

# 5

## Returning Title IV Funds

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## OBJECTIVES

By the end of this session, you will be able to:

- ❖ identify the conditions under which an institution may be required to return Title IV funds,
- ❖ understand the procedures for returning Title IV funds, including special requirements for returning funds to a lender,
- ❖ describe regulatory refund and repayment requirements,
- ❖ explain the differences between the “old” and “new” methods of calculating refunds,
- ❖ describe institutional responsibilities and student responsibilities under the “new” method of calculating refunds,
- ❖ calculate return of Title IV aid under the “new” method, and
- ❖ allocate returns to the appropriate Title IV programs.

## RESOURCES

- ❖ *The Blue Book*, Chapter 2—General Institutional Responsibilities
- ❖ *The Blue Book*, Chapter 4—Requesting, Managing, and Returning Title IV Funds
- ❖ *Student Financial Aid Handbook*
- ❖ Federal Regulations 34 CFR Parts 668 and 682
- ❖ *Direct Loan Reconciliation Game Workbook*
- ❖ U.S. Department of Education *Policy Bulletin*, Calculating Institutional Refunds: What are Institutional Charges? (January 7, 1999)

## A. DETERMINING WHEN RETURNING TITLE IV FUNDS IS REQUIRED

Notes



### *Returning Title IV Funds*

Title IV funds must be returned when a school:

- ♦ is holding excess funds,
- ♦ is releasing campus-based funds,
- ♦ is returning FFEL or Direct Loan proceeds that cannot be delivered because student is no longer eligible, or
- ♦ has performed a refund calculation.

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## B. EXCESS CASH



### *Definition of Excess Cash*

Excess cash is any amount of Title IV program funds (except for FFEL Program or Perkins Loan Program funds) that are not disbursed to students by the end of the third business day following receipt of the funds.



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## REASONS WHY A SCHOOL MAY HAVE EXCESS CASH

- ▶ Funds were drawn down but not used according to “immediate need” rules.
- ▶ A school has no pending disbursements to make or is no longer participating in Title IV programs.
- ▶ There was a reduction in reported expenditures on a closed award.
- ▶ Interest or investment income on federal funds exceeds amounts allowed.
- ▶ The school owes ED for disallowed program expenditures discovered during an audit or program review. Examples include:
  - ◇ A school draws down funds and credits a student’s account, but the student does not attend school. The school cancels the disbursement and returns the funds to its federal cash account. Depending on the school’s cash needs, this action may result in the school having excess cash.
  - ◇ A school has excess cash because it drew down more than it disbursed to students. The cash was drawn down and deposited into the school’s cash account but never used. During a program review, the reviewer tells the school to return the excess cash or to adjust the school’s next drawdown if it is within the allowed time period.
  - ◇ A school draws down and disburses funds improperly. These improperly disbursed funds are a liability. The school is also responsible for reimbursing ED for interest on these funds. This situation occurs when a school credits a student’s account and fails to cancel the award when the student doesn’t attend school and when the school fails to provide matching funds for the campus-based programs.

## EXCEPTIONS TO EXCESS CASH DEFINITION

- ▶ Schools under the just-in-time payment method are exempt since, by definition, they will have no excess cash.
- ▶ The amount of cash held by the school falls within regulatory tolerances.

## 1. Tolerances

## Notes

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### **Tolerances**

Tolerance rules allow a school to have excess cash:

- ♦ during peak enrollment periods if it draws down and maintains excess cash of less than 3% of total prior-year drawdowns or
- ♦ during nonpeak enrollment periods if it draws down and maintains excess cash of less than 1% of total prior-year drawdowns.

School must eliminate excess cash within 10 days of receipt of funds (3 business days plus 7 tolerance days).

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- Peak enrollment occurs when at least 25 percent of a school's students start classes during a given 30-day period.



### **Calculating Peak Enrollment**

To calculate the percentage of students who start classes within a given 30-day period:

- Step 1: Determine number of students who started classes during that period in prior award year.
- Step 2: Determine total number of students who started classes during the entire prior award year.
- Step 3: Divide number in step 1 by number in step 2.
- Step 4: Multiply result in step 3 by 100.

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- To determine total prior-year drawdowns, include all Title IV funds, including Direct Loans. Direct Loan schools may also include prior-year FFEL Program loans in their calculations.

## 2. Liabilities



### ***Liabilities***

If a school maintains excess cash in its account, ED may:

- ♦ require the school to reimburse the government for costs incurred by having excess funds held by the school, and
- ♦ take action to fine, limit, suspend, or terminate the school's participation in one or more Title IV programs.

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- Institutional liability is equal to the difference between the earnings any excess cash would have generated if invested under the applicable current value of funds rate and the actual interest earned.

## C. METHODS FOR RETURNING FUNDS

- The procedure that a school follows to return funds depends on the circumstances that necessitated the return.

### 1. Excess Cash



### ***Returning Excess Cash***

To return excess cash, the school sends a check to:

U.S. Department of Education  
P.O. Box 952023  
St. Louis, MO 63195-2023

Remittance should include the school's DUNS number, Document Award number, name and telephone number of a contact, and the reason for the return.

Amounts of \$100,000 or more must be returned by FEDWIRE.

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Notes

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- See *GAPS Payee Guide* and Section 4.9, pages 4-35 and 4-36, of *The Blue Book* for more information.

## 2. Closed Award

- A school follows the same procedures for returning excess cash.
- *The Blue Book*, Section 4.9, page 4-35, has information about handling Federal Pell Grant decrease adjustments.

## 3. Funds From an Audit or Program Review



### ***Returning Funds From an Audit or Program Review***

- ◆ If a school owes funds:
  - ◆ a copy of the FPRD or FADL is sent to ED's Receivables and Cash Receipts Team (RCRT) and
  - ◆ RCRT sets up an account receivable.

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- A school may not account for disallowed funds from an audit or program review by reducing net drawdowns on its GAPS Activity Reports.
- Returned disallowed funds are credited to the school's GAPS account only for open awards.
- A school may not adjust a prior-year FISAP or Pell Grant processed payment information to reflect disallowed expenditures.
- A school may not directly repay FFEL Program lenders or the Direct Loan Servicing Center unless directed by ED.

Notes

#### 4. Interest Earned

- Interest or investment earnings, in excess of amount school may retain, must be returned to ED at least annually.
- Exception is that all Federal Perkins Loan Program funds must be retained and used for authorized activities.



### ***Returning Earned Interest***

Schools must return excess interest or investment income by check.

- ♦ The check should be sent to:  
U.S. Department of Education  
P.O. Box 952023  
St. Louis, MO 63195-2023



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- The remittance should include the DUNS number, Document Award number, name and telephone number of a contact, and the reason for the return.

#### D. RELEASING CAMPUS-BASED FUNDS



### ***Releasing Campus-Based Funds***

- ♦ A school must return unexpended amounts of campus-based funds when it does not use its entire allocation.

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Notes

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## E. RETURNING LOAN FUNDS

Notes

### 1. Returning FFEL Funds



#### ***Returning FFEL Funds***

FFEL funds must be returned if:

- ◆ student fails to enroll,
- ◆ student fails to meet satisfactory academic progress or FFEL eligibility requirements at the time loan is to be delivered,
- ◆ student withdraws or drops out before funds are delivered,
- ◆ refund is due as result of refund calculation, or
- ◆ borrower requests school to reduce the loan.

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#### ***Timelines for Delivering FFEL Funds***

- ◆ FFEL funds received by check must be delivered within 30 days after being received.
- ◆ FFEL funds received by EFT or master check must be delivered no later than 10 business days after being received.
  - ▲ Beginning July 1, 1999, EFT and master check funds must be delivered within 3 business days.

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### ***Withdrawal From School***

If a student withdraws from school, school must return funds within 60 days from:

- ◆ date student officially withdraws,
- ◆ date student is expelled, or
- ◆ date school determines the unofficial date of withdrawal.

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### ***Student Drops Out But Does Not Notify School***

If student drops out but does not notify school, school must determine the withdrawal date within 30 days of the earliest of:

- ◆ date the school becomes aware the student has dropped out,
- ◆ end of the academic term for which the student dropped out, or
- ◆ expiration of the enrollment period for which the student was charged.

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### ***Student Fails to Return From Leave of Absence***

If student fails to return from an approved leave of absence, FFEL funds must be returned to lender within 30 days of the earlier of:

- ♦ expiration of the approved leave or
- ♦ date student notifies school of intention not to return after expiration of leave.

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- If a student fails to return from an unapproved leave of absence, funds must be returned to the lender within 60 days of the last recorded date of attendance.

## **2. Returning Direct Loan Funds**



### ***Returning Direct Loan Funds***

If less than \$100,000 owed, school pays by check to:

Loan Origination Center  
Attn: Excess Cash  
P.O. Box 2011  
Montgomery, AL 36102-2011

If \$100,000 or more owed, school uses FEDWIRE and returns funds to:

Compass Bank Account No. 70726726  
ABA # 0620 01186

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## F. REFUNDS AND REPAYMENTS

Notes

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### ***Refunds and Repayments***

Schools have certain responsibilities if a student with Title IV funds:

- ♦ officially withdraws,
- ♦ drops out,
- ♦ is expelled,
- ♦ takes an unapproved leave of absence, or
- ♦ fails to return from an approved leave of absence.

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### ***School Options***

Schools currently have two options for calculating refunds:

- ♦ “new” method where a school must provide for *return of unearned Title IV aid*, or
- ♦ “old” method where a school must provide for a *refund of unearned institutional charges* assessed to students who receive Title IV aid.

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## 1. The “New” Method: Return of Unearned Title IV Aid

### a. Background



### ***“New” Method: Return of Unearned Title IV Aid***

Higher Education Amendments of 1998 established the return of unearned Title IV aid provisions. This change is effective:

- ♦ October 7, 2000 or
- ♦ earlier, if a school chooses to adopt the new provisions.

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### ***Early Implementation of “New” Method***

To adopt early implementation, a school must:

- ♦ establish a specific implementation date,
- ♦ implement all of the provisions, and
- ♦ apply the provisions to all students.

Exception: A school may implement the “new” method only for students who enter after its implementation date and have been officially advised of the new policy.

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- Some of the provisions of the return of Title IV aid are subject to negotiated rulemaking.

Notes

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### ***Features of “New” Return of Funds Method***

- ◆ Deals with only Title IV aid.
- ◆ Applies to all Title IV recipients except for FWS recipients.
- ◆ No need to compare method with other policies.
- ◆ It does not include the issue of unpaid charges.
- ◆ No impact on nonfederal aid.
- ◆ Easier to understand and calculate.

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#### ***b. Earned vs. Unearned Title IV Aid***



### ***Earned vs. Unearned Title IV Aid***

Example:

A student completes 50% of the payment period or period of enrollment.

- ◆ 50% of the Title IV aid is “earned” for that period.
- ◆ 50% of the Title IV aid is “unearned” for that period and must be returned.

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## Treatment of Title IV Funds When a Student Withdraws

Student's Name  Social Security Number

### Step 1: Basic Information

	Disbursed	Could Have Been Disbursed		Disbursed	Could Have Been Disbursed
Unsubsidized Stafford Loan	_____	_____	Federal PLUS	_____	_____
Subsidized Stafford Loan	_____	_____	Direct PLUS	_____	_____
Unsubsidized Direct Loan	_____	_____	Pell Grant	_____	_____
Subsidized Direct Loan	_____	_____	FSEOG	_____	_____
Perkins Loan	_____	_____	Other Title IV Programs <small>(Do not include FWS)</small>	_____	_____

A. Title IV aid disbursed (NOT aid that could have been disbursed) for the payment or enrollment period A.

B. Total Title IV aid disbursed, or that could have been disbursed, for the payment or enrollment period B.

C. Percentage of payment period or enrollment period completed  
 If school is not required to take attendance and student withdrew without notification, enter 50% in line C (or the school may choose to use a documented attendance date that is past the 50% point)

Withdrawal date    /   /    Payment or enrollment period start date    /   /    (start date) and end date    /   /    (end date)

**Calendar days** completed in the payment or enrollment period divided by the total calendar days in the payment or enrollment period  ,

**OR**

**Clock hours** completed in the payment or enrollment period divided by the total clock hours in the payment or enrollment period  ,  C.

D. Institutional charges for the payment or enrollment period D.

E. Percentage of Title IV aid earned (equal to line C up to 60%, otherwise 100%) E.

F. Percentage of Title IV aid unearned (100% – line E) F.

### Step 2: Amount of Title IV Aid Earned by Student

G. Percentage of Title IV aid earned (line E) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)  
 (line E) x  (line B) G.

### Step 3: Amount of Title IV Aid Unearned by Student

H. Percentage of Title IV aid unearned (line F) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)  
 (line F) x  (line B) H.

## Treatment of Title IV Funds When a Student Withdraws

Student's Name

### Step 4: Total Title IV Aid to be Disbursed

I. If the amount of Title IV aid earned (line G) is greater than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the Title IV aid disbursed for the payment or enrollment period (line A) from the amount of Title IV aid earned (line G). This is the amount of disbursement due.

<input style="width: 100%;" type="text"/>	-	<input style="width: 100%;" type="text"/>		I. <input style="width: 100%;" type="text"/>
(line G)		(line A)		(total due)



If a disbursement is due, **DO NOT** complete steps 5-9

### Step 5: Amount of Unearned Title IV Aid to be Returned

J. If the amount of Title IV aid earned (line G) is less than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the amount of Title IV aid earned (line G) from Title IV aid disbursed for the payment or enrollment period (line A). This is the amount of Title IV aid that must be returned.

<input style="width: 100%;" type="text"/>	-	<input style="width: 100%;" type="text"/>		J. <input style="width: 100%;" type="text"/>
(line A)		(line G)		

### Step 6: Amount of Unearned Title IV Aid Due From the SCHOOL

K. Institutional charges for the payment or enrollment period (line D) are multiplied by the percentage of Title IV aid unearned (line F).

<input style="width: 100%;" type="text"/>	x	<input style="width: 100%;" type="text"/>		K. <input style="width: 100%;" type="text"/>
(line D)		(line F)		

L. Compare the amount of Title IV aid unearned (line H) to line K and enter the lesser amount.

L.

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### Step 7: Funds to be Returned by the SCHOOL

The school must return the unearned aid for which the school is responsible (line L) by repaying funds to the following sources, in the following order, up to the total received from each source until the amount in line L is reached.

	Amount for School to Return	Amount Remaining for the Program		Amount for School to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	6. Federal PLUS	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
2. Subsidized Stafford Loan	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	7. Direct PLUS	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
3. Unsubsidized Direct Loan	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	8. Pell Grant	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
4. Subsidized Direct Loan	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	9. FSEOG	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
5. Perkins Loan	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	10. Other Title IV Programs	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

### Step 8: Amount of Unearned Title IV Aid Due From the STUDENT

M. The amount of Title IV aid unearned to be returned (line J) minus the amount of Title IV aid due from the school (line L).

<input style="width: 100%;" type="text"/>	-	<input style="width: 100%;" type="text"/>		M. <input style="width: 100%;" type="text"/>
(line J)		(line L)		

### Step 9: Funds to be Returned by the STUDENT

The student (or parent for a PLUS Loan) must return unearned aid for which the student (or parent) is responsible (line M) in the following order:

	Amount for Student to Return	Amount Remaining for the Program		Initial Amount to Return	Amount for Student to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	8. Pell Grant	<input style="width: 100%;" type="text"/>	x 50% =	<input style="width: 100%;" type="text"/>
2. Subsidized Stafford Loan	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	9. FSEOG	<input style="width: 100%;" type="text"/>	x 50% =	<input style="width: 100%;" type="text"/>
3. Unsubsidized Direct Loan	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	10. Other Title IV Programs	<input style="width: 100%;" type="text"/>		<input style="width: 100%;" type="text"/>
4. Subsidized Direct Loan	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>				
5. Perkins Loan	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>				
6. Federal PLUS Loan	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>				
7. Direct PLUS Loan	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>				

**Remember**—Loan amounts are returned according to the terms of the loan.

***c. Process for Returning Unearned Title IV Aid***

Notes



***Step 1: Basic Information***

- ◆ Question A: amount of Title IV aid by program that was disbursed for the payment or enrollment period.
- ◆ Question B: total amount of Title IV aid that was disbursed *plus* any Title IV aid that could have been disbursed for the payment or enrollment period.

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***Step 1: Basic Information  
(cont'd)***

Question C asks you to calculate the percentage of the payment or enrollment period completed.

- ◆ Calculate how many calendar days or clock hours were completed.
- ◆ Divide days or hours completed by the total number of calendar days or clock hours in the payment or enrollment period.
- ◆ If result is greater than 60%, use 100%.

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## ***Determining Withdrawal Date***

- ◆ For schools required to take attendance, the school uses the attendance record.
- ◆ Otherwise, school uses one of the following:
  - ▲ date student began withdrawal process,
  - ▲ date student provided official notification of intent to withdraw, or
  - ▲ the midpoint of the payment period (or later if documented by the school) if student did not notify school or begin withdrawal process.

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## ***Leaves of Absence***

School can grant a student a leave of absence of up to 180 days in any 12-month period if:

- ◆ school has a formal policy about leaves of absence,
- ◆ student follows school guidelines for requesting a leave, and
- ◆ school grants the student's request according to the school's policy.

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### **Completing Step 1: Basic Information**

- ◆ Question D asks for the institutional charges for the payment or enrollment period.
- ◆ Question E asks for the percentage of Title IV aid earned.
  - ▲ Same percentage as the percentage of payment or enrollment period completed (Question C calculation).
- ◆ Question F is the percentage of Title IV aid unearned.
  - ▲ Equals 100% minus the percentage of Title IV aid earned (Question E calculation).

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### **Steps 2 and 3: Calculate Earned and Unearned Title IV Aid**

Step 2: Calculate the amount of Title IV aid earned by the student:

- ▲ Multiply the total amount of aid that could have been disbursed during the payment or enrollment period by the percentage earned.

Step 3: Calculate the amount of Title IV aid unearned by the student:

- ▲ Multiply the total amount of Title IV aid that was disbursed or could have been disbursed by the percentage unearned.

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### ***Step 4: Determine Total Title IV Aid to be Disbursed***

Subtract the amount of Title IV aid disbursed during the payment or enrollment period from the amount of Title IV aid earned by the student.

- ♦ A positive result indicates a disbursement is due.
- ♦ A negative result indicates that unearned Title IV funds need to be returned.

If a disbursement is due, do not complete Steps 5 through 9.

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### ***Step 5: Determine Unearned Title IV Aid to be Returned***

If no disbursement is due (based on results of Step 4), calculate the amount of Title IV aid to be returned by subtracting the amount of earned Title IV aid from the total amount of aid disbursed to the student.

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### ***Step 6: Calculate School's Responsibility***

- ◆ Multiply the total amount of institutional charges for the payment or enrollment period by the percentage unearned (Step 1).
- ◆ Compare this result with the amount of Title IV aid unearned (Step 3).
- ◆ The lesser amount is the unearned Title IV aid for which the school is responsible.

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### ***What is the Order for the Return of Title IV Funds?***

1. Unsubsidized Stafford Loans
2. Subsidized Stafford Loans
3. Unsubsidized Direct Loans
4. Subsidized Direct Loans
5. Perkins Loans
6. Federal PLUS Loans
7. Direct PLUS Loans

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### ***Order of Return (cont'd)***

8. Pell Grants
9. FSEOG
10. Other Title IV programs

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### ***Step 8: Determine Student's Responsibility***

The student's responsibility is equal to the total amount of unearned Title IV aid (Step 5) minus the school's responsibility.

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### ***Special Rules for Student's Responsibility***

If student's portion of unearned Title IV is a loan:

- ◆ No action is necessary.
- ◆ The terms and conditions of the loan take care of the repayment.

If student's portion of unearned Title IV aid is a federal grant:

- ◆ The student returns no more than 50% of amount received for the payment/enrollment period.

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- Three case studies using the "new" method for returning Title IV funds are on pages 24 - 32.

## Case Study: New Method for Returning Title IV Aid (Ellen)

Ellen was a terrific high school student, who scored very high on the SAT. Because her academic qualifications are so good and her family isn't very well off, the admissions representative from Skye University told her that the school would cover all her education costs. For the academic year (which consists of fall and spring semesters), the university charges \$10,000 for tuition, \$200 for fees, and \$5,000 for a dormitory room on campus and the meal plan. Books and supplies are estimated at \$750 for the year. Ellen has a choice of purchasing these at the university bookstore or a discount bookstore that's a mile down the road from the university.

Ellen decides to go to Skye University. Her financial aid for her freshman year is:

University Grant .....	\$10,000
Pell Grant .....	\$ 3,000
FSEOG .....	\$ 1,000
Subsidized Federal Stafford Loan .....	\$ 1,950 (net amount)

Now that she has arrived on campus, she is starting to have misgivings about her decision to attend college and to borrow money. She completed her student loan entrance counseling in the financial aid office. Her father has been unemployed for several months, and she is concerned about the financial impact on her family. On top of everything else, Skye is a really big school and far from home. She feels very lost.

Ellen is thinking about dropping out and returning to her family. The fall semester started on September 7 and after two weeks of classes, one quiz, two short papers, and many hours of reading, she knows she can handle the work. Still, it all doesn't feel right. She arrives in your office and wants to know how much Title IV money she'll owe if she drops out today. The school has its own refund policy, and Ellen may need to return institutional funds also.

Calculate how much Title IV money the school and Ellen would have to return if she dropped out on September 20, 14 days into the semester counting September 7.\* (The semester is 16 weeks [112 days] and ends on December 27.) All aid has been disbursed with the exception of the Federal Stafford Loan, but the student is not subject to the 30-day delayed disbursement.

Use the worksheet to come up with the answers.

\*The school may have its own refund policy and, if it does, Ellen will be responsible for paying back the institutional funds the school says she owes.

## Treatment of Title IV Funds When a Student Withdraws

Student's Name **Ellen** Social Security Number — —

### Step 1: Basic Information

	Disbursed	Could Have Been Disbursed		Disbursed	Could Have Been Disbursed
Unsubsidized Stafford Loan	_____	_____	Federal PLUS	_____	_____
Subsidized Stafford Loan	_____	_____	Direct PLUS	_____	_____
Unsubsidized Direct Loan	_____	_____	Pell Grant	_____	_____
Subsidized Direct Loan	_____	_____	FSEOG	_____	_____
Perkins Loan	_____	_____	Other Title IV Programs <small>(Do not include FWS)</small>	_____	_____

A. Title IV aid disbursed (NOT aid that could have been disbursed) for the payment or enrollment period A.  

B. Total Title IV aid disbursed, or that could have been disbursed, for the payment or enrollment period B.  

C. Percentage of payment period or enrollment period completed  
 If school is not required to take attendance and student withdrew without notification, enter 50% in line C (or the school may choose to use a documented attendance date that is past the 50% point)

Withdrawal date   /  /   Payment or enrollment period start date   /  /   (start date) and end date   /  /   (end date)

**Calendar days** completed in the payment or enrollment period divided by the total calendar days in the payment or enrollment period   ,  

**OR**

**Clock hours** completed in the payment or enrollment period divided by the total clock hours in the payment or enrollment period   ,   C.  

D. Institutional charges for the payment or enrollment period D.  

E. Percentage of Title IV aid earned (equal to line C up to 60%, otherwise 100%) E.  

F. Percentage of Title IV aid unearned (100% – line E) F.  

### Step 2: Amount of Title IV Aid Earned by Student

G. Percentage of Title IV aid earned (line E) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)  
  (line E) x   (line B) G.  

### Step 3: Amount of Title IV Aid Unearned by Student

H. Percentage of Title IV aid unearned (line F) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)  
  (line F) x   (line B) H.

## Treatment of Title IV Funds When a Student Withdraws

Student's Name **Ellen**

### Step 4: Total Title IV Aid to be Disbursed

I. If the amount of Title IV aid earned (line G) is greater than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the Title IV aid disbursed for the payment or enrollment period (line A) from the amount of Title IV aid earned (line G). This is the amount of disbursement due.

<input style="width: 90%;" type="text"/> <small>(line G)</small>	-	<input style="width: 90%;" type="text"/> <small>(line A)</small>		<b>I.</b> <input style="width: 90%;" type="text"/> <small>(total due)</small>
---	---	---	--	--



If a disbursement is due, **DO NOT** complete steps 5-9

### Step 5: Amount of Unearned Title IV Aid to be Returned

J. If the amount of Title IV aid earned (line G) is less than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the amount of Title IV aid earned (line G) from Title IV aid disbursed for the payment or enrollment period (line A). This is the amount of Title IV aid that must be returned.

<input style="width: 90%;" type="text"/> <small>(line A)</small>	-	<input style="width: 90%;" type="text"/> <small>(line G)</small>		<b>J.</b> <input style="width: 90%;" type="text"/>
---	---	---	--	--

### Step 6: Amount of Unearned Title IV Aid Due From the SCHOOL

K. Institutional charges for the payment or enrollment period (line D) are multiplied by the percentage of Title IV aid unearned (line F).

<input style="width: 90%;" type="text"/> <small>(line D)</small>	x	<input style="width: 90%;" type="text"/> <small>(line F)</small>		<b>K.</b> <input style="width: 90%;" type="text"/>
---	---	---	--	--

L. Compare the amount of Title IV aid unearned (line H) to line K and enter the lesser amount.

**L.**

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### Step 7: Funds to be Returned by the SCHOOL

The school must return the unearned aid for which the school is responsible (line L) by repaying funds to the following sources, in the following order, up to the total received from each source until the amount in line L is reached.

	Amount for School to Return	Amount Remaining for the Program		Amount for School to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan	_____	_____	6. Federal PLUS	_____	_____
2. Subsidized Stafford Loan	_____	_____	7. Direct PLUS	_____	_____
3. Unsubsidized Direct Loan	_____	_____	8. Pell Grant	_____	_____
4. Subsidized Direct Loan	_____	_____	9. FSEOG	_____	_____
5. Perkins Loan	_____	_____	10. Other Title IV Programs	_____	_____

### Step 8: Amount of Unearned Title IV Aid Due From the STUDENT

M. The amount of Title IV aid unearned to be returned (line J) minus the amount of Title IV aid due from the school (line L).

<input style="width: 90%;" type="text"/> <small>(line J)</small>	-	<input style="width: 90%;" type="text"/> <small>(line L)</small>		<b>M.</b> <input style="width: 90%;" type="text"/>
---	---	---	--	--

### Step 9: Funds to be Returned by the STUDENT

The student (or parent for a PLUS Loan) must return unearned aid for which the student (or parent) is responsible (line M) in the following order:

	Amount for Student to Return	Amount Remaining for the Program		Initial Amount to Return	Amount for Student to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan	_____	_____	8. Pell Grant	_____	x 50% = _____	_____
2. Subsidized Stafford Loan	_____	_____	9. FSEOG	_____	x 50% = _____	_____
3. Unsubsidized Direct Loan	_____	_____	10. Other Title IV Programs	_____	_____	_____
4. Subsidized Direct Loan	_____	_____				
5. Perkins Loan	_____	_____				
6. Federal PLUS Loan	_____	_____				
7. Direct PLUS Loan	_____	_____				

**Remember**—Loan amounts are returned according to the terms of the loan.

## Case Study: New Method for Returning Title IV Aid (Ellen, again)

As it turns out, Ellen didn't drop out after the second week of school. She decided to try to stick it out. You don't hear from her for several weeks. Then, on October 4 (four weeks, that is, 28 days, after school starts), she calls you to announce that she is officially withdrawing from school. She wants to settle her bill. By this time, all her financial aid for the semester has been disbursed.

Revise your calculation of how much money the school and Ellen would have to return to Title IV funds on the basis of her withdrawal as of October 4.

Use the worksheet to come up with the answers.

## Treatment of Title IV Funds When a Student Withdraws

Student's Name **Ellen, again** Social Security Number — —

### Step 1: Basic Information

	Disbursed	Could Have Been Disbursed		Disbursed	Could Have Been Disbursed
Unsubsidized Stafford Loan	_____	_____	Federal PLUS	_____	_____
Subsidized Stafford Loan	_____	_____	Direct PLUS	_____	_____
Unsubsidized Direct Loan	_____	_____	Pell Grant	_____	_____
Subsidized Direct Loan	_____	_____	FSEOG	_____	_____
Perkins Loan	_____	_____	Other Title IV Programs <small>(Do not include FWS)</small>	_____	_____

A. Title IV aid disbursed (NOT aid that could have been disbursed) for the payment or enrollment period A.

B. Total Title IV aid disbursed, or that could have been disbursed, for the payment or enrollment period B.

C. Percentage of payment period or enrollment period completed  
 If school is not required to take attendance and student withdrew without notification, enter 50% in line C (or the school may choose to use a documented attendance date that is past the 50% point)

Withdrawal date   /  /   Payment or enrollment period start date   /  /   (start date) and end date   /  /   (end date)

**Calendar days** completed in the payment or enrollment period divided by the total calendar days in the payment or enrollment period    ,   

**OR**

**Clock hours** completed in the payment or enrollment period divided by the total clock hours in the payment or enrollment period    ,    C.

D. Institutional charges for the payment or enrollment period D.

E. Percentage of Title IV aid earned (equal to line C up to 60%, otherwise 100%) E.

F. Percentage of Title IV aid unearned (100% – line E) F.

### Step 2: Amount of Title IV Aid Earned by Student

G. Percentage of Title IV aid earned (line E) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)

   (line E) x    (line B) G.

### Step 3: Amount of Title IV Aid Unearned by Student

H. Percentage of Title IV aid unearned (line F) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)

   (line F) x    (line B) H.

## Treatment of Title IV Funds When a Student Withdraws

Student's Name **Ellen, again**

### Step 4: Total Title IV Aid to be Disbursed

I. If the amount of Title IV aid earned (line G) is greater than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the Title IV aid disbursed for the payment or enrollment period (line A) from the amount of Title IV aid earned (line G). This is the amount of disbursement due.

<input style="width: 90%;" type="text"/>	-	<input style="width: 90%;" type="text"/>		I. <input style="width: 90%;" type="text"/>
(line G)		(line A)		(total due)



If a disbursement is due, **DO NOT** complete steps 5-9

### Step 5: Amount of Unearned Title IV Aid to be Returned

J. If the amount of Title IV aid earned (line G) is less than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the amount of Title IV aid earned (line G) from Title IV aid disbursed for the payment or enrollment period (line A). This is the amount of Title IV aid that must be returned.

<input style="width: 90%;" type="text"/>	-	<input style="width: 90%;" type="text"/>		J. <input style="width: 90%;" type="text"/>
(line A)		(line G)		

### Step 6: Amount of Unearned Title IV Aid Due From the SCHOOL

K. Institutional charges for the payment or enrollment period (line D) are multiplied by the percentage of Title IV aid unearned (line F).

<input style="width: 90%;" type="text"/>	x	<input style="width: 90%;" type="text"/>		K. <input style="width: 90%;" type="text"/>
(line D)		(line F)		

L. Compare the amount of Title IV aid unearned (line H) to line K and enter the lesser amount.

L.

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### Step 7: Funds to be Returned by the SCHOOL

The school must return the unearned aid for which the school is responsible (line L) by repaying funds to the following sources, in the following order, up to the total received from each source until the amount in line L is reached.

	Amount for School to Return	Amount Remaining for the Program		Amount for School to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	6. Federal PLUS	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>
2. Subsidized Stafford Loan	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	7. Direct PLUS	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>
3. Unsubsidized Direct Loan	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	8. Pell Grant	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>
4. Subsidized Direct Loan	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	9. FSEOG	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>
5. Perkins Loan	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	10. Other Title IV Programs	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>

### Step 8: Amount of Unearned Title IV Aid Due From the STUDENT

M. The amount of Title IV aid unearned to be returned (line J) minus the amount of Title IV aid due from the school (line L).

<input style="width: 90%;" type="text"/>	-	<input style="width: 90%;" type="text"/>		M. <input style="width: 90%;" type="text"/>
(line J)		(line L)		

### Step 9: Funds to be Returned by the STUDENT

The student (or parent for a PLUS Loan) must return unearned aid for which the student (or parent) is responsible (line M) in the following order:

	Amount for Student to Return	Amount Remaining for the Program		Initial Amount to Return	Amount for Student to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	8. Pell Grant	<input style="width: 90%;" type="text"/>	x 50% = <input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>
2. Subsidized Stafford Loan	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	9. FSEOG	<input style="width: 90%;" type="text"/>	x 50% = <input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>
3. Unsubsidized Direct Loan	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	10. Other Title IV Programs	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>
4. Subsidized Direct Loan	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>				
5. Perkins Loan	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>				
6. Federal PLUS Loan	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>				
7. Direct PLUS Loan	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>				

**Remember**—Loan amounts are returned according to the terms of the loan.

## **Case Study: New Method for Returning Title IV Aid (Max)**

Max is enrolled in a 900 clock-hour, 30-week culinary program. The tuition and fees for the program come to \$2,000. He pays \$1,000 for each payment period. For each payment period, he's receiving a \$1,300 Perkins Loan, \$1,325 Pell Grant, and \$250 FSEOG.

He has finished the first 450 hours as scheduled during the 15-week fall payment period. Completing the second 450 clock hours hasn't been so easy because the weather has been so bad. He lives 30 miles from the school in a rural community. The only way for Max to get to the main highway is by taking a series of narrow, winding back roads. With the snow in January, and February not looking much better, he decides to withdraw and complete the program when the weather becomes more cooperative. The second payment period began on January 3. It ends on April 17. Max tells the school he's dropping out on February 2, after he has completed 180 clock hours.

Use the worksheet to calculate how much money the school and Max must return to the Title IV programs.

## Treatment of Title IV Funds When a Student Withdraws

Student's Name **Max** Social Security Number — —

### Step 1: Basic Information

	Disbursed	Could Have Been Disbursed		Disbursed	Could Have Been Disbursed
Unsubsidized Stafford Loan	_____	_____	Federal PLUS	_____	_____
Subsidized Stafford Loan	_____	_____	Direct PLUS	_____	_____
Unsubsidized Direct Loan	_____	_____	Pell Grant	_____	_____
Subsidized Direct Loan	_____	_____	FSEOG	_____	_____
Perkins Loan	_____	_____	Other Title IV Programs <small>(Do not include FWS)</small>	_____	_____

A. Title IV aid disbursed (NOT aid that could have been disbursed) for the payment or enrollment period A.  

B. Total Title IV aid disbursed, or that could have been disbursed, for the payment or enrollment period B.  

C. Percentage of payment period or enrollment period completed  
 If school is not required to take attendance and student withdrew without notification, enter 50% in line C (or the school may choose to use a documented attendance date that is past the 50% point)

Withdrawal date   /  /   Payment or enrollment period start date   /  /   (start date) and end date   /  /   (end date)

**Calendar days** completed in the payment or enrollment period divided by the total calendar days in the payment or enrollment period   ,  

**OR**

**Clock hours** completed in the payment or enrollment period divided by the total clock hours in the payment or enrollment period   ,   C.  

D. Institutional charges for the payment or enrollment period D.  

E. Percentage of Title IV aid earned (equal to line C up to 60%, otherwise 100%) E.  

F. Percentage of Title IV aid unearned (100% – line E) F.  

### Step 2: Amount of Title IV Aid Earned by Student

G. Percentage of Title IV aid earned (line E) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)

  (line E) x   (line B) G.  

### Step 3: Amount of Title IV Aid Unearned by Student

H. Percentage of Title IV aid unearned (line F) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)

  (line F) x   (line B) H.

## Treatment of Title IV Funds When a Student Withdraws

Student's Name **Max**

### Step 4: Total Title IV Aid to be Disbursed

I. If the amount of Title IV aid earned (line G) is greater than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the Title IV aid disbursed for the payment or enrollment period (line A) from the amount of Title IV aid earned (line G). This is the amount of disbursement due.

<input type="text"/>	-	<input type="text"/>		I. <input type="text"/>
(line G)		(line A)		(total due)



If a disbursement is due, **DO NOT** complete steps 5-9

### Step 5: Amount of Unearned Title IV Aid to be Returned

J. If the amount of Title IV aid earned (line G) is less than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the amount of Title IV aid earned (line G) from Title IV aid disbursed for the payment or enrollment period (line A). This is the amount of Title IV aid that must be returned.

<input type="text"/>	-	<input type="text"/>		J. <input type="text"/>
(line A)		(line G)		

### Step 6: Amount of Unearned Title IV Aid Due From the SCHOOL

K. Institutional charges for the payment or enrollment period (line D) are multiplied by the percentage of Title IV aid unearned (line F).

<input type="text"/>	x	<input type="text"/>		K. <input type="text"/>
(line D)		(line F)		

L. Compare the amount of Title IV aid unearned (line H) to line K and enter the lesser amount.

L.

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### Step 7: Funds to be Returned by the SCHOOL

The school must return the unearned aid for which the school is responsible (line L) by repaying funds to the following sources, in the following order, up to the total received from each source until the amount in line L is reached.

	Amount for School to Return	Amount Remaining for the Program		Amount for School to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan	<input type="text"/>	<input type="text"/>	6. Federal PLUS	<input type="text"/>	<input type="text"/>
2. Subsidized Stafford Loan	<input type="text"/>	<input type="text"/>	7. Direct PLUS	<input type="text"/>	<input type="text"/>
3. Unsubsidized Direct Loan	<input type="text"/>	<input type="text"/>	8. Pell Grant	<input type="text"/>	<input type="text"/>
4. Subsidized Direct Loan	<input type="text"/>	<input type="text"/>	9. FSEOG	<input type="text"/>	<input type="text"/>
5. Perkins Loan	<input type="text"/>	<input type="text"/>	10. Other Title IV Programs	<input type="text"/>	<input type="text"/>

### Step 8: Amount of Unearned Title IV Aid Due From the STUDENT

M. The amount of Title IV aid unearned to be returned (line J) minus the amount of Title IV aid due from the school (line L).

<input type="text"/>	-	<input type="text"/>		M. <input type="text"/>
(line J)		(line L)		

### Step 9: Funds to be Returned by the STUDENT

The student (or parent for a PLUS Loan) must return unearned aid for which the student (or parent) is responsible (line M) in the following order:

	Amount for Student to Return	Amount Remaining for the Program		Initial Amount to Return	Amount for Student to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan	<input type="text"/>	<input type="text"/>	8. Pell Grant	<input type="text"/>	x 50% = <input type="text"/>	<input type="text"/>
2. Subsidized Stafford Loan	<input type="text"/>	<input type="text"/>	9. FSEOG	<input type="text"/>	x 50% = <input type="text"/>	<input type="text"/>
3. Unsubsidized Direct Loan	<input type="text"/>	<input type="text"/>	10. Other Title IV Programs	<input type="text"/>	<input type="text"/>	<input type="text"/>
4. Subsidized Direct Loan	<input type="text"/>	<input type="text"/>				
5. Perkins Loan	<input type="text"/>	<input type="text"/>				
6. Federal PLUS Loan	<input type="text"/>	<input type="text"/>				
7. Direct PLUS Loan	<input type="text"/>	<input type="text"/>				

**Remember**—Loan amounts are returned according to the terms of the loan.

**d. Grant Overpayments**

Notes

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***Grant Overpayments***

- ◆ School collects that portion of the grant owed by the student.
- ◆ If school can't collect from the student, it reports the overpayment to NSLDS within 30 days if it determines student owes an overpayment.
- ◆ Student loses eligibility for Title IV aid unless the overpayment is paid in full or satisfactory repayment arrangements are made.

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**2. Consumer Information Requirements**



***Consumer Information Requirements***

Schools must provide the following consumer information to all enrolled and prospective students:

- ◆ all refund policies,
- ◆ requirements of the new “return of Title IV aid” procedures, and
- ◆ all requirements for officially withdrawing from school.

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### 3. Refunds—The “Old” Method

- Schools must provide for a refund of unearned tuition, fees, room and board, and other charges assessed to students who received Title IV aid.
- Chapter 3, Section 4, of the 1998-99 *Federal Student Aid Handbook* contains an in-depth discussion and case studies on refunds and repayments.



#### ***Refund and Repayment (“Old” Method)***

School provides a refund for unearned tuition, fees, room and board, and other charges.

- ♦ Unearned portion returned as a refund on behalf of the student.
- ♦ School must also assess if student owes a repayment of unearned funds.

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#### ***Excluded Institutional Charges (“Old” Method)***

- ♦ Administrative fee
- ♦ Documented cost of unreturnable equipment
- ♦ Documented cost of returned equipment not in good condition

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Notes

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### ***Fair and Equitable Refund ("Old" Method)***

A school must provide Title IV recipients with a refund that is at least as much as the largest refund under the following three methods:

- ◆ a state refund policy under applicable state law or regulations issued by a state agency established through an enforceable regulatory process,
- ◆ a refund policy established by a nationally recognized accrediting agency and approved by ED, or
- ◆ a pro rata calculation.

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### ***Fair and Equitable Refund ("Old" Method) (cont'd)***

To determine largest refund, the school must:

- ◆ calculate the results of each method separately,
- ◆ compare the results, and
- ◆ use the calculation that provides the largest result.

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- In cases where the pro rata calculation does not apply and where no state or accrediting agency standards exist, the school must compare the federal refund calculation with the school's own policy, if one exists. Then the school uses the calculation that produces the larger refund.

## 4. Unpaid Charges—The “Old” Method

Notes

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### ***Unpaid Charges (“Old” Method)***

When calculating a refund, a school must first determine a student’s unpaid charges.

Total Institutional Charges

-Total Aid Paid to Institutional Charges

=Student’s Scheduled Cash Payment

-Student’s Cash Paid

=Unpaid Charges



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- Late disbursements of Title IV aid count toward the amount of total aid paid.

## Treatment of Title IV Funds When a Student Withdraws

Student's Name **Ellen** Social Security Number **XXX—XX — XXXX**

### Step 1: Basic Information

	Disbursed	Could Have Been Disbursed		Disbursed	Could Have Been Disbursed
Unsubsidized Stafford Loan	_____	_____	Federal PLUS	_____	_____
Subsidized Stafford Loan	_____	<b>\$975</b>	Direct PLUS	_____	_____
Unsubsidized Direct Loan	_____	_____	Pell Grant	<b>\$1,500</b>	_____
Subsidized Direct Loan	_____	_____	FSEOG	<b>\$ 500</b>	_____
Perkins Loan	_____	_____	Other Title IV Programs <small>(Do not include FWS)</small>	_____	_____

A. Title IV aid disbursed (NOT aid that could have been disbursed) for the payment or enrollment period **A. \$2,000**

B. Total Title IV aid disbursed, or that could have been disbursed, for the payment or enrollment period **B. \$2,975**

C. Percentage of payment period or enrollment period completed  
 If school is not required to take attendance and student withdrew without notification, enter 50% in line C (or the school may choose to use a documented attendance date that is past the 50% point)

Withdrawal date **9/20/99** Payment or enrollment period start date **9/7/99** and end date **12/27/99**  
(start date) (end date)

**Calendar days** completed in the payment or enrollment period divided by the total calendar days in the payment or enrollment period **14** , **112**

**OR**

**Clock hours** completed in the payment or enrollment period divided by the total clock hours in the payment or enrollment period **C. 12.5%**

D. Institutional charges for the payment or enrollment period **D. \$7,600**

E. Percentage of Title IV aid earned (equal to line C up to 60%, otherwise 100%) **E. 12.5%**

F. Percentage of Title IV aid unearned (100% – line E) **F. 87.5%**

### Step 2: Amount of Title IV Aid Earned by Student

G. Percentage of Title IV aid earned (line E) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)

**12.5%** (line E) x **\$2,975** (line B) **G. \$371.87**

### Step 3: Amount of Title IV Aid Unearned by Student

H. Percentage of Title IV aid unearned (line F) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)

**87.5%** (line F) x **\$2,975** (line B) **H. \$2,603.13**

## Treatment of Title IV Funds When a Student Withdraws

Student's Name **Ellen**

### Step 4: Total Title IV Aid to be Disbursed

I. If the amount of Title IV aid earned (line G) is greater than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the Title IV aid disbursed for the payment or enrollment period (line A) from the amount of Title IV aid earned (line G). This is the amount of disbursement due.

**\$371.87** (line G) - **\$2,000** (line A) = I. **-\$1,628.13** (total due)



If a disbursement is due, **DO NOT** complete steps 5-9

### Step 5: Amount of Unearned Title IV Aid to be Returned

J. If the amount of Title IV aid earned (line G) is less than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the amount of Title IV aid earned (line G) from Title IV aid disbursed for the payment or enrollment period (line A). This is the amount of Title IV aid that must be returned.

**\$2,000** (line A) - **\$371.87** (line G) = J. **\$1,628.13**

### Step 6: Amount of Unearned Title IV Aid Due From the SCHOOL

K. Institutional charges for the payment or enrollment period (line D) are multiplied by the percentage of Title IV aid unearned (line F).

**\$7,600** (line D) × **87.5%** (line F) = K. **\$6,650**

L. Compare the amount of Title IV aid unearned (line H) to line K and enter the lesser amount.

L. **\$2,603.13**

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### Step 7: Funds to be Returned by the SCHOOL

The school must return the unearned aid for which the school is responsible (line L) by repaying funds to the following sources, in the following order, up to the total received from each source until the amount in line L is reached.

	Amount for School to Return	Amount Remaining for the Program		Amount for School to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan			6. Federal PLUS		
2. Subsidized Stafford Loan	<b>\$975</b>	<b>\$0</b>	7. Direct PLUS		
3. Unsubsidized Direct Loan			8. Pell Grant	<b>\$ 1,500</b>	<b>\$0</b>
4. Subsidized Direct Loan			9. FSEOG	<b>\$ 128.13</b>	<b>\$371.87</b>
5. Perkins Loan			10. Other Title IV Programs		

### Step 8: Amount of Unearned Title IV Aid Due From the STUDENT

M. The amount of Title IV aid unearned to be returned (line J) minus the amount of Title IV aid due from the school (line L).

**\$1,628.13** (line J) - **\$2,603.13** (line L) = M. **\$0**

### Step 9: Funds to be Returned by the STUDENT

The student (or parent for a PLUS Loan) must return unearned aid for which the student (or parent) is responsible (line M) in the following order:

	Amount for Student to Return	Amount Remaining for the Program		Initial Amount to Return	Amount for Student to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan			8. Pell Grant			
2. Subsidized Stafford Loan			9. FSEOG			
3. Unsubsidized Direct Loan			10. Other Title IV Programs			
4. Subsidized Direct Loan						
5. Perkins Loan						
6. Federal PLUS Loan						
7. Direct PLUS Loan						

**Remember**—Loan amounts are returned according to the terms of the loan.

## Treatment of Title IV Funds When a Student Withdraws

Student's Name **Ellen, again** Social Security Number **XXX — XX — XXXX**

### Step 1: Basic Information

	Disbursed	Could Have Been Disbursed		Disbursed	Could Have Been Disbursed
Unsubsidized Stafford Loan	<b>\$975</b>	_____	Federal PLUS	_____	_____
Subsidized Stafford Loan	_____	_____	Direct PLUS	_____	_____
Unsubsidized Direct Loan	_____	_____	Pell Grant	<b>\$1,500</b>	_____
Subsidized Direct Loan	_____	_____	FSEOG	<b>\$ 500</b>	_____
Perkins Loan	_____	_____	Other Title IV Programs <small>(Do not include FWS)</small>	_____	_____

A. Title IV aid disbursed (NOT aid that could have been disbursed) for the payment or enrollment period **A. \$2,975**

B. Total Title IV aid disbursed, or that could have been disbursed, for the payment or enrollment period **B. \$2,975**

C. Percentage of payment period or enrollment period completed  
 If school is not required to take attendance and student withdrew without notification, enter 50% in line C (or the school may choose to use a documented attendance date that is past the 50% point)

Withdrawal date **10/4/99** Payment or enrollment period start date **9/7/99** and end date **12/27/99**  
(start date) (end date)

**Calendar days** completed in the payment or enrollment period divided by the total calendar days in the payment or enrollment period **28** , **112**

**OR**

**Clock hours** completed in the payment or enrollment period divided by the total clock hours in the payment or enrollment period

\_\_\_\_\_ , \_\_\_\_\_ **C. 25%**

D. Institutional charges for the payment or enrollment period **D. \$7,600**

E. Percentage of Title IV aid earned (equal to line C up to 60%, otherwise 100%) **E. 25%**

F. Percentage of Title IV aid unearned (100% – line E) **F. 75%**

### Step 2: Amount of Title IV Aid Earned by Student

G. Percentage of Title IV aid earned (line E) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)

**25%** (line E) x **\$2,975** (line B) **G. \$743.75**

### Step 3: Amount of Title IV Aid Unearned by Student

H. Percentage of Title IV aid unearned (line F) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)

**75%** (line F) x **\$2,975** (line B) **H. \$2,231.25**

## Treatment of Title IV Funds When a Student Withdraws

Student's Name **Ellen, again**

### Step 4: Total Title IV Aid to be Disbursed

I. If the amount of Title IV aid earned (line G) is greater than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the Title IV aid disbursed for the payment or enrollment period (line A) from the amount of Title IV aid earned (line G). This is the amount of disbursement due.

**\$743.75** (line G) - **\$2,975** (line A) = I. **-\$2,231.25** (total due)



If a disbursement is due, **DO NOT** complete steps 5-9

### Step 5: Amount of Unearned Title IV Aid to be Returned

J. If the amount of Title IV aid earned (line G) is less than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the amount of Title IV aid earned (line G) from Title IV aid disbursed for the payment or enrollment period (line A). This is the amount of Title IV aid that must be returned.

**\$2,975** (line A) - **\$743.75** (line G) = J. **\$2,231.25**

### Step 6: Amount of Unearned Title IV Aid Due from the SCHOOL

K. Institutional charges for the payment or enrollment period (line D) are multiplied by the percentage of Title IV aid unearned (line F).

**\$7,600** (line D) x **75%** (line F) = K. **\$5,750**

L. Compare the amount of Title IV aid unearned (line H) to line K and enter the lesser amount.

L. **\$2,231.25**

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### Step 7: Funds to be Returned by the SCHOOL

The school must return the unearned aid for which the school is responsible (line L) by repaying funds to the following sources, in the following order, up to the total received from each source until the amount in line L is reached.

	Amount for School to Return	Amount Remaining for the Program		Amount for School to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan			6. Federal PLUS		
2. Subsidized Stafford Loan	<b>\$975</b>	<b>\$0</b>	7. Direct PLUS		
3. Unsubsidized Direct Loan			8. Pell Grant	<b>\$1,256.25</b>	<b>\$243.75</b>
4. Subsidized Direct Loan			9. FSEOG		
5. Perkins Loan			10. Other Title IV Programs		

### Step 8: Amount of Unearned Title IV Due from the STUDENT

M. The amount of Title IV aid unearned to be returned (line J) minus the amount of Title IV aid due from the school (line L).

**\$2,231.25** (line J) - **\$2,231.25** (line L) = M. **\$0**

### Step 9: Funds to be Returned by the STUDENT

The student (or parent for a PLUS Loan) must return unearned aid for which the student (or parent) is responsible (line M) in the following order:

	Amount for Student to Return	Amount Remaining for the Program		Initial Amount to Return	Amount for Student to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan			8. Pell Grant			
2. Subsidized Stafford Loan			9. FSEOG			
3. Unsubsidized Direct Loan			10. Other Title IV Programs			
4. Subsidized Direct Loan						
5. Perkins Loan						
6. Federal PLUS Loan						
7. Direct PLUS Loan						

**Remember**—Loan amounts are returned according to the terms of the loan.

## Treatment of Title IV Funds When a Student Withdraws

Student's Name **Max** Social Security Number **XXX —XX —XXXX**

### Step 1: Basic Information

	Disbursed	Could Have Been Disbursed		Disbursed	Could Have Been Disbursed
Unsubsidized Stafford Loan	_____	_____	Federal PLUS	_____	_____
Subsidized Stafford Loan	_____	_____	Direct PLUS	_____	_____
Unsubsidized Direct Loan	_____	_____	Pell Grant	<b>\$1,325</b>	_____
Subsidized Direct Loan	_____	_____	FSEOG	<b>\$ 250</b>	_____
Perkins Loan	<b>\$1,300</b>	_____	Other Title IV Programs <small>(Do not include FWS)</small>	_____	_____

A. Title IV aid disbursed (NOT aid that could have been disbursed) for the payment or enrollment period **A. \$2,875**

B. Total Title IV aid disbursed, or that could have been disbursed, for the payment or enrollment period **B. \$2,875**

C. Percentage of payment period or enrollment period completed  
 If school is not required to take attendance and student withdrew without notification, enter 50% in line C (or the school may choose to use a documented attendance date that is past the 50% point)

Withdrawal date **2 / 2 / 99** Payment or enrollment period start date **1 / 3 / 99** and end date **4 / 17 / 99**  
(start date) (end date)

**Calendar days** completed in the payment or enrollment period divided by the total calendar days in the payment or enrollment period \_\_\_\_\_ , \_\_\_\_\_

**OR**

**Clock hours** completed in the payment or enrollment period divided by the total clock hours in the payment or enrollment period \_\_\_\_\_ , \_\_\_\_\_

**180** , **450** **C. 40%**

D. Institutional charges for the payment or enrollment period **D. \$1,000**

E. Percentage of Title IV aid earned (equal to line C up to 60%, otherwise 100%) **E. 40%**

F. Percentage of Title IV aid unearned (100% – line E) **F. 60%**

### Step 2: Amount of Title IV Aid Earned by Student

G. Percentage of Title IV aid earned (line E) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)

**40%** (line E) x **\$2,875** (line B) **G. \$1,150**

### Step 3: Amount of Title IV Aid Unearned by Student

H. Percentage of Title IV aid unearned (line F) multiplied by Title IV aid disbursed or that could have been disbursed for the payment or enrollment period (line B)

**60%** (line F) x **\$2,875** (line B) **H. \$1,725**

## Treatment of Title IV Funds When a Student Withdraws

Student's Name **Max**

### Step 4: Total Title IV Aid to be Disbursed

I. If the amount of Title IV aid earned (line G) is greater than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the Title IV aid disbursed for the payment or enrollment period (line A) from the amount of Title IV aid earned (line G). This is the amount of disbursement due.

**\$1,150** (line G) - **\$2,875** (line A) = I. **-\$1,725** (total due)



If a disbursement is due, **DO NOT** complete steps 5-9

### Step 5: Amount of Unearned Title IV Aid to be Returned

J. If the amount of Title IV aid earned (line G) is less than the amount of Title IV aid disbursed for the payment or enrollment period (line A), subtract the amount of Title IV aid earned (line G) from Title IV aid disbursed for the payment or enrollment period (line A). This is the amount of Title IV aid that must be returned.

**\$2,875** (line A) - **\$1,150** (line G) = J. **\$1,725**

### Step 6: Amount of Unearned Title IV Aid Due From the SCHOOL

K. Institutional charges for the payment or enrollment period (line D) are multiplied by the percentage of Title IV aid unearned (line F).

**\$1,000** (line D) x **60%** (line F) = K. **\$600**

L. Compare the amount of Title IV aid unearned (line H) to line K and enter the lesser amount.

L. **\$600**

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### Step 7: Funds to be Returned by the SCHOOL

The school must return the unearned aid for which the school is responsible (line L) by repaying funds to the following sources, in the following order, up to the total received from each source until the amount in line L is reached.

	Amount for School to Return	Amount Remaining for the Program		Amount for School to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan			6. Federal PLUS		
2. Subsidized Stafford Loan			7. Direct PLUS		
3. Unsubsidized Direct Loan			8. Pell Grant		<b>\$1,325</b>
4. Subsidized Direct Loan			9. FSEOG		<b>\$250</b>
5. Perkins Loan	<b>\$600</b>	<b>\$700</b>	10. Other Title IV Programs		

### Step 8: Amount of Unearned Title IV Aid Due From the STUDENT

M. The amount of Title IV aid unearned to be returned (line J) minus the amount of Title IV aid due from the school (line L).

**\$1,725** (line J) - **\$600** (line L) = M. **\$1,125**

### Step 9: Funds to be Returned by the STUDENT

The student (or parent for a PLUS Loan) must return unearned aid for which the student (or parent) is responsible (line M) in the following order:

	Amount for Student to Return	Amount Remaining for the Program		Initial Amount to Return	Amount for Student to Return	Amount Remaining for the Program
1. Unsubsidized Stafford Loan			8. Pell Grant	<b>\$425</b>	<b>\$212.50</b>	<b>\$1,112.50</b>
2. Subsidized Stafford Loan			9. FSEOG			
3. Unsubsidized Direct Loan			10. Other Title IV Programs			
4. Subsidized Direct Loan						
5. Perkins Loan	<b>\$700</b>	<b>\$0</b>				
6. Federal PLUS Loan						
7. Direct PLUS Loan						

**Remember**—Loan amounts are returned according to the terms of the loan.