



## 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:** Administrative Policy # 22-04 (2019)

**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

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

If the student of a Title IV or state grant or loan funds withdraws from school after beginning attendance, the amount of the grant or loan assistance earned by the student must be determined. If the amount disbursed to the student is greater than the amount the student earned, unearned funds must be returned to the appropriate Title IV and/or state grant and/or loan program. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement of the earned aid that was not received.

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### DEFINITIONS:

**Official Withdrawal** – Students initiates withdrawing from the University by completing the Norfolk State University’s Official Withdrawal Application or notifies any faculty and staff via in person, telephone, or writing (email or written form) of the intent to withdraw for the current semester.

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

**Retroactive Withdrawal** – When a student initiates an official withdrawal after the last date for submitting the official withdrawal application.

**CONTACT(S):**

The Financial Aid Office officially interprets this policy. The Financial Aid Office 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 Financial Aid Office.

**STAKEHOLDER(S):**

Vice President for Operations & Chief Strategist for Institutional Effectiveness, Academic Affairs, and Finance and Administration.

**RETURN OF TITLE IV STATE AID FUNDS:**

**POLICY CONTENTS:**

The *Return of Title IV Funds* regulations do not dictate an institutional refund policy. A statutory schedule is used to determine the amount of funds a student has earned as of the date he/she ceases attendance. The amount of aid earned is based on the amount of time the student spent in academic attendance and has no relationship to the amount of institutional charges the student incurred.

Up **through the 60% point** in each payment period or period of enrollment (term or semester), a pro rata schedule is used to determine the amount of Title IV and/or state funds the student has earned at the time of withdrawal. **After the 60% point** in the payment period or period of enrollment, a student has earned 100% of Title IV funds.

**Important:** For students who withdraw after the 60% point-in-time, a return will not be required; however, the institution must still **complete a return calculation** in order to determine whether the student is eligible for a post-withdrawal disbursement.

In general, the Office of Student Financial Aid does not complete the return calculation when a student has earned at the point of the 60% point-in-time. Direct and/or Perkins loans are cancelled for students who have not completed the Master Promissory Note (MPN) for Direct Loans and Perkins and/or complete the Entrance Counseling Form at the point in which the Office of Student Financial Aid is notified of the student's non- enrollment or withdrawal from the university.

- ***Worksheets and Software***

The Department of Education has developed worksheets and software to assist schools in implementing the Return of Funds. The Office of Student Financial Aid has also developed an Excel template to handle the calculating of return of state funds. Below are the worksheets that the institution uses to calculate Return of Funds for both Title IV and State funds

- ***Rounding***

Monetary amounts are to be reported in dollars and cents using standard rounding rules to round to the nearest penny. Final repayment amounts that the school and student are each responsible for returning may be rounded to the nearest dollar. Percentages are calculated to three decimal places. The third place is rounded up if the fourth decimal place is 5 or above. For example, .4486 would be rounded to .449 or 44.9%.

The **one exception** to this rule occurs in determining the percentage of Title IV funds earned. Students who withdraw at any point **after the 60% point** in the payment period or period of enrollment have earned 100% of their Title IV and state funds. If the standard rounding rules were used in this situation, a quotient of .6001 through .6004 which is greater than 60% would be rounded down to .600 (60%).

- ***Date of the institution's determination that the student withdrew***

Some aspects of the withdrawal process cannot occur until the school is aware that the student has withdrawn. The date of the institution's determination that the student withdrew captures the point in time when a school could reasonably be expected to be aware that the student has withdrawn.

Norfolk State University publishes a "Schedule Booklet" for each term of the academic year. This booklet contains the University's policy for withdrawal as well as information on the "Pro-rata Refund Policy".

**Note:** For a student who withdraws without providing notification to the school, the school must determine the withdrawal date **no later than 30 days after the end of the earlier of**

- (1) the payment period or the period of enrollment (as applicable),
- (2) the academic year, or
- (3) the student's educational program.

As noted above, the date of the institution's determination that the student withdrew is not necessarily the same as the student's withdrawal date. A student's withdrawal date is used to determine the percentage of the payment period or period of enrollment and the amount of aid a student has earned. **The date of the institution's determination that the student withdrew is used in the following circumstances:**

- As school must offer any amount of a post-withdrawal disbursement that is not credited to the student's account within 30 days of the date of determination;
- If the student or parent submits a timely response that instructs the school to make all or a portion of post-withdrawal disbursements, the school must disburse the funds within 120 days of the date of determination;
- A school must document a student's withdrawal date and maintain the documentation as of the date of determination;
- Within 30 days of the date of determination, a school must notify a student if a grant overpayment is due;
- A school that is collecting an overpayment must require repayment of the full amount of the overpayment within two years of the date of determination;
- The school must return the amount of Title IV funds for which it is responsible no later than 30 days after the date of determination; and
- The amount of aid disbursed as of the date of determination is used to determine the amount of unearned aid that must be returned.

- ***Use of payment period or period of enrollment***

The worksheets require that a school indicate whether the calculation is being done on the basis of a payment period or period of enrollment. For students who withdraw from standard term-based educational program (semester, trimester, or quarter), a school must determine the treatment of the student's Title IV program assistance on a payment period basis. The institution must use the same basis (payment period or period of enrollment) in its calculations for all students within a program who cease to attend. An exception is allowed for students who transfer to or reenter a school that offers non-term-based or a nonstandard term-based educational program. The periods used for transfer and reentry students do not have to be the same. A school may choose to use payment period for transfer students and period of enrollment for reentry students. (Information taken from the *Student Financial Aid Handbook*, Chapter 6)

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

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

**PUBLICATION:**

This policy shall be widely published or distributed to the University community. To ensure timely publication and distribution thereof, The Vice President for Operations & Chief Strategist for 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 on the policy's content as necessary.

**REVIEW SCHEDULE:**

- Next Scheduled Review: 03/1/2027
- Approval by, date: President, 06/10/2024
- Revision History: 3/20/2019
- Supersedes:

**RELATED DOCUMENTS:**

*Documentation relating to Return of Funds may be found at <https://faaaccess.ed.gov/FOTWWebApp/faa/faa.jsp>.*

**FORMS:**

Processing forms may be found on the U.S. Department of Education's secure online site at <https://faaaccess.ed.gov/FOTWWebApp/faa/faa.jsp> and the Colleague Student Information System (SIS)