
SECTION 12: RETURN OF TITLE IV FUNDS**12.1 Process Overview & Applicability**

The federal Higher Education Act (HEA) of 1965 was amended in 1998 and new regulations were established with regard to Title IV student financial aid programs. Students earn their Title IV federal financial aid by attending class and if they are not enrolled long enough to earn all of their aid, the 'unearned' portion must be returned to the appropriate Title IV program.

Title IV financial aid programs include Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (SEOG), Federal Work-Study (FWS), and Federal Stafford Loans. Federal Work-Study earnings are not affected by Title IV regulations concerning the return of unearned federal financial aid. Only grants and loans are affected by this policy.

The Return of Unearned Title IV Funds Policy applies if the student withdraws from, changes enrollment status from credit to audit or ceases attending all classes before completing sixty percent of the present term enrolled. Students who are granted 'Incomplete' grades and do not finish in accordance with school policy may also be subject to a Title IV Return calculation. Withdrawing from all classes provides notification to the Registrar's Office of intent to withdraw from Saint Martin's University. Completely withdrawing from, auditing or ceasing to attend may result in financial aid repayment. Withdrawing may also affect future financial aid eligibility.

A list of financial aid programs subject to the return of Title IV funds requirements include:

- Pell Grant
- FSEOG
- TEACH Grant
- Unsubsidized Stafford Loan
- Subsidized Stafford Loan
- Perkins Loan
- Direct PLUS Loan (Parent)
- Direct PLUS Loan (Graduate Student)

A list of Washington State financial aid programs subject to a return in the event of an official or unofficial withdrawal include:

- Washington State Need Grant
- College Bound Scholarship
- Passport to College Scholarship

Section 1 – Official vs Un-Official Withdrawal

- **Official Withdrawal**
 - Student has submitted an official withdrawal form to the Registrar's Office to notify school of official intent to withdrawal.
 - Or, student has submitted written notice indicating intent to withdrawal (Medical or other reasons included)
- Student Financial Services is alerted of official withdrawal through a daily enrollment changes report.
- If student withdrew during first 10 days of the term, the official date of withdrawal will be determined as the "last day of academic activity." Instructors are required to provide a last date of academic activity within a week of receiving the email request from the Financial Aid Office.
- If student withdrew following the first 10 days of the term, the official date of withdrawal will be determined as the day the Registrar's Office processed the notice to withdraw.

- **Un-Official Withdrawal**

- A student is considered to be an unofficial withdrawal in the event they receive all XF Grades at the end of the semester.
- Instructors are encouraged to provide a last date of academic activity. However, SMU will calculate the percentage of financial aid earned based off of the Department of Education standard of 50%.
- In the event a student receives a combination of XF and F Grades, the Student Financial Services Office will work with the Registrar's Office and the Instructors to confirm that F Grades were earned. In the event the F Grades were earned, **student will not be treated as an unofficial withdrawal.**

Section 12.2 – Module Classes

Definition:

- Module classes are defined as any class that does not span the entire length of the semester. These classes may also be referred to as 'part of term', 'late starting' or 'short term' classes.
- Any student who is enrolled in at least one class that is less than the length of the term is classified for that term as a 'module student'. This means that even if the student enrolls in and passes a module class or classes, then drops, audits or stops attending remaining full term classes, he/she may be subject to a Title IV Return calculation if the student withdraws before 60% of the term has been completed.
- Any Student who completes one modular course and enrolls in a subsequent term, which they then withdraw from, will be subject to a Title IV Return Calculation. Even if the student enrolled in at least half time during the first module class, they are still classified as withdrawn if they initiated the second module.
- Students who withdraw after completing 60% of the semester will be considered as have earning 100% of their aid eligibility for that semester.

Section 12.3 – Processing a Title IV Return

Step 1: Determine the student's withdrawal date using the flow chart

- Official date of withdrawal is confirmed with Registrar and reported to the Clearinghouse

Step 2: Using the PowerFaid's R2T4 Module determine the following:

1. Percentage of aid earned
2. Amount of aid Earned
3. Amount of Unearned Aid
4. The amount the school and students share of the unearned aid

Step 3: Director of Financial Aid Notifies loan processor to revise student's award to reflect earned aid.

Step 4: Award revisions will be posted to student's account.

Step 5: *Unearned Aid and Disbursed Aid*

If disbursed aid exceeds earned aid:

1. Determine the amount of unearned aid by subtracting earned aid from disbursed aid
2. Distribute the responsibility for returning unearned aid between the school and the student
3. If unearned funds must be returned, allocate unearned aid to programs from which student was funded
4. Return the institution's share and any funds repaid by the student or refer the overpayment to ED

If earned aid exceeds disbursed aid:

1. Determine the amount of a post-withdrawal disbursement by subtracting disbursed aid from earned aid
2. If a post-withdrawal disbursement is due, determine the sources from which it will be funded and credit any grant portion towards allowable and/or authorized unpaid charges.
3. Offer and obtain the student's, or parent's in the case of a parent PLUS, authorization to credit the loan portion of the post-withdrawal disbursement towards allowable and/or unpaid charges
4. Directly disburse to the student any amount of a post-withdrawal disbursement of grant funds which is not credited toward allowable and/or authorized unpaid charges
5. Offer student (or parent PLUS borrower) any portion of the post- withdrawal disbursement of loan funds not credited towards unpaid charges and make the post-withdrawal disbursement if the offer is accepted

Section 12.4 – Students not required having Title IV funds Returned

- Students not eligible for federal or state aid (non-FAFSA filers, SAP Denials, etc.)
- Other examples include:
 - Student only awarded Federal Work-Study
 - Student dropped some classes but did not completely withdraw
 - Student never began attendance in any classes

Documentation of Return Calculation

- Each calculation is documented by placing a copy of the completed PowerFails worksheet in the student's file, in the PowerFails database under custom data and the comments section, and the notice is emailed and mailed via postal mail to the student.
- The following documentation will be placed in each student's file who had a return calculation performed on them:
 1. Notice of Return of Title IV Funds to Student
 2. Return of Title IV Funds Calculation
 3. Original Award Letter
 4. Copy of Student Account Statement
 5. Copy of withdrawn status screen from PowerCampus
 6. Documentation of return of State Funds, if applicable
 7. Updated Print out of Student COD statements.
 8. Other documentation

12.5 - Post-Withdrawal Disbursements

In the event the total amount of earned aid is less than the amount of aid received, the school is required to offer the student a post-withdrawal disbursement within 45 days of processing the return calculation.

The Director of Financial Aid will notify the student of the post-withdrawal in writing. If the student fails to respond, they will be ineligible for the post-withdrawal disbursement.

Procedures

- Post-withdrawal disbursement notifications are logged in the database under the communications tab. The date that it is sent out will be the date it is classified as received.
- If the student notifies Student Financial Services that they wish to proceed with the post-withdrawal disbursement, the Director of Financial Aid will notify the Loan processor to release the loan funds to the student's account.
- SMU is not required to receive acceptance confirmation from a student who is eligible to receive a post-withdrawal disbursement of a Pell Grant. In the event a student is eligible for a post-withdrawal disbursement of a Pell Grant, the funds will automatically be applied to the student's account.
- The priorities for disbursement (e.g., from grants first, paid to outstanding institutional charges before being paid directly to student, etc.)
 - Tuition and mandatory fees will automatically be deducted from the earned aid prior to releasing additional funds to the student in the form of a refund.
- Timelines for making the post-withdrawal disbursement
 - Post-withdrawal disbursements will be processed within the next disbursement cycle following after the student has notified SFS that they would like to accept the award and after they have been processed.

12.6 - Returning Unearned Funds**Procedures**

- The Student will be notified in writing following the official calculation of return of funds.
- The Student Financial Services office in combination with the Finance
 - Office will be responsible for returning unearned financial aid funds.
- The school will return all required aid to the Department of Education and collect any unearned aid from the student.

Time lines and conditions for:

- Reporting enrollment status change to NSLDS:
 - 30 days from date of status update
- Returning the school's portion of unearned funds:
 - Within 45 days of officially determining the student withdrew
- Notifying a student of any Title IV grant overpayment owed:
 - Within 45 days of officially determining the student withdrew
- Reporting any overpayment to NSLDS if the student has neither repaid nor made satisfactory repayment arrangements:
 - Within 30 days of officially determining the student withdrew

12.7- Overpayment Resolution

Saint Martin's University will return funds on behalf of a student who owes an overpayment and consider the returned funds as the student's debt to the institution. In the event this occurs, the student will be notified that they need to set up a payment plan with Saint Martin's University or pay the balance in full.

Failure to pay balance may result in an in-eligibility for future financial aid. In the event a student fails to make payment arrangements, Saint Martin's University will report the over-payment to NSLDS. The student will have 45 days to set up payment arrangements before they will be reported to NSLDS.

12.8- Return of State Funds Calculation – Updated by the Washington Student Achievement Council beginning in the 2021 Academic Year**From 2021 WA College Grant Manual
General**

Students who fail to attend classes or who receive funding based on fraudulent information will be required to repay 100% of the funds received.

Students who have received state aid (aid disbursed prior to the start of the term) and who change enrollment status prior to the first day of the term, must have their state aid eligibility recalculated to reflect their enrollment status as of the start of the term.

The student who decreases enrollment status prior to the first day of the term will owe a repayment of the overpayment amount. Students who increase enrollment status prior to the first day of the term are entitled to additional funds for enrollment status increases.

Students who make enrollment status adjustments (up or down) after disbursement and after the start of the term will be subject to completion of satisfactory academic progress requirements outlined under 250-21-010 (12) (a-e). Enrollment status increases must include WCG awards based on that enrollment and may not exceed need. However, students may not receive more WCG than the cost of their tuition and fees. If a student's enrollment is adjusted during the tuition refund period and tuition is reduced, the grant must be reduced to not exceed the cost of tuition and fees.

Note: For this section, “state grant” refers to all state grant and scholarship programs.

Saint Martin's University does not require attendance taking and uses a census date that “locks” all enrollment for students and does not disburse any funds until after that date. All enrollment adjustments are made prior to disbursement.

Our repayment policy for State Grants is as follows:

- Students who take “W” grades in classes they want to stop attending after the census date but remain enrolled in some classes will continue to be processed through the university’s SAP process. (Based on paragraph 4 under General in the State Aid Repayment Policy Requirements, pg. 52 of manual)
- Students who officially withdrawal from all coursework during the semester but after the disbursement date and who attended at least one day of the courses associated with their enrollment level will have earned 100% of their state awards. No repayment is necessary. (Based on State Aid Repayment Policy Requirements, pg. 52 of manual)
- Students who are determined to be Unofficial Withdrawals at the end of each semester and who are reported as having never attended any of the their courses will owe 100% of their state funding back. (Based on State Aid Repayment Policy Requirements, pg. 52 of manual)
- Students who are determined to be Unofficial Withdrawals at the end of each semester and who are reported as having attended some classes will be treated as having earned 100% of their state awards. No repayment is necessary. (Based on State Aid Repayment Policy Requirements, pg. 52 of manual)
- If a student shows up on the “All F Report” at the end of a semester and it is determined that the student attended some classes and earned the Fs but never attended other classes in the term. These students will be treated as having earned 100% of their state awards. No repayment is necessary. (Based on email response from Neesha Griffiths WSAC 5/25/2020.) Federal R2T4 rules would not apply to this student’s federal aid, they would go through the SAP process.