# Volume 5

## Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction to Volume 5</td>
<td>5-1</td>
</tr>
<tr>
<td>Chapter 1 – Withdrawals and the Return of Title IV Funds</td>
<td>5-3</td>
</tr>
<tr>
<td><strong>Withdrawals</strong></td>
<td></td>
</tr>
<tr>
<td>General requirements</td>
<td>5-4</td>
</tr>
<tr>
<td>When a student is considered withdrawn</td>
<td>5-4</td>
</tr>
<tr>
<td>When a student who fails to begin attendance in all the courses he or she was scheduled to attend withdraws</td>
<td>5-5</td>
</tr>
<tr>
<td>Worksheets and the Return of Title IV funds Web product</td>
<td>5-5</td>
</tr>
<tr>
<td>Consumer information</td>
<td>5-5</td>
</tr>
<tr>
<td><strong>General Title IV Principles With Special Applicability in the Return of Title IV Aid</strong></td>
<td>5-7</td>
</tr>
<tr>
<td>Definition of a Title IV recipient</td>
<td>5-7</td>
</tr>
<tr>
<td>Verification</td>
<td>5-7</td>
</tr>
</tbody>
</table>

*When verification is completed before the Return deadlines, When verification is not completed before the Return deadlines, When verification is completed after the Return deadlines*

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved leave of absence</td>
<td>5-10</td>
</tr>
<tr>
<td>Written formal policy required, Reasonable expectation of return, Completion of coursework upon return in term-based credit-hour programs, Completion of coursework required upon return in clock-hour and credit-hour nonterm programs, A student may return early from a leave of absence, Leaves of absence versus the grade of incomplete, No additional charges for students on leaves of absence, No additional Title IV assistance while a student is on a leave of absence, A leave of absence may not exceed 180 days in any 12-month period, When a student fails to return from a leave of absence</td>
<td>5-14</td>
</tr>
<tr>
<td>Explanation of the consequences of withdrawal to students granted a leave of absence</td>
<td>5-15</td>
</tr>
<tr>
<td>Unapproved leaves of absence</td>
<td>5-15</td>
</tr>
<tr>
<td><strong>Institutional Charges</strong></td>
<td></td>
</tr>
<tr>
<td>Use of institutional charges in determining the school’s responsibility for return</td>
<td>5-15</td>
</tr>
<tr>
<td>When to prorate charges</td>
<td>5-16</td>
</tr>
<tr>
<td>Effects of waivers on institutional charges</td>
<td>5-16</td>
</tr>
<tr>
<td>Institutional versus noninstitutional charges</td>
<td>5-17</td>
</tr>
<tr>
<td>Returning equipment</td>
<td>5-17</td>
</tr>
<tr>
<td>Demonstrating a real and reasonable opportunity</td>
<td>5-18</td>
</tr>
<tr>
<td>Treatment of Title IV credit balances when a student withdraws</td>
<td>5-19</td>
</tr>
<tr>
<td>Timeframe for returning an unclaimed Title IV credit balance</td>
<td>5-20</td>
</tr>
<tr>
<td><strong>Example of a School Performing a Return Calculation for a Student Whose Account has a Title IV Credit Balance</strong></td>
<td>5-21</td>
</tr>
<tr>
<td><strong>Principles with Unique Applications in the Return of Title IV Aid</strong></td>
<td>5-22</td>
</tr>
<tr>
<td>Date of the institution’s determination that the student withdrew</td>
<td>5-22</td>
</tr>
<tr>
<td>Date of determination at institutions that are required to take attendance</td>
<td>5-22</td>
</tr>
<tr>
<td>Use of payment period or period of enrollment</td>
<td>5-25</td>
</tr>
<tr>
<td>Payment period</td>
<td>5-25</td>
</tr>
<tr>
<td>Period of enrollment</td>
<td>5-25</td>
</tr>
<tr>
<td>Applicability</td>
<td>5-26</td>
</tr>
<tr>
<td>Rounding</td>
<td>5-26</td>
</tr>
</tbody>
</table>
Volume 5 — Withdrawals and the Return of Title IV Funds, 2012-2013

Funds to include in a Return calculation ................................................................. 5-27
FSEOG Program funds ......................................................................................... 5-27
A resolved overaward may become an overpayment ........................................ 5-28
Special Treatment of Students Who Withdrew and Then Transfer or Re-enter A Credit-Hour, Nonterm-Based Program or a Program That Measures Progress in Clock Hours .................................................... 5-29
Re-entry within 180 days, What to do when a student whose overpayment has been referred to Debt Resolution Services re-enters within 180 days, When a student re-enters in a new award year, Re-entry after 180 days, transfer into a new program at the same institution or transfer to a new institution

Eligibility of transfer students for additional Title IV Funds ............................ 5-34
Chart, Loan Principles Applicable to Transfer and Re-entry at Nonterm Schools ............................................................... 5-35
Directions for Adjusting Direct Loans ................................................................. 5-36
Breaks in Attendance for Students Enrolled in Programs Measured in Credit Hours Without Academic Terms ............................................................. 5-39
Changing or Correcting a Return Calculation .................................................... 5-39
Applicable deadlines ......................................................................................... 5-40
Step 1: Student’s Title IV Aid Information ......................................................... 5-41
Title IV aid disbursed ......................................................................................... 5-41
Title IV aid that could have been disbursed ....................................................... 5-41
Treatment of inadvertent overpayments .......................................................... 5-44
Late arriving aid ................................................................................................. 5-45
Example, Second or Subsequent DL Disbursements and an Example of a Second Payment Period Pell Disbursement ......................................................... 5-46
Step 2: Percentage of Title IV Aid Earned .......................................................... 5-47
Part 1 – Withdrawal date ................................................................................... 5-48
Withdrawal date for a student who withdraws from a school that is required to take attendance ................................................................. 5-48
Schools required to take attendance ................................................................. 5-48
A school requirement for taking attendance, Requirements that can only be met by taking attendance, Attendance taking requirements for some students, When a school takes attendance for one day or a limited period, When attendance taking is required only for some classes.

Determining a student’s withdrawal date at a school that is not required to take attendance ......................................................................................... 5-52
Official notification ............................................................................................ 5-52
School’s withdrawal process .............................................................................. 5-52
Otherwise provides official notification ......................................................... 5-53
When a student triggers both dates ................................................................. 5-54
Official notification not provided by the student .............................................. 5-54
Withdrawal without student notification due to circumstances beyond the student’s control ................................................................. 5-55
All other withdrawals without student notification .......................................... 5-55
Timeframe for the determination of a withdrawal date for an unofficial withdrawal ......................................................................................... 5-56
When students fail to earn a passing grade in any of their classes................. 5-56
Last date of attendance at an academically related activity ............................ 5-58
Withdrawals after rescission of official notification ......................................... 5-58
Academic attendance and attendance at an academically related activity ................................. 5-59
Documenting attendance when students are enrolled in distance education courses

Documentation of a withdrawal date .................................................................. 5-60
Withdrawals from programs offered in modules .............................................. 5-61
Determining if a program is offered in modules ................................................. 5-62
How to determine whether a student enrolled in a program offered in modules has withdrawn ................................................................. 5-63
When a student who has withdrawn returns within a payment period or period of enrollment ................................................................. 5-65
Written confirmation of future attendance ..................................................... 5-66
When a student ceases attendance between modules ..................................... 5-67
When a student drops classes on the same day the student withdraws .......... 5-67
Withdrawal date from a program offered in modules ........................................ 5-68
Determining the percentage of the payment period or period of enrollment completed for a student who withdraws from a program offered in modules ......................................................................................... 5-69
Aid to include in the Return calculation ........................................................... 5-70
Withdrawal date when a student dies .............................................................. 5-71
Part 2 – Percentage of Aid Earned .............................................................................. 5-72
Percentage of payment period or period of enrollment completed ......................... 5-72
Scheduled breaks, Credit-hour programs, Percentage of Title IV aid earned for withdrawal from a credit-hour nonterm program

Examples of calculating a completion date for a student who withdraws from a credit-hour, nonterm program ........................................................................................................................................... 5-76
Clock-hour programs .................................................................................................. 5-79

When a school disburses Title IV aid to a student using different payment periods .......... 5-80

Example, Performing a return calculation for a student receiving aid under two payment period definitions ........................................................................................................................................... 5-80

Step 3: Amount of Title IV Aid Earned by the Student ............................................. 5-82
Step 4: Total Title IV Aid to be Disbursed or Returned ........................................... 5-82

Part 1 – Post-withdrawal disbursements .................................................................... 5-82
Disburse grant before loan ......................................................................................... 5-83
Summary of actions a school must take before making a Post-withdrawal disbursement ........................................................................................................................................... 5-83
Post-withdrawal disbursement of Title IV grant funds .............................................. 5-84
Post-withdrawal disbursement of Title IV loan funds .............................................. 5-85
Separate authorization required for educationally related expenses ......................... 5-86
Crediting a student’s account ...................................................................................... 5-86
Notice to a student offering a Post-withdrawal disbursement - Flexibility in notifying students ........................................................................................................................................... 5-87

Example, Post-withdrawal disbursement requirements ........................................... 5-89
When a student who has died is due a post-withdrawal disbursement ....................... 5-90

Part 2 – Title IV aid to be returned ............................................................................. 5-91

Step 5: Amount of Unearned Title IV aid due from the school .................................. 5-91
Aid disbursed to the student before institutional charges are paid ............................ 5-91
Institutional charges .................................................................................................. 5-92
Use of institutional charges in determining the school’s responsibility for return ........ 5-92
Effects of a Post-withdrawal reduction in charges ...................................................... 5-93
When to prorate charges ............................................................................................ 5-93
Effects of waivers on institutional charges .................................................................. 5-93

Step 6: Return of Funds by the School ...................................................................... 5-94
Order of return of Title IV funds ................................................................................ 5-94
Timeframe for the return of Title IV funds .................................................................. 5-94
Downward adjustment of FSA grant disbursement records and Direct Loan disbursement records required ................................................................. 5-95
Returning Direct Loan funds ..................................................................................... 5-95
Returning funds from FFEL Loans purchased by the Department ............................. 5-95
Returning funds after 240 days .................................................................................. 5-96

Step 7: Initial Amount of Unearned Title IV Aid Due from the Student .................... 5-97
Step 8: Repayment of Student Loans ...................................................................... 5-97
Step 9: Grant Funds to be Returned by a Student ..................................................... 5-97
Step 10: Return of Grant Funds by the Student ......................................................... 5-98

A School’s Responsibilities in the Return of Funds by the Student ............................ 5-98
Grant Overpayments ................................................................................................. 5-98

When a student receives additional funds during the 45-day period of extended eligibility ........................................................................................................................................... 5-99
Student overpayments of $50 or less ......................................................................... 5-100

Example, Relationship between the date of notification and the expiration of the 45-day period ........................................................................................................................................... 5-101
Payments on a student’s behalf ................................................................................... 5-102
Recording student payments and reductions in the Title IV grant programs .......... 5-102
Recording student payments and reductions in the Direct Loan Program ................. 5-104
Notifying the Department ......................................................................................... 5-105
Reporting and referring overpayments ...................................................................... 5-106
Required referrals ....................................................................................................... 5-108
Summary ..................................................................................................................... 5-109
Accepting payments on referred overpayments ....................................................... 5-110
Corrections or recalls of referred overpayments ....................................................... 5-111
When a student loses eligibility at a former school while receiving aid at a second school ........................................................................................................................................... 5-112

Form – Direct Loan Refunds of Cash ...................................................................... 5-113
Chart – Withdrawal Dates for a School that is not Required to Take Attendance ........ 5-114
SAMPLE SUMMARY OF THE REQUIREMENTS OF 34 CFR 668.22 (TO PROVIDE TO STUDENTS AS PART OF CONSUMER INFORMATION) ........................................................................................................5-115
CHART – RETURN OF TITLE IV FUNDS REQUIREMENTS AND DEADLINES ..................................................................................................................5-117
CHART – RETURN OF TITLE IV FUNDS REQUIREMENTS FOR NOTIFICATION ........................................................................................................5-118
WORKSHEET – TREATMENT OF TITLE IV FUNDS WHEN A STUDENT WITHDRAWS FROM A CREDIT-HOUR PROGRAM ........................................................................................................5-119
WORKSHEET – TREATMENT OF TITLE IV FUNDS WHEN A STUDENT WITHDRAWS FROM A CLOCK-HOUR PROGRAM ........................................................................................................5-122
FORM – INFORMATION REQUIRED WHEN REFERRING STUDENT OVERPAYMENTS TO DEBT RESOLUTION SERVICES ........................................................................................................5-125

Chapter 2 – Case Studies in Withdrawal and the Return of Title IV Aid .......................5-127