Federal Return of Title IV Aid Policy

When a student who received federal aid (grant or loan) withdraws from the university during an enrollment period in which the student began attendance, the university will determine the amount of federal aid that the student earned as of the withdrawal date. If the amount of federal aid earned is less than the amount of aid disbursed to the student, the difference will be returned to the appropriate program.

The withdrawal date used to determine amount of earned aid is the date the student began the withdrawal process. If the student ceases attendance without providing official notice of the withdrawal, the mid-point of the enrollment period will be used to determine the amount of earned aid unless the student’s instructors can document a later date of involvement at an academically related activity.

The amount of federal aid earned by the student is determined after calculating the percentage of the enrollment period the student completed as of the withdrawal date, if this date is on or before completion of 60% of the enrollment period. This percentage is determined by dividing the total number of calendar days in the enrollment period (calendar days in the enrollment period includes all days within the period except for scheduled breaks of at least five consecutive days) into the number of calendar days completed in the enrollment period as of the withdrawal date. This percentage is applied to the amount of federal aid that was disbursed or that could have been disbursed to the student for the enrollment period to determine the amount of earned aid. The amount of unearned aid is calculated by using the complement of the percentage of earned aid. The amount of aid to be returned is calculated by subtracting the amount of earned aid from the amount of disbursed aid. The university will return all unearned aid to the appropriate federal program. The student will be responsible for returning earned or unearned loan funds the university is not responsible for repaying, or both. The student will repay the loan according to the terms of the promissory note.

Withdrawal Procedure

Students begin the withdrawal process by completing a withdrawal form available in the Registrar’s Office. The withdrawal form includes information regarding the federal refund policy, the university’s refund policy and procedure. The student takes the withdrawal form to Financial Assistance where the return of federal funds calculation is completed. The amount of aid to be canceled is reported to the student on the withdrawal form. A copy of the withdrawal form and Treatment of Title IV Funds When A Student Withdraws From a Credit-Hour Program (calculation is determined using FAA Access to CPS Online product) are placed in the student’s financial aid file. The student then takes the withdrawal form to the Business Office where housing and tuition refunds are calculated. If the student owes a debt to the university after the cancellation of aid, and housing and tuition refunds are processed, the student can make payment arrangements with the Business Office. The withdrawal form is then returned to the Registrar’s Office where the withdrawal is finalized. Financial Assistance returns loan funds to the Department of Education and grant funds to the appropriate program once confirmation of a competed withdrawal has been received from the Registrar’s Office.

Example of University and Title IV Returns
A student withdraws on January 31st of the spring semester (1/15 – 5/8). The student received the following aid: TEG $1722, Scholarship $250, Pell $1800, Subsidized Stafford Loan $2750, Unsubsidized Stafford Loan $1111. The student withdrew on the 13th day of the semester and will receive a 60% tuition refund as well as 60% payback on scholarships and state grants. The following paybacks will be made: TEG $1033 (1722 x 60% = 1033) and Scholarship $150 (250 x 60% = 150). Return to Title IV aid was calculated using Pell, Subsidized and Unsubsidized Stafford Loan amounts. The total amount of aid disbursed to the student was $5661 (1800+2750+1111=5661). The percentage of aid earned was figured by dividing completed days in the term by the total number of days in the term (17/105=16.2%). The amount of earned aid was then calculated using the percentage of the period completed times the amount of aid disbursed (16.2% x 5661 = $917.08). The amount of aid to be returned is figured using the amount of disbursed aid less the amount of earned aid (5661 – 917.08 = 4743.92). The amount of unearned aid the school must return is calculated by determining amount of unearned charges using institutional charges (tuition/fees, room/board, etc. $6932) and multiplying it by the percentage of unearned aid (100% - 16.2% (earned aid) = 83.8%) ((6932 x 83.8% = 5809.02)). The school must then compare the amount of aid to be returned to the amount of unearned charges. The lesser of the two will be returned (4743.92). The school will return the Unsubsidized and Subsidized Loans and a portion of the Pell grant. Unsubsidized Loan $1111, Subsidized Loan $2750 and Pell $882.92 total $4743.92.

Refund Policy for the Texas Equalization Grant Program

Texas Tuition Equalization Grant refunds are calculated using the universities refund policy.

Other items related to Return of Title IV

Information about the return of Title IV funds requirements and the institutional refund policy is available to current and prospective students through Financial Assistance and/or Registrar’s Office. Financial Assistance is responsible for performing the return of Title IV funds calculation. A student must begin the withdrawal process in the Registrar’s Office by completing a withdrawal form or notifying the Registrar’s Office orally or in writing of the student’s intent to withdraw. The date the student begins the official withdrawal process in the Registrar’s Office will be the withdrawal date used by the institution. When students fail to complete the withdrawal process without officially beginning the withdrawal process, the student will receive F’s in all courses enrolled and will become ineligible for future aid due to Satisfactory Academic Progress. Return of Title IV aid will be calculated using the mid-point of the enrollment period or the student’s last date of attendance at an academically related activity as provided by the instructor. Information about student withdrawals is communicated to various offices by the Registrar’s Office.

An outside agency does not require our institution to take attendance.