

# RETURN OF TITLE IV FUNDS POLICY

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The Higher Education Amendments of 1998 changed the 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 before completing at least 60% of an enrollment term will have their eligibility for aid recalculated based on the percent of the term completed. For example, a student who totally withdraws after 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%. The Financial Aid Office encourages the student to read this policy carefully. If he/she is thinking about withdrawing from all classes prior to completing 60% of the semester, he/she should contact the Financial Aid Office to see how the withdrawal will affect financial aid.

1. This policy applies to all students who withdraw, drop out, are expelled from the University of Alaska Southeast, or otherwise fail to complete the period of enrollment for which they were charged, and who receive financial aid from Title IV funds:
  - a. The term “Title IV Funds” refers to the Federal financial aid programs authorized under the Higher Education Act of 1965 (as amended) and includes the following programs: Unsubsidized Stafford Loans, Subsidized Stafford Loans, Federal PLUS Loans, Federal Pell Grants, and Federal SEOG Grants.
  - b. A student’s withdrawal date is:
    - i. the date the student completed the course withdrawal form, or the date the student officially notified the Financial Aid Office or the Student Resource Center on the Juneau campus or the Student Services Coordinator on the Ketchikan or Sitka campus of his or her intent to withdraw (This notification may take place via e-mail, letter, phone or personal contact); or
    - ii. the midpoint of the period for a student who leaves without notifying the institution; or
    - iii. the student’s last date of attendance at a documented academically related activity.
  - c. The term “period of enrollment” includes every day, including weekends that the student is enrolled, excluding breaks of at least five consecutive days (the length of the break is determined by counting the first day of the break through the last day before classes resume.)
2. 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.
  - a. The percentage of Title IV aid earned shall be calculated as follows: Number of days completed by student divided by the total number of days in term completed. The total number of days in term excludes any scheduled breaks of more than five days.
  - b. The percentage of Title IV aid unearned (i.e., to be returned to the appropriate program) shall be 100% minus the percentage earned.
- c. UAS will return unearned aid first from the student’s account. Unearned aid is calculated as follows: Total institutional charges X percent of unearned aid = amount returned to program(s). Unearned Title IV aid shall be returned to the following programs in the following order: Unsubsidized Stafford Loan; Subsidized Stafford Loan; Parent Loans to Undergraduate Students (PLUS); Federal Pell Grant; Federal SEOG; other Title IV grant programs. No program can receive a refund if the student did not receive aid from that program.
- d. When the total amount of unearned aid is greater than the amount returned by UAS from the student’s account, the student is responsible for returning unearned aid to the appropriate program(s) as follows: Unsubsidized Stafford Loan<sup>1</sup>, Subsidized Stafford Loan<sup>1</sup>, Parent Loans to Undergraduate Students (PLUS)<sup>1</sup>, Federal Pell Grant, Federal SEOG, other Title IV grant programs.
- e. If a withdrawing student is determined to have earned more aid than was actually disbursed by the official withdrawal date, UAS may apply “post-withdrawal disbursements” to current year charges and to minor (less than \$200) prior year charges that the student owes without specific permission of the withdrawing student, providing the student would have otherwise been fully eligible for the disbursement on the date of withdrawal.
- f. If amounts earned but not disbursed remain after a “post-withdrawal disbursement” is applied to outstanding eligible institutional charges, withdrawing students (or their respective PLUS borrower) will be offered, in writing via email, a post-withdrawal disbursement of the remaining balance within 30 days of the date of UAS’s determination that the student withdrew. UAS has up to 45 days to disburse any grant funding to the student. Loans must be offered to the student within 30 days, and the withdrawing student or his/her parent must accept the offer of the balance of the post-withdrawal disbursement within 14 days of being notified. If the student or parent accepts the offer of the balance of a post-withdrawal disbursement within the time frame, UAS must provide the funds within 90 days of the date on which UAS became aware of the withdrawal. If the student or parent does not respond within the 14-day window, UAS is not required to make the disbursement, but may do so at its discretion. All post-withdrawal disbursements are applied to the student account first, and if it creates any credit balance on the student’s account, it must be disbursed as soon as possible and no later than the 14 days after the calculation of the R2T4.
- g. Written offers of post-withdrawal disbursements, refunds, and adjusted bills will be sent to the student’s email on file in the Registrar’s Office following withdrawal. Students are responsible for any portion of their institutional charges that are left outstanding after Title IV funds are returned.

3. A student may rescind his/her official notification of withdrawal by filing a written statement with the Registrar’s Office that he/she is continuing to participate in academically related activities and intends to complete the period of enrollment. If the student subsequently ceases to attend UAS prior to the end of the period of enrollment, the student’s rescission is negated and the withdrawal date is the student’s

original date or the student's documented last date of attendance at an academically related activity.

4. UAS' responsibilities concerning the return of Title IV funds include:
  - a. completing the return as soon as possible but no later than 45 days after determining the student as withdrawn;
  - b. providing each student with the information given in this policy;
  - c. identifying students who are affected by this policy and completing the Return of Title IV Funds calculation for those students; and
  - d. returning any Title IV funds that are due to the Title IV programs.
5. The student's responsibilities in regard to the return of Title IV funds include:
  - a. becoming familiar with the Return of Title IV policy and how to complete withdrawal affects eligibility for Title IV aid; and
  - b. returning to the Title IV programs any funds that were disbursed directly to the student and which the student was determined to be ineligible for via the Return of Title IV Funds calculation.
6. The procedures and policies listed above supersede those published previously and are subject to change at any time.
7. Refunds of institutional charges for students who do not totally withdraw will be calculated using the UAS refund policy published in the UAS Class Schedule and Academic Catalog.

Students who would like more information on the Refund policy or the Return of Title IV Funds policy may contact the Financial Aid Office.

<sup>1</sup> Loan amounts are returned according to the terms of the promissory note.