall and spring periods of enrollment as reflected on the NSU academic calendar. The periods are at least 15 weeks in length. Semesters begin on the first day of classes in the semester and end on the last date of final exams. Summer enrollment is not a standard semester and may vary in length.

Title IV Aid
Financial aid funded by the federal government, including the following loans and grants: Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Direct Loan and Federal TEACH Grant.
Unearned Aid
The dollar amount of federal and state aid that must be returned to the U.S. Department of Education or the State granting agency based on the Return to Title IV formula calculation.

Unofficial Withdrawal
When a student fails to attend classes beyond the date the student last participated and/or receives all F grades during the 10-week or final grading periods.

Virginia State Grant Aid
The following grants awarded by the Commonwealth of Virginia: Commonwealth Award (CA), Virginia Guaranteed Assistance Program (VGAP), the Virginia Two-Year College Transfer Grant Program or other State aid programs that may be subjected to return of funds calculations.

Withdrawal
The letter grade of “W” indicates the student has officially withdrawn from the course.

Policy Specifics and Procedures
In accordance with federal and state law, the university has set forth the following procedures to monitor student use of financial aid funds and report fraudulent use to the appropriate government entity for investigation, to ensure that students are using their financial aid eligibility to receive funds in good faith. Students can officially withdraw from NSU through the process managed by the Office of the Registrar. This process can be completed either online or in person and the withdrawal information is provided to the Office of Financial Aid. It is at this point that the R2T4 calculation process begins.

Effects of Aid Refunds on Current Semester Based on Return of Title IV Funds Formula
Any student who officially or unofficially withdraws from all course(s) prior to the end of the semester or module will be subject to the Federal Return of Title IV Funds (R2T4) formula. The formula determines the amount of earned and unearned Title IV aid for the student. NSU adjusts the Title IV aid based on the percentage of the semester completed before the withdrawal. Students retain the same percentage of the Title IV aid as the percentage of the semester completed. During the R2T4 review it may be required to do a Pell recalculation prior to calculation of any unearned funds thus reducing the dollar amount of the Pell grant that is used in the R2T4 formula.

NSU must return this unearned portion of Title IV aid to the programs of the U.S. Department of Education from which the student received aid in the following order:
1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Direct PLUS Loans
4. Federal Pell Grants
5. Federal Supplemental Educational Opportunity Grant (FSEOG)
6. TEACH Grants

Adjustments made for Commonwealth aid is calculated in the same manner as return of Title IV aid and funds must be returned to the appropriate state aid program.
CONTACT(S)
The Office of Financial Aid officially interprets this policy. The Office of Financial Aid is responsible for obtaining approval for any revisions as required by BOV Policy # 01 (2014) Creating and Maintaining Policies through the appropriate governance structures. Questions regarding this policy should be directed to the Office of Financial Aid.

STAKEHOLDER(S)
Operations & Institutional Effectiveness/Enrollment Management, Academic Affairs, Finance & Administration and Student Affairs/Dean of Students Office

The Division of Academic Affairs has outlined in the Attendance Policy #30-06 and procedures for addressing non-attendance. To comply with federal regulations, the Financial Aid Administrator must have a policy in place to handle unofficial withdrawal from the University by students.

The Dean of Students Office handles the processing of retroactive withdrawals once the deadline for processing of both official and unofficial withdrawals has commenced. Therefore, initiating retroactive withdrawals are referred to the Deans of Students. In addition, the Dean of Students Office handles the processing of all suspension and expulsion and is responsible for notifying the Office of Financial Aid (in addition to the Registrar’s and Student Accounts Offices) for the processing of official withdrawals.

EDUCATION AND COMPLIANCE
The Office of Financial Aid is responsible for complying with the U.S. Department of Education’s federal regulations found in the Return of Title IV funds HEA, Section 484B 34 CFR 668.22.

The Office of Financial Aid staff will adhere to ongoing regulations that govern the Return of Title IV Funds. Violations will be immediately reported to the Associate Vice President for Enrollment Management.

PUBLICATION
This policy shall be widely published or distributed to the University community. To ensure timely publication and distribution thereof, The Division of Operations and Institutional Effectiveness will make every effort to:

• Communicate the policy in writing, electronically or otherwise, to the University community within 14 days of approval;
• Submit the policy for inclusion in the online Policy Library within 14 days of approval;
• Post the policy on the Division’s and Financial Aid websites; and
• Educate and train all stakeholders an appropriate audience on the policy’s content as necessary.

REVIEW SCHEDULE
• Next Scheduled Review: 03/20/2022
• Approval by, date: President, 03/20/2022
• Revision History:
• Supersedes: New Policy

RELATED DOCUMENTS
This policy is related to #31-07 Student Withdrawal Policy.
FORMS
Processing forms may be found on the U.S. Department of Education’s secure online product at Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program and within the Colleague Student Information System (SIS).