

	INDIANA UNIVERSITY SOUTHEAST OFFICE OF STUDENT FINANCIAL ASSISTANCE	
original	SOSFA ePolicy and Procedure Manual	Last revision:
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2.14.1 Return of Title IV Policy – R2T4

Dropping courses and the recalculation of aid

- Pell, ACG, and SMART grants will be adjusted to reflect schedule changes made through the 100% refund period.
- Pell grant recalculations must be preformed on all applicable students prior to the Return of Title IV calculations.
- See the Office of the Bursar website for a particular semester’s 100% refund period.

Return of Title IV Funds

This policy applies to students who are recipients of Title IV Aid who withdraw from a semester or are expelled from Indiana University southeast. If the amount disbursed to the student is less than the amount the student earned, the amount is considered to be a post-withdrawal disbursement. Post-withdrawal eligibility can be used to credit outstanding charges on the student’s tuition account.

There are several basic steps in the calculation of financial aid that a student earned or did not earn.

- Determine the number of days in the semesters
 - Scheduled breaks of five consecutive days or longer, i.e. spring break are excluded
 - Weekend days are included
- Determine the date the student withdrew
 - Official Withdrawal: OSFA will apply the official withdrawal date as recorded by the Registrar Office in determining the return of funds due by the student and/or institution. IUS will consider the student’s official withdrawal date to be the date the student submits his/her written or verbal withdrawal request to the Registrar Office.
 - A weekly roster will be generated by OSFA from the system to identify students who have withdrawn from the semester.
 - Unofficial Withdrawal: A list of student with all FN (failed, ceased to attend), FNN (failed, never attended) or a combination of FN, FNN, and W grades. Instructors giving FN grades supply the last day of attendance or give an FNN stating the student never attended. **The FAA uses the midpoint if a student’s ‘last date of attendance’ is before 50% date(otherwise use the actual ‘last date of attendance’ if a student withdrew after 50%).** If a student has all FNs and no date of attendance the OSFA will use the midpoint of the semester as the last date of attendance, unless the student provides proof of the actual last date of attendance.
 - Petitions for late withdrawal: If a student files and is granted an appeal for a late withdrawal the date of the withdrawal will be the effective date as determined by the registrar. The date of determination will be the date the student appealed for late withdrawal.
- Calculate the number of days the student attended
 - Scheduled breaks of five consecutive days or longer, i.e. spring break are excluded

- Weekend days are included
- Calculate the percentage of the payment period the student attended.
 - This is calculated by dividing the number of days the student attended by the number of days in the payment period
 - If the student remains enrolled through at least 60% of the payment period (semester) he/she is considered to have earned 100% of the aid received and will not owe a repayment of Federal Title IV funds.
- Identify the type of financial aid the student was awarded (amount paid and unpaid).
- Calculate the amount of financial aid earned by the student.
 - This is calculated by multiplying the percentage of the payment period the student attended by the aid the student received. Compare the amount earned and the amount disbursed to determine the unearned amount.
 - The OSFA will use the Return of Title IV Funds worksheet or the Department of Education software program, to determine the amount the student and/or institution must refund to the appropriate program. The OSFA and the Office of the Bursar will work cooperatively to verify the accuracy of each refund calculation.
- If the amount the student earned is less than the amount disbursed, the overpayment of Title IV aid must be returned to the appropriate program.
 - Return of funds: Once the institution's and/or student's portion of the return of funds has been calculated, the OSFA will reduce the student's original financial award, which will reduce the amount, applied to the student's bursar account.
 - Pell, ACG, SMART, SEOG, and Perkins monies will be returned to the university account that originally paid the award via the monthly accounting feed process. The Student Information Department in Financial Management Services will return the funds to the appropriate agencies.
 - The Office of the Bursar will return Stafford loans to the lender.
 - If these actions create a balance due on the student's bursar account, the student will be responsible for paying the debt to the Bursar's Office immediately. The student will not be allowed to register, receive an official transcript, and/or receive future financial aid until the debt to IUS has been paid in full.
 - IUS will notify the student about the overpayment within 45 days of the school becoming aware of the withdrawal.
 - For official withdrawals, the date the school becomes aware is the same as the withdrawal date.
 - For unofficial withdrawals the date of determination is the date official grades are posted.
 - Return of Unearned Funds: Unearned funds must be returned in the following order:
 - Unsubsidized Stafford Loan
 - Subsidized Stafford Loan
 - Federal Perkins Loans
 - Federal PLUS Loan
 - Federal Pell Grant
 - Federal ACG & SMART
 - Federal SEOG
 - Other Title IV assistance for which a return of funds is required
- If the amount the student earned is equal to the amount disbursed, the student is entitled to the disbursement
- If the amount the student earned is greater than the amount disbursed, the amount is considered to be a post-withdrawal disbursement.

- Post-Withdrawal Funds: Post-withdrawal eligibility can be used to credit outstanding charges on the student's account or for non-institutional charges.
- OSFA has 45 days from the date of the institution's determination that the student withdrew, to offer any amount of the post-withdrawal disbursement to the student, (or parent for PLUS loans).
- The student (or parent) may accept or decline some or all of the post-withdrawal disbursement that is not credited to the student's account.
- The student or parent must respond within 14 days of the date that the institution sends the notification to be eligible to receive the post-withdrawal disbursement.
- If the post-withdrawal disbursement is accepted, IUS must make payment within 120 days of the date of the institution's determination that the student withdrew.
- If the student (or parent) does not respond to the institution's notice, no portion of the post-withdrawal disbursement may be disbursed.