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| **Section 13: Return of Title IV Funds** | |
|  | **Resources** |
| 1. **Process Overview & Applicability** |  |
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| Federal regulations require Title IV financial aid funds to be awarded under the assumption that a student will attend the institution for the entire period in which federal assistance was awarded. When a student withdraws from all courses for any reason, including medical withdrawals, s/he may no longer be eligible for the full amount of Title IV funds that s/he was originally scheduled to receive. The return of funds is based upon the premise that students earn their financial aid in proportion to the amount of time in which they are enrolled. A pro-rated schedule is used to determine the amount of federal student aid funds s/he will have earned at the time of the withdrawal. Thus, a student who withdraws in the second week of classes has earned less of his/her financial aid than a student who withdraws in the seventh week. Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any funds.  Federal law requires schools to calculate how much federal financial aid a student has earned if that student:   * completely withdraws, or * stops attending before completing the semester, or * does not complete all modules (courses which are not scheduled for the entire semester or payment period for which s/he has registered at the time those modules began).   The institution must perform calculations within 30 days from the date the school determines a student’s complete withdrawal and must return the funds within 45 days of the calculation.  **Steps for Withdrawal:**   1. The student submits a withdrawal application to the Advising Center or Academic Advisor 2. Student Accounts receives the withdrawal application and verifies that the student attended class and/or has been graded (SFARHST in Banner) and verifies if the student has housing and meals charged to his/her account. If the student has paid and attended class, s/he is a withdrawal. Tuition, fees and housing charges are adjusted based on the withdrawal percentage date. Meals are adjusted for the amount used. 3. Student Accounts sends Financial Aid, Residential Living and the Registrar’ Office the withdrawal information via email. 4. The Residential Living Office is notified to see if the student lived on campus. Student Accounts calculates the housing charges based on the withdrawal percentage. Housing charges are calculated based on the withdrawal percentage. His/her meal plan charge is adjusted to meals used. The difference is credited to their account. 5. Financial Aid is notified of all withdrawals. If the student does not have financial aid, then nothing is done. If the student has financial aid, the Return of Title IV Funds program is calculated to determine the amount of unearned funds. 6. The Registrar’s Office enters the withdrawal information into Banner. It is reflected to the Financial Aid Office on SFAWDRL. Once this information is entered, the Financial Aid Office can run the Banner Return of Title IV funds program to determine what unearned Title IV aid the student has. 7. Financial Aid calculates the amount of aid earned or unearned aid that must be retuned and adjusts the Title IV aid on RPAAWRD and loan syncs (RLADLOR) for student and parent loans. 8. Once Student accounts as finished adjusting charges, they notify the Financial Aid Office so that institutional and state aid may be adjusted. If the student receives a scholarship, the Scholarship Coordinator is notified so that any scholarship may be adjusted, if required. 9. If the student disengages with the university during the week of drop/add, all financial aid is cancelled. However, if the student begins attendance and then is dropped for non-payment, the Financial Aid Office works with the Registrar’s Office to complete the Return of Title IV calculation. 10. Once the Financial Aid Office has calculated the amount of Title IV Funds to be returned and adjusted any state and institutional aid, the student is mailed a letter telling them the date of the withdrawal, percentage of semester used, and types and amounts of Title IV Funds that must be returned. The letter also informs them that the Student Accounts Office will send them a bill for any amount due to the university.   **R2T4 Calculation**   * The Financial Aid Office calculates the amount of Title IV Funds that the student has earned and what has to be returned using the Title IV Funds Return Calculation Process program in Banner (RPRTIVC). The withdrawal date and last day of attendance are entered on SFAWDRL, and charges other than tuition and fees are added to the calculation, including room, meal plan, and bookstore charges. * The RPATIVC program calculates the amount of federal aid the student has earned and what has to be returned. The school returns the Pell Grant that is required of the school and the student. It is the student’s responsibility to pay the school of any charges are due. * Once the Return of Title IV calculation has been performed, the Financial Aid Office sends the student a letter showing the type(s) of financial aid that have been returned and the amount(s). The letter also states that the student will receive a notice from Student Accounts showing any amount due to the school or amount to be refunded. * A hold is placed on the student’s account until all charges are paid. | 668.22(e)(4)  668.22(g)(1),(h)  668.22(i)  668.22(g)(1),(i),(j)  668.22(a)(5)  668.22(a)(6)(ii)(A)(1)  668.22(a)(6)(ii)(A)(2)  668.22(a)(6)(ii)(B)(1)  668.22(a)(6)(ii)(B)(2),(iii) |
| **Western Carolina University Tuition and Fees Refund Policy**   |  |  |  |  | | --- | --- | --- | --- | | **% OF ENROLLMENT PERIOD** | **# OF DAYS** | **AMOUNT OF %** |  | | First 5 days of class | 5 | 100% |  | | 10% | 6 to 11 days following the 1st day of class | 90% |  | | 25% | 12 to 28 days following the 1st day of class | 50% |  | | 50% | 29 to 57 days following the 1st day of class | 25% |  | | rest of semester | 58 days following the 1st day of class to end | 0% |  | |  |  |  |  |   **\*\*percentage applies to tuition/fees and housing**  **\*\*remaining meal plan $$ is refunded up until the last 2 weeks of the semester** |  |
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| WCU requires that professors report attendance for the first two weeks of school only. In order for financial aid to disburse, students enrolled in six hours or less must have at least one positive attendance grade. Students in seven or more hours must have at least two positive attendance grades for financial aid to disburse.  **Official Withdrawal**  A student’s withdrawal date for WCU can include:   * The date the student began the withdrawal process with the university * The date, as determined by the institution, that the student provided official notification, either orally or in writing, to the institution of his/her intent to withdraw * The student’s last date of attendance * The date the student completes a withdrawal form from the Advising Center   When available, the Financial Aid Office will use the last date of attendance as the R2T4 calculation date.  **Unofficial Withdrawal**  Student receiving Title IV aid who stop attending all classes and receive grades of F (fail) or U (unsatisfactory) or W (withdrawn) will be treated as unofficial university withdrawals. For unofficial withdrawals, the withdrawal date is defined as the last documented date of attendance and is recorded in SFAALST in Banner. An institution must determine the withdrawal date for a Title IV recipient who unofficially withdraws no later than 30 days after the end of the semester in which the student unofficially withdrew.  If a student earns at least one passing grade:   * F, U, W grades—did the student begin attendance?   **Yes**—no enrollment adjustment necessary  **No**—subject to enrollment adjustment to financial aid budget and adjustment to Pell Grant, if applicable, prior to completing R2T4  ***No Return to Title IV calculation is required***  If a student fails to earn at least one passing grade:   * F, U, W grades—did the student begin attendance?   **Yes**—no enrollment adjustment is necessary  **No**—subject to enrollment adjustment to financial aid budget and adjustment to Pell Grant, if applicable, prior to completing R2T4  ***Return to Title IV calculation is required based on the last documented date of attendance.***  **Modules-Withdrawal Parts of Term**  Modules are programs where course(s) do not span the entire length of the payment period of enrollment, such as two eight-week sessions within a 16-week semester. For Title IV purposes, a student is considered to be withdrawn if s/he does not complete all days scheduled to complete within the payment period/term. If WCU offers classes in a modules, a student is considered to be withdrawn if s/he does not complete all days scheduled within the payment period. A Financial Aid Assistant Director runs a weekly report from Banner Report Portal to monitor withdrawals from modules and determine if a Return of Title IV funds is required. The withdrawal dates must be the calendar date their classes began until the student ceased attendance and/or withdrew. If there is a break greater than 5 days, the enrollment calendar must be adjusted prior to the calculation of Title IV funds. An enrollment adjustment to the financial aid budget, as well as a Pell Grant recalculation, may be needed if the student does not begin attendance in all module courses. Pell Grant must be calculated based on the number of hours completed prior to R2T4.  **Withdrawal for Students Activated for Military Duty**  Per WCU policy, students who must withdraw from the university for reasons of deployment or other military contingency will be allowed to do so without penalty and with full refund of tuition and fees during any part of the academic term. The Advising Center and the Office of Military Education will substantiate the validity of the withdrawal request. The student will be responsible for any room and meal charges incurred. The Financial Aid Office will calculate the Return of Title IV funds, if the student received financial aid. Institutional and state aid will be calculated according to the student’s charges.  **Last Updated:** October 10, 2016 | 668.22€(4)  668.22(a)(5)  668.22(a)(6)(ii)(A)(1)  668.22(a)(2)  *Federal Register* 11/1/1999,  pp. 59016 to 59044  GEN-11-14  GEN-04-12  GEN-04-03  GEN-00-24  2014–15 *FSA Handbook*, Vol. 5  668.22(a)(1),(3)  668.22(a)(2)(ii),(iii)  GEN-11-14  GEN-00-24  668.22(a)(3)  2014–15 *FSA Handbook*, p. 5-27  668.22(l)(4)  668.164(g)(2)  668.4  668.22(l)(2)  2014–15 *FSA Handbook*,  pp. 5-25 to 5-26  668.22(g)(1)(ii),(2)  2014–15 *FSA Handbook*,  pp. 5-15 to 5-18  668.164(a)  668.22(d)(1)  2014–15 *FSA Handbook*,  pp. 5-10 to 5-15  668.22(l)(3)  2014–15 *FSA Handbook*,  pp. 5-22 to 5-24  668.22(l)(6),(8)  2014–15 *FSA Handbook*,  pp. 5-61 to 5-62  668.4(f),(g)  668.22(a)(2)(iii)(B)  2014–15 *FSA Handbook*,  pp. 5-29 to 5-39  GEN-04-12  GEN-04-03  2014–15 *FSA Handbook*,  pp. 5-52 to 5-60  668.22(b),(c)  2014–15 *FSA Handbook*, pp. 5-48 to 5-51  668.22(l)(3),(6),(7)  GEN-11-14  GEN-04-12 |
|  | GEN-04-03  2014–15 *FSA Handbook*,  pp. 5-22 to 5-24,  5-48 to 5-68  GEN-04-12  GEN-04-03  2014–15 *FSA Handbook*,  pp. 5-56 to 5-57 |
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|  | 668.22(b)(3)(i)(A) |
|  | 668.22(d)  2014–15 *FSA Handbook*,  pp. 5-10 to 5-15 |
| 1. **Formula Calculation** |  |
|  | **Resources** |
| If a student completely withdraws from WCU, s/he must return unearned student aid. Unearned aid is the amount of disbursed Title IV aid that exceeds the amount of Title IV aid earned. During the first 60% of the semester, a student earns funds in direct proportion to the length of times/he remains enrolled. The period of time during which a student is enrolled is the percentage of aid earned by the student. A student who remains enrolled beyond the 60% point earns all of their aid for the term.  The percentage of the period that the student remained enrolled is determined by dividing the number of days the student attended by the number of days in the entire semester. Calendar days are used in the determination of percentages. Breaks of five days or longer are excluded in the calculations. If the amount of Title IV funds disbursed is greater than the amount of Title IV funds earned by the student, a Return of Title IV funds is necessary. Both WCU and the student are responsible for returning a percentage of the unearned aid. However, if a portion of the tuition and fees or other institutional charges (for example fines or tickets) are no longer covered by financial aid, the student is liable for paying the balance of any school charges.  The R2T4 calculation is completed in by a Financial Aid Assistant Director using federal methodology. An example Return of Title IV funds worksheet is available at [www.ifap.ed.gov/ifap/titleiv.jsp](http://www.ifap.ed.gov/ifap/titleiv.jsp) and <http://www.fafsa.ed.gov/FOTWWebApp/faa/faa.jsp>.  **Determine the percentage of the enrollment period completed by the student:**   * Days attended / Days in Enrollment Period = Percentage Completed   If the calculated percentage exceeds 60%, then the student has earned all Title IV aid for the enrollment period.  **Apply the percentage completed to the Title IV aid awarded in order to determine the student’s eligibility for aid prior to the withdrawal:**   * Total Aid Disbursed x Percentage Completed = Earned Aid   **Determine the amount of unearned aid to be returned to the appropriate Title IV aid program:**   * Total Disbursed Aid – Earned Aid = Unearned Aid to be Returned   If the aid already disbursed equals the earned aid, no further action is required. If the aid already disbursed is less than the earned aid, a late disbursement can be made with the student’s permission. If the aid already disbursed is greater than the earned aid, the difference must be returned to the appropriate Title IV aid program.  **Distribute the responsibility to return funds between the institution and the student:**  If the type of aid that the student is responsible for returning is a loan, then the student is not required to immediately repay the amount as the grace prior for the loan—six months for subsidized and unsubsidized and nine months for Perkins—is invoked. If the type of aid that the student is responsible for returning is a grant, then the student will incur a charge on the university bill. The regulations limit the amount a student must repay to the amount by which the original overpayment amount exceeds 50% of the total grant funds disbursed or that could have been disbursed by the student for the payment period or period of enrollment.  **Return the Title IV aid in the following order:**   * Federal Direct Unsubsidized Loan * Federal Direct Subsidized Loan * Federal Perkins Loan * Federal Direct PLUS (Graduate Student) Loan * Federal Direct PLUS (Parent) Loan * Federal Pell Grant * Federal Supplemental Educational Opportunity Grant (FSEOG) * TEACH Grant * Iraq Afghanistan Service Grant | 668.22(l)(3)  668.22(l)(7)  668.22(c)(5)  2014–15 *FSA Handbook*,  pp. 5-52 to 5-54  668.22(l)(6)  2014–15 *FSA Handbook*, p. 5-62  668.22(e)(5),(l)(2)  2014–15 *FSA Handbook*,  pp. 5-25 to 5-26  668.22(g)(3)  2014–15 *FSA Handbook*, p. 5-16  668.58(a)(2)(B),(b)(1)(i)  GEN-04-12  GEN-04-03  2014–15 *FSA Handbook*,  pp. 5-7 to 5-9  668.4  668.22(l)(2)  2014–15 *FSA Handbook*,  pp. 5-25 to 5-26  668.22(g)(1)(ii),(2)  GEN-00-24  2014–15 *FSA Handbook*,  pp. 5-15 to 5-18  2014–15 *FSA Handbook*,  pp. 5-17 to 5-18  668.22(l)(1)  668.164(g)(3)  2014–15 *FSA Handbook*,  pp. 5-27, 5-41 to 5-43 |
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| 1. **Post-Withdrawal Disbursements** |  |
|  | **Resources** |
| If a student withdraws before financial aid has been disbursed for the semester, the Financial Aid Office will run a Banner Return of Title IV (R2T4) calculation to determine what amount of federal aid has been earned. All other institutional and state aid will be cancelled. The Financial Aid Office will send the student a letter indicating all of the financial aid he/she is still eligible to receive. The student can indicate whether or not he/she wants to receive the aid or not. The student will have two weeks to respond to the Financial Aid Office. If he/she does not respond, all earned financial aid will be cancelled, except for any Pell Grant earned. The Student Accounts Office will notify the student of any charges incurred in a separate billing statement. | 668.22(a)(5),(6)  668.164(g)  GEN-04-12  GEN-04-03  2014–15 *FSA Handbook,* pp. 5-43, 5-85 to 5-92 |
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| 1. **Returning Unearned Funds** |  |
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For any unearned aid that came from the Title IV loans, the student is responsible for repaying those funds according to the terms of the promissory note. WCU returns the school portion and the student’s portion of Pell Grant, IASG, TEACH, and FSEOG. The student is responsible to repay the school if charges are incurred. The Student Accounts Office will send the student a bill showing any charges due. Students must repay WCU within 30 days of the notification.  Federal regulations mandate what amount of Title IV funds will be returned by the school and student. Often, students have a combination of Title IV and non-Title IV awards or only non-Title IV awards. Once the Return of Title IV calculation has been done, the Financial Aid Office will determine if non-Title IV funds have to be returned. The main objective is to cover any charges on the student’s account (for the current semester only) and to return any remaining credit back to the donor of the non-Title IV funds.  There are several funds that are based on financial need, but are not Title IV, that could be used to cover the balance the student will owe the school. Any non-Title IV funds not needed to cover the current semester balance should be returned to the donor. The Scholarship Office is notified in the event of a scholarship recipient’s university withdrawal in order to determine if the scholarship should be reduced or returned. The Assistant Director of Athletics is notified of any athletes who withdraw to determine if any athletic scholarship funds should be reduced. The Assistant Director of Work-Study is notified if any student with work study withdraws so the amount can be adjusted to earnings paid.  The order for reduction of non-Title IV funds is:   * UNC Need-Based Grant * NC Lottery Scholarship * UNC Campus Scholarship * NC Tuition Grant * WCU Tuition Grant * WCU Academic Scholarships * WCU Athletic Scholarships * Outside Scholarships * Private Loans   If after the census date, a student makes a change to either more or less hours of enrollment, the state grant would only be adjusted if the student changes from full-time to less than full-time or vice versa. In these cases, the Education Lottery Scholarship and the UNC Need-Based Grant would be adjusted to full-time or half-time. The exception to this is if the school adjusts the tuition as a result of a withdrawal.  Once the Return of Title IV calculations have been established, and the Student Accounts Office has determined the percent of refund due to the student, the Financial Aid Office will determine the amount of state grant funds the student has earned. NCSEAA has provided a worksheet, which is used to determine how much, if any, state grant money should be returned. A copy of this worksheet is shown below and is available at [www.cfnc.org](http://www.cfnc.org). This could result in a return of state funds, even after the 60% cutoff for Return to Title IV. If the last date of attendance is unknown, state grants will be returned at a 10% attendance rate.  Once the Return of Title IV calculations have been established, Student Accounts has determined the percent of refund due the student, and NC state grant refunds have been determined, the Financial Aid Office will determine how much institutional funds the student has earned. If there is a refund due, the institutional aid will be reduced or cancelled. If no refund is due, no change has to be made to institutional aid.  Return of Funds Calculator   | **Student Information** | | | | | --- | --- | --- | --- | | Academic Year: |  | Academic Term: |  | | First Name: |  | Last Name: |  | | SSN: |  | Date of Birth: |  |   Current Grants   | **Grant Type** | **Awarded Amount** | **Disbursement Amount** | **Adjustment Amount** | **Net Disbursed** | | --- | --- | --- | --- | --- | |  | $ | $ | $ | $ |  | **Worksheet** | | | --- | --- | | Amount of any Campus Scholarship: |  | | Date school determined withdrawal: |  | | Click check box if last attendance date known: |  | | Last attendance date: |  | | Total days in semester: |  | | Completed days in semester: |  | | Tuition, fees, room and board refundable to student (after R2T4): |  | | State funds received by school but not disbursed: |  | | Click check box if credit balance released to student: |  | | Date credit funds disbursed: |  | | Amount of credit balance(s) disbursed: |  | | 668.22(g)-(i)  2014–15 *FSA Handbook,* pp. 5-93 to 5-105 | |  |  | |  |  | | **Last Updated:** October 10, 2016 |  | | * 1. **Overpayment Resolution** |  | |  |  | | The Financial Aid Office will return an overpayment of funds on the student’s behalf. If the student attended another institution and had an overpayment of funds, s/he must clear it with that school before any future Title IV funds may be disbursed. | GEN-10-16  GEN-06-05  2014–15 *FSA Handbook,* p. 5-104 | |  |  | |  |  | |  |  | | **Last Updated:** October 10, 2016 |  | |  |  | | 668.22(g)-(i)  2014–15 *FSA Handbook,* pp. 5-93 to 5-105  668.22(j)  668.22(h)(4)(ii)  668.22(h)(4)(iv)  GEN-10-16  GEN-06-05  2014–15 *FSA Handbook,* p. 5-104  2014–15 *FSA Handbook,* pp. 5-99 to 5-113 |