

## Return to Title IV Policy

### Return to Title IV Policy Process Overview

This policy explains how the Return of Title IV funding is processed when a recipient of financial aid ceases to be enrolled (100% withdrawal) at Creighton University (CU) prior to the end of a term for which they were enrolled. Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that he/she was originally scheduled to receive. Students are considered withdrawn from classes when they do not complete their scheduled enrollment.

Federal regulations require CU to determine the percentage of the period the student has completed, and whether funds must be returned based on that percentage. CU must determine the earned and unearned portions of Title IV aid as of the date a student ceased attendance based on the amount of time the student spent in attendance. Assuming a student has completed all requirements for their Title IV aid to disburse (and any federal loans were certified before the student's withdrawal date) then, up through the 60% point in each term, a pro rata schedule is used to determine the amount of Title IV funds a student has earned at the time of their withdrawal. If a student withdraws after the 60% date in a term, they have earned 100% of the Title IV funds they were scheduled to receive during the period. Students that withdraw prior to the term beginning or never attended the term for which they received Title IV aid are not entitled to receive any of said aid thereby requiring CU to return all monies disbursed for that term.

CU is not required to perform R2T4s for those students who withdraw that were not packaged with Title IV aid, however up to the discretion of the institution can complete processes for institutional aid.

### Types of Withdrawals

There are three types of withdrawals that fall under the return to Title IV R2T4 federal calculation regulations:

1. Official Withdrawals – student withdraws from all courses by contacting their College Representative or contacts the Registrar's Office to initiate an official withdrawal.
2. Unofficial Withdrawal - If a student began attendance and has not officially withdrawn fails to earn a grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has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. FA will contact instructors to determine last day of attendance and determined if the students had "earned F's". This date then becomes the basis for the withdrawal calculation, if needed. Therefore, a student cannot avoid the federally required return of Title IV Financial Aid by stopping out of classes but remaining enrolled and taking failing marks.
3. Modular Withdrawals – A student does not complete all modules the student was scheduled to attend (modules are classes that do not span an entire semester).

- a. If a student is enrolled in a standard, term-based program offered in modules and ceases attendance at any point prior to completing the payment period or period of enrollment, unless the school obtains written confirmation from the student at the time of the withdrawal that he or she will attend a module that begins later in the same payment period or period of enrollment, the student is considered a withdrawal for Title IV purposes OR if a student completes more than 49% of the number of countable days in the period of enrollment and successfully completed coursework equal or greater than half-time enrollment.
- b. If written confirmation of future attendance is received from the student but the student does not return as scheduled, the student is considered to have withdrawn from the payment period or period of enrollment and the student's withdrawal date and the total number of calendar days in the payment period or period of enrollment would be the withdrawal date and total number of calendar days that would have applied if the student had not provided written confirmation of future attendance.

**Exceptions for R2T4 calculations:**

A return calculation is also not required if a student:

- Continues to attend at least one Title IV-eligible class
- 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

**Aid Included in R2T4 Calculation (and order the funds must be returned):**

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Direct PLUS Loan
4. Federal Pell Grant
5. Federal Supplemental Educational Opportunity Grant (FSEOG)
6. Federal Iraq Afghanistan Service Grant

**Determination of Withdrawal Date**

The calculation is based on the period of enrollment to which a student completes. For Title IV purposes, the last date of attendance is one of the following:

- The date the formal withdrawal process begins
- The date the student otherwise provides official notification of their intent to withdraw (i.e., letter, email, in-person)
- The last documented date of attendance in an academically related activity (i.e., documented attendance in a class or lab or submissions of an assignment in an online course).

Students must be actively pursuing and successfully complete the term(s) for which they are enrolled. If a student withdraws from all classes or is reported as not attending, financial aid may need to be recalculated because the student may no longer be eligible for the originally awarded amount.

Classes in which students receive an F or W Grade and are reported as never attending are not eligible for financial aid. Federal regulations state that students must attend class and successfully complete the course in order to be eligible for financial aid.

Creighton University does not have a Leave of Absence Policy to allow student to interrupt their academic program while remaining in an active status with the college. Students must remain enrolled and active in their classes to retain financial aid.

### **R2T4 Formula Calculation**

The Office of Financial Aid reviews the student's withdrawal information via the Withdrawal Form. The amount of assistance that the student have earned is determined on a pro rata basis. This calculation must be completed within 30 days of the date the school determines that the student has withdrawn. The school is required to return any unearned funds within 45 days. The calculation is completed by the Financial Aid Office.

For example, if student completed 25% of their period of enrollment, they earned 25% of the assistance they were originally scheduled to receive. That means that 75 % of the disbursed aid is considered to be "unearned" and must be returned to the federal government. The total number of days used in the calculation will exclude any scheduled breaks of 5 or more days.

Once student has completed more than 60% of the payment period or period of enrollment, they earn all the assistance that were scheduled to receive for that period.

### **Student Notification of Results of Calculation**

Upon completion of the Return of Title IV Funds calculation, students will receive notification indicating the amount of aid that will be returned. CU will return the required funds on the student's behalf to the appropriate federal program(s) by charging the student's account. Students will be able to view the return and any resulting account balance on NEST after the return of funds has been processed. The student is responsible for all charges resulting from a Return of Title IV calculation.

If the R2T4 calculation results in a credit balance on the student's account, the credit balance must be disbursed as soon as possible and no later than 14 days after the calculation of R2T4.

### **Post-Withdrawal Disbursements**

If a student has accepted Title IV, HEA financial aid by the date of the withdrawal, but the financial aid has not disbursed, the student may be eligible for a post-withdrawal disbursement. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement for the earned aid that was not received.

Under these circumstances, a R2T4 calculation must be performed to determine whether the student is actually eligible for a post-withdrawal disbursement. If the Post-withdrawal disbursement includes loan funds, the University must get students permission before it can disburse them. Students may choose to decline some or all of the loan funds so that they don't incur additional debt. Students have 14 days to respond to accept or decline the funds. The University may automatically use all or a portion of your Post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school). CU needs your permission to use the Post-withdrawal grant disbursement for all other school charges. Students will be notified of post-withdrawal disbursement eligibility within 30 days of the date of withdrawal determination. The school must return the Title IV funds within 45 days of the date the school determines the student withdrew.

If the R2T4 calculation results in a credit balance on the student's account, the credit balance must be disbursed as soon as possible and no later than 14 days after the calculation of R2T4.

### **Return of Title IV Funds Procedure**

When a student officially, or unofficially withdraws (i.e. quits attending class), during the first 60 percent of the semester, and has received or was eligible to receive federal Title IV funds, Financial Aid office is required to perform a Return of Title IV funds calculation. Each semester the Financial Aid Office will review those students who have received, or could have received Title IV assistance, and who have officially withdrawn from all classes.

Additional students who must also be considered are those who have not formally withdrawn, but have stopped attending classes (unofficial withdrawals). Each semester an "All F" report will be run to determine students who have not officially withdrawn, but instead have unofficially withdrawn from all of their classes.

The calculation steps are as follows:

Step One: Establish the withdrawal date and determine how much Title IV aid was earned by the student. The percentage of enrollment period completed by the student is calculated by dividing the number of days a student attended by the total number of days in the semester (percent of aid earned), and then multiplying that percentage by the total amount of Title IV aid disbursed or could have been disbursed.

Step Two: Determine the Title IV aid to be disbursed to student. If the student received less Title IV aid than earned from step one, a post-withdrawal disbursement may be made. This situation may occur in a case where federal aid was approved, or a loan certified, but not yet disbursed before the student withdrew.

Step Three: Determine the amount of unearned Title IV aid that must be returned by CU. CU must return the lesser of the amount of Title IV aid which the student does not earn, or the amount of institutional charges the student incurred for the semester multiplied by the percentage of Title IV aid not earned. Title IV funds that have to be returned by the school will

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result in a university obligation to the student. The student will receive notification of any amount owed.

Step Four: Determine the amount of unearned Title IV aid to be returned by student. Any federal grant and federal loan funds that are calculated to be returned by the student will be returned by the school so a federal overpayment situation does not result and will be included in the amount billed in step three. The balance of any loan not paid by the school will go into repayment in accordance with the terms of the promissory note. An aid recipient should contact the Financial Aid Office prior to withdrawal from the University. Upon request, the Financial Aid Office will provide written examples of various return of funds calculations.

If the R2T4 calculation results in a credit balance on the student's account, the credit balance must be disbursed as soon as possible and no later than 14 days after the calculation of R2T4.

### R2T4 Example

Below is an example of the Return of Title IV Funds calculation.

Title IV Return of Funds	Amount
Institutional Charges	\$10,000
Title IV Loans	\$4,000
Title IV Grants	\$2,000
Total Title IV aid	\$6,000

- Student withdrew on 29th day of a 116 day enrollment period.
- Percent Earned  $29/116 = 25\%$
- Percent Unearned  $100\% - 25\% = 75\%$
- Amount of Title IV aid unearned  $\$6,000 \times 75\% = \$4,500$
- CU is responsible for returning the lesser of unearned Title IV aid (\$4,500 from above) or unearned institutional charges ( $\$10,000 \times 75\% = \$7,500$ ). CU will return aid as follows:
  - Title IV Loans \$4,000
  - Title IV Grants \$500

Aid the student must personally return - student's aid is returned on their behalf by the school and therefore becomes part of the bill that must be repaid to the school. The balance of student's loan not paid by the school will go into repayment in accordance with the terms of the promissory note.