

UNIVERSITY OF NEBRASKA AT OMAHA RETURN OF TITLE IV FUNDS POLICY & PROCEDURES

Return of Funds Policy for Title IV Aid Recipients Who Withdraw

The Higher Education Amendments of 1998, as well as the program integrity regulations in 2010, established provisions which may require a certain percentage of Federal financial aid (Title IV funds) to be returned to the Department of Education when a student completely withdraws from all classes. When a student is considered to have withdrawn, the University is required to determine the amount of earned and unearned Title IV aid.

Federal financial aid funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws from all courses for any reason – including medical withdrawals – the student may no longer be eligible for the full amount of Title IV funds that they were originally scheduled to receive. If a student has received Title IV financial aid, a refund must be calculated under the Federal Return of Title IV Funds policy. The refunds are based on the number of days attended for the semester, divided by the total number of days in the semester (minus any scheduled breaks of at least five days in length). Funds are deposited back to the financial aid accounts in accordance with federal regulations.

There are three types of withdrawals that fall under the return to Title IV (R2T4) federal calculation regulations:

1. **Official Withdrawals** – student withdraws from all courses through MavLINK or contacts the Registrar’s Office to initiate an official withdrawal.
2. **Unofficial Withdrawal** - If a student began attendance and has not officially withdrawn fails to earn a grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn. UNO grading policy requires faculty to differentiate between two different types of failing grades – either an F (earned failing grade awarded to students who complete the course but fail to achieve the course objectives); and an FW grade (awarded to students who did not officially withdraw from the course, but who failed to participate in course activities through the end of the term). For FW grades, faculty report the last date a student last participated in any academically related activity. This date then becomes the basis for the withdrawal calculation. Therefore, a student cannot avoid the federally required return of Title IV Financial Aid by stopping out of classes but remaining enrolled and taking failing marks.
3. **Modular Withdrawals** – A student does not complete all modules the student was scheduled to attend (modules are classes that do not span an entire semester).
 - If a student is enrolled in a standard, term-based program offered in modules and ceases attendance at any point prior to completing the payment period or period of enrollment, unless the school obtains written confirmation from the student at the time of the withdrawal that he or she will attend a module that begins later in the same payment period or period of enrollment, the student is considered a withdrawal for Title IV purposes.

- If written confirmation of future attendance is received from the student but the student does not return as scheduled, the student is considered to have withdrawn from the payment period or period of enrollment and the student's withdrawal date and the total number of calendar days in the payment period or period of enrollment would be the withdrawal date and total number of calendar days that would have applied if the student had not provided written confirmation of future attendance.

How a Withdraw from Class or School Affects Financial Aid

Though your aid is posted to your account at the start of each period, you earn the funds as you complete the period. If you withdraw during your payment period or period of enrollment, the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. If you received (or your school or parent received on your behalf) less assistance than the amount that you earned, you may be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned by the school and/or you.

How “Earned” Financial Aid is Calculated

The amount of assistance that you have earned is determined on a pro rata basis. This calculation must be completed within 30 days of the date the school determines that the student has withdrawn. The school is required to return any unearned funds within 45 days. The calculation is completed by the Office of Financial Support and Scholarships. For example, if you completed 25% of your payment period or period of enrollment, you earn 25% of the assistance you were originally scheduled to receive. That means that 75% of the disbursed aid is considered to be “unearned” and must be returned to the federal government. The total number of days used in the calculation will exclude any scheduled breaks of 5 or more days.

Once you have completed more than 60% of the payment period or period of enrollment, you earn all the assistance that you were scheduled to receive for that period.

IMPORTANT: You may receive a partial cancellation of your tuition and fees because of your withdraw. UNO's refund policy is separate from the federal regulations on repayment of unearned aid. It is possible that financial aid will not cover a student's balance following the return of funds calculation – even after the tuition and fees cancellation policy has been applied.

What Happens When a Student Fails to Begin Attendance?

Federal regulations require that a procedure be in place to know whether a student has begun attendance in all classes for purposes of the Federal Pell Grant Program. Instructors will be contacted to verify attendance for all Pell Grant recipients if they withdraw from class. The Pell Grant will be recalculated based on the student's enrollment status to reflect only those classes for which the student actually began attendance. Instructors will also be contacted to verify attendance for Federal Direct Loan recipients if they withdraw from all classes. If a student does not begin

attendance in any class in the loan period they will lose eligibility and the Federal Direct Loan will be canceled.

Student Notification of Results of Calculation

Upon completion of the Return of Title IV Funds calculation, students will receive notification indicating the amount of aid that will be returned. UNO will return the required funds on the student's behalf to the appropriate federal program(s) by charging the student's account. Students will be able to view the return and any resulting account balance on MavLINK after the return of funds has been processed. The student is responsible for all charges resulting from a Return of Title IV calculation.

Which Funds are Subject to the Return of Funds Calculation?

The Title IV funds that are covered by this law, in order of their required return are:

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Federal Perkins Loan
4. Direct PLUS Loan
5. Federal Pell Grant
6. Federal Supplemental Educational Opportunity Grant (FSEOG)
7. Federal TEACH Grant
8. Federal Iraq Afghanistan Service Grant

Post-Withdrawal Disbursements

If a student has accepted Title IV, HEA financial aid by the date of the withdrawal, but the financial aid has not disbursed, the student may be eligible for a post-withdrawal disbursement. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement for the earned aid that was not received.

Under these circumstances, a R2T4 calculation must be performed to determine whether the student is actually eligible for a post-withdrawal disbursement. If your Post-withdrawal disbursement includes loan funds, the University must get your permission before it can disburse them. You may choose to decline some or all of the loan funds so that you don't incur additional debt. The University may automatically use all or a portion of your Post-withdrawal disbursement

of grant funds for tuition, fees, and room and board charges (as contracted with the school). The University needs your permission to use the Post-withdrawal grant disbursement for all other school charges.

Students will be notified of post-withdrawal disbursement eligibility within 30 days of the date of withdrawal determination. The school must return the Title IV funds within 45 days of the date the school determines the student withdrew.

Return of Title IV Funds Procedure

When a student officially, or unofficially withdraws (i.e. quits attending class), during the first 60 percent of the semester, and has received or was eligible to receive federal Title IV funds, the Office of Financial Support and Scholarships is required to perform a Return of Title IV funds calculation. Each semester the Office of Financial Support and Scholarships will review those students who have received, or could have received Title IV assistance, and who have officially withdrawn from all classes.

Additional students who must also be considered are those who have not formally withdrawn, but have stopped attending classes (unofficial withdrawals). UNO grading policy requires faculty to report the last date a student who failed a class participated in any academic activity. Each semester an "All F" report will be run to determine students who have not officially withdrawn, but instead have unofficially withdrawn from all of their classes.

The calculation steps are as follows:

Step One: Establish the withdrawal date and determine how much Title IV aid was earned by the student. The percentage of enrollment period completed by the student is calculated by dividing the number of days a student attended by the total number of days in the semester (percent of aid earned), and then multiplying that percentage by the total amount of Title IV aid disbursed, or could have been disbursed.

Step Two: Determine the Title IV aid to be disbursed to student. If the student received less Title IV aid than earned from step one, a post-withdrawal disbursement may be made. This situation may occur in a case where federal aid was approved, or a loan certified, but not yet disbursed before the student withdrew.

Step Three: Determine the amount of unearned Title IV aid that must be returned by UNO. UNO must return the lesser of the amount of Title IV aid which the student does not earn, or the amount of institutional charges the student incurred for the semester multiplied by the percentage of Title IV aid not earned. Title IV funds that have to be returned by the school will result in a university obligation to the student. The student will receive a bill from the Cashiering/Student Accounts Office.

Step Four: Determine the amount of unearned Title IV aid to be returned by student. Any federal grant and federal loan funds that are calculated to be returned by the student will be returned by the school so a federal overpayment situation does not result and will be included in the amount billed in step three. The balance of any loan not paid by the school will go into repayment in accordance with the terms of the promissory note.

An aid recipient should contact the Office of Financial Support and Scholarships prior to withdrawal from the University. Upon request, the Office of Financial Support and Scholarships will provide written examples of various return of funds calculations.

Below is an example of the Return of Title IV Funds calculation.

Title IV Return of Funds	Amount
Institutional Charges	\$5,000
Title IV Loans	\$2,000
Title IV Grants	\$1,000
Total Title IV aid	\$3,000

Student withdrew on 29th day of a 116 day enrollment period.

Percent Earned $29/116 = 25\%$

Percent Unearned $100\% - 25\% = 75\%$

Amount of Title IV aid unearned $\$3,000 \times 75\% = \$2,250$

UNO is responsible for returning the lesser of unearned Title IV aid (\$2,250 from above) or unearned institutional charges ($\$5,000 \times 75\% = \$3,750$). UNO will return aid as follows:

- Title IV Loans \$2,000
- Title IV Grants \$250

Aid the student must personally return - student's aid is returned on his behalf by the school and therefore becomes part of the bill that must be repaid to the school. The balance of John's loan not paid by the school will go into repayment in accordance with the terms of the promissory note.