

MAPP 03.08.08 Return of Title IV Funds & Post-Withdrawal Disbursement

Section Fiscal Affairs
Area Billing and Collections
Original 11/13/2017
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TEXAS SOUTHERN UNIVERSITY
**MANUAL OF ADMINISTRATIVE
POLICIES AND PROCEDURES**

I. POLICY STATEMENT

This policy governs the return of Title IV funds in accordance with U.S. Department of Education regulations.

II. PURPOSE AND SCOPE

This policy establishes procedures for administering Title IV funds in compliance with applicable U.S. Department of Education regulations for students who withdraw from or otherwise discontinue attendance at the University.

This policy applies to all University offices and personnel responsible for administering, disbursing, or reconciling Title IV funds, as well as to all students receiving such funds.

III. DEFINITIONS

1. **Title IV Funds:** Federal student financial aid programs authorized under Title IV of the Higher Education Act of 1965, including grants and loans administered by the U.S. Department of Education.
2. **Return of Title IV Funds (R2T4):** The federally required calculation used to determine the amount of Title IV funds a student has earned versus the amount that must be returned when the student withdraws before completing a payment period.
3. **Earned Aid:** The portion of Title IV funds a student is entitled to retain, calculated based on the percentage of the payment period completed as of the withdrawal date.
4. **Unearned Aid:** The portion of Title IV funds that must be returned to the appropriate federal programs when a student withdraws before completing the payment period.
5. **Official Withdrawal:** A withdrawal initiated by the student through the University's formal withdrawal process, typically through the Office of the Registrar or academic dean.
6. **Unofficial Withdrawal:** A withdrawal determined by the University when a student ceases attendance without formally notifying the institution.
7. **Post-Withdrawal Disbursement:** Title IV funds that a student earned prior to withdrawal but that were not disbursed before the student ceased attendance.
8. **Withdrawal Date:** The date used to determine the amount of aid earned, as defined by federal regulations, which may vary depending on whether the withdrawal is official or unofficial.



IV. POLICY PROVISIONS

A. General Requirements

1. The 1998 amendments to the Higher Education Act of 1965 (HEA), and subsequent regulations issued by the U.S. Department of Education (**34 CFR § 668.22**), establish requirements for the return of Title IV grant and loan funds when a student withdraws prior to the end of the payment period.
2. Title IV funds include, but are not limited to:
 - Unsubsidized Federal Stafford Loans
 - Subsidized Federal Stafford Loans
 - Unsubsidized Direct Stafford Loans (including PLUS loans)
 - Subsidized Direct Stafford Loans
 - Federal Perkins Loans
 - Federal Pell Grants
 - Academic Competitiveness Grants
 - National SMART Grants
 - Federal Supplemental Educational Opportunity Grants (FSEOG)
 - Federal TEACH Grants
3. Unearned Title IV funds must be returned to the Title IV programs. If the amount earned is greater than the amount that has been disbursed, the difference is treated as a post-withdrawal disbursement to the student. Unearned funds are returned to the Title IV programs by the institution.

V. PROCEDURES

A. Return of Unearned Title IV Funds

1. Unearned Title IV grant and loan funds are to be returned if a student withdraws from the institution after beginning attendance.
2. The amount of Title IV funds the student earns, up to the withdrawal date, is based on a daily proration determined by dividing the total number of calendar days completed by the total number of calendar days in the term (excluding breaks of five or more consecutive days).
3. This calculation, referred to as the R2T4, must be performed up to the 60 percent point in time for the term to ensure that all unearned aid is returned.
4. Unearned funds must be calculated and returned as soon as possible, but not later than forty-five (45) days from the determination of a student's withdrawal.
5. Unearned Title IV funds are returned to the Title IV programs in the following order:
 1. Unsubsidized Federal Stafford Loans
 2. Subsidized Federal Stafford Loans



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3. Unsubsidized Direct Stafford Loans (other than PLUS loans)
 4. Subsidized Direct Stafford Loans
 5. Federal Perkins Loans
 6. Federal PLUS Loans
 7. Direct PLUS Loans
 8. Federal Pell Grants (for which a return of funds is required)
 9. Academic Competitiveness Grants (for which a return of funds is required)
 10. National SMART Grants (for which a return of funds is required)
 11. Federal Supplemental Educational Opportunity Grants (FSEOG) (for which a return of funds is required)
 12. Federal TEACH Grants (for which a return of funds is required)

B. Post-Withdrawal Disbursements

1. If a student ceases to attend after 60 percent of the term has passed, a Return to Title IV calculation must be performed to ensure that funds for which a student was eligible and had earned at the time of withdrawal but had not been disbursed are offered as a post-withdrawal disbursement.
2. Any post-withdrawal disbursement must be made within 180 days of the date the institution determines that the student withdrew.
3. The institution must disburse any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account as soon as possible, but no later than 180 days after the date it is determined that the student withdrew.
4. A post-withdrawal disbursement of Title IV grant funds does not require permission from the student.
5. A student's permission is not required to credit a student's account with post-withdrawal grant funds for current charges for tuition, fees, and room and board.
6. The student's authorization must be obtained before crediting the account for charges other than current charges.
7. Written notification must be sent to the student or parent (for parent PLUS loans) within thirty (30) days of the determination of withdrawal, and confirmation must be received before making any post-withdrawal disbursement of loan funds.
8. The notification must include:
 - A request for confirmation
 - A confirmation deadline of fourteen (14) days or more
 - The type and amount of loan funds to be credited or disbursed
 - An option to accept or decline the disbursement

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- A notice of the obligation to repay the loan funds
 - A notice regarding direct disbursement limitations
9. A post-withdrawal disbursement must be made from available grant funds before available loan funds.

C. Official Withdrawal

All students requesting to withdraw from the University for the remainder of the semester must apply to the Dean of their school or college for permission. The student will secure the Dean's permission and will be granted an honorable dismissal through the Office of the Registrar after acquiring all required signatures.

D. Unofficial Withdrawal

Students who withdraw without notification are identified by the Registrar's Office as follows:

1. Fourth class day roster, reported as students who have ceased to or never attended
2. Twelfth class day roster, reported as students who have ceased to or never attended
3. Mid-term deficiencies reported by the instructor
4. 60 percent roster, where the student is reported by all instructors as having ceased to attend, including last date of attendance
5. Final grades indicating all F's

Students on the "All F" report are contacted by Financial Aid and/or Enrollment Services and advised to contact the Registrar's Office to request a withdrawal.

E. Withdrawal Dates

The Return to Title IV calculation is performed by the Office of Student Accounting on all students who began attendance but ceased to be enrolled prior to the end of the payment period.

The withdrawal date is assigned by the Registrar's Office as follows:

1. **Official Withdrawal:**
The date the student began the withdrawal process prescribed by the institution
2. **Unofficial Withdrawal:**
 - The midpoint of the payment period or period of enrollment
 - The last date of academically related activity
 - The date determined by the institution for circumstances beyond the student's control (e.g., illness, accident, grievous personal loss)

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- If a student withdraws without notification, the institution will determine the withdrawal date no later than thirty (30) days after the earlier of:
 - The end of the payment period or period of enrollment
 - The end of the academic year
 - The end of the student's educational program

F. Title IV Credit Balances

Title IV credit balances are placed on hold once the institution determines that a student has withdrawn. Any Title IV credit remaining after the R2T4 calculation and resulting adjustments must be paid to the student within fourteen (14) days of the calculation.