

Return of Title IV Funds Policy Effective Fall 2011

This Return of Title IV Funds (R2T4) policy applies to anyone who receives federal financial aid, has begun classes, and subsequently either withdraws from the courses the student was scheduled to complete and/or receives all failing grades during the payment period. (We have three payment periods at Stevenson University: fall semester, spring semester and summer semester.)

Overview of the R2T4 Policy

When a student withdraws from his/her courses, for any reason including medical withdrawals, he/she may no longer be eligible for the full amount of Title IV funds the student was originally scheduled to receive. Stevenson University follows the federally prescribed policies and procedures for calculating whether the student has earned all or a portion of their federal financial aid.

For students in accelerated courses (sessions) within the 16 week payment period, such as 8 week 1, 8 week 2, 5 week 1, 2, or 3, and/or any other variable length course that is not scheduled to run the entire 16 weeks, we are required to review each session individually. This means that even if a student successfully completes one session and subsequently withdraws from a later term within the same payment period, we still must review eligibility under the most recent federal guidance.

Stevenson University is required to return all unearned federal aid attributed to school charges. This means that a portion of the student's tuition and fees is no longer covered by financial aid, and the student is liable for paying the balance of school charges. This amount will be subject to immediate repayment and no further registration activity will be allowed and official transcripts will not be released until the balance is paid in full.

Stevenson University's tuition refund policy will not affect the amount of Title IV aid the student has earned as described in this document. The tuition refund policy is located at: <http://www.stevenson.edu/student-accounts/refund.asp>.

Withdrawal Date

For an official withdrawal, the effective withdrawal date is the first date of written notification by the student to the Registrar's Office. Students should complete the withdrawal form located at <http://ssc.stevensonuniversity.org/registrar/forms/>. Traditional students should use the "Traditional Withdraw or Audit Class Form" and Accelerated students should use the "Accelerated Students Withdrawal Form". If a

student does not follow the official withdrawal procedure and subsequently earns a grade of FX, the effective withdrawal date must be determined on a case by case basis.

Stevenson University may use a last date of attendance at an academically related activity for the effective withdrawal date if the last date a student attended class or submitted coursework is verified by an employee at Stevenson University (or an employee at one of our consortium institutions) who has *sufficient* knowledge of a student's academic participation, or if there is an emergency situation (death, incapacitation, etc.) and there is third party documentation that verifies a student has not academically participated. In the case of unofficial withdrawals, Stevenson University does not accept a student's self-reported last date of attendance.

Regulations require schools to perform calculations within 30 days from the date the school determines a student's withdrawal and to process the actual return of funds within 45 days of the student's withdrawal.

Return of Title IV Funds Process - The Financial Aid office follows the instructions outlined in the federal worksheet when calculating Title IV earnings according to the following steps.

Step 1: Student's Title IV Aid Information:

- The total amount of Title IV aid disbursed (if any) for the session in which the student withdrew. (A student's Title IV aid is counted as aid disbursed in the calculation if it has been applied to the student's account on or before the date the student withdrew.)
- The total amount of Title IV aid disbursed plus the aid that could have been disbursed (if any) for the session in which the student withdrew.

Step 2: Percentage of Title IV Aid Earned

The Financial Aid Office will calculate the percentage of aid earned as follows:

- For students attending non-accelerated courses, the number of calendar days completed by the student divided by the total number of calendar days in the payment period (weekends included) in which the student withdrew minus any scheduled breaks of 5 days or more.

Days Attended (minus scheduled breaks if attended through that period) / Days in Payment Period (minus scheduled breaks) = Percentage Completed

- For students attending accelerated courses within the payment period, the number of calendar days completed by the student divided by the total number of calendar days in the payment period (weekends included) in which the student withdrew minus any days

the student was not scheduled to attend (unscheduled breaks) and any scheduled breaks of 5 days or more.

Days Attended (minus scheduled breaks if attended through that period) / Days in Payment Period (minus scheduled or unscheduled breaks) = Percentage Completed

Please note: If the calculated percentage exceeds 60%, then the student has "earned" all aid for that period.

Step 3: Amount of Title IV Aid Earned by the Student

The Financial Aid Office will calculate the amount of aid earned as follows:

- The percentage of Title IV aid earned (Step 2) multiplied by the total amount of Title IV aid disbursed or by what could have been disbursed for the payment period in which the student withdrew (Step 1).

Total Aid Disbursed x Percentage Completed = Earned Aid

Step 4: Amount of Title IV Aid to be Returned or Disbursed

- If the aid already disbursed equals the earned aid, no further action is required.
- If the aid already disbursed is greater than the earned aid, the difference must be returned to the appropriate Title IV aid program in accordance with the federal guidelines. Go to Step 5.
- If the aid already disbursed is less than the earned aid, the Financial Aid Office will calculate a Post-Withdrawal Disbursement. If this post-withdrawal disbursement contains loan funds, the student will be notified and will need to accept or decline these funds. (A student should evaluate the situation as not to incur additional debt unnecessarily.)

Total Disbursed Aid - Earned Aid = Unearned Aid to be Returned

Step 5: Amount of Unearned Title IV Aid to be Returned by the School

- Add the total of institutional charges for the period.
- Multiply the percentage of unearned aid by the institutional charges.
- Calculate the lesser amount of the Title IV aid to be returned with the amount of unearned charges. This equals the amount of Title IV funds to be returned by the school.

Step 6: Order of Returned Funds by the School

The order of return of funds is proscribed by the Department of Education regulations as follows:

1. Unsubsidized Federal Direct Loans

2. Subsidized Federal Direct Loans
3. Federal Perkins Loans
4. Federal PLUS Loans (both Parent and Graduate)
5. Federal Pell Grants
6. Academic Competitiveness Grants (ACG)
7. National SMART Grants
8. Federal Supplemental Educational Opportunity Grants (FSEOG)
9. Federal TEACH Grants

The student's grace period for loan repayments for Federal Unsubsidized and Subsidized Direct Loans and Federal Perkins Loans will begin on the day of the withdrawal from the University. The student should contact the servicer if he/she has questions regarding the grace period or repayment status. If the student is not returning to Stevenson University, exit counseling should be completed online at http://www.nslds.ed.gov/nslds_SA/.

Step 7, 8, 9, &10: Unearned Title IV Funds Due Directly from the Student

- Subtract the amount of Title IV aid being returned by the school from the amount of Title IV aid to be returned. If the amount is greater than zero, subtract the total loan funds the school must return from the total amount of net loans disbursed to the student. If the amount is less than or equal to the total, the school will notify the holder of the loan and Federal Direct loan funds are paid back to the lender by the student in accordance with the terms of the borrower's promissory note.
- If the amount is greater than the total, subtract the unearned Title IV aid due from the student with the amount of loans to be repaid by the student.
- Multiply the amount of Title IV grant aid that was or could have been disbursed by 50%, this is the amount of grant protection available.
- Subtract the initial amount of Title IV grant funding for the student to return with the grant protection. If this amount is less than or equal to zero, no further action is necessary.
- If the amount is greater than zero, the student must return the funds as proscribed by the Federal guidelines.

Notification

Students will receive a revised award letter indicating the actions taken by the Financial Aid office, including any information on funds that may have been returned to the federal aid program(s) on behalf of the student.

Example of Return of Funds Calculations

In the following example the student's institutional charges will be adjusted by the amounts that must be returned to the Title IV programs. Please note that charges used in these examples may not reflect true University charges.

The student lives off campus. The charges are as follows:

Tuition and all fees	\$2,067.00
Her financial aid package consists of:	
Federal Pell Grant	537.00
SU Grant	192.00
Subsidized Federal Direct Loan	2,668.00
Total Aid	\$3,397.00
Financial Aid	\$3,397.00
University Charges Paid	2,067.00
Amount of excess funds to student	\$1,330.00

The student withdraws on 9/21. This is day 22 out of 106 days in the term. $22/106 = 20.8\%$ of Title IV funds earned by the student. Title IV funds total = \$3205.00 (\$537.00 + \$2668).
 $\$3205.00 \times 20.8\% = \667.00 Title IV funds earned.

Title IV funds to be returned: $\$3205.00 - \$666.64 = \$2538.36$ to be returned to Federal Programs.

Unearned Title IV funds due from the University: Institutional charges = \$2067.00; unearned Title IV = 79.2% ($100\% - 20.8\%$); $\$2067 \times 79.2\% = \1637.00 . (This will become a balance due on the student account since Return of Title IV Funds calculation is required.)

Stevenson University must return \$1637.00 of the Title IV funds. The Financial Aid Office will reduce the Subsidized Federal Direct Loan by this amount since this type of aid is ahead of Federal Pell Grant on the federal order list. (The amount of overall student loan debt is reduced.)

Unearned Title IV funds to be returned by the student: Unearned Title IV aid to be returned - amount returned by Stevenson University = amount to be returned by student: $\$2538.36 - \$1637.06 = \$901.00$ to be returned by Student A.

Note: Loan amounts to be returned by student (or parent in the case of a PLUS loan) are returned in accordance with the terms of the promissory note.

How can a student attending accelerated courses (sessions) determine if they are a withdrawal for Title IV purposes?

1. After beginning attendance in the payment period, did the student cease to attend or fail to begin attendance in a course he or she was scheduled to attend? If the answer is no, this is not a withdrawal. If the answer is yes, go to question 2.

2. When the student ceased to attend or failed to begin attendance in a course he or she was scheduled to attend, was the student still attending any other courses? If the answer is yes, this is not a withdrawal; however other regulatory provisions concerning recalculation may apply. If the answer is no, go to question 3.

3. Did the student confirm attendance in a course in a term beginning later in the payment period? If the answer is yes, this is not a withdrawal, unless the student does not return. If the answer is no, this is a withdrawal.

Take, for example, a student who is a recipient of Title IV program funds who is scheduled to complete two courses in each of the first two of three sessions within the payment period (5 week 1 and 5 week 2).

Scenario 1: The student begins attendance in both courses in the first session, but ceases to attend both courses after just a few days and does not confirm that he/she will return to any courses in sessions two or three. The student is a withdrawal because he or she ceased to attend courses he/she was scheduled to attend (Yes to question 1); was not still attending any other courses (No to question 2); and did not confirm attendance in a course in a session beginning later in the period (No to question 3).

Scenario 2: The student begins attendance in both courses in the first module, but withdraws from just one of the courses after just a few days. The student is not a withdrawal. Although the student ceased to attend a course he or she was scheduled to attend (Yes to question 1), the student was still attending another course (Yes to question 2).

Scenario 3: If the student completes both courses in term one, but officially drops both courses in term two while still attending the courses in term one, the student is not a withdrawal. Because the student officially dropped both courses in module two before they began, the student did not cease to attend or fail to begin attendance in a course he or she was scheduled to attend (No to question 1). However, because the student did not begin attendance in all courses, other regulatory provisions concerning recalculation may apply.

Scenario 4: If the student completes both courses in session one, starts attending both courses in session two but withdraws from both of these courses, the student is a withdrawal. Although the student successfully completed the first module, the student ceased to attend courses he or she was scheduled to attend (Yes to question 1); was not still attending any other courses (No to question 2); and did not confirm attendance in a course in a term beginning later in the period (No to question 3).

Intent to Enroll: Confirmation of Attendance in a Future Module during the Payment Period

As mentioned in the above scenarios, when it is determined that a student has withdrawn, students must confirm attendance in a future course within the same payment period, even if the student is already registered for future courses. You can confirm attendance by completing the bottom section of the online Accelerated Class Add/Drop or Withdrawal



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Forms. This form allows us to suspend the Return of Title IV Funds Calculation. As long as the student successfully completes the future course(s) within the current payment period, no other action will be necessary.