

Return of Title IV Funds Policy

The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for students who withdraw, drop out, are dismissed, or take a leave of absence prior to completing a payment period or term. Awards from the federal financial aid programs must be recalculated in these situations.

If a student leaves the institution prior to completing a payment period or term, the financial aid office recalculates eligibility for Title IV funds. Recalculation is based on the percentage of earned aid using the following federal funds formula:

Percentage of payment period or term completed = the number of days completed up to the withdrawal date divided by the total days in the payment period or term the student was scheduled to complete. (Any scheduled break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

Aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term.

If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a debit balance to the institution.

If a student earned more aid than was disbursed to him/her, the institution would owe the student a post-withdrawal disbursement which must be paid within 120 days of the student's withdrawal.

The institution must return the amount of Title IV funds for which it is responsible no later than 30 days after the date of the determination of the date of the student's withdrawal.

Refunds are allocated in the following order:

- Unsubsidized FFEL/Direct Stafford Loan
- Subsidized FFEL/Direct Stafford Loan
- Perkins Loan
- FFEL/Direct PLUS (Graduate Student)
- FFEL/Direct PLUS (Parent)
- Pell Grant
- FSEOG
- TEACH Grant
- Iraq and Afghanistan Service Grant