## Volume 5
### Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>5-1</td>
</tr>
<tr>
<td>Chapter 1 – Overpayments and Overawards</td>
<td>5-3</td>
</tr>
<tr>
<td>OVERAWARDS</td>
<td>5-3</td>
</tr>
<tr>
<td>Iraq and Afghanistan Service Grants</td>
<td>5-3</td>
</tr>
<tr>
<td>Pell Grants</td>
<td>5-3</td>
</tr>
<tr>
<td>Academic Competitiveness Grant (ACG) and National Science and Mathematics to Retain Talent Grant (National SMART Grant) programs</td>
<td>5-3</td>
</tr>
<tr>
<td>Stafford Loans</td>
<td>5-4</td>
</tr>
<tr>
<td>Campus-Based programs</td>
<td>5-6</td>
</tr>
<tr>
<td>FWS program</td>
<td>5-6</td>
</tr>
<tr>
<td>A resolved overaward may become an overpayment</td>
<td>5-7</td>
</tr>
<tr>
<td>Iraq and Afghanistan Service Grants and Overpayments</td>
<td>5-8</td>
</tr>
<tr>
<td>TREATMENT OF OVERPAYMENTS</td>
<td>5-8</td>
</tr>
<tr>
<td>Overpayments for which the school is responsible</td>
<td>5-8</td>
</tr>
<tr>
<td>TEACH Grants Overpayments</td>
<td>5-9</td>
</tr>
<tr>
<td>When a student fails to begin attendance</td>
<td>5-11</td>
</tr>
<tr>
<td>When funds are considered to have been returned for a student who fails to begin attendance</td>
<td>5-13</td>
</tr>
<tr>
<td>Overpayments for which the student is responsible</td>
<td>5-14</td>
</tr>
<tr>
<td>Exceptions to student liability</td>
<td>5-16</td>
</tr>
<tr>
<td>Overpayments created by inadvertent overborrowing</td>
<td>5-16</td>
</tr>
<tr>
<td>Reporting overpayments to NSLDS</td>
<td>5-17</td>
</tr>
<tr>
<td>Recording student grant payments and reductions</td>
<td>5-18</td>
</tr>
<tr>
<td>Accepting Payments on referred overpayments</td>
<td>5-19</td>
</tr>
<tr>
<td>Referring overpayment cases to Debt Resolution Services</td>
<td>5-20</td>
</tr>
<tr>
<td>School responsibility after referral</td>
<td>5-21</td>
</tr>
<tr>
<td>Responsibilities of Debt Resolution Services</td>
<td>5-22</td>
</tr>
<tr>
<td>Return of Title IV funds when a school does not maintain a separate federal bank account</td>
<td>5-23</td>
</tr>
<tr>
<td>Returning of Funds for FFEL Loans Purchased by the Department</td>
<td>5-24</td>
</tr>
<tr>
<td>Information Required When Referring Student Overpayments for Collection</td>
<td>5-26</td>
</tr>
<tr>
<td>Chapter 2 – Withdrawals and the Return of Title IV Funds</td>
<td>5-27</td>
</tr>
<tr>
<td>WITHDRAWALS</td>
<td>5-27</td>
</tr>
<tr>
<td>General requirements</td>
<td>5-28</td>
</tr>
<tr>
<td>Worksheets and Returns on the Web</td>
<td>5-28</td>
</tr>
<tr>
<td>Consumer information</td>
<td>5-29</td>
</tr>
<tr>
<td>GENERAL TITLE IV PRINCIPLES WITH SPECIAL APPLICABILITY IN THE RETURN OF TITLE IV AID</td>
<td>5-30</td>
</tr>
<tr>
<td>Definition of a Title IV recipient</td>
<td>5-30</td>
</tr>
<tr>
<td>Verification</td>
<td>5-30</td>
</tr>
<tr>
<td>Approved leave of absence</td>
<td>5-32</td>
</tr>
<tr>
<td>Leaves of absence versus the grade of incomplete</td>
<td>5-36</td>
</tr>
<tr>
<td>When a student fails to return from a leave of absence</td>
<td>5-37</td>
</tr>
</tbody>
</table>
Unapproved leaves of absence ........................................................................... 5-38
Institutional charges ......................................................................................... 5-38
Use of institutional charges in determining the school’s responsibility for return 5-38
  When to prorate charges ................................................................................ 5-39
Effects of waivers on institutional charges ...................................................... 5-40
Institutional versus noninstitutional charges ................................................... 5-40
Demonstrating a real and reasonable opportunity .......................................... 5-41
Book vouchers and institutional charges in the return of Title IV funds calcula- 5-41
  tion
Returning equipment ....................................................................................... 5-41
Treatment of Title IV credit balances when a student withdraws .................. 5-42
Timeframe for returning an unclaimed Title IV credit balance ...................... 5-44

PRINCIPLES WITH UNIQUE APPLICATIONS IN THE RETURN OF TITLE IV AID. 5-46

Institutions required to take attendance ............................................................ 5-46
  Date of the institution’s determination that the student withdrew ................ 5-47
  Date of determination at institutions that are required to take attendance 5-47
Use of payment period or period of enrollment .............................................. 5-49
  Payment period ............................................................................................. 5-49
  Period of enrollment ...................................................................................... 5-49
Applicability ...................................................................................................... 5-50
Rounding ........................................................................................................... 5-50
Funds to include in a Return calculation .......................................................... 5-51
  FSEOG Program funds .................................................................................. 5-51

SPECIAL TREATMENT OF STUDENTS WHO WITHDRAW AND THEN TRANSFER OR REENTER A 5-46
CREDIT–HOUR NONTERM–BASED PROGRAM OR A PROGRAM THAT MEASURES PROGRESS IN CLOCK HOURS 5-52
Reentry within 180 days .................................................................................... 5-52
Reentry after 180 days, transfer into a new program at the same institution, or 5-56
  transfer to a new institution

CHART OF LOAN PRINCIPLES APPLICABLE TO TRANSFER AND REENTRY AT NONTERM SCHOOLS 5-58
Eligibility of transfer students for additional Title IV Funds ............................ 5-62

BREAKS IN ATTENDANCE FOR STUDENTS ENROLLED IN PROGRAMS MEASURED IN CREDIT HOURS WITHOUT ACADEMIC TERMS 5-63

CHANGING OR CORRECTING A RETURN CALCULATION ................................. 5-63
Applicable deadlines ......................................................................................... 5-64

STEP 1: STUDENT’S TITLE IV AID INFORMATION ........................................... 5-65
  Title IV aid disbursed .................................................................................... 5-65
  Title IV aid that could have been disbursed ............................................... 5-65
  Treatment of inadvertent overpayments ..................................................... 5-68
Late arriving aid ............................................................................................... 5-71

STEP 2: PERCENTAGE OF TITLE IV AID EARNED ......................................... 5-72
Part 1 – Withdrawal date .................................................................................. 5-72
  Withdrawal date for a student who withdraws from a school that is required 5-72
    to take attendance
  Documentation ............................................................................................... 5-73
Determining a student’s withdrawal date at a school that is not required to take attendance 5-73
  Official notification, School’s withdrawal process. Otherwise provides official notification, 5-73
    When a student triggers both dates, Official notification not provided by the student, 5-73
    Withdrawal without student notification due to circumstances beyond the student’s control, 5-73
    All other withdrawals without student notification. Timeframe for the determination 5-73
    of a withdrawal date for an unofficial withdrawal
  When students fail to earn a passing grade in any of their classes .................. 5-77
  Last date of attendance at an academically related activity ............................. 5-79
  Withdrawals after rescission of official notification ..................................... 5-80
  Withdrawals from standard term-based programs using modules ............... 5-80
  Withdrawal date when a student dies ............................................................ 5-80

Part 2 – Percentage of Aid Earned .................................................................. 5-83
  Percentage of payment period or period of enrollment completed .......... 5-83
    Scheduled breaks, Credit-hour programs, Percentage of Title IV aid earned for withdrawal 5-83
    from a credit-hour nonterm program

EXAMPLES OF CALCULATING A COMPLETION DATE FOR A STUDENT WHO WITHDRAWS FROM A CREDIT–HOUR NONTERM PROGRAM 5-87
(Percentage of payment period or period of enrollment completed in) Clock-hour programs 5-90
When a school disburses Title IV aid to a student using different payment periods 5-91

STEP 3: AMOUNT OF TITLE IV AID EARNED BY THE STUDENT ................. 5-93

STEP 4: TOTAL TITLE IV AID TO BE DISBURSED OR RETURNED ............... 5-93
Part 1 – Post-withdrawal disbursements ......................................................... 5-93
Disburse grant before loan ........................................................................................................................................... 5-94
Summary of actions a school must take before making a post-withdrawal disbursement ........................................... 5-94
Post-withdrawal disbursement of Title IV grant funds ................................................................................................ 5-94
Post-withdrawal disbursement of Title IV loan funds ................................................................................................. 5-95
Separate authorization required for educationally related expenses .............................................................................. 5-96
Credit a student’s account ............................................................................................................................................. 5-97
Notice to a student offering a post-withdrawal disbursement ......................................................................................... 5-98
Death of a student ......................................................................................................................................................... 5-101
Part 2 – Title IV aid to be returned ................................................................................................................................ 5-102
Step 5: Amount of unearned Title IV aid due from the school ............................................................................................ 5-102
Aid disbursed to the student before institutional charges are paid ................................................................................... 5-102
Institutional charges ....................................................................................................................................................... 5-103
Use of institutional charges in determining the school’s responsibility for return ......................................................... 5-103
Effects of a post-withdrawal reduction in charges ........................................................................................................... 5-104
When to prorate charges .................................................................................................................................................. 5-104
Effects of waivers on institutional charges ....................................................................................................................... 5-104
Step 6: Return of funds by the school .................................................................................................................................. 5-105
Order of return of Title IV funds ....................................................................................................................................... 5-105
Time frame for the return of Title IV funds ....................................................................................................................... 5-105
Step 7: Initial amount of unearned Title IV aid due from the student .............................................................................. 5-106
Step 8: Repayment of student loans ............................................................................................................................... 5-106
Step 9: Grant funds to be returned by a student .................................................................................................................. 5-106
Student overpayments of $50 or less ............................................................................................................................... 5-107
Step 10: Return of grant funds by the student ................................................................................................................... 5-107
A school’s responsibilities in the return of funds by the student ...................................................................................... 5-108
Grant Overpayments ......................................................................................................................................................... 5-108
When a student receives additional funds during the 45-day period of extended eligibility ........................................... 5-109
Student overpayments of $50 or less ............................................................................................................................... 5-110
Payments on a student’s behalf ......................................................................................................................................... 5-111
Recording student payments and reductions in the Pell Grant, ACG, National SMART Grant Programs, and TEACH Grant Programs ......................................................................................................................... 5-112
Recording student payments and reductions in the Direct Loan Program ........................................................................ 5-113
Notifying the Department ................................................................................................................................................ 5-114
Reporting and referring overpayments ............................................................................................................................ 5-115
Required referrals ............................................................................................................................................................... 5-117
Accepting payments on referred overpayments ................................................................................................................ 5-118
Corrections or recalls of referred overpayments ................................................................................................................ 5-120
When a student loses eligibility at a former school while receiving aid at a second school .............................................. 5-121
Chart of Withdrawal Dates for a School That Is Not Required to Take Attendance .......................................................... 5-122
Sample Summary of the Requirements of 34 CFR 668.22 (To provide to students as part of consumer information) Treatment of Title IV Aid When a Student Withdraws ................................................................. 5-123
Chart of Return of Title IV Funds Requirements and Deadlines ......................................................................................... 5-125
Chart of Return of Title IV Funds Requirements for Notification ..................................................................................... 5-126
Worksheet for Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program .......................... 5-127
Worksheet for Treatment Of Title IV Funds When A Student Withdraws From A Clock-Hour Program .......................... 5-130
Information Required When Referring Student Overpayments to Borrower Services—Collections ............................... 5-133
Returning of Funds for FFEL Loans Purchased by the Department .................................................................................... 5-134

Case Studies in Withdrawals and the Return of Title IV Aid .......................................................................................... 5-139