

# **Financial Aid and Scholarship Office Eastern Washington University Return of Title IV Funds Policy**

## **Return of Title IV Funds**

According to Section 484B of the Higher Education Act of 1965 (as amended) students who withdraw or are withdrawn from all classes in a term may be required to return all or a part of the Title IV aid received for that term. These policies apply only to students who completely terminate their enrollment or stop attending classes before completing more than 60 percent of the enrollment period. The policy does not apply to students who withdraw from individual courses, unless all courses are eventually dropped. However, if a student withdraws from individual courses and remains enrolled only in courses that were previously taken and passed, he/she may be considered to have fully withdrawn for Title IV aid only, under the federal rules for repeat coursework. This applies to courses that a student has passed (received a grade of 0.7 or higher) and has then repeated at least once before.

Regulatory Citation: 34 CFR 668.22

## **EWU Tuition Refund Policy**

The EWU tuition refund policy is separate from this policy. Institutional aid and scholarships are refunded and returned according to this policy (effective fall quarter, 2000):

Through the 6th class day – 100 percent  
From the 6th class day through the 22nd class day – 50 percent  
After the 22nd class day - 0 percent

This schedule applies to both quarters and semesters. If a student is granted an Exceptional Circumstances Request (ECR) for a full refund of tuition prior to the completion of an award year, all institutional aid and scholarships are refunded and returned to the program(s) at 100 percent. If the ECR is granted after the R2T4 calculation is completed, the R2T4 is not recalculated unless the ECR indicates that the prior withdrawal date was incorrect. State aid is refunded according to the state refund policy at the end of this document.

Tuition, course fees, and all mandatory fees are due by 5pm on the 6th class day of each term. A late payment fee of \$50 is assessed on any tuition paid after the 6<sup>th</sup> class day. Students are not “disenrolled” for non-payment and must formally withdraw from the university to receive the appropriate percentage refund. Students who enroll, do not attend, and do not formally withdraw are responsible for their tuition charges.

Any requests for exceptions or examples of the refund policy should be directed to the Student Financial Services Office (359-6372).

## **Definition of Title IV Aid**

Title IV aid refers to the federal financial aid programs authorized under the Higher Education Act of 1965 (as amended) and includes:

Federal Pell Grants  
Federal Supplemental Educational Opportunity Grant (FSEOG)  
Federal Perkins Loans  
Federal Direct Loans  
-Subsidized and Unsubsidized  
-Parent Loans for Undergraduates (PLUS)

### **Withdrawal Process**

The Office of Records and Registration serves as the official office of notification for withdrawal and all withdrawing students are referred to that office. The Financial Aid Office then uses the information from that Office to process the R2T4 within the required deadline dates. Once the calculation is complete, the student is notified.

### **Last Date of Attendance**

A student's withdrawal date is used to calculate the amount of financial aid to be returned. The withdrawal date is defined as the earlier of: 1) the date the student began the withdrawal process or officially notified the institution of intent to withdraw; or 2) the student's last date of documented attendance at an academically-related activity. The institution has the option of using the latter date if the former date does not reflect the student's actual situation.

If a student leaves without notifying the institution, the withdrawal date is the last date of documented attendance at an academically-related activity or the midpoint of the term, whichever is later. This date is determined by the instructor of the course for which the student is being given a grade of 0.0 for the term.

Once the calculation is completed, it is generally not reversed. However, upon the receipt of late documentation of attendance, late grades or grade changes, or notification of medical withdrawal, the student may receive a late disbursement of any Pell Grant for which he/she was eligible provided payment is made within 180 days of the day on which the student ceased attendance. Loans may also be reissued up to 180 days from the date the student became ineligible. The receipt of any other canceled aid is contingent on available funding.

Notes:

- The day of withdrawal is counted as a day of attendance.
- Calendar days are used in the calculation.
- Scheduled breaks of at least five days are excluded.

*"Section 484B(c) of the HEA makes it clear that the determination of a student's withdrawal date is the responsibility of the institution. Therefore, the institution, not the student, must document a student's attendance at an academically-related activity. A student's certification of attendance that is not supported by documentation by the institution would not be acceptable documentation for the students' last date of attendance at an academically-related activity."* (Section 668.22(c) in the Discussion, Federal Register 34 CFR Part 668, 682, and 685, Student Assistance General Provisions and FFELP and Direct Loan Program, Final Rule)

### **Return of Title IV Calculation Policy**

Title IV aid is considered to be earned on a daily prorated basis through the 60 percent point of each term.. All Title IV aid is considered 100 percent earned after that point.

A return of funds may be required when the aid disbursed is in excess of the aid earned during the term. The amount of Title IV aid earned is determined by multiplying the total Title IV aid (other than FWS) for which the student qualified by the percentage of time during the term that the student was enrolled. If less aid was disbursed than was earned, the student may receive a late disbursement for the difference.

The responsibility for returning unearned aid is shared between the University and the student. Any student share allocated to a grant program is reduced by 50 percent. Eastern will distribute the unearned aid back

to the Title IV programs as specified in the Allocation of Refunds section below. The student will be billed for the amount the student owes plus the amount the University returned to the Title IV programs.

*Notes:*

- (1) *EWU uses the aggregate method of matching for FSEOG. FSEOG match is excluded from the calculation.*
- (2) *The net amount of any Direct Loan is used in the calculation.*
- (3) *Minor prior term charges (less than \$200) can be counted in the calculation and/or credited with post-withdrawal disbursements (Sec. 668.22(a)(4)(i)(A))*

## **Modules**

New rules define programs offered in modules and appropriate calculation of Return of Title IV funds. The new rules effect how EWU calculates Return of Title IV funds for summer term only. In determining if the student is a withdrawal the following must be established:

1. Did the student cease to attend a course for which she was scheduled to attend?
2. At the time the student stopped attending, was she attending other courses?
3. Did the student confirm attendance in a later starting course?

If answer “yes” to 1 and “no” to 2 and 3 the student is a withdrawal and a Return of Title IV calculation must be completed. A return calculation is not required if the student withdraws from one module, but confirms she will be attending a later module within the same program period. If the student fails to attend the later module the withdrawal date is based on the withdrawal date from the last module the student attended.

## **Allocation of Refunds**

According to the regulations, refunds are allocated in the following order:

Federal Direct Loan (Unsubsidized)  
Federal Direct Loan (Subsidized)  
Federal Perkins Loan  
Federal Direct Parent Loan (PLUS)  
Federal Pell Grant  
Federal SEOG  
Other Title IV grants or loan assistance  
Non-Title IV aid (state, institutional, private)

- The institution allocates its share of unearned funds first.
- The student’s share of unearned funds is fully allocated among the programs not satisfied by the institution’s share. Then, any portion of the student’s share that is allocated to a grant program is reduced by 50 percent.
- Pell overpayments resulting from the R2T4 calculation may be satisfied by the reduction of future Pell disbursements if the student is returning to Eastern (within the same academic year only). Otherwise, students are notified in writing of their grant overpayments and given 45 days to repay the funds or make satisfactory repayment arrangements. Overpayments not satisfied with that time period are referred to ED Collections and reported to NSLDS. Overpayments of \$50 or less per program do not need to be returned by the student and are not referred or reported.
- Any portion of the student’s share that is allocated to a loan program is repaid under the terms and conditions of the loan as specified in the promissory note.
- Non-Title IV (excluding alternative loans) is refunded to its source according to the institutional tuition refund schedule. State Need Grant, College Bound Scholarships, and Passport Scholarships are returned according to the State Grant Repayment Policy (see below).

## **Post-Withdrawal Disbursements**

Only Title IV aid can be considered for a post-withdrawal disbursement; State Need Grant, College Bound Scholarship, Need Based Waiver and all other non-title IV aid is not subject to this process.

Any post-withdrawal disbursement must meet the current required conditions for late disbursements prior to the date the student became ineligible for a school to make a late disbursement. For example, the school must have received the student's Student Aid Report (SAR) or Institutional Student Information Record (ISIR) with an official expected family contribution (EFC). Post-withdrawal disbursements are required and are determined by following the requirements for calculating earned Title IV aid, which have no relationship to incurred educational costs. A post-withdrawal disbursement must be made within 90 days of the date that the institution determines that the student withdrew.

Written notification is sent to the student, or parent in the case of a PLUS loan, no later than 30 calendar days after the date that the school determines the student withdrew. The notice identifies the type and amount of the Title IV funds that make up the post-withdrawal disbursement and explain that the student or parent may decline all or a portion of those funds. This information must be provided to permit a student or parent to determine which funds, if any, he or she wishes to accept and/or decline.

In the notification, the school must advise the student or parent that they have 14 calendar days from the date the school sent the notification to accept a post-withdrawal disbursement. The notification must make it clear that if the student or parent does not respond to the notification within the timeframe, the school is not required to make the post-withdrawal disbursement. If a response is not received from the student or parent within the permitted time frame or the student declines the funds, the school returns any earned funds being held to the Title IV programs.

If a student (or parent) submits a timely response accepting all or a portion of a post-withdrawal disbursement, the school must disburse the funds within 90 days of the date of the institution's determination that the student withdrew.

If authorization from a student (or parent for a PLUS loan) is received after the 14 day timeframe the school must notify the student (or parent) that the post-withdrawal disbursement will not be made and why. This notification must be made in writing or electronically.

## **Leave of Absence**

EWU does not currently maintain a written Leave of Absence policy. Per the U.S. Department of Education (Region 10 - Seattle), it is permissible not to have an LOA policy. Students who depart on an informal LOA are considered to have withdrawn on the date they leave the institution and are assessed according to the terms of this policy.

## **Institutional Rights and Responsibilities**

- Provide each student with the information in this policy.
- Identify students who are affected by this policy and complete the Return of Title IV Funds calculation in a timely manner according to published deadlines (see attached chart).
- Return any Title IV fund due to the Title IV programs in a timely manner according to published deadlines.

## **Student Rights and Responsibilities**

- Follow the policies and procedures established above.
- Return to the Title IV programs any funds that were disbursed directly to the student and which the student was determined to be ineligible for via the Return of Title IV funds calculation.

# **State Grant Repayment Policy (Effective 2009-2010)**

## **General**

State Grant recipients, who withdraw from the institution, are expelled, or otherwise complete zero credits in any given term must repay state grants on a prorated basis. State grants include State Need Grant, the College Bound Scholarship, and the Passport to College Scholarship.

For the purposes of this policy, "Award" is the amount of state grant for which the student was eligible during the enrollment period, after the school made any required adjustments for need and enrollment level. All monies, whether disbursed to the student account or directly to the student, shall be included in the repayment calculation.

## **Authority**

State Need Grant (WAC 250.20.051(4))

## **Known Last Date of Attendance**

If a student's last date of attendance can be verified and is prior to or on 50 percent of the term, the state grant repayment will be based on the percent of the term not completed.

If the last date of attendance occurs after 50 percent of the term, the state grant award is considered 100 percent earned and no state grant repayment is due.

State grant repayment formula - Known last date of attendance, prior to or on 50 percent of the term:

1. The percent of state grant earned is calculated by dividing days in attendance by calendar days in term. Scheduled breaks of five or more days should be excluded from the calculation.
2. Subtract the percent of state grant earned from 100 percent; this equals the percent of unearned state grant.
3. Multiply the percent of unearned state grant by the grant amount.
4. Multiply the amount from step 3 by 50 percent and round to nearest dollar to determine the state grant repayment due.

## **Unknown Last Date Of Attendance**

If a student attends a portion of a term and withdraws with no verified last date of attendance, the state grant repayment will be 50 percent of the grant amount with no additional adjustments.

## **No-Show Repayments**

If a state grant recipient never attends courses in the term for which they received a state grant award, the state grant repayment is 100 percent of the award. If a school is unable to distinguish between a no-show and an unofficial withdrawal, the no-show policy shall apply.

## **General repayment policies**

1. Repayments are based on the state grant award amount, including enrollment and packaging adjustments.

2. Verified withdrawal dates after 50 percent of the term equate to 100 percent earned state grant.
3. Unofficial withdrawals/no known last date of attendance equate to repayment of 50 percent of the state grant award.
4. No shows are 0 percent earned and equate to repayment of 100 percent of the state grant. This applies to an Exceptional Circumstances Requests granted for non-attendance prior to the end of the award year.
5. Official withdrawals or verified last date of attendance repayment calculation:  
State grant award amount multiplied by the percent of unearned state grant multiplied by the 50 percent reduction equals the state grant repayment due.
6. The 50 percent reduction applied at the end of the repayment computation addresses un-reimbursable start up education costs and reduces the barrier for students intending to return to school.
7. Repayments of less than \$50 should not be returned to the WSAC.
8. Institution repayment refund policy:

Public institutions may choose from the following options:

- Return the repayment amount directly to the Washington Student Achievement Council (WSAC) and collect from the students.
- Return the repayments to their institutional State Grant fund (if the repayment is from within the current year) and collect from the students (EWU utilizes this option).
- Refer students directly to WSAC.