



**Category**

**3-32. Return to Title IV Funds**

**Approval**

Effective Date/ Approved:5/31/16
Revised:5/31/16
Responsible Party: Vice President, Student Services

### Return of Title IV Funds Policy

Federal regulations require each college to have a written policy for the return of federal aid received by students who withdraw during a term for which payment has been received. This policy applies only if a student completely terminates enrollment from every course, cancels registration, withdraws, fails to complete the period for which they enrolled, is dismissed or stops attending classes before completing 60 percent or more of the enrollment period.

Students who plan to withdraw from WSU TECH should contact an advisor or instructor at the campus they attend or Student Services to complete the appropriate paperwork. If students have received a Pell grant, student loan or scholarship, they should also contact the financial aid office.

The Return to Title IV calculation is based on the period of enrollment completed per the college’s Academic Calendar. The percentage of unearned aid is computed by dividing the total number of calendar days in the term into the number of calendar days completed as of the student’s last date of attendance. The percentage of Title IV assistance to which the student is entitled (has “earned”) is equal to the percentage of the term completed, up to 60 percent. If the withdrawal occurs after 60 percent of the term is completed, the student has earned all federal aid.

The amount of Title IV aid that must be returned is based on the percentage of unearned aid. The percentage of unearned aid is computed by subtracting the amount of unearned aid from 100 percent. The college is required to return the lesser amount—either the unearned aid percentage is applied to institution charges or the unearned aid percentage as applied to the total Title IV aid received.

Students are required to return the difference between the amount of unearned aid and the amount returned by the college. Students will be billed for any amount due to the college resulting from the return of Title IV funds that had been previously used to cover college charges such as books, uniforms or materials.

If students (or parents in the case of a PLUS loan) are required to return part or all of their loan proceeds, the amount to be returned may be repaid to the government according to the loan’s original terms.

If tuition and other costs were paid with financial aid dollars, then all or a portion of the student’s refund must be returned to the student aid program(s) from which the money was awarded. A

student who receives a cash disbursement to assist with living expenses and then withdraw, drops out or is expelled may be required to repay some or all of the money back to the federal financial aid program(s). Refunds are returned to the Title IV program that provided funding for the student. Any charges left unpaid by refunds returned to Title IV programs will be billed to the student. Examples of calculations may be obtained from the financial aid office.

Funds are to be returned in order of priority as follows:

1. Unsubsidized Direct Stafford loans
2. Subsidized Direct Stafford loans
3. PLUS loans
4. Federal Pell Grants
5. Other federal, state, private or institutional financial assistance
6. Student

If students earned more aid than was already disbursed, they may be entitled to receive a late or post-withdraw disbursement for the difference.

With the Higher Education Amendments of 1998, Congress passed new provisions governing what happens to students' federal financial assistance if they withdraw from all courses before 60 percent of the semester (or enrollment period) has passed. In essence, these provisions say that students are not entitled to 100 percent of their federal Pell Grant until they have completed 60 percent of the semester (or enrollment period), which would mean about 11 weeks in a traditional 18-week semester. If the student's enrollment period is longer or shorter, the amount of time will be different. Of course, the vast majority of students will have already received 100 percent of their grant before this time occurs. Therefore, if a student receives a Pell Grant and withdraws before 60 percent of the term has passed, he/she owes part or all of the Pell Grant back to the federal government.

Any Pell Grant money that students have to repay will be considered a federal overpayment. Students must either repay that amount in full or make satisfactory arrangements with the U. S. Department of Education to repay the amount. Students must repay, or make repayment arrangements, within 45 days of the date they are notified of the overpayment, or they will lose further eligibility for all federal aid for attendance at any college until the debt is paid in full. To make repayment arrangements, contact the U.S. Department of Education, Debt Collection Services, 1.800.621.3115.

Once the Return to Title IV calculation is complete, the Financial Aid Office will send correspondence to the student informing them of the funds required to be returned by the college and also the student's obligations to repay any overpayments on their behalf.