



USA Funds University

Return of Title IV Funds: Credit-Hour Calculation

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Special Note

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Return of Title IV Funds

Credit-Hour Calculation

Students are awarded Title IV aid with the assumption that they will complete the entire period for which assistance was provided. The Higher Education Act of 1965, as amended, requires students to earn Title IV funds on a pro rata basis. When students cease enrollment in all classes after the period begins, the U.S. Department of Education requires schools to determine if such students earned all the aid they received or if additional aid must be paid based on attendance.

Trainer's Tidbit

New regulations, effective July 1, 2011, change some of the provisions of the return calculation. According to Dear Colleague Letter GEN-11-14, the rules "...apply to students who withdraw from payment periods or periods of enrollment that begin on or after July 1, 2011. This means that they do not apply to students who withdraw from a 2011 crossover payment period that begins prior to July 1, 2011, even if the student received Title IV, HEA program funds from the 2011-2012 award year for that crossover payment period."

When to Perform a Return Calculation

A Return of Title IV Funds calculation must be performed when any student who received, or was eligible to receive, Title IV aid ceases attendance in all classes prior to completing the payment period or period of enrollment. A return calculation is not required if the student:

- ♦ Never began attendance at the school.
- ♦ Continues to attend at least one class.
- ♦ Is on an approved leave of absence.
- ♦ Did not receive, and is not eligible to receive, any Title IV aid.
- ♦ Has only received, or is eligible to only receive, Federal Work-Study funds.

Never Began Attendance

34 CFR 668.21.

Students who never began attendance at an institution are not eligible for Title IV funds. If a disbursement was made prior to determining that the student never began attendance, funds must be returned to ED. A Return of Title IV Funds calculation, however, is not necessary.

Continuing Attendance

34 CFR 685.303.

34 CFR 690.80.

The school is not required to perform a return calculation if the student continues to attend at least one class in the period. For example, a student who drops from 15 hours to 3 hours is still considered in attendance and no return calculation is required. Any appropriate aid adjustments due to a change in enrollment status, however, would be necessary.

Determining if a Student has Withdrawn

34 CFR 668.22(a)(2).

Students are considered withdrawn from classes when they do not complete their scheduled enrollment. Beginning July 1, 2011, regulations require the school to determine whether funds must be returned based on the number of days actually completed versus the number of days the student was scheduled to complete within the period.

Leave of Absence

34 CFR 668.22(d).

An approved leave of absence allows students to temporarily cease attendance, but still be considered enrolled. Only approved LOAs would prevent a return calculation from being required. An approved LOA requires the following:

The school:	The student must:																																							
<ul style="list-style-type: none"> ◆ Must have a formal written policy for granting LOAs. ◆ Must publicize the LOA policy. ◆ Must have a reasonable expectation that the student will return from the LOA. ◆ Cannot assess any additional charges, process changes to the student’s financial need or increase federal aid eligibility. ◆ May disburse Pell Grant, Iraq and Afghanistan Service Grant, Federal Supplemental Educational Opportunity Grant, Perkins loan funds and Title IV credit balances to students on LOAs. ◆ Cannot disburse Stafford and PLUS loans to students on LOAs. ◆ Must explain potential consequences of failing to return from an approved LOA if a Title IV loan recipient. ◆ Cannot grant more than 180 days of LOA in a 12-month period for a single student. 	<ul style="list-style-type: none"> ◆ Submit an LOA request in writing (signed and dated), including the reason for the request. ◆ Follow the school’s LOA policy. ◆ Resume the academic program at the same place. Except non-term credit hour schools. 																																							
<h3>Sample Calendar of LOAs</h3>																																								
<table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>Jan.</th> <th>Feb.</th> <th>March</th> <th>April</th> <th>May</th> <th>June</th> <th>July</th> <th>Aug.</th> <th>Sept.</th> <th>Oct.</th> <th>Nov.</th> <th>Dec.</th> <th>Total LOA days</th> </tr> </thead> <tbody> <tr> <td>10</td> <td>28</td> <td></td> <td>30</td> <td>17</td> <td>2</td> <td></td> <td></td> <td>16</td> <td>10</td> <td>9</td> <td></td> <td>122</td> </tr> <tr> <td>31</td> <td>28</td> <td>31</td> <td>30</td> <td>31</td> <td>29</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>180</td> </tr> </tbody> </table>		Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total LOA days	10	28		30	17	2			16	10	9		122	31	28	31	30	31	29							180
Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total LOA days																												
10	28		30	17	2			16	10	9		122																												
31	28	31	30	31	29							180																												

Schools may grant a “leave of absence” that does not meet the prior criteria, and is therefore not considered to be an “approved” LOA for Title IV aid purposes. For example, students who earned incompletes in some or all courses are not considered to be on an approved leave of absence, unless the prior criteria also are met. Students granted these “unofficial” leaves of absence are considered not to be in attendance for Title IV aid purposes, and a return calculation may be required. Furthermore, a school may not consider an unapproved leave of absence as an unofficial withdrawal. For example, if a student submits an LOA in writing, which the school does not approve, the written notice is still considered notification of the student's non-attendance, and thus, triggers a Return calculation.

Trainer’s Tidbit

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2, p. 5-41.

“Because of the criteria that must be met in order for an LOA to be an approved LOA, term-based schools can grant LOAs that meet the Department’s criteria for an approved LOA in a very limited number of cases. A term-based, credit-hour institution that wishes to explore the possibility of granting an LOA that meets the criteria specified in 34 CFR 668.22(d), should call its School Participation Team for additional information.”

Not a Title IV Aid Recipient

34 CFR 668.22(a)(2).

A student is not subject to a Return of Title IV Funds calculation if there are no federal funds received. Students receiving only non-federal aid, such as state grants, private loans or institutional scholarships, are not subject to the return calculation. State, institutional or private refund rules may still apply.

FWS Recipient Only

34 CFR 668.22(a)(2).

Calculations also are not required if a student has only received or is only eligible to receive Federal Work-Study funds, because wages are earned through work, not through attendance.

Case Study

This case will be used throughout the material to complete a return calculation.

Violet Oliver (SSN: AAA-AA-AAAA) enrolled full-time at Everdeen College for the upcoming standard, credit-hour term. Everdeen is not required to take attendance, and uses the last date in an academically-related activity to determine a student's last date of attendance if the student does not officially withdraw. The following are Violet's academic activities, charges and financial aid:

Charges assessed to student's account for the term	July 15	Tuition	\$3,000
		Fees	\$600
Financial aid awarded to student for the academic year	March 1	Pell Grant	\$3,000
		FSEOG	\$2,000
		Perkins Loan	\$2,000
		Subsidized Stafford Loan	\$5,000
Financial aid disbursed for the term	Aug. 30	Pell Grant	\$1,500
		FSEOG	\$1,000
		Subsidized Stafford Loan Net amount	\$2,488
Term begins	Sept. 10		
Violet submits withdrawal for medical reasons	Sept. 30		
Withdrawal processed by school	Oct. 5		
Return calculation completed	Oct. 10		
Term ends	Dec. 15		
Total number of scheduled days	97		

Dates and amounts are not intended to represent any specific year.

Date the School Determined the Student Withdrew

34 CFR 668.22(l)(3).

The date the school determined the student withdrew is the same date the school was notified or learns of the student's non-attendance in all courses. This date may not necessarily be same as the student's actual withdrawal date, but is used to determine various deadlines associated with the Return of Title IV Funds process.

Payment Period and Period of Enrollment

34 CFR 668.22(e)(5).

Return calculations are either done on a payment period or period of enrollment basis. The program type determines which measure is used for the calculation:

Program	Period
Standard term, credit hour. Semesters, trimesters or quarters.	Must use the payment period, with the period defined as the term.
Non-term or nonstandard term. Credit or clock hours.	May use payment period or period of enrollment. Must choose one and use for all students in the program.
Non-standard term, credit hour program with terms that are not substantially equal in length.	Must use the payment period with the later ending date. Title IV grants and Perkins loan funds have different payment periods than Stafford loan funds.

The period used for calculations also must be used for Title IV aid and institutional charges included in the return calculation. Prorating may be necessary for all elements to correspond.

Case Study (cont.)

Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program			
Student's Name	<input type="text"/>	Social Security Number	<input type="text"/>
Date form completed	<input type="text"/> / <input type="text"/> / <input type="text"/>	Date of school's determination that student withdrew	<input type="text"/> / <input type="text"/> / <input type="text"/>
Period used for calculation (check one)	<input type="checkbox"/> Payment period	<input type="checkbox"/> Period of enrollment	

NOTES

Step 1:

Student's Title IV Aid Information

34 CFR 668.22(a)(2).

Schools must determine the amount of aid disbursed or could have been disbursed to the student. This amount will be used to figure whether the student earned all the aid received or if a post withdrawal disbursement is required.

In the return calculation, include the **total** amount of funds for the period from the following Title IV programs:

- ◆ Federal Pell Grant.
- ◆ Iraq and Afghanistan Service Grant.
- ◆ Federal Supplemental Educational Opportunity Grant.*
- ◆ Academic Competitiveness Grant.**
- ◆ National SMART Grant.**
- ◆ TEACH Grant.

*** FSEOG awards may contain both federal and nonfederal funds. Schools that can determine the nonfederal share must exclude that portion from R2T4 calculation. If the funds are deposited into a single fund, the entire award amount is used in the R2T4 calculation.**

**** ACG and SMART grant funding will expire June 30, 2011.**

Include in the calculation the **net** amount disbursed for the period from the following Title IV programs:

- ◆ Subsidized Stafford loans.
- ◆ Unsubsidized Stafford loans.
- ◆ Federal Perkins loans.
- ◆ PLUS loans.

Funds **not** included in return calculations include:

- ◆ Federal Work-Study.
- ◆ Leveraging Educational Assistance Partnership Programs.
- ◆ Student Support Services Programs.
- ◆ Gaining Early Awareness and Readiness for Undergraduate Programs.
- ◆ Byrd Scholarship.

Trainer's Tidbit

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2, p. 5-56.

"Enter dollars and cents using standard rounding rules to round to the nearest penny. Final repayment amounts that the school and student are each responsible for returning may be rounded to the nearest dollar."

NOTES

Title IV Aid Disbursed

34 CFR 668.164(a)(1).

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2.

Aid is considered disbursed to the student if it is paid directly to the student or parent or credits the student's account to pay school charges. The amount of aid disbursed is based on when the school determined the student withdrew, not the student's actual withdrawal date.

Title IV Aid That Could Have Been Disbursed

34 CFR 668.22(l)(1).

34 CFR 668.164(g)(2).

Title IV aid is also included in the return calculation if the student met the conditions of a late disbursement before ceasing attendance at the school. Prior to withdrawal, the following must exist:

Condition	Applicable Aid Programs
Student must have a SAR/ISIR with an official EFC.	All aid programs.
School made the award to the student.	FSEOG, TEACH and Perkins loan programs.
School originated the award.	Stafford and PLUS loan programs.
Student signed a Master Promissory Note before the return calculation was completed.	Stafford and PLUS loan programs.
Student met academic year and GPA requirements.	ACG and National SMART grant programs.*

*** ACG and SMART grant funding will expire June 30, 2011.**

NOTES

Late Arriving Funds

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2.

Late disbursements may arrive in subsequent payment periods. If a student withdrew during a subsequent payment period, and aid for a previous payment period is received, the funds are not included in the return calculation. The school may disburse the funds to the student for the previous payment period provided the conditions for a late disbursement are met.

Example

Kelvin is attending Marathon College, which has a two payment period academic year outlined as follows:

Payment Period 1: Sept. 1-Dec. 10.

Payment Period 2: Jan. 7-May 20.

Kelvin attends the first payment period, and requests a loan on Dec. 7, just before he completes the period. He then begins attendance in the next payment period, but withdraws on Jan. 10. His loan from the first payment period arrives at the school on Jan. 20.

If Kelvin meets the conditions for a late disbursement, the school may disburse the funds. The school, however, cannot include the loan funds as aid that could have been disbursed because the funds were intended for the prior payment period.

Enrollment Activity			
Sept. 1	Dec. 10	Jan. 7	May 20
	Student completes PP1	Jan. 10	
		Student withdraws from PP2	

Financial Aid Activity			
Sept. 1	Dec. 10	Jan. 7	May 20
	Dec. 7	Jan. 20	
	Requested loan	Rec'd loan disbursement from PP1	

Scenario 1:

Kelvin's loan was only for the fall payment period. When he withdraws, the loan funds are not considered in the return calculation for PP2 because the funds were intended for the prior payment period.

Scenario 2:

Kelvin's loan was requested for the entire academic year, with half allocated for the fall and the other half to be disbursed in the spring. When he withdraws in the spring, the fall loan funds are not considered in the return calculation because the funds were intended for the prior payment period. The spring loan funds, however, are counted in the return calculation.

NOTES

Inadvertent Overpayments

Dear Colleague Letter GEN-04-03 (Revised).

Schools are required to have administrative functions in place to prevent inadvertent overpayments, such as immediate notification to the financial aid office when a student ceases attendance. Inadvertent overpayments occur, however, when a school disburses funds to a student who has already ceased attendance for the period. Funds in these cases should be counted as aid that could have been disbursed. If the school later determines that the funds qualify as a late disbursement, only the unearned portion must be returned. If the funds do not meet the criteria for a late disbursement, the entire inadvertent overpayment must be returned.

Case Study (cont.)

*Monetary amounts should be in dollars and cents (rounded to the nearest penny).
When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)*

STEP 1: Student's Title IV Aid Information			
Title IV Grant Programs	Amount Disbursed	Amount that Could Have Been Disbursed	E. Total Title IV aid disbursed for the period.
1. Pell Grant			A. <input style="width: 100%;" type="text"/>
2. Academic Competitiveness Grant			+ B. <input style="width: 100%;" type="text"/>
3. National SMART Grant			= E. \$ <input style="width: 80%;" type="text"/> . <input style="width: 20%;" type="text"/>
4. FSEOG			
5. TEACH Grant			
6. Iraq and Afghanistan Service Grant			
A.			F. Total Title IV grant aid disbursed and that could have been disbursed for the period.
Subtotal	C.	Subtotal	A. <input style="width: 100%;" type="text"/>
			+ C. <input style="width: 100%;" type="text"/>
			= F. \$ <input style="width: 80%;" type="text"/> . <input style="width: 20%;" type="text"/>
Title IV Loan Programs	Net Amount Disbursed	Net Amount that Could Have Been Disbursed	G. Total Title IV aid disbursed and that could have been disbursed for the period.
7. Unsubsidized FFEL/Direct Stafford Loan			A. <input style="width: 100%;" type="text"/>
8. Subsidized FFEL/Direct Stafford Loan			B. <input style="width: 100%;" type="text"/>
9. Perkins Loan			C. <input style="width: 100%;" type="text"/>
10. FFEL/Direct PLUS (Graduate Student)			+ D. <input style="width: 100%;" type="text"/>
11. FFEL/Direct PLUS (Parent)			= G. \$ <input style="width: 80%;" type="text"/> . <input style="width: 20%;" type="text"/>
B.			
Subtotal	D.	Subtotal	

NOTES

Step 2:

Withdrawal Date

34 CFR 668.22(b)-(c).

The student’s withdrawal date is used to determine the percentage of the period completed for Return of Title IV Funds purposes. Establishing the student’s withdrawal date is different for schools that are required to take attendance than for those not required to take attendance. All institutions, however, must establish and publish an official withdrawal process. Schools must designate at least one office where students may officially withdraw and provide that office’s name and location to potential, current or returning students.

Trainer’s Tidbit

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2, p. 5-78.

“The goal of the Return provisions is to identify the date that most accurately reflects the point when a student ceases academic attendance, not the date that will maximize Federal Student Aid to the institution or to the student.”

Schools Required to Take Attendance

34 CFR 668.22(b).

If an institution is required by an outside agency (for example, an accrediting or licensing agency) to take attendance, the student’s withdrawal date is the last date the student attended classes according to the institution’s attendance records. Schools required to take attendance will always use attendance records to determine the withdrawal date, regardless of whether the student follows the school’s official withdrawal policy, fails to return from an approved LOA or enters an unauthorized LOA.

Regulations effective July 1, 2011, change the definition of schools "required to take attendance" and continue to stipulate that only academic attendance records are used to document a student's last date of attendance. Schools that take attendance, regardless of the reason, are required to use those records in the following circumstances to determine the student’s last date of attendance for return calculation purposes:

Use Academic Attendance Records* to Determine Withdrawal Date	Yes	No
School required to take attendance by an outside entity.	✓	
School required to take attendance at the program, department and/or institution level.	✓	
Outside entity requirements met only by taking attendance.	✓	
Attendance recorded for a specified period of time.**	✓	
Attendance records required by an outside entity for subset of students.**	✓	
Attendance recorded only on a certain date.		✓
Individual faculty members elect to take attendance.***		✓
Student required to self-certify attendance to an outside entity.		✓

*** The Final Rule stipulates that attendance must be "academic attendance" or "attendance at an academically-related activity".**

**** For that period of time or group of students only.**

***** Using attendance records is not required, but schools are encouraged to use the best information available to determine last date of attendance.**

Trainer’s Tidbit

Dear Colleague Letter GEN-11-14.

According to the Department of Education, a school must determine a student's withdrawal date "...no later than 14 days after the student’s last date of attendance as determined by the institution from its attendance records."

Schools Not Required to Take Attendance

34 CFR 668.22(c).

Dear Colleague Letter GEN-04-03 (Revised).

Schools not required to take attendance must select a method to determine the student's last day of attendance for withdrawal purposes. The procedure may be for all students or on a student-by-student basis. In any circumstances, schools may document the student's last date in an academically-related activity as the withdrawal date.

Withdrawal Type	Circumstance	Withdrawal Date	Date School Determined Student Withdrew
All	All	Documented last date in an academically-related activity.	The date the school becomes aware that the student ceased attendance.*
Official Notification Provided	The student begins the school's withdrawal process OR The student provides official notification to the school of intent to withdraw.	The date the student begins the school's withdrawal process OR The date that the student provides notification. If both circumstances occur, use the earlier date.	The student's withdrawal date OR The date of notification. If both circumstances occur, use the later date.
Official Notification not Provided Unofficial Withdrawal	Circumstances beyond the student's control.	The date that the school determines is related to the circumstance beyond the student's control.	The date the school becomes aware that the student ceased attendance.*
	All other instances where no official notification provided. Student does not earn at least one passing grade during the period.	The midpoint of the payment period or period of enrollment as applicable.	
LOA Related	The student does not return from an approved LOA	The date that the school determine that the student began the LOA.	The end date of the approved LOA OR The date the school receives notification that the student will not return. If both circumstances occur, use the earlier date.
	The student takes an unapproved LOA.		The date the student began an unapproved LOA.
Withdrawal After Rescission of Official Notification	The student withdraws after rescinding** a previous official notification of withdrawal.	The student's original withdrawal date from the previous official notification.	The date the school becomes aware that the student did not, or will not, complete the period.

Adapted from 2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2, p. 5-145.

*** The school must determine the withdrawal date no later than 30 days after the end of the earliest of the (1) payment period or period of enrollment (as appropriate), (2) academic year, or (3) educational program.**

**** Rescission must be provided to the school in writing.**

Last Date in an Academically-Related Activity

34 CFR 668.22(c)(3).

34 CFR 668.22(l).

Schools that are not required to take attendance by an outside entity or do not elect to take attendance must select a method to determine the student’s last day of attendance for withdrawal purposes. The procedure may be for all students or on a student-by-student basis. One method that may be used is determining the student’s last day of an academically-related activity.

The last activity must be documented by a school official and may include, but is not limited to:

- ♦ Class attendance.
- ♦ Turning in a class assignment.
- ♦ Taking an exam, tutorial or computer-assisted instruction.
- ♦ Attending a study group that is assigned by the institution.
- ♦ Participating in an online discussion about the course.
- ♦ Initiating contact with a faculty member regarding the course material.

Academically-related activities do not include:

- ♦ Living in institutional housing.
- ♦ Participating in a school’s meal plan.
- ♦ Logging in to a distance education course without any other active participation.
- ♦ Academic counseling or advising.

NOTES

Failure to Receive a Passing Grade

When a student does not pass any classes during a period completed, the school must determine if the student ceased attendance or attended through the end of the period and "earned" the failing grades. The Department provides guidance for determining when a student is considered unofficially withdrawn through the following Dear Colleague Letter.

Current Guidance
GEN-04-03 (Revised).

"An institution must have a procedure for determining whether a Title IV aid recipient who began attendance during a period completed the period or should be treated as a withdrawal. We do not require an institution to use a specific procedure for making this determination."

At least one passing grade

"If a student earns a passing grade in at least one course offered over an entire period, the institution may make the presumption that the student completed the course and, thus, completed the period."

No passing grades

"If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period."

Case Study (cont.)

STEP 2: Percentage of Title IV Aid Earned

Start date

Scheduled end date

Date of withdrawal

A school that is not required to take attendance may, for a student who withdraws without notification, enter 50% in Box H and proceed to Step 3. Or, the school may enter the last date of attendance at an academically related activity for the "withdrawal date," and proceed with the calculation as instructed. For a student who officially withdraws, enter the withdrawal date.

NOTES

Step 2 (cont):

Percentage of Title IV Aid Earned

34 CFR 668.22(e)(2).

The number of days attended determines the amount of Title IV aid the student earned. Regulations effective July 1, 2011, require schools to calculate the percentage of completion by dividing the number of completed days by the number of days the student was scheduled to attend in the period.

$\frac{\text{Days completed in the period}}{\text{Days scheduled to complete in the period}} = \text{Percentage Completed}$

Include in days completed:	Include in scheduled days:
<ul style="list-style-type: none"> ◆ All calendar days completed in the period. ◆ The day the student withdrew. 	<ul style="list-style-type: none"> ◆ All calendar days in the period that the student was scheduled to complete prior to withdrawing.
Exclude from days completd:	Exclude from scheduled say:
<ul style="list-style-type: none"> ◆ Days the student was not scheduled to be enrolled. ◆ Scheduled breaks of at least five consecutive days when student is not scheduled to attend a module or other course offered during that period of time. ◆ Approved leaves of absence. 	<ul style="list-style-type: none"> ◆ Days the student was not scheduled to be enrolled. ◆ Scheduled breaks of at least five consecutive days when student is not scheduled to attend a module or other course offered during that period of time. ◆ Approved leaves of absence.

Scheduled Breaks

34 CFR 668.22(f)(2).

Schools should not include scheduled breaks of five or more consecutive days in the Return of Title IV Funds calculation. The first day of a scheduled break is the first day after the last day of class, and the last day of a scheduled break is the day before the next class is held. For example, when classes end on a Friday and do not resume until Monday with a one-week break between, a school would exclude nine days from the calculation (Saturday through the following Sunday).

NOTES

Percentage of Period Completed

34 CFR 668.22(e)(2).

34 CFR 668.22(f).

Withdrawal from all classes **through and including** the 60 percent point in each payment period or period of enrollment requires a Return of Title IV Funds calculation. Students withdrawing from all classes **after** the 60 percent point are considered to have earned 100 percent of the Title IV funds disbursed. All schools are required to determine if a post-withdrawal disbursement is necessary, regardless of the percentage of the period completed.

Trainer's Tidbit

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2, p. 5-56.

"The **one exception** to the rounding rule occurs in determining the percentage of Title IV program assistance earned. Students who withdraw at any point **after the 60% point** in the payment period or period of enrollment have earned 100% of their Title IV funds. If the standard rounding rules were used in this situation, a quotient of .6001 through .6004, which is greater than 60%, would be rounded down to .600 (60%), and the student would not have earned 100% of his or her Federal Student Aid. In order to recognize that students completing more than 60% of the period (by any amount) earn 100% of their Federal Student Aid, **amounts of .6001 through .6004 are not rounded** for the purpose of determining whether a student has earned 100% of the Title IV funds for the term."

Case Study (cont.)

Step 2

H. Percentage of payment period or period of enrollment completed

Divide the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of five days or more **AND** days that the student was on an approved leave of absence).

$$\boxed{} \div \boxed{} = \boxed{} . \%$$

Completed days Total days

- ▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.
- ▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H. . %

NOTES

Step 3:

Title IV Aid Earned by the Student

34 CFR 668.22(e)(1).

Once schools determine the percentage of the period attended, they must establish the amount of funds the student earned through attending classes during that period.

Case Study (cont.)

STEP 3: Amount of Title IV Aid Earned by the Student

Multiply the percentage of Title IV aid earned (Box H) by the Total Title IV aid disbursed and that could have been disbursed for the period (Box G).

$$\boxed{} \% \times \boxed{} = \boxed{} \text{ I. } \$ \boxed{} \text{ .}$$

Box H Box G

NOTES

Step 4:

Title IV Aid to be Disbursed or Returned

34 CFR 668.22(a)(4)-(6).

Schools must determine whether funds are owed to a student who stops attending all classes at any time during a payment period or period of enrollment. If the amount of aid earned is greater than the amount paid or disbursed, the student is entitled to a post-withdrawal disbursement. Conversely, if the student did not earn all the aid received, the excess must be returned to ED.

Trainer's Tidbit

Post-Withdrawal Disbursements

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2, p. 5-113.

"If a Post-withdrawal disbursement is due, a school stops at STEP 4, Box J on the worksheet. A school may use the Post-withdrawal Disbursement Tracking Sheet to track the handling of the Post-withdrawal disbursement, or it may use a form developed by someone other than ED. A school must maintain written records of its Post-withdrawal disbursements."

For additional information about post-withdrawal disbursements, see 34 CFR 668.22(a)(5)-(6) and the *2011-2012 Federal Student Aid Handbook*, Vol. 5, Ch. 2, p. 5-113 - 5-122.

NOTES

Case Study (cont.)

STEP 4: Title IV Aid to be Disbursed or Returned

- ▶ *If the amount in Box I is greater than the amount in Box E, go to Item J (Post-withdrawal disbursement).*
- ▶ *If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).*
- ▶ *If the amounts in Box I and Box E are equal, **STOP**. No further action is necessary.*

J. Post-withdrawal disbursement

From the Amount of Title IV aid earned by the student (Box I) subtract the Total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

$$\boxed{} - \boxed{} = \mathbf{J. \$} \boxed{} \mathbf{.}$$

Box I

Box E

Stop here, and enter the amount in “J” in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet).

Step 4 continued ▶

STEP 4: Aid to be Disbursed or Returned CONTINUED

K. Title IV aid to be returned

From the Total Title IV aid disbursed for the period (Box E) subtract the amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned.

$$\boxed{} - \boxed{} = \mathbf{K. \$} \boxed{} \mathbf{.}$$

Box E

Box I

NOTES

Step 5:

Amount of Unearned Title IV Aid Due from School

34 CFR 668.22(g).

Title IV aid that the student did not "earn" must be returned to the appropriate aid programs. Funds may be returned by either the school or the student. When schools return Title IV funds, the calculation looks at whether the student received the benefit of the institutional charges assessed by the school through attending classes. As a result, the school must return the lesser of:

- ♦ The amount of the student's unearned Title IV aid.
- ♦ The amount of institutional charges assessed for the period multiplied by the percentage of unearned funds.

Institutional Charges

34 CFR 668.22(g)(2).

Dear Colleague Letter GEN-00-24.

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2.

Institutional charges may include "educationally-related expenses assessed by the institution", such as tuition, fees, institutionally-contracted room and board, books and supplies charged to the student's account or other nondiscretionary educational expenses the school assesses. Institutional charges do not affect what a student "earns" in Title IV funds, but they can affect what the student is required to return.

Institutional charges are determined based on the student's withdrawal date. There are circumstances, however, where the amount of institutional charges to include may be unclear:

Circumstance	Institutional Charges Included in R2T4 Calculation
School adjusts charges after the student withdraws based on institutional refund policy.*	School must use the amount of charges on the student's account as of the withdrawal date.
School adjusts charges based on a change in enrollment status prior to complete withdrawal.	
Student is never assessed institutional charges, such as a waiver.	No expenses were on the student's account, so no institutional charges will be included in the calculation.
Student is assessed charges that will be paid by another source, such as a scholarship or assistantship.	School must include any institutional charges on the student's account as of the withdrawal date even if they were not paid by Title IV aid.
Student pays school account balance out of pocket before Title IV aid is applied to account.	
School provides Title IV aid to the student before paying appropriate school expenses.	

*** Inclusion of institutional charges applies even if adjustment is made retroactively.**

Trainer's Tidbit

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2, p. 5-34.

"Because the Return provisions do not affect institutional refund policies, a school must provide a student with information on both the school's refund policy and the federal Return requirements, and explain the interaction between the two. The information should include a discussion of how a school might adjust a student's charges to take into account any Return of FSA funds the school might be required to make. Finally, a student or prospective student should be informed that if he or she withdraws, school charges that were previously paid by FSA funds might become a debit that the student will be responsible for paying."

Case Study (cont.)

STEP 5: Amount of Unearned Title IV Aid Due from the School

L. Institutional charges for the period

Tuition	
Room	
Board	
Other	
Other	
Other	

Total Institutional Charges = **L.** \$.

(Add all the charges together)

M. Percentage of unearned Title IV aid

100% - % = **M.** . %

Box H

N. Amount of unearned charges

Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).

X % = **N.** \$.

Box L Box M

O. Amount for school to return

Compare the amount of Title IV aid to be returned (Box K) to amount of unearned charges (Box N), and enter the lesser amount.

O. \$.

NOTES

Step 6:

Return of Funds by the School

34 CFR 668.22(i).

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2.

Schools must return funds in a specified order, based on what types of aid the student received. Each fund will be returned in the following order until the total net amount to return is achieved:

- ◆ Unsubsidized Direct Stafford loans.
- ◆ Subsidized Direct Stafford loans.
- ◆ Federal Perkins loans.
- ◆ Direct Grad PLUS loans.
- ◆ Direct Parent PLUS loans.
- ◆ Federal Pell Grants.
- ◆ ACG.
- ◆ National SMART Grants.
- ◆ FSEOG.
- ◆ TEACH Grants.
- ◆ IASG.

Trainer’s Tidbit

201-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2, p. 5-133.

"Using the electronic refund function in G5 is the preferred method whenever a school must return Pell, IAS Grant, ACG, National SMART, or FSEOG funds.

Only in exceptional circumstances (and **never for a current Pell , IAS Grant, ACG, National SMART, or FSEOG award**) should a school return funds from a Return calculation by sending a check instead of using the electronic refund function in G5. "

Case Study (cont.)

STEP 6: Return of Funds by the School	
The school must return the unearned aid for which the school is responsible (Box O) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.	
Title IV Programs	Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan	
2. Subsidized FFEL/Direct Stafford Loan	
3. Perkins Loan	
4. FFEL/Direct PLUS (Graduate Student)	
5. FFEL/Direct PLUS (Parent)	
Total loans the school must return = P. \$	
6. Pell Grant	
7. Academic Competitiveness Grant	
8. National SMART Grant	
9. FSEOG	
10. TEACH Grant	
11. Iraq and Afghanistan Service Grant	

Step 7:

Initial Amount of Unearned Title IV Aid Due from Student

34 CFR 668.22(h).

In some cases, the school will return the entire amount due back to federal aid programs; in others, the student will be required to repay aid. The calculation determines an "initial" amount of funds the student is responsible to repay, which may be reduced based on additional regulations designed to protect the student.

Case Study (cont.)

STEP 7: Initial Amount of Unearned Title IV Aid Due from the Student

From the amount of Title IV aid to be returned (Box K) subtract the Amount for the school to return (Box O).

$$\boxed{} - \boxed{} = \mathbf{Q.}\$ \boxed{} \boxed{} \mathbf{.}$$

Box K Box O

▶ If Box Q is \leq zero, **STOP**. If greater than zero, go to Step 8

Step 8:

Repayment of the Student's Loans

34 CFR 668.22(h)(3)(i).

Borrowers must return loan funds in accordance with the terms of the loan. Therefore, borrowers can repay any unearned loan funds in the same manner that they repay earned loan funds.

Case Study (cont.)

STEP 8: Repayment of the Student's loans

From the Net loans disbursed to the student (Box B) subtract the Total loans the school must return (Box P) to find the amount of Title IV loans the student is still responsible for repaying (Box R).

These loans consist of loans the student has earned, or unearned loan funds the school is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower's promissory note.

$$\boxed{} - \boxed{} = \mathbf{R.}\$ \boxed{} \boxed{} \mathbf{.}$$

Box B Box P

- ▶ If Box Q is less than or equal to Box R, **STOP**.
The only action a school must take is to notify the holders of the loans of the student's withdrawal date.
- ▶ If Box Q is greater than Box R, proceed to Step 9.

Step 9:

Grant Funds to be Returned

34 CFR 668.22(h)(3)(ii).

Grant funds disbursed or that could have been disbursed are subject to a 50 percent reduction in the amount that must be repaid. The school must return the full amount owed to any Title IV program, except those amounts of less than one dollar. Grant funds to be returned to ED may turn into overpayments for students. If not resolved, students with grant repayment obligations may no longer be eligible for other Title IV aid programs because the return of funds is considered an overpayment.

Trainer's Tidbit

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2, p. 5-132.

"The grant protection always applies to the repayment of grant funds for which the student is responsible, regardless of who actually returns the funds. If an institution chooses to return all or a portion of a grant overpayment that otherwise would be the responsibility of the student to return, the grant protection still applies. If an institution returns a grant overpayment for a student, the student would no longer be considered to have a Title IV grant overpayment and as such no reporting to NSLDS is required and no referral to Debt Resolution Services for collection is allowed. This would be true whether the institution simply returned the overpayment for the student or returned the overpayment and created a debit on the student's school account."

Case Study (cont.)

STEP 9: Grant Funds to be Returned

S. Initial amount of Title IV grants for student to return

From the initial amount of unearned Title IV aid due from the student (Box Q) subtract the amount of loans to be repaid by the student (Box R).

$$\boxed{} - \boxed{} = \text{S. \$ } \boxed{} \text{ .}$$

Box Q Box R

T. Amount of Title IV grant protection

Multiply the total of Title IV grant aid that was disbursed and that could have been disbursed for the period (Box F) by 50%.

$$\boxed{} \times \boxed{50\%} = \text{T. \$ } \boxed{} \text{ .}$$

Box F

U. Title IV grant funds for student to return

From the Initial amount of Title IV grants for student to return (Box S) subtract the Amount of Title IV grant protection (Box T).

$$\boxed{} - \boxed{} = \text{U. \$ } \boxed{} \text{ .}$$

Box S Box T

▶ If Box U is less than or equal to zero, **STOP**. If not, go to Step 10.

Step 10:

Return of Grant Funds by Student

34 CFR 668.22(h)(3)(ii)(B).

34 CFR 668.22(i).

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2.

Any amounts of \$50 or less per program are not required to be returned. Each fund will be returned in the following order until the total net amount to return is achieved:

- ♦ Federal Pell Grant.
- ♦ ACG.
- ♦ National SMART Grant.
- ♦ FSEOG.
- ♦ TEACH Grant.
- ♦ IASG.

Case Study (cont.)

STEP 10: Return of Grant Funds by the Student

Except as noted below, the student must return the unearned grant funds for which he or she is responsible (Box U). The grant funds returned by the student are applied in order as indicated, up to the amount disbursed from that grant program minus any grant funds the school is responsible for returning to that program in Step 6.

Note that the student is not responsible for returning funds to any program to which the student owes \$50.00 or less.

Title IV Grant Programs	Amount To Return
1. Pell Grant	
2. Academic Competitiveness Grant	
3. National SMART Grant	
4. FSEOG	
5. TEACH Grant	
6. Iraq and Afghanistan Service	

NOTES

Deadlines

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2.

Schools and students (or parents) have deadlines that must be met when completing the various requirements of a Return of Title IV funds calculation. Some deadlines are triggered by other activities in the return calculation, whereas others are not specified.

NOTES

School Deadlines

Requirement	Deadline	Triggering Event	Reference
Determining the withdrawal date for a student who unofficially withdraws.	30 days...	After the end of the earlier of: <ul style="list-style-type: none"> ♦ Payment or enrollment period. ♦ Academic year in which the student withdrew. ♦ Educational program from which the student withdrew. 	34 CFR 668.22(j)(2).
Return of unearned Title IV funds.	As soon as possible, but no later than 45 days...	After the date the school determined the student withdrew.	34 CFR 668.22(j)(1).
Written notification providing the student (or parent) the opportunity to accept all or part of a post-withdrawal disbursement of Title IV loan funds to the student's account.	Within 30 days...	Of the date the school determined the student withdrew.	34 CFR 668.22(a)(6)(iii)(A).
Post-withdrawal disbursement to the student's account for current allowable and authorized prior-year educational charges.	As soon as possible, but no later than 180 days...	Of the date the school determined the student withdrew.	34 CFR 668.22(a)(6)(iii)(C).
Written notification of the student's eligibility for a post-withdrawal disbursement of Title IV loan funds in excess of outstanding current educational charges.	Within 30 days...	Of the date the school determined the student withdrew.	34 CFR 668.22(a)(6)(ii)(B).
Post-withdrawal disbursement for earned Title IV funds to the student in excess of outstanding current educational charges.	Loans: As soon as possible, but no later than 180 days...	From the date the school determined the student withdrew.	34 CFR 668.22(a)(6)(iii)(C).
	Grants: As soon as possible, but no later than 45 days...	From the date the school determined the student withdrew.	34 CFR 668.22(a)(6)(ii)(B)(1).
Notification to student (or parent) of outcome of late request for a post-withdrawal disbursement to student (if school denies request).	Not specified, but as soon as possible.	Not applicable.	34 CFR 668.22(a)(6)(iii)(E).
Notification to student of grant overpayment obligation.	Within 30 days...	Of the date the school determined the student withdrew.	34 CFR 668.22(g)(4)(ii).
Referral of student to Collections, if student does not pay overpayment in full, enter into a repayment agreement or fails to meet terms of repayment agreement.	Not specified, but as soon as possible.	Not applicable.	34 CFR 668.22(h)(4)(iv).

Adapted from 2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2, p. 5-148.

Student (or Parent) Deadlines

Requirement	Deadline	Triggering Event	Reference
Submit response instructing school to make post-withdrawal disbursement.	School-specified. Must be the same for crediting the students account and making a direct disbursement to the student (or parent).	Not applicable.	34 CFR 668.22(a)(6)(iii)(B).
Return of unearned Title IV funds.	Loans: According to the terms of the loan.	Not applicable.	34 CFR 668.22(h)(3)(i).
	Grants: Within 45 days...	Earlier of: <ul style="list-style-type: none"> ◆ Date school sent overpayment notice, OR ◆ Date school was required to send overpayment notice. 	34 CFR 668.22(g)(4)(iv).

Adapted from 2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2, p. 5-148.

NOTES

Programs with Modules or Compressed Courses

2011-2012 Federal Student Aid Handbook, Vol. 5, Ch. 2.

The period used to calculate a Return of Title IV Funds for students in term-based programs is the term, such as the semester, trimester or quarter.

Modules, mini-sessions or compressed courses within a period have any of the following characteristics:

- ◆ Shorter in length than the term.
- ◆ Comprised of smaller blocks of time within a single term.
- ◆ Offered sequentially, rather than concurrently, though some modules may overlap.
- ◆ Students may begin attendance in any module and/or skip modules.
- ◆ Students enroll upfront for any or all modules, but may add or drop courses in one or more later modules.

Treatment of Intersessions

Dear Colleague Letter GEN-00-24.

2011-2012 Federal Student Aid Handbook, Vol. 3, Ch. 1.

Schools may offer intersessions between standard terms. To continue processing aid as a term-based program, these intersessions must be attached to a standard term, such as a semester, trimester or quarter. To calculate the number of completed days in the period, the intersession would be included in the payment period or period of enrollment. In the Final Rule preamble, ED reminds schools, "Note that all the courses in the...term are considered modules for purposes of a Return of Title IV Funds calculation when the intersession is included in the payment period" (Federal Register, Vol. 75, No. 29, p. 66897).

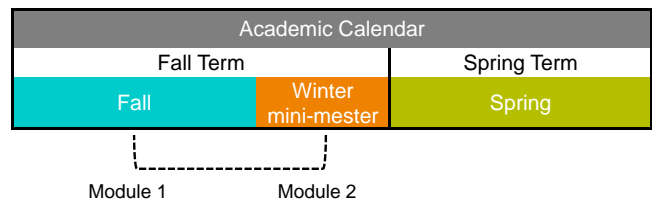
Trainer's Tidbit

2011-2012 Federal Student Aid Handbook, Vol. 3, Ch. 1, p. 3-4.

"If you choose not to combine a nonstandard term in this manner, the program must be treated as a nonterm program for DL, and a formula 3 program for Pell & TEACH. The fact that you did not combine the term does not negate the requirement that a student must be considered for FSA aid if enrolled and eligible in the term."

Example

Cherry College offers a winter intersession between the fall and spring terms. The winter "mini-mester" is considered part of the fall term for financial aid purposes. The Final Rule mandates that the use of an intersession in this fashion now defines the fall term as containing two modules for return calculation purposes: One for the standard term and the other for the winter mini-mester.



NOTES

Determining if a Student has Withdrawn

34 CFR 668.22(a) and (l).

Regulations effective July 1, 2011, prevent students from enrolling in modules or compressed courses spanning the period, completing a portion of the period, and retaining all aid for the period. The regulations would change the requirements in determining if a student has withdrawn:

Scenario	Credit-Hour Program		
	Term-Based	Non-Standard Term	Non-Term
Student does not complete scheduled enrollment.	Considered withdrawn.		
Student withdraws from current module, but provides written confirmation that student will attend a later module during the same period.*	Not considered withdrawn.	Not considered withdrawn only if the later module the student plans to attend begins no later than 45 days after the end of the module the student ceased attending.	
Student withdraws and fails to return after providing written confirmation.	Considered withdrawn based on original withdrawal date.		
Student withdraws and does not provide written statement, but returns...	<i>During same period:</i> Eligible for all funds, if enrollment status supports funding.**		<i>Within 180 days of withdrawal date:</i> Eligible for any funds not disbursed at time of withdrawal.
			<i>After 180 days of withdrawal date:</i> Must begin new period and determine aid eligibility accordingly.
School calculates the percentage of completion by...	Dividing the number of completed days by the number of days the student was scheduled to attend in the period, regardless of whether the student completed a course less than the term length.***		

* **The written confirmation must occur at the time that otherwise would have been a withdrawal.**

** **Regardless of whether program is offered in modules.**

NOTES

Case Study: Delaney and Chelsea

Hairston College offers classes that span each standard term, as well as modules during each term. The school established a single payment period for the following sessions offered during the fall 2011 term:

Fall A: Sept. 1-Dec. 20.

Fall B: Sept. 1-Sept. 30.

Fall C: Oct. 7-Nov. 7.

Fall D: Nov. 21-Dec. 20.

Academic Calendar					
Sept. 1	Sept. 30	Oct. 7	Nov. 7	Nov. 21	Dec. 20
Fall A					
Fall B		Fall C		Fall D	

Which sessions are considered modules?

Delaney enrolled in three hours during each session, for a total enrollment of 12 hours. She completes Fall B, but withdraws on Oct. 10 from the remainder of her coursework.

Is a Return of Title IV Funds calculation required for Delaney? Why or why not?

Chelsea enrolled in three hours during Fall B, C and D, for a total enrollment of nine hours. She completes Fall B, withdraws from Fall C on Oct. 10, but is still enrolled for Fall D.

Is a Return of Title IV Funds calculation required for Chelsea? Why or why not?

NOTES

Failing to Receive a Passing Grade

There continues to be an absence of regulations detailing how schools determine whether a student who failed to receive at least one passing grade during the period has unofficially withdrawn. The Department provides additional guidance for modules in the preamble of the Final Rule.

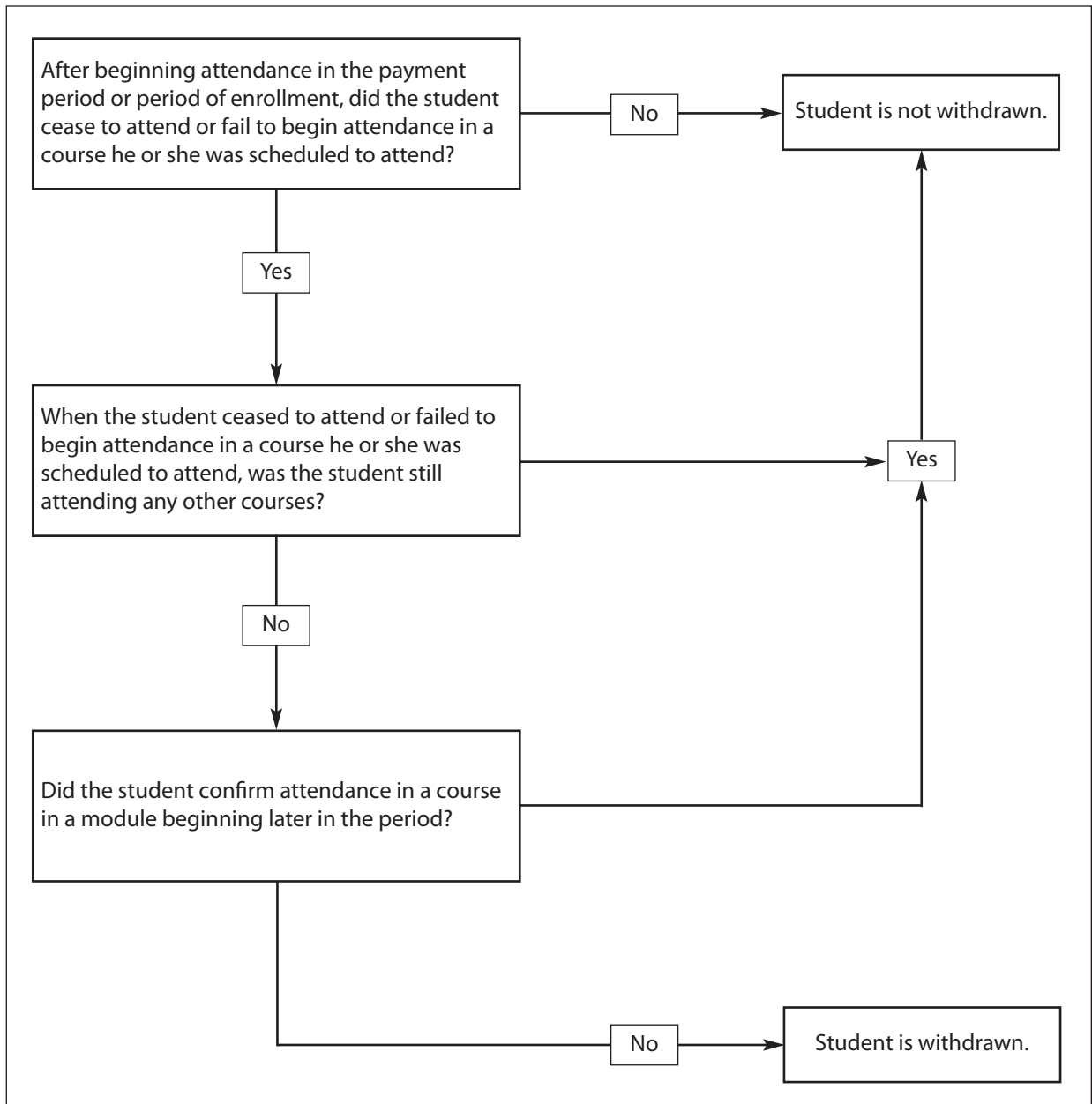
Current Guidance <i>GEN-04-03 (Revised).</i>	Additional Guidance for Modules <i>Federal Register, Vol. 75, No. 209, p. 66896.</i>
<p>“An institution must have a procedure for determining whether a Title IV aid recipient who began attendance during a period completed the period or should be treated as a withdrawal. We do not require an institution to use a specific procedure for making this determination.”</p> <p><i>At least one passing grade</i> “If a student earns a passing grade in at least one course offered over an entire period, the institution may make the presumption that the student completed the course and, thus, completed the period.”</p> <p><i>No passing grades</i> “If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period.”</p>	<p>“[An] institution may presume a student completed the period in a program offered in modules if the student did not officially withdraw from the institution and received a passing grade in all courses the student was scheduled to attend during the period. If a student in a program offered in modules does not receive a passing grade in the last course or courses he or she was scheduled to attend, the institution must otherwise demonstrate that the student completed the period..”</p>

Example

Mary is a student at Stonebridge State University in a term-based program offered in modules. Mary enrolls in four modules during the fall 2011 term. She successfully completes modules 1, 2 and 3 but does not receive a passing grade in module 4. SSU must document Mary’s last date of attendance during the fall term for return calculation purposes because she did not successfully complete the final module during that term. If SSU is unable to document attendance in module 4, Mary’s last date of attendance would be the last scheduled day of module 3.

NOTES

ED describes the following test that may be used to establish a student's withdrawal status from courses offered in modules:



Adapted from FR, Vol. 75, No. 209, p. 66895-96.

NOTES

Example

Hairston College offers classes that span each standard term, as well as modules during each term. The school established a single payment period for the following sessions offered during the fall 2011 term:

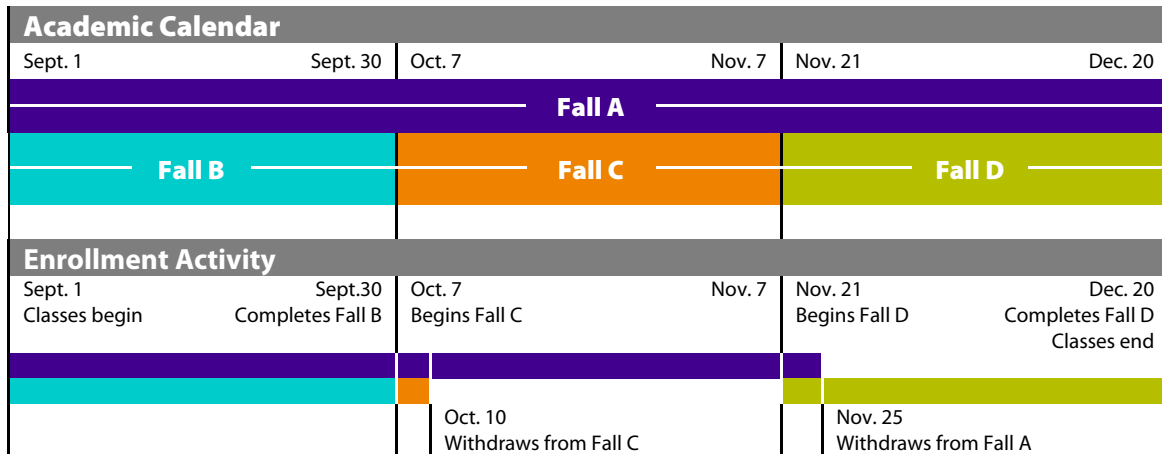
Fall A: Sept. 1-Dec. 20.

Fall B: Sept. 1-Sept. 30.

Fall C: Oct. 7-Nov. 7.

Fall D: Nov. 21-Dec. 20.

Jamal enrolled in three hours during each session, for a total enrollment of 12 hours. Below is a timeline of the academic calendar and his enrollment activity.



The following indicates the number of hours and which classes Jamal is attending and completed:

	Attending		Completed	
	Hours	Module	Hours	Module
Sept. 1	6	A & B	0	N/A
Sept. 30	6	A & B	3	B
Oct. 7	6	A & C	3	B
Oct. 10	3	A	3	B
Nov. 7	3	A	3	B
Nov. 21	6	A & D	3	B
Nov. 25	3	D	3	B
Dec. 20	3	D	6	B & D

NOTES

Students Selected for Verification

34 CFR 668.22(j) (Return deadlines).

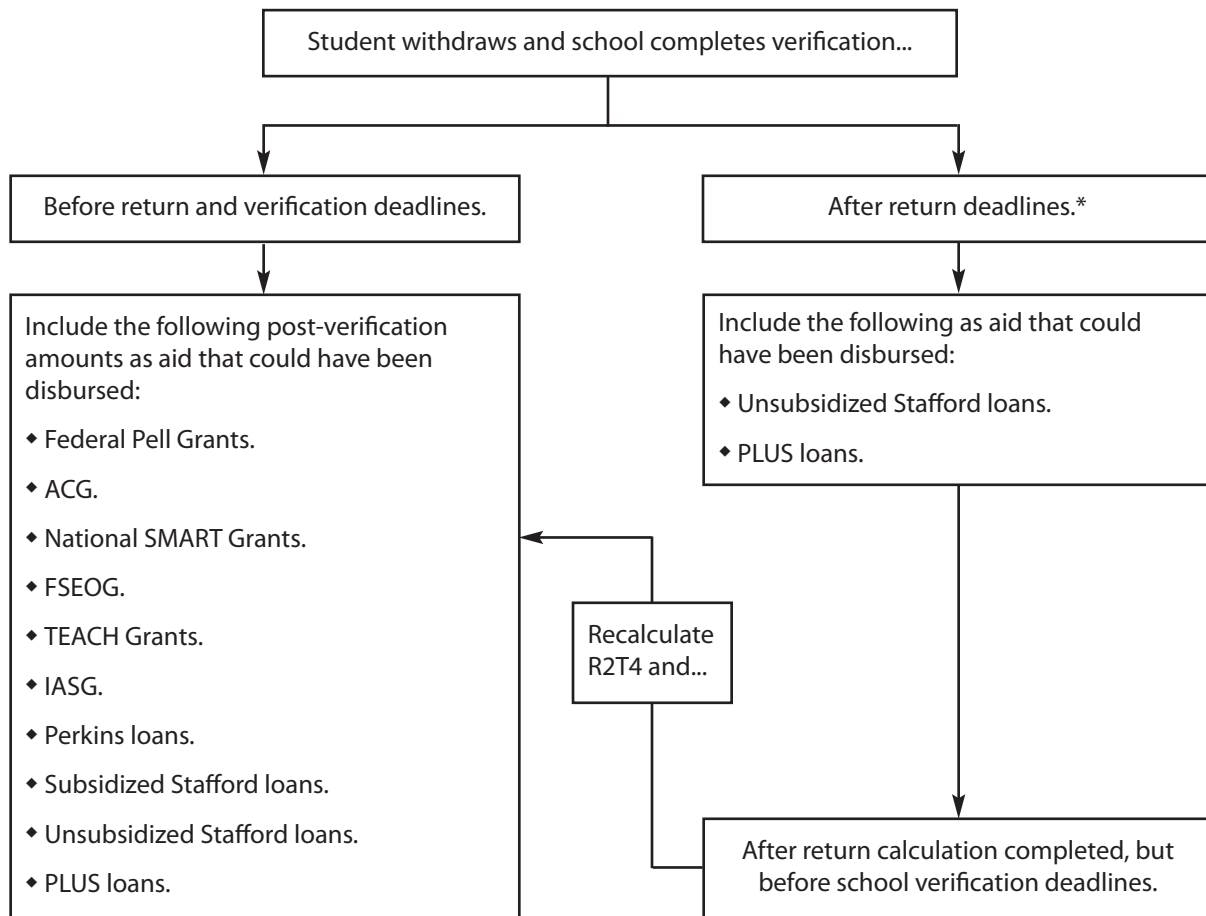
34 CFR 668.60 (Verification deadlines).

Dear Colleague Letter GEN-04-03 (Revised).

2011-2012 Federal Student Aid Handbook, AVG, Ch. 4.

Students who withdraw and are selected for verification have different requirements for the Return of Title IV Funds calculation based on whether verification was complete before or after the return and verification deadlines. ED establishes verification documentation deadlines annually in the Federal Register, which also apply to students who have ceased attendance. Students, therefore, that submit verification documents by the appropriate deadlines may still qualify for post-withdrawal disbursements.

Processing a Return Calculation for Students Selected for Verification



****Also applies when insufficient documents are submitted to complete verification by the return deadline.***

NOTES

Interim Disbursements

34 CFR 668.58.

Dear Colleague Letter GEN-04-03 (Revised).

Interim disbursements may not be made for students who are no longer attending the school. If a withdrawn student does not establish eligibility for funds provided as an interim disbursement, those funds must be returned to ED. If the school is unable to complete verification prior to the return deadline, any interim disbursements are not included in the return calculation as aid disbursed or could have been disbursed and all funds must be returned to ED.

Trainer's Tidbit

2011-2012 Federal Student Aid Handbook, AVG, Ch. 4, p. AVG 89.

"You can make an interim disbursement of some Title IV funds before verification is complete if you have no reason to believe the application information is inaccurate. ... Your school is liable for an interim disbursement if verification shows the student received an overpayment or if he fails to complete verification."

Example

Clara received an interim disbursement of \$2,000 in Pell Grant funds before classes started. She submitted all the required verification documents the week before she completely withdrew from classes. Her school was able to complete the verification process before the return deadline. After verification, Clara only qualifies for \$500 in Pell Grant funds for the period. The school would be required to repay the \$1,500 overpayment in addition to any funds that must be returned after her return calculation is complete.

NOTES

Trainer's Toolkit

The Trainer's Toolkit is a listing of terms, web sites, and reference material directly related to Return of Title IV Funds: Credit Hour Calculation.

Terms, Acronyms and Abbreviations

Academic Competitiveness Grant

ACG

Provides up to \$750 for the first year of undergraduate study and up to \$1,300 for the second year of undergraduate study to students enrolled at least half time who are eligible for a Federal Pell Grant and who have successfully completed a rigorous high school program, as determined by the state or local education agency and recognized by the U.S. Secretary of Education. **Note: This program is scheduled to expire and will not be available for academic years beginning July 1, 2011.**

Academic Year

AY

For the purposes of Title IV aid, a period that begins on the first day of classes and ends on the last day of classes or examinations. For a course of study measured in credit hours, an academic year consists of at least 30 weeks of instructional time during which a full-time, undergraduate student is expected to complete either of the following: At least 24 semester or trimester hours or 36 quarter hours. For a program measured in clock hours, an academic year is a period of at least 26 weeks during which the student is expected to complete at least 900 clock hours. The U.S. Department of Education may, at its option, reduce the minimum number of weeks in an academic year. For a graduate or professional program of study, an academic year is a period of at least 30 weeks of instructional time and the school determines the number of hours that constitute full-time status for each of its graduate-level programs.

Credit Hour

Unit of measure by which some schools and programs of study at some schools assess academic progress.

Day

A calendar day unless otherwise noted.

Dear Colleague Letters

DCL

ED-distributed letters to schools, lenders, servicers and guarantors that provide interpretive policy guidance about the federal student aid programs. Typically, ED issues these letters to provide interim guidance after Congress reauthorizes the Higher Education Act or between releases of final regulations.

Department of Education

ED

The U.S. Department of Education is the government agency that administers federal student financial aid programs, including the Federal Pell Grant, the TEACH Grant, the Federal Work-Study Program, the Federal Perkins Loan and the Federal Direct Loan Programs.

Disbursement

The transfer of loan proceeds to a student or a student's school account. For a Consolidation loan, disbursement is the transfer of loan proceeds to the current holder(s) of the loan(s) being consolidated.

Expected Family Contribution

EFC

The Expected Family Contribution is a measure of how much a student and the student's spouse or family are expected to contribute toward the student's Cost of Attendance. The federal need-analysis methodology must be used to calculate the EFC. The EFC is not the amount of money that a student or student's family must provide. Rather, the EFC is an index used to determine how much financial aid a student will receive at a particular school.

Federal Pell Grant Program

A Federal Pell Grant, unlike a loan, does not have to be repaid. It is awarded to undergraduate students who have demonstrated need, and, in some instances, to those attending a post-baccalaureate teacher certificate program to help pay for postsecondary education.

Federal Perkins Loan Program

A Federal Pell Grant, unlike a loan, does not have to be repaid. It is awarded to undergraduate students who have demonstrated need, and, in some instances, to those attending a post-baccalaureate teacher certificate program to help pay for postsecondary education.

Federal PLUS Loan

Non-need-based loan available to parents of dependent undergraduate students and to graduate or professional students borrowing on their own behalf.

Federal Stafford Loan

A loan, both subsidized (need-based) and unsubsidized (non-need based) available to students to fund education.

Federal Supplemental Educational Opportunity Grant Program

FSEOG

A need-based grant program for undergraduate students funded by the federal government. These grants are designed to supplement Pell Grant awards to exceptionally needy students.

Federal Work-Study Program

FWS

Provides part-time jobs to undergraduate and graduate students with financial need, allowing them to earn money to help pay education expenses.

Funds

Any monies including checks, drafts or other instruments; any commitment to provide money.

Gaining Early Awareness and Readiness for Undergraduate Programs

GEAR UP

www.ed.gov/gearup.

GEAR UP is a federal program designed to better prepare middle and high school students for college through mentoring programs and scholarships, as well as new academic preparation and awareness programs for students and parents.

Grade Point Average

GPA

The GPA is an average of a student's grades, typically converted to a 4.0 scale (4.0 is an A, 3.0 is a B, 2.0 is a C and 1.0 is a D).

Higher Education Act of 1965, as Amended

HEA

Authorizes most of the programs and activities that assist and enable students to enter and succeed in postsecondary education. The primary focus of the HEA is student aid, in the form of grants, loans and work-study assistance.

Information for Financial Aid Professionals

IFAP

www.ifap.ed.gov.

A website that provides school and financial partners with electronic access to the many FSA publications that guide the administration of the Title IV Student Financial Assistance programs, such as Federal Registers, Dear Colleague Letters, electronic announcements and various forms and publications.

Institutional Student Information Record

ISIR

An electronic record provided to the school by the U.S. Department of Education's Central Processing System. The ISIR includes information provided by student and parents on the FAFSA, such as the student's Expected Family Contribution and the results of federal database matches, including citizenship and Social Security number.

Interim Disbursement

Occurs when funds are disbursed before final eligibility is determined.

Iraq and Afghanistan Service Grant

IASG

A federal grant program available to Title IV-eligible undergraduate students pursuing a first baccalaureate degree who do not demonstrate financial need for Pell Grants, but whose parents or guardians died as a result of military service in Iraq or Afghanistan after Sept. 11, 2001. To qualify, the students must have been either under 24 years of age or enrolled in an institution of higher education at the time of their parents' or guardians' death.

Financial need is not required and the grant award will not count as part of the EFA. Award amounts will be based on the maximum Pell Grant award for each year, including adjustments for less than full-time enrollment, and cannot exceed the Cost of Attendance. Funding will be subject to the federal appropriations process.

Late Disbursement

A disbursement made by a school after the earlier of the end of the applicable loan period or the date on which the student ceased to be enrolled on at least a half-time basis. Late disbursements must be made no later than 180 days after the earlier of these dates and certain criteria must be met to qualify a borrower for a late disbursement.

Leave of Absence

LOA

A break in enrollment, not including a normal break, for which the student requests a leave and is approved by the school based upon the school's published leave of absence policy. The total number of days of all approved leaves of absence never may exceed 180 days in any 12-month period.

Leveraging Educational Assistance Partnership

LEAP

The LEAP Program provides grants to states to assist them in providing need-based grants and community service work-study assistance to eligible postsecondary students.

Loan Period

As defined by federal regulations, the period for which a Stafford or PLUS loan is intended. The period of enrollment must coincide with a bona fide academic term established by the school for which the school's charges generally are assessed (semester, trimester, quarter, length of the student's program or the school's academic year). See Period of Enrollment.

Master Promissory Note

MPN

A promissory note for Stafford or PLUS loans under which the borrower may receive one or more loans for either a single period of enrollment or multiple periods of enrollment. If used for attendance at a school eligible to use the multi-year feature, most borrowers sign the MPN once and it is valid up to ten years.

National Science and Mathematics Access to Retain Talent Grant

SMART Grant

Provides up to \$4,000 for each of the third and fourth years of undergraduate study to students enrolled at least half time who are eligible for a Federal Pell Grant and who are majoring in physical, life or computer sciences, mathematics, technology or engineering, or in a foreign language determined critical to national security. This program is scheduled to expire and will not be available for academic years beginning July 1, 2011. **Note: This program is scheduled to expire and will not be available for academic years beginning July 1, 2011.**

National Student Loan Data System

NSLDS

A database comprised of information from guarantors, schools, lenders and the U.S. Department of Education. NSLDS contains information on Title IV aid received by students.

Net Amount

The resulting amount after any applicable taxes or fees have been deducted.

Nonstandard Term Program

Any term that does not meet the generally accepted definition of semester, trimester or quarter, as it relates to weeks of instructional time and number of hours completed.

Non-Term Program

A program is considered to be using a non-term calendar when courses overlap different terms or do not begin and end within a single term or within a set period of time. Programs may be measured in either credit hours or clock hours.

Overpayment

Any amount of financial aid paid to students in excess of the amount they were eligible to receive.

Payment Period

The basis on which a school must schedule and disburse Title IV student assistance for a particular period of enrollment. The payment period begins on the first day of regularly scheduled classes and is determined based on the structure of the school's academic program. At a school that uses standard terms, the payment period is the term. At a school that does not use standard terms, a payment period is measured in credit or clock hours completed by the student in relation to the length of the student's program of study.

Period of Enrollment

See Loan Period.

Post-Withdrawal Disbursement

PWD

A disbursement for which the student qualifies when the return of Title IV funds calculation demonstrates that the student is eligible to receive more Title IV aid than was disbursed prior to the student's withdrawal. A post-withdrawal disbursement must meet certain conditions for late disbursement.

Return of Title IV Funds

R2T4

The federally mandated process by which a school calculates the amount of federal funds to be returned for a Title IV aid recipient who withdraws or who ceases attendance during a payment period or period of enrollment. The calculations may result in a reduction of the student's Title IV loan and grant aid to reflect the percentage of the payment period or period of enrollment that the student attended, if he or she attended 60 percent or less of the period. Based on these calculations, the school and the student may be required to return unearned federal assistance.

Standard Academic Terms

Includes quarters, trimesters and semesters. The terms are approximately the same length.

Student Aid Report

SAR

A record provided to the student by the U.S. Department of Education's Central Processing System. The SAR includes information provided by the student on the FAFSA. The SAR also contains the student's Expected Family Contribution and the results of federal database matches (including citizenship and Social Security number matches).

Student Support Services

SSS

A federal program that provides grants for projects designed to support the success of low-income, first-generation college students and individuals with disabilities.

Teacher Education Assistance for College and Higher Education Grant

TEACH Grant

Awarded to qualified students who are willing to make a commitment to teach full time for at least four academic years within eight years of completing their programs of study. Recipients must teach at schools serving low-income students and must teach in high-need subject areas for four years at a high-need school within eight years of completing college.

Title IV

A section of the Higher Education Act of 1965, as amended, that authorizes federal loan, work-study and grant education financial assistance programs.

Verification

A school's procedure for confirming the accuracy of information reported by the student on the FAFSA. Verification may include requesting a copy of the tax returns filed by the student and, if applicable, the student's parents.

References, Resources and Web Sites

U.S. Department of Education

Electronic Code of Federal Regulations

<http://ecfr.gpoaccess.gov>.

Program Integrity Issues

Final Rule.

75 Federal Register 66832.

Oct. 29, 2010.

www.gpo.gov/fdsys/pkg/FR-2010-10-29/pdf/2010-26531.pdf.

2011-2012 Federal Student Aid Handbook

Application and Verification Guide.

Ch. 4: *Verification.*

Volume 3: *Calculating Awards and Packaging.*

Ch. 1: *Academic Calendar, Payment Periods and Disbursements.*

Volume 5: *Overawards, Overpayments, & Withdrawal Calculations.*

Ch. 2: *Withdrawals and the Return of Title IV Funds.*

www.ifap.ed.gov.

Dear Colleague Letter GEN-11-14

Subject: Implementation of Program Integrity regulations.

July 20, 2011.

www.ifap.ed.gov.

Dear Colleague Letter GEN-04-03

Subject: Return of Title IV Aid.

Feb. 13, 2004; revised Nov. 17, 2004.

www.ifap.ed.gov.

Dear Colleague Letter GEN-00-24

Subject: Return of Title IV Aid — Volume #1.

December 2000.

www.ifap.ed.gov.

Return of Title IV Funds Worksheet

<http://ifap.ed.gov/ifap/titleiv.jsp>.

Return of Title IV Funds on the Web

FAA Access to CPS Online.

<https://fafsa.ed.gov/FOTWebApp/faa/faa.jsp>.

FSA Assessments

Return of Title IV Funds.

<http://ifap.ed.gov/qahome/qaassessments/returntivfunds.html>.

USA Funds

USA Funds Ask PolicySM

USA Funds Ask PolicySM is a resource for schools and lenders who have questions about specific policies or other issues related to the full range of Title IV federal student aid.

<http://support.usafunds.org/AskPolicy>.

Current Integrated Regulations

Compiled by NCHELP, provided by USA Funds.

www.usafunds.org/schools/Pages/Policy.aspx.

Appendices

Appendix A

Return of Title IV Funds Worksheet: Credit-Hour Programs

Appendix B

Return of Title IV Funds Requirements and Notification

Appendix C

Return of Title IV Funds Policies and Procedures

Appendix D

Case Study Answers

Appendix E

Late Disbursement vs. Post-Withdrawal Disbursement

Appendix A

Return of Title IV Funds Worksheet: Credit-Hour Programs

Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program			
Student's Name	<input style="width: 90%;" type="text"/>	Social Security Number	<input style="width: 90%;" type="text"/>
Date form completed	<input style="width: 20%;" type="text"/> / <input style="width: 20%;" type="text"/> / <input style="width: 20%;" type="text"/>	Date of school's determination that student withdrew	<input style="width: 20%;" type="text"/> / <input style="width: 20%;" type="text"/> / <input style="width: 20%;" type="text"/>
Period used for calculation (check one)	<input type="checkbox"/> Payment period	<input type="checkbox"/> Period of enrollment	

Monetary amounts should be in dollars and cents (rounded to the nearest penny).
When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)

STEP 1: Student's Title IV Aid Information

Title IV Grant Programs	Amount Disbursed	Amount that Could Have Been Disbursed	E. Total Title IV aid disbursed for the period.
1. Pell Grant	<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>	A. <input style="width: 100%;" type="text"/>
2. Academic Competitiveness Grant			+ B. <input style="width: 100%;" type="text"/>
3. National SMART Grant			= E. \$ <input style="width: 100%;" type="text"/>
4. FSEOG			
5. TEACH Grant			
6. Iraq and Afghanistan Service Grant			
A.	Subtotal	C.	Subtotal
Title IV Loan Programs	Net Amount Disbursed	Net Amount that Could Have Been Disbursed	F. Total Title IV grant aid disbursed and that could have been disbursed for the period.
7. Unsubsidized FFEL/Direct Stafford Loan	<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>	A. <input style="width: 100%;" type="text"/>
8. Subsidized FFEL/Direct Stafford Loan			+ B. <input style="width: 100%;" type="text"/>
9. Perkins Loan			= F. \$ <input style="width: 100%;" type="text"/>
10. FFEL/Direct PLUS (Graduate Student)			
11. FFEL/Direct PLUS (Parent)			
B.	Subtotal	D.	Subtotal
			G. Total Title IV aid disbursed and that could have been disbursed for the period.
			A. <input style="width: 100%;" type="text"/>
			+ B. <input style="width: 100%;" type="text"/>
			= G. \$ <input style="width: 100%;" type="text"/>
			C. <input style="width: 100%;" type="text"/>
			+ D. <input style="width: 100%;" type="text"/>
			= <input style="width: 100%;" type="text"/>

STEP 2: Percentage of Title IV Aid Earned

<input style="width: 80%;" type="text"/> / <input style="width: 80%;" type="text"/> / <input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/> / <input style="width: 80%;" type="text"/> / <input style="width: 80%;" type="text"/>	<input style="width: 80%;" type="text"/> / <input style="width: 80%;" type="text"/> / <input style="width: 80%;" type="text"/>
Start date	Scheduled end date	Date of withdrawal

A school that is not required to take attendance may, for a student who withdraws without notification, enter 50% in Box H and proceed to Step 3. Or, the school may enter the last date of attendance at an academically related activity for the "withdrawal date," and proceed with the calculation as instructed. For a student who officially withdraws, enter the withdrawal date.

H. Percentage of payment period or period of enrollment completed
Divide the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of five days or more AND days that the student was on an approved leave of absence).

<input style="width: 90%;" type="text"/>	÷	<input style="width: 90%;" type="text"/>	=	<input style="width: 90%;" type="text"/> . %
Completed days		Total days		

- ▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.
- ▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3. **H.** . %

STEP 3: Amount of Title IV Aid Earned by the Student

Multiply the percentage of Title IV aid earned (Box H) by the Total Title IV aid disbursed and that could have been disbursed for the period (Box G).

<input style="width: 80%;" type="text"/> %	X	<input style="width: 80%;" type="text"/>	=	I. \$ <input style="width: 90%;" type="text"/>
Box H		Box G		

STEP 4: Title IV Aid to be Disbursed or Returned

- ▶ If the amount in Box I is greater than the amount in Box E, go to Item J (Post-withdrawal disbursement).
- ▶ If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).
- ▶ If the amounts in Box I and Box E are equal, **STOP**. No further action is necessary.

J. Post-withdrawal disbursement
From the Amount of Title IV aid earned by the student (Box I) subtract the Total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

<input style="width: 80%;" type="text"/>	-	<input style="width: 80%;" type="text"/>	=	J. \$ <input style="width: 90%;" type="text"/>
Box I		Box E		

Stop here, and enter the amount in "J" in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet).

Step 4 continued ▶

Student's Name <input style="width:90%;" type="text"/>	Social Security Number <input style="width:90%;" type="text"/>																										
<p>STEP 4: Aid to be Disbursed or Returned CONTINUED</p> <p>K. Title IV aid to be returned From the Total Title IV aid disbursed for the period (Box E) subtract the amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned.</p> <p><input style="width:100px;" type="text"/> - <input style="width:100px;" type="text"/> = K.\$ <input style="width:100px;" type="text"/></p> <p style="font-size: small; text-align: center;">Box E Box I</p>	<p>STEP 7: Initial Amount of Unearned Title IV Aid Due from the Student From the amount of Title IV aid to be returned (Box K) subtract the Amount for the school to return (Box O).</p> <p><input style="width:100px;" type="text"/> - <input style="width:100px;" type="text"/> = Q.\$ <input style="width:100px;" type="text"/></p> <p style="font-size: small; text-align: center;">Box K Box O</p> <p>▶ If Box Q is ≤ zero, STOP. If greater than zero, go to Step 8</p>																										
<p>STEP 5: Amount of Unearned Title IV Aid Due from the School</p> <p>L. Institutional charges for the period</p> <table style="width:100%; border-collapse: collapse;"> <tr><td style="width:20%;">Tuition</td><td style="width:10%; border-bottom: 1px dotted black;"></td><td style="width:10%; border-bottom: 1px dotted black;"></td></tr> <tr><td>Room</td><td style="border-bottom: 1px dotted black;"></td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>Board</td><td style="border-bottom: 1px dotted black;"></td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>Other</td><td style="border-bottom: 1px dotted black;"></td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>Other</td><td style="border-bottom: 1px dotted black;"></td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>Other</td><td style="border-bottom: 1px dotted black;"></td><td style="border-bottom: 1px dotted black;"></td></tr> </table> <p>Total Institutional Charges = L.\$ <input style="width:100px;" type="text"/> <i>(Add all the charges together)</i></p> <p>M. Percentage of unearned Title IV aid 100% - <input style="width:100px;" type="text"/> % = M. <input style="width:100px;" type="text"/> %</p> <p style="font-size: small; text-align: center;">Box H</p> <p>N. Amount of unearned charges Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).</p> <p><input style="width:100px;" type="text"/> x <input style="width:100px;" type="text"/> % = N.\$ <input style="width:100px;" type="text"/></p> <p style="font-size: small; text-align: center;">Box L Box M</p> <p>O. Amount for school to return Compare the amount of Title IV aid to be returned (Box K) to amount of unearned charges (Box N), and enter the lesser amount.</p> <p style="text-align: right;">O.\$ <input style="width:100px;" type="text"/></p>	Tuition			Room			Board			Other			Other			Other			<p>STEP 8: Repayment of the Student's loans From the Net loans disbursed to the student (Box B) subtract the Total loans the school must return (Box P) to find the amount of Title IV loans the student is still responsible for repaying (Box R). These loans consist of loans the student has earned, or unearned loan funds the school is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower's promissory note.</p> <p><input style="width:100px;" type="text"/> - <input style="width:100px;" type="text"/> = R.\$ <input style="width:100px;" type="text"/></p> <p style="font-size: small; text-align: center;">Box B Box P</p> <p>▶ If Box Q is less than or equal to Box R, STOP. The only action a school must take is to notify the holders of the loans of the student's withdrawal date.</p> <p>▶ If Box Q is greater than Box R, proceed to Step 9.</p>								
Tuition																											
Room																											
Board																											
Other																											
Other																											
Other																											
<p>STEP 6: Return of Funds by the School The school must return the unearned aid for which the school is responsible (Box O) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.</p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:80%; text-align: left;">Title IV Programs</th> <th style="width:20%; text-align: center;">Amount for School to Return</th> </tr> </thead> <tbody> <tr><td>1. Unsubsidized FFEL/Direct Stafford Loan</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>2. Subsidized FFEL/Direct Stafford Loan</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>3. Perkins Loan</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>4. FFEL/Direct PLUS (Graduate Student)</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>5. FFEL/Direct PLUS (Parent)</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td colspan="2">Total loans the school must return = P.\$ <input style="width:100px;" type="text"/></td></tr> <tr><td>6. Pell Grant</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>7. Academic Competitiveness Grant</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>8. National SMART Grant</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>9. FSEOG</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>10. TEACH Grant</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>11. Iraq and Afghanistan Service Grant</td><td style="border-bottom: 1px dotted black;"></td></tr> </tbody> </table>	Title IV Programs	Amount for School to Return	1. Unsubsidized FFEL/Direct Stafford Loan		2. Subsidized FFEL/Direct Stafford Loan		3. Perkins Loan		4. FFEL/Direct PLUS (Graduate Student)		5. FFEL/Direct PLUS (Parent)		Total loans the school must return = P.\$ <input style="width:100px;" type="text"/>		6. Pell Grant		7. Academic Competitiveness Grant		8. National SMART Grant		9. FSEOG		10. TEACH Grant		11. Iraq and Afghanistan Service Grant		<p>STEP 9: Grant Funds to be Returned</p> <p>S. Initial amount of Title IV grants for student to return From the initial amount of unearned Title IV aid due from the student (Box Q) subtract the amount of loans to be repaid by the student (Box R).</p> <p><input style="width:100px;" type="text"/> - <input style="width:100px;" type="text"/> = S.\$ <input style="width:100px;" type="text"/></p> <p style="font-size: small; text-align: center;">Box Q Box R</p> <p>T. Amount of Title IV grant protection Multiply the total of Title IV grant aid that was disbursed and that could have been disbursed for the period (Box F) by 50%.</p> <p><input style="width:100px;" type="text"/> x 50% = T.\$ <input style="width:100px;" type="text"/></p> <p style="font-size: small; text-align: center;">Box F</p> <p>U. Title IV grant funds for student to return From the Initial amount of Title IV grants for student to return (Box S) subtract the Amount of Title IV grant protection (Box T).</p> <p><input style="width:100px;" type="text"/> - <input style="width:100px;" type="text"/> = U.\$ <input style="width:100px;" type="text"/></p> <p style="font-size: small; text-align: center;">Box S Box T</p> <p>▶ If Box U is less than or equal to zero, STOP. If not, go to Step 10.</p>
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<p>STEP 10: Return of Grant Funds by the Student Except as noted below, the student must return the unearned grant funds for which he or she is responsible (Box U). The grant funds returned by the student are applied in order as indicated, up to the amount disbursed from that grant program minus any grant funds the school is responsible for returning to that program in Step 6.</p> <p>Note that the student is not responsible for returning funds to any program to which the student owes \$50.00 or less.</p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:80%; text-align: left;">Title IV Grant Programs</th> <th style="width:20%; text-align: center;">Amount To Return</th> </tr> </thead> <tbody> <tr><td>1. Pell Grant</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>2. Academic Competitiveness Grant</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>3. National SMART Grant</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>4. FSEOG</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>5. TEACH Grant</td><td style="border-bottom: 1px dotted black;"></td></tr> <tr><td>6. Iraq and Afghanistan Service</td><td style="border-bottom: 1px dotted black;"></td></tr> </tbody> </table>	Title IV Grant Programs	Amount To Return	1. Pell Grant		2. Academic Competitiveness Grant		3. National SMART Grant		4. FSEOG		5. TEACH Grant		6. Iraq and Afghanistan Service														
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6. Iraq and Afghanistan Service																											

Post-withdrawal DISBURSEMENT TRACKING SHEET	
Student's Name <input style="width: 90%;" type="text"/>	Social Security Number <input style="width: 90%;" type="text"/>
Date of school's determination that student withdrew <input style="width: 100px;" type="text" value=" / /"/>	

I. Amount of Post-withdrawal Disbursement (PWD)	
Amount from "Box J" of the Treatment of Title IV Funds When a Student Withdraws worksheet	Box 1 <input style="width: 100px;" type="text" value="\$."/>

II. Outstanding Charges For Educationally Related Expenses Remaining On Student's Account	
Total Outstanding Charges Scheduled to be Paid from PWD <i>(Note: Prior-year charges cannot exceed \$200.)</i>	Box 2 <input style="width: 100px;" type="text" value="\$."/>

III. Post-withdrawal Disbursement Offered Directly to Student and/or Parent	
From the total Post-withdrawal Disbursement due (Box 1), subtract the Post-withdrawal Disbursement to be credited to the student's account (Box 2) . This is the amount you must make to the student (grant) or offer to the student or parent (Loan) as a Direct Disbursement.	
<input style="width: 100px;" type="text" value="\$."/>	- <input style="width: 100px;" type="text" value="\$."/> = Box 3 <input style="width: 100px;" type="text" value="\$."/>
Box 1	Box 2

IV. Allocation of Post-withdrawal Disbursement						
Type of Aid	Loan Amount School Seeks to Credit to Account	Loan Amount Authorized to Credit to Account	Title IV Aid Credited to Account	Loan Amount Offered as Direct Disbursement	Loan Amount Accepted as Direct Disbursement	Title IV Aid Disbursed Directly to Student
Pell Grant	N/A	N/A		N/A	N/A	
ACG	N/A	N/A		N/A	N/A	
National SMART Grant	N/A	N/A		N/A	N/A	
FSEOG	N/A	N/A		N/A	N/A	
TEACH Grant	N/A	N/A		N/A	N/A	
Iraq and Afghanistan Svc.	N/A	N/A		N/A	N/A	
Perkins						
Subsidized FFEL / Direct						
Unsubsidized FFEL / Direct						
FFEL / Direct Grad Plus						
FFEL / Direct Parent Plus						
Totals						

V. Authorizations and Notifications	
Post-withdrawal disbursement loan notification sent to student and/or parent on	<input style="width: 100px;" type="text" value=" / /"/>
Deadline for student and/or parent to respond	<input style="width: 100px;" type="text" value=" / /"/>
<input type="checkbox"/> Response received from student and/or parent on <input style="width: 100px;" type="text" value=" / /"/>	<input type="checkbox"/> Response not received
<input type="checkbox"/> School does not accept late response	

VI. Date Funds Sent	
Date Direct Disbursement mailed or transferred	Grant <input style="width: 100px;" type="text" value=" / /"/> Loan <input style="width: 100px;" type="text" value=" / /"/>

Appendix B

Return of Title IV Funds Requirements for Notification

Return of Title IV Funds Requirements for Notification		
Party Responsible	Notification	Requirements
School	Report of student to NSLDS if student does not pay overpayment in full, does not enter into repayment agreement, or fails to meet terms of repayment agreement.	No later than 45 days from the date student is notified of overpayment.
School	Consumer Information.	<ul style="list-style-type: none"> • School's withdrawal policy. • School's refund policy. • Office(s) designated to receive official notifications of intent to withdraw. • Requirements regarding return of Title IV funds.
School	Written notification of student's eligibility for a direct Post-withdrawal disbursement of Title IV loan funds in excess of outstanding current (educationally related) charges.	<ul style="list-style-type: none"> • Identify type and amount of the Title IV loan funds that will make up the Post-withdrawal disbursement not credited to student's account. • Explain that student or parent may accept all or part of the disbursement. • Advise student or parent that no Post-withdrawal disbursement of Title IV loan funds will be made unless school receives response within the time-frame established by the school.
School	Response (written or electronic) to late request for Post-withdrawal disbursement (that school chooses not to make).	Outcome of request.
School	Repayment Agreement.	<ul style="list-style-type: none"> • Terms permitting student to repay overpayment while maintaining eligibility for Title IV funds. • Repayment in full within 2 years of date school determined student withdrew.

Provided from 2011-2012 Federal Student Aid Handbook, p. 5-149.

Appendix C

Return of Title IV Funds Policies and Procedures

- Include a copy of the school's refund policy developed by the school or as mandated by the school's accrediting agency or state agency.
- Include procedures that students must follow to officially withdraw from the school.
- Ensure that the refund policy addresses Title IV funds as required in 34 CFR 668.22.
 - ◆ Regardless of whether your school is required to take attendance, identify how you establish the last date of attendance for students who officially or unofficially withdraw from the school.
 - ◆ If your school has a formal leave of absence policy, include a copy of this policy.
 - ◆ Include process for post-withdrawal disbursements.
 - ◆ Include process for calculation of the amount of Title IV assistance earned by the student.
 - ◆ Include the school's responsibility for returning unearned aid.
 - ◆ Include the student's responsibility for returning unearned aid.
 - ◆ Include the order of Return of Title IV Funds.
 - ◆ Include the timeframe for Return of Title IV Funds.
 - ◆ Include the required Return of Title IV Funds consumer information outlined in 668.43(a)(2)-(4).
- Indicate how the refund requirements are provided to the students in writing.
- Include examples for students indicating how Title IV refunds and institutional refunds work.
- For Direct Loans: Include procedures for the school to pay a portion of the student's refund or Return of Title IV Funds that is allocable to a Direct Loan to the Secretary.
- For Direct Loans: Include procedures to provide simultaneous written notice to the borrower if the school pays a refund or Return of Title IV, HEA program Funds to the Secretary on behalf of the borrower.
- For Direct Loans: In determining the portion of a student's refund or Return of Title IV Funds that is allocable to a Direct Loan, the school follows the procedures established in 34 CFR 668.22 for allocating and paying a refund or Return of Title IV Funds that is due (this is related to #3 above).

Adapted from FSA Assessments, <http://ifap.ed.gov/qahome/qaassessments/returntivfunds.html>.

Appendix D

Case Study Answers

Violet Oliver

Violet Oliver (SSN: AAA-AA-AAAA) enrolled full-time at Everdeen College for the upcoming standard, credit-hour term. Everdeen is not required to take attendance, and uses the last date in an academically-related activity to determine a student's last date of attendance if the student does not officially withdraw. The following are Violet's academic activities, charges and financial aid:

Charges assessed to student's account for the term	July 15	Tuition	\$3,000
		Fees	\$600
Financial aid awarded to student for the academic year	March 1	Pell Grant	\$3,000
		FSEOG	\$2,000
		Perkins Loan	\$2,000
		Subsidized Stafford Loan	\$5,000
Financial aid disbursed for the term	Aug. 30	Pell Grant	\$1,500
		FSEOG	\$1,000
		Subsidized Stafford Loan Net amount	\$2,488
Term begins	Sept. 10		
Violet submits withdrawal for medical reasons	Sept. 30		
Withdrawal processed by school	Oct. 5		
Return calculation completed	Oct. 10		
Term ends	Dec. 15		
Total number of scheduled days	97		

Dates and amounts are not intended to represent any specific year.

Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program

Student's Name <input style="width: 90%;" type="text" value="Violet Oliver"/>	Social Security Number <input style="width: 90%;" type="text" value="AAA-AA-AAAA"/>
Date form completed <input style="width: 80%;" type="text" value="10 / 10 / XX"/>	Date of school's determination that student withdrew <input style="width: 80%;" type="text" value="09 / 30 / XX"/>
Period used for calculation (check one) <input checked="" type="checkbox"/> Payment period <input type="checkbox"/> Period of enrollment	

*Monetary amounts should be in dollars and cents (rounded to the nearest penny).
When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)*

STEP 1: Student's Title IV Aid Information

Title IV Grant Programs	Amount Disbursed	Amount that Could Have Been Disbursed	E. Total Title IV aid disbursed for the period.
1. Pell Grant	1500.00		A. 2500.00
2. Academic Competitiveness Grant			B. 2488.00
3. National SMART Grant			E. \$ 4988.00
4. FSEOG	1000.00		
5. TEACH Grant			
6. Iraq Afghanistan Service Grant			
A. Subtotal	2500.00	C. Subtotal	0
			F. Total Title IV grant aid disbursed and that could have been disbursed for the period.
			A. 2500.00
			C. 0
			F. \$ 2500.00
Title IV Loan Programs	Net Amount Disbursed	Net Amount that Could Have Been Disbursed	G. Total Title IV aid disbursed and that could have been disbursed for the period.
7. Unsubsidized FFEL/Direct Stafford Loan			A. 2500.00
8. Subsidized FFEL/Direct Stafford Loan	2488.00		B. 2488.00
9. Perkins Loan		1000.00	C. 0
10. FFEL/Direct PLUS (Graduate Student)			D. 1000.00
11. FFEL/Direct PLUS (Parent)			G. \$ 5988.00
B. Subtotal	2488.00	D. Subtotal	1000.00

STEP 2: Percentage of Title IV Aid Earned

<input style="width: 90%;" type="text" value="09 / 10 / XX"/> Start date	<input style="width: 90%;" type="text" value="12 / 15 / XX"/> Scheduled end date	<input style="width: 90%;" type="text" value="09 / 30 / XX"/> Date of withdrawal
---	---	---

A school that is not required to take attendance may, for a student who withdraws without notification, enter 50% in Box H and proceed to Step 3. Or, the school may enter the last date of attendance at an academically related activity for the "withdrawal date," and proceed with the calculation as instructed. For a student who officially withdraws, enter the withdrawal date.

H. Percentage of payment period or period of enrollment completed
Divide the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of five days or more **AND** days that the student was on an approved leave of absence).

<input style="width: 90%;" type="text" value="21"/> Completed days	\div	<input style="width: 90%;" type="text" value="97"/> Total days	$=$	<input style="width: 90%;" type="text" value="21.6%"/>
---	--------	---	-----	--

- ▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.
- ▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H. 21.6%

STEP 3: Amount of Title IV Aid Earned by the Student

Multiply the percentage of Title IV aid earned (Box H) by the Total Title IV aid disbursed and that could have been disbursed for the period (Box G).

<input style="width: 90%;" type="text" value="21.6%"/> Box H	\times	<input style="width: 90%;" type="text" value="5988.00"/> Box G	$=$	<input style="width: 90%;" type="text" value="I. \$ 1293.41"/>
---	----------	---	-----	--

STEP 4: Title IV Aid to be Disbursed or Returned

- ▶ If the amount in Box I is greater than the amount in Box E, go to Item J (Post-withdrawal disbursement).
- ▶ If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).
- ▶ If the amounts in Box I and Box E are equal, **STOP**. No further action is necessary.

J. Post-withdrawal disbursement
From the Amount of Title IV aid earned by the student (Box I) subtract the Total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

<input style="width: 90%;" type="text" value="Box I"/>	$-$	<input style="width: 90%;" type="text" value="Box E"/>	$=$	<input style="width: 90%;" type="text" value="J. \$."/>
--	-----	--	-----	--

Stop here, and enter the amount in "J" in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet).
Step 4 continued ▶

Student's Name

Social Security Number

STEP 4: Aid to be Disbursed or Returned CONTINUED

K. Title IV aid to be returned
 From the Total Title IV aid disbursed for the period (Box E) subtract the amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned.

- = **K.\$**

Box E Box I

STEP 5: Amount of Unearned Title IV Aid Due from the School

L. Institutional charges for the period

Tuition	<input type="text" value="3000.00"/>
Room	
Board	
Other	<input type="text" value="600.00"/>
Other	
Other	

Total Institutional Charges = **L.\$**
 (Add all the charges together)

M. Percentage of unearned Title IV aid
 100% - = **M.**
Box H

N. Amount of unearned charges
 Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).

x = **N.\$**
Box L Box M

O. Amount for school to return
 Compare the amount of Title IV aid to be returned (Box K) to amount of unearned charges (Box N), and enter the lesser amount.

O.\$

STEP 6: Return of Funds by the School

The school must return the unearned aid for which the school is responsible (Box O) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

Title IV Programs	Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan	
2. Subsidized FFEL/Direct Stafford Loan	<input type="text" value="2488.00"/>
3. Perkins Loan	
4. FFEL/Direct PLUS (Graduate Student)	
5. FFEL/Direct PLUS (Parent)	
Total loans the school must return = P.\$ <input type="text" value="2488.00"/>	
6. Pell Grant	<input type="text" value="334.40"/>
7. Academic Competitiveness Grant	
8. National SMART Grant	
9. FSEOG	
10. TEACH Grant	
11. Iraq Afghanistan Service Grant	

STEP 7: Initial Amount of Unearned Title IV Aid Due from the Student

From the amount of Title IV aid to be returned (Box K) subtract the Amount for the school to return (Box O).

- = **Q.**

Box K Box O

▶ If Box Q is ≤ zero, **STOP**. If greater than zero, go to Step 8

STEP 8: Repayment of the Student's loans

From the Net loans disbursed to the student (Box B) subtract the Total loans the school must return (Box P) to find the amount of Title IV loans the student is still responsible for repaying (Box R). These loans consist of loans the student has earned, or unearned loan funds the school is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower's promissory note.

- = **R.\$**
Box B Box P

▶ If Box Q is less than or equal to Box R, **STOP**.
 The only action a school must take is to notify the holders of the loans of the student's withdrawal date.

▶ If Box Q is greater than Box R, proceed to Step 9.

STEP 9: Grant Funds to be Returned

S. Initial amount of Title IV grants for student to return
 From the initial amount of unearned Title IV aid due from the student (Box Q) subtract the amount of loans to be repaid by the student (Box R).

- = **S.\$**
Box Q Box R

T. Amount of Title IV grant protection
 Multiply the total of Title IV grant aid that was disbursed and that could have been disbursed for the period (Box F) by 50%.

x = **T.\$**
Box F

U. Title IV grant funds for student to return
 From the Initial amount of Title IV grants for student to return (Box S) subtract the Amount of Title IV grant protection (Box T).

- = **U.\$**
Box S Box T

▶ If Box U is less than or equal to zero, **STOP**. If not, go to Step 10.

STEP 10: Return of Grant Funds by the Student

Except as noted below, the student must return the unearned grant funds for which he or she is responsible (Box U). The grant funds returned by the student are applied in order as indicated, up to the amount disbursed from that grant program minus any grant funds the school is responsible for returning to that program in Step 6.

Note that the student is not responsible for returning funds to any program to which the student owes \$50.00 or less.

Title IV Grant Programs	Amount To Return
1. Pell Grant	
2. Academic Competitiveness Grant	
3. National SMART Grant	
4. FSEOG	
5. TEACH Grant	
6. Iraq Afghanistan Service Grant	

You should use this form when the withdrawal date is on or after 7/1/2010 p. 2 of 3

Delaney and Chelsea

Hairston College offers classes that span each standard term, as well as modules during each term. The school established a single payment period for the following sessions offered during the fall 2011 term:

Fall A: Sept. 1-Dec. 20.

Fall B: Sept. 1-Sept. 30.

Fall C: Oct. 7-Nov. 7.

Fall D: Nov. 21-Dec. 20.

Academic Calendar					
Sept. 1	Sept. 30	Oct. 7	Nov. 7	Nov. 21	Dec. 20
Fall A					
Fall B		Fall C		Fall D	

Which sessions are considered modules?

The Fall B, C and D sessions are considered modules because the sessions do not span the entire length of the payment period.

Delaney enrolled in three hours during each session, for a total enrollment of 12 hours. She completes Fall B, but withdraws on Oct. 10 from the remainder of her coursework.

Is a Return of Title IV Funds calculation required for Delaney? Why or why not?

Yes, a return calculation is required because Delaney did not complete all of the hours in the payment period she was scheduled to attend.

Chelsea enrolled in three hours during Fall B, C and D, for a total enrollment of nine hours. She completes Fall B, withdraws from Fall C on Oct. 10, but is still enrolled for Fall D.

Is a Return of Title IV Funds calculation required for Chelsea? Why or why not?

No, a return calculation is not required as long as Hairston College obtains written confirmation from Chelsea that she intends to return for Fall D. If she does not return, Hairston must perform a return calculation based on her Oct. 10 withdrawal date. If no written confirmation is provided, Hairston College must consider Chelsea as withdrawn as of Oct. 10.

Appendix E

Late Disbursement vs Post-Withdrawal Disbursement

Late Disbursement Worksheet



Can I deliver this late disbursement to the student?

Schools generally may not disburse Stafford or PLUS loans to a student who has ceased to be enrolled at least half time or to one whose loan period has ended. Under certain conditions, however, a student who has lost eligibility for loan funds still may be eligible for the disbursement of all or some portion of a Stafford or PLUS loan.

Use this worksheet to help you determine if you may make a late disbursement of loan funds to the student.

1. Insert the date on which the student was last enrolled at least half time during the loan period, or the last date of the loan period, whichever is earlier. ___/___/___

2. Was the Direct Loan originated before the date that you entered in Step 1?

YES: Go to Step 3.

NO: You may not disburse the loan funds.

3. Was the student's ISIR/SAR (with an official EFC) processed by the CPS before the date that you entered in Step 1?

YES: Go to Step 4.

NO: You may not disburse the loan funds.

4. Will the school disburse the loan funds within 180 days of the date that you entered in Step 1?

YES: Go to Step 5.

NO: You may not disburse the loan funds.

5. If the student is subject to delayed disbursement (a first-year undergraduate who is a first-time borrower), and the late disbursement is a first disbursement of the loan, did the student complete the first 30 days of the program of study?

YES: Skip to the final question.

NOT APPLICABLE: Go to Step 6.

NO: You may not disburse the loan funds.

6. If the late disbursement is the second or subsequent disbursement of the loan, did the student complete the entire applicable loan period?

YES: Go to Step 7.

NOT APPLICABLE: Go to Step 7.

NO: You may not disburse the loan funds.

7. Will the loan funds be used only to pay for education costs incurred for the applicable loan period?

YES: You may disburse the loan funds.

NO: You may not disburse the loan funds.

Refer to the *Common Manual*, Subsections 8.2.E and 9.5.A, the Federal Student Aid Handbook (Vol. 4, Chapter 1), and the applicable regulations (668.164(g), 682.207(f), 685.303(d)) for more information about a school's responsibilities in making late disbursements.

Post-Withdrawal Disbursement Worksheet



Can I make this post-withdrawal disbursement?

Schools generally may not disburse a Stafford or PLUS loan to a student who has ceased to be enrolled — the student no longer is eligible. In some circumstances, however, a student who has withdrawn from school may be eligible for a post-withdrawal disbursement of all or some portion of a Stafford or PLUS loan. A student may be eligible for a PWD if the school determines the student earned more aid than was disbursed for the period the student attended. Note, however, that if the student is eligible for a PWD, the school must use all available grant funds prior to using any loan funds for that purpose.

Use this worksheet to help you determine if you may disburse a post-withdrawal disbursement of loan funds to the student.

1. Did the student withdraw from all classes?

YES: Go to Step 2.

NO: The student is not eligible for a PWD, but may be eligible for a late disbursement.

(Please see the reverse side of this document for the Late Disbursement Worksheet.)

2. Insert the date on which the student withdrew. ___ / ___ / ___

3. Was the loan originated before the date that you entered in Step 2?

YES: Go to Step 4.

NO: You may not disburse the loan funds.

4. Did the student earn more funds than were disbursed according to the Return of Title IV calculation?

YES: Go to Step 5.

NO: You may not disburse the loan funds.

5. Was the student's ISIR/SAR (with an official EFC) processed by the CPS before the date that you entered in Step 2?

YES: Go to Step 6.

NO: If the disbursement is for a parent PLUS loan, go to Step 6. Otherwise, you may not disburse the loan funds.

6. Did the borrower sign the MPN prior to the date the school completed the Return of Title IV Funds calculation?

YES: Go to Step 7.

NO: You may not disburse the loan funds.

7. Will the school disburse the loan funds within 180 days of the date that the school determined the student had withdrawn?

YES: Go to Step 8.

NO: You may not disburse the loan funds.

8. If the student is subject to delayed disbursement (first-year undergraduate/first-time borrower) and the PWD is the first disbursement of the loan, did the student complete the first 30 days of the program of study?

YES: Go to Step 9.

NOT APPLICABLE: Go to Step 9.

NO: You may not disburse the loan funds.

9. Will the loan funds be used only to pay for education costs incurred for the applicable loan period?

YES: Go to Step 10.

NO: You may not disburse the loan funds.

10. Did the school obtain the borrower's confirmation that he or she still wishes the loan funds to be disbursed?

YES: You may disburse the loan funds.

NO: You may not disburse the funds.

Refer to the *Common Manual*, Subsections 8.2.E and 9.5.A, the Federal Student Aid Handbook (Vol. 4, Chapter 1), and the applicable regulations (668.22(a)(4) and (5) and 682.207(f)) for more information about a school's responsibilities in making post-withdrawal disbursements.