# WINGATE UNIVERSITY
# RETURN OF TITLE IV FUNDS POLICY

## Process Overview and Applicability

For students receiving federal financial aid, the Higher Education Amendments of 1998 established a new formula for calculating the amount of aid a student and school can retain when the student totally withdraws from all classes. Students who withdraw from all classes prior to completing more than 60% of an enrollment term will have their eligibility for aid recalculated based on the percent of term completed. For example, a student who withdraws completing only 30% of the term will have “earned” only 30% of any Title IV aid received. The school and/or the student must return the remaining 70%.

This policy shall apply to all students who withdraw, drop out, or are expelled from WU, and receive financial aid from Title IV funds (federal financial aid programs authorized under the HEA of 1965, as amended).

**Institutional Responsibilities**

WU’s responsibilities in regard to the return of Title IV funds include:

- Providing each student with the information given in this policy
- Identifying students who are affected by this policy and completing the R2T4 calculation for those students
- Returning any Title IV Funds that are due the Title IV programs

**Student’s Responsibilities**

The student’s responsibilities in regard to the return of Title IV funds include:

- Becoming familiar with the R2T4 policy and how complete withdrawal affects eligibility for Title IV aid

## Withdrawal Date

A student’s withdrawal date is defined as:

- The date the student begins the institution’s withdrawal process (as described in the WU catalog) or officially notifies the institution of intent to withdraw; or
- The midpoint of the period for a student who without notifying the institution; or
- The student’s last date of attendance at a documented academically related activity.

## Formula Calculation

The FPO Assistant Vice President and Associate Director perform R2T4 calculations using PFAIDS. Documentation of withdrawal is obtained from the Registrar’s Office or the Academic Program Director. The Business Office provides documentation of institutional charges to be used in the calculation.

Title IV aid is earned in a prorated manner on a per diem basis up to and including the 60% point in the semester. Title IV aid and all other aid is viewed as 100% earned after that point in time. The total number of calendar days in a term of enrollment shall exclude any scheduled breaks of more than five days. The percent of term completed shall be the percentage of Title IV aid earned by the student and is calculated as follows:

Percent of Term Completed = Number of Days Completed ÷ Total Number of Days in Term

Upon completion of the R2T4 calculation, the student’s information is entered into the FPO R2T4 spreadsheet and notification is sent to the student indicating any funds returned as a result of the calculation.

## Post-Withdrawal Disbursements

A post-withdrawal disbursement applies when a student completely withdraws from school and may be eligible to receive grants and or loans that have not yet disbursed. The amount of the disbursement is determined by a required R2T4 calculation when a student completely withdraws from school. A student may not receive any funds as a post-withdrawal disbursement that the school is prohibited from making on or before the date the student withdrew. Examples of this include:

- Federal Direct Loans will be automatically cancelled if an MPN has not been signed and submitted by the student/parent before the institution performs the R2T4 calculation
- Federal Direct Student Loans will not be disbursed until the student has completed entrance counseling

The following conditions apply when processing a post-withdrawal disbursement:

- If, before the student's withdrawal date a Federal loan has been accepted, the loan must also have been originated by WU.
- If a student is eligible for a Post-Withdrawal Disbursement of loan funds, they will be offered to the student within 30 days of the date the school determined the student withdrew. Students will be given a minimum of 14 calendar days to respond to the post-withdrawal disbursement offer. Generally, accepted loan funds will be disbursed within two weeks of the date the student responds and all loan requirements, including entrance counseling and the master promissory note, are complete. Loan funds accepted must be disbursed within 180 days of the date the school determined the student withdrew.
- Any Title IV grant funds a student is due as part of a post-withdrawal disbursement will be disbursed within 45 days of the date the school determined the student withdrew. WU may automatically use all or a portion of the post-withdrawal disbursement of grant funds to apply to outstanding tuition and fees. However, WU needs the student's permission to use the post-withdrawal grant disbursement for all other school charges. If the student does not give permission, the student will be offered the funds via refund.
- If Title IV funds that are part of a post-withdrawal disbursement create a credit balance, the balance will be issued to the student via refund no later than 14 days after the R2T4 calculation occurs.

## Returning Unearned Funds

The percentage of Title IV aid unearned (i.e., to be returned to the appropriate program) shall be 100% minus the percent earned. Unearned aid shall be returned first by WU from the student's account calculated as follows:

Amount Returned to Program(s) = Total Institutional Charges X Percent of Unearned Aid

Unearned Title IV aid shall be returned in the following order:

1. Federal Direct Unsubsidized Loan
2. Federal Direct Subsidized Loan
3. Federal Direct Graduate PLUS Loan
4. Federal Direct PLUS Loan
5. Federal Pell Grant
6. FSEOG
7. Other Title IV Grants

Exception: No program can receive a refund if the student did not receive aid from that program.

A refund or an adjusted billing statement will be sent to the student's home address following withdrawal. Students are responsible for any portion of their institutional charges that are left outstanding after Title IV funds are returned.

## Overpayment Resolution

The FPO's policies are designed to eliminate the possibility of an overpayment from any fund. If an overpayment does occur, WU will return funds on behalf of the student who owes the overpayment and consider the returned funds as the student's debt to the institution.