



## Return to Title IV Policy

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### 13.1 Return to Title IV Policy Process Overview

This policy explains how the Return of Title IV funding is processed when a recipient of financial aid ceases to be enrolled (100% withdrawal) at DU prior to the end of a term for which they were enrolled. Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that he/she was originally scheduled to receive. Students are considered withdrawn from classes when they do not complete their scheduled enrollment. Federal regulations require DU to



Step 2. Percentage of Title IV Aid Earned

- a. Divide the calendar days completed by the student in the period by the total calendar days in the period = H (> 60% = 100%)

Step 3. Amount of Title IV Aid Earned by student

- a. Multiply the percentage of Title IV aid earned (H) by the Total Title IV aid disbursed and that could have been disbursed for the period (C) = I

Step 4. Title IV Aid to be Disbursed or Returned

- a. If "I" = "E" no further action is necessary
- b. If "I" > "E" student is eligible for a post-withdrawal disbursement (PWD)
  - i. Subtract "E" from "I" = PWD amount (J)
- c. If "I" < "E" title IV aid needs to be returned
  - i. Subtract "I" from "E" = amount to be returned (K)

**Institutional Return Responsibility vs. Student Return Responsibility**

The responsibility of returning Title IV funding may rest with the university, with the student, or both. The deciding factors in determining return responsibility are the amount of title IV aid that needs to be returned and the institutional charges posted to a student's account before they withdrew.

ii. If the student has to return loan money they can repay it like they would have if they never withdrew

**Types of Withdrawals Codes specific to DU**

<b>Withdrawal Label</b>	<b>Code</b>	<b>Guidelines for Federal Aid</b>	<b>Guidelines for Institutional/State Aid</b>
Prior to Term Withdrawal	07	<p>Title IV money is returned 100% if disbursed</p> <p>Student is never eligible for a PWD</p> <p>Title IV aid should be cancelled for subsequent quarters if student is not enrolled</p>	<p>Institutional charges should be backed off 100% so institutional aid should also be backed off 100%</p>
Official Withdrawal Within the Term	04	<p>Regardless of the percentage of the term that was completed, a R2T4 calculation needs to be performed in RPATIVC. Institutional charges assessed <i>before</i> the student withdrew is a part of the R2T4 calculation. Therefore, adjustments made to DU charges on/after the effective date of a student's withdrawal do not affect the calculation of their earned Title IV aid.</p>	<p>The % of charges assessed at the time of a R2T4 review should be multiplied by each of their total DU grants and scholarships to assess their eligibility for institutional aid.</p> <p>In general, DU does not allow a student to receive a refund of DU funding after they withdrawn from the university so amounts of institutional aid should be adjusted accordingly. Students with approved tuition appeals after the R2T4 calculation has been completed on their account will have their institutional aid eligibility re-evaluated through the suspicious refund workflow.</p> <p>State aid should be adjusted similar to institutional aid with the exception of COF</p>

			<p>which does not need to be reduced (however any amount disbursed will count towards the student's lifetime eligibility limits)</p>
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Unofficial  
Withdrawal  
(Dismissal)

05

If the school administratively withdraws a student (e.g. expels, registration) who has not notified the school of his or her intent to withdraw, the possible date of withdrawal for the student is the date the school terminates the

an institution may not artificially create a withdrawal date for such a student that is beyond the midpoint of the period by simply choosing to withdraw the student after the midpoint. Of course, if the school can document that the student continued his or her attendance past the point the school can use

student attended at least 50% of the term when calculate their Title IV eligibility

If a LDA is provided, that date will be used during R2T4 to determine the student's % of Title IV aid earned. If one instructor reports that the student attended through the end of the period, then the student is not a withdrawal. In the absence of evidence of a last day of an academically related activity attendance, a school must consider a student who failed to earn a passing grade in all classes to be an unofficial withdrawal.

eligibility for institutional aid.



staff member of their additional aid eligibility. Loans must be offered to the student within 30 days, allowing the student at least 14 days to respond. This request is tracked via the post-withdrawal tracking sheet for a total of 14 calendar days in order to make an eligible disbursement. The notification is clear that the student or parent must respond within the 14 calendar days in order to be eligible for disbursement. If notified after the 14 calendar days DU is not responsible for making any post-withdrawal disbursements.

All post-withdrawal disbursements are applied to the student account first, and any resulting 14 days after the calculation of R2T4.

### **13.5 Returning of Unearned Funds**

Loan Processor is responsible for double checking R2T4 calculation for accuracy of institutional return responsibility and student return responsibility based on aid earned. Institutional aid is prorated by the first reviewer based on tuition charges. Funds should be returned in this order (based on what types of aid the student receives) until the total net amount to be returned is achieved:

1. Direct Unsubsidized loan
2. Direct Subsidized loan
3. Direct Plus loan
4. Federal Pell Grant
5. Iraq-Afghanistan Student Grant
6. Federal Supplemental Educational Opportunity Grant (SEOG)
7. TEACH Grant

#### **13.5.1 Overpayment Resolution**

The Office of Financial Aid processes the return of funds on behalf of the student who owes an overpayment, differently depending on fund type. In the situation where Pell Grant or SEOG Grant was over paid the Office of Financial Aid will resolve the overpayment by returning funds



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