

## **RETURN TO TITLE IV POLICY FOR FINANCIAL AID RECIPIENT WHO WITHDRAW**

Any student receiving federal financial assistance who completely withdraws from all classes at USAO will be subject to the Return of Title IV Funds refund policy required by federal regulation.

This policy applies to students receiving assistance through the Pell Grant, Supplemental Education Opportunity Grant, Subsidized Direct Loan, Unsubsidized Direct Loan, and Parent Direct Loans for Undergraduate Students Programs.

This policy assumes a student earns his or her financial aid based on the period of time the student remains enrolled through the semester. Upon withdrawal, the Financial Aid Office will determine the date of the student's withdrawal and will calculate the amount of financial assistance the student earned while enrolled in classes according to the following formula: number of days enrolled divided by total number of days in the semester. If the amount of federal aid disbursed exceeds the amount of federal aid earned as of the date of withdrawal, either the university, the student, or both are required to return some portion of the federal aid received.

Students who remain enrolled beyond 60% of the semester are considered to have earned 100% of the financial aid received. Students who are enrolled for less than 60% of the semester will likely be responsible for repaying a portion of the financial aid received.

The Financial Aid Office will calculate the amount of any refund due according to the Return of Title IV Funds Formula outlined in federal regulation. Any refund amount calculated from this formula will be returned to the appropriate federal financial aid programs. If the university returns funds to the Title IV aid programs, it could result in the student owing USAO charges that were originally paid at the time of disbursement. Calculated refund amounts are returned to the federal financial aid programs in the following order: Unsubsidized Direct Loan, Subsidized Direct Loan, Parent Direct Loan, Federal Pell Grant, SEOG Grant, other federal financial aid programs. Title IV funds will be returned to the programs from which the student received aid as soon as possible, but no later than 45 days from the determination of a student's withdrawal. The student's account will be adjusted accordingly.

Post-withdrawal disbursements: If a student has accepted his/her financial aid and it has not disbursed, the reason for the non-disbursal will be ascertained. If the proper conditions (below) have been met the aid will be included in the calculation to determine if a post-withdrawal disbursement is due:

1. Federal Pell Grant – ISIR received date with an “official” EFC preceding the withdrawal date and student meets all other eligibility criteria.
2. FSEOG – Aid was awarded prior to withdrawal date.
3. Direct Plus, Subsidized, and Unsubsidized Loans – Loan had originated prior to withdrawal date and Master Promissory Note was signed prior to R2T4 calculation date.

If a post withdrawal disbursement is due from grant funds and the student has outstanding institutional charges, the funds are automatically applied to the student's bursar account. If the calculation shows that loan funds remain available after being applied to outstanding institutional charges, the student/parent is sent a letter notifying him/her of the amount available. The student/parent is asked to return the letter within 14 days indicating whether he/she wishes to receive the aid and if so, the amount. When a loan is offered, the letter contains language reminding the student of the loan obligation should he or she choose to receive it. If the letter is not received within 14 days USAO considers that the student/parent does not want the disbursement and completes the R2T4 process.

Under this policy, the date of withdrawal is the date the student began the institution's withdrawal process (as described in the USAO catalog) or "officially" notified the institution of intent to withdraw. If a student leaves USAO without notifying the institution, the withdrawal date will be designated as the midpoint of the semester or the last date of attendance at a documented academically related activity. For students who fail to return from an approved leave of absence, the withdrawal date will be designated as the date the leave of absence began.

Students who do not receive ANY "earned" grades are considered to be unofficial withdrawals that stopped attending ALL of the courses prior to the end of the term. When professors report grades at the end of the semester they are required to report whether the student stopped attending or never attended and must indicate the last date of attendance. Once grades are posted, the Financial Aid Office identifies all Title IV students who received NO passing grades and processes them under the unofficial withdrawal policy.

Attendance is the key. If enrollment is maintained in at least one class with attendance beyond the 60 percent date during the term, this policy will not affect the student. All withdrawals will impact satisfactory academic progress. Please refer to the Satisfactory Academic Progress Policy.