

Volume 5 – Contents

INTRODUCTION	i
CHAPTER 1 – OVERPAYMENTS AND OVERAWARDS	1
Overawards	1
Pell Grants	1
Stafford Loans	1
Campus-based programs	3
FWS program	4
Treatment of Overpayments	4
Overpayments for which the school is responsible	4
Overpayments for which the student is responsible	5
Exceptions to student liability	6
Reporting overpayments to NSLDS	8
Referring overpayment cases to Collections	8
School responsibility after referral	9
Responsibilities of Borrower Services - Collections	10
Return of Title IV funds when a school does not maintain a separate federal bank account	10
CHAPTER 2 – WITHDRAWALS AND THE RETURN OF TITLE IV FUNDS	5-13
Withdrawals	5-13
General requirements	5-14
Worksheets and software	5-14
Consumer information	5-15
General TITLE IV principles with special applicability in the return of federal student aid	5-16
Definition of a Title IV recipient	5-16
Verification	5-16
Approved leave of absence	5-18
Institutional charges	5-24
Institutional versus noninstitutional charges	5-25
<i>Demonstrating a real and reasonable opportunity, Book vouchers and institutional charges in the return of Title IV funds calculations, Returning equipment</i>	
Treatment of Title IV credit balances when a student withdraws	5-28
Principles with unique applications in the Return of Title IV Aid	5-31
Institutions required to take attendance	5-31
Date of the institution’s determination that the student withdrew	5-32
Use of payment period or period of enrollment	5-34
Rounding	5-35
Funds to include in a Return calculation	5-36

Special Treatment of students who withdraw and then transfer or reenter a credit-hour nonterm-based program or a program that measures progress in clock hours	5-40
Reentry within 180 days	5-40
What to do when a student whose overpayment has been referred to Borrower Services reenters within 180 days	5-41
Reentry after 180 days, transfer into a new program at the same institution, or transfer to a new institution	5-43
<i>Eligibility of transfer students for additional Title IV funds</i>	5-44
Breaks in attendance for students enrolled in programs measured in credit hours without academic terms	5-46
Step 1: Student's Title IV aid information	5-49
Title IV aid disbursed	5-49
Title IV aid that could have been disbursed	5-49
<i>Treatment of inadvertent overpayments, Late arriving aid</i>	
Step 2: Percentage of Title IV aid earned	5-55
Part 1 – Withdrawal date	5-55
<i>Withdrawal date for a student who withdraws from a school that is required to take attendance</i>	5-55
<i>Determining a student's withdrawal date at a school that is not required to take attendance</i>	5-56
<i>When students fail to earn a passing grade in any of their classes</i>	5-61
<i>Last date of attendance at an academically related activity</i>	5-62
<i>Withdrawals after rescission of official notification</i>	5-63
<i>Withdrawals from standard term-based programs using modules</i>	5-64
<i>Withdrawal date when a student dies</i>	5-65
Part 2 – Percentage of Aid Earned	5-66
<i>Percentage of payment period or period of enrollment completed</i>	5-66
<i>Percentage of Title IV aid earned for withdrawal from a credit-hour nonterm program, Clock-hour programs, Use of scheduled hours, Excused absences</i>	
Step 3: Amount of Title IV aid earned by the student	5-73
Effects of a post-withdrawal reduction in charges	5-73
Step 4: Total Title IV Aid to be disbursed or returned	5-73
Part 1 – Post-withdrawal disbursements	5-73
<i>Crediting a student's account</i>	5-74
<i>Notice to a student offering a post-withdrawal disbursement</i>	5-76
<i>Disburse grant before loan</i>	5-77
<i>Death of a student</i>	5-79
Part 2 – Title IV aid to be returned	5-80
Step 5: Amount of unearned Title IV aid due from the school	5-80
Aid disbursed to the student before institutional charges are paid	5-80
Institutional charges	5-81
<i>Use of institutional charges in determining the school's responsibility for return</i>	5-81
<i>When to prorate charges</i>	5-82
<i>Effects of waivers on institutional charges</i>	5-82

Step 6: Return of funds by the school.....	5-82
Order of return of Title IV funds	5-82
Time frame for the return of Title IV funds	5-83
Step 7: Initial amount of unearned Title IV aid due from the student	5-83
Step 8: Return of funds by the student	5-83
A school’s responsibilities in the return of funds by the student	5-84
Grant Overpayments	5-84
When a student receives additional funds during the 45-day period of extended eligibility	5-85
Student overpayments less than \$25	5-87
Payments on a student’s behalf.....	5-87
Recording student payments and reductions in the Pell Grant Program	5-88
Recording student payments and reductions in the Direct Loan Program	5-89
Notifying the Department	5-90
Reporting and referring overpayments	5-91
Accepting payments on referred overpayments	5-94
Corrections or recalls of referred overpayments	5-95
When a student loses eligibility at a former school while receiving aid at a second school	5-96
Sample Summary of the Requirements of 34 CFR 668.22 (to provide to Students as part of consumer information)	5-98
Student Overpayment due to Withdrawal Referral to ED/FSA Collections (required data elements)	5-100
Withdrawal Dates for a School that is Not Required to Take Attendance	5-101
Return of Title IV Funds, Requirements and Deadlines	5-102
Return of Title IV Funds, Requirements for Notification	5-103
Treatment of Title IV Funds When a Student Withdraws from a Clock-Hour Program (worksheet)	5-104
Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program (worksheet)	5-106
Post-withdrawal Disbursement Tracking Sheet (worksheet).....	5-108
 CASE STUDIES IN WITHDRAWALS AND THE RETURN OF TITLE IV AID	 5-109