

RETURN OF TITLE IV FUNDS POLICIES

In performing any refund and repayment calculation for a student who withdraws from the college, IWU first must determine the student's costs and categorize them as either (1) institutional charges used in calculating refunds or (2) non-institutional charges (such as off-campus rent/living expenses, transportation, and the cost of group health insurance) used in calculating repayments. IWU will also attempt to identify the last date of attendance for a return calculation for federal aid and the date the student completed the withdraw process for an institutional return calculation.

Generally, institutional charges are for educational purposes and are charged directly to the student's account. However, because not all institutional charges may be used in refund calculations, institutional charges must be further categorized as either "unallowable" or "allowable." Along with tuition, which is always an institutional charge, allowable charges may include course fees, room and board, and books and/or supplies purchased at the Campus Store (even if purchased with a Campus Store voucher). Should specific programs of study at the college require students to purchase specific supplies and equipment from IWU, the college will publish the cost of those items and, upon a student's withdrawal from the college, will determine if the cost of this equipment may be included/excluded from the refund calculation. IWU follows federal guidelines in categorizing costs as institutional vs. non-institutional, allowable vs. unallowable, and/or as includable vs. excludable.

Any balance remaining on the student's account after being credited with the applicable refund and/or financial aid funds is due and payable by the student. Unpaid balances will impact a student's eligibility to be readmitted to the college and to have requests for official academic transcripts processed.

Refunds of allowable institutional charges and repayments of funds disbursed to cover non-institutional charges will be calculated in accordance with federal regulations and according to the particular status of the individual student, as follows:

A return of Title IV calculation will be made if a student withdraws from all of their classes on or before the 60% point in time of the enrollment period for which the student was charged. The percentage rate of the semester a student attends/completes is the rate at which a student earned eligibility to will keep a portion of the original aid awarded. The percentage rate of the semester where are student did not attend/complete is the rate at which unearned aid will be returned to its appropriate source. All funds to be returned will be returned as soon as possible but no later than 14 days after the return calculation is run to determine the earned and unearned portions of financial aid.

Withdraw is taken to mean the student voluntarily (or involuntary for medical or other reasons) stops attending in the classes enrolled. Since IWU has neither applicable state nor accrediting agency refund policies to consider in determining which calculation provides the largest refund, allowable institutional charges are refunded to Title IV programs based on the Return of Title IV Refund percentage of the enrollment period

that remains. State aid is only returned or refunded as part of the return process if the state aid would exceed the adjusted tuition charge once the calculation is performed. Otherwise, IWU will prioritize and keep 100% of all processed state aid up to the semester's budget amount where possible. Refunds will be made to the state if the state aid exceeds the tuition charged for the semester.

A separate calculation is done for determining a student's eligibility for institutional charges and aid based on when they submitted the withdraw documentation greater than 3 days past the last date of attendance. For example: If a student completes the withdraw process after the 60% point but stopped attending classes prior to the 60% point, a federal calculation will be performed to determine the amount of federal aid to return while the institutional calculation would not return any institutional aid or charges since the student completed the process after the 60% point.

In the event that a student ceases attendance before the 60% point of the semester but does not complete the withdraw process (or completes the withdraw process after the 60% point), only a federal calculation will be run to determine the amount of federal aid needing to be returned based on the student's last date of attendance. No institutional calculation will be run as the student will have earned 100% of charges and institutional/state aid since the official withdraw process was completed after the 60% point. An institutional calculation may be granted if the student appeals due to unique circumstances. The appeals are received at the Financial Aid Office. Approvals are given to students on a case by case basis.

The CPS system online assists with calculating the following steps.

- (a) Determine the Title IV Refund percentage of the enrollment period that remains by dividing the number of days attended in the period for which the student is enrolled/charged by the number of days in the enrollment period.
- (b) Calculate unpaid charges by subtracting from the total allowable institutional charges the total aid paid to institutional costs and the scheduled cash payments from the student
- (c) *Repayment Calculation*- should a repayment calculation result in an overpayment to the student, the student's account will be charged accordingly within 45 days of the determined withdrawal date, and the repayment owed will be distributed as follows:
 1. Unsubsidized Federal Stafford Loans
 2. Subsidized Federal Stafford Loans
 3. Federal PLUS Loan
 4. Federal Pell Grant
 5. Iraq and Afghanistan Service Grant
 6. Federal SEOG
 7. Other sources of aid

Note: In the event that a student does owe an overpayment of Title IV funds, IWU will be responsible for notifying the student. Furthermore, immediately upon discovery of the overpayment, IWU will flag the student's record to indicate that the student is ineligible for further Title IV funds until the overpayment has been repaid.

State aid: State aid is only reduced if the adjusted tuition rate drops below the amount of state aid originally awarded. If a refund is due to the state, only that portion that exceeds the adjusted tuition rate will be returned.

Identifying withdrawn students can be done in two ways:

1. Official Withdraw – The student obtains a Withdrawal Form from the Dean of Students
2. Unofficial Withdraw – The student ceases attending classes.

If in the case of an Official Withdrawal, the date of determination is the date that the form is received by a school official or the date that the school was first informed of the student's intent to withdraw. Students are asked to provide their last date of attendance.

If in the case of an Unofficial Withdrawal, the date of determination will be the date when the professor certifies the last date of attendance for the student. The last date of attendance is assessed by contacting the professors for the last date of attendance. If the last date of attendance cannot be determined, 50% is used for the return calculation.

Withdrawal Date

Under each refund calculation, withdrawal from the university--official or unofficial--refers to a student's failure to complete the period of enrollment for which he or she was charged.

An "official" withdrawal occurs when the student notifies the university of his/her intent to withdraw and he/she completes the withdrawal process/form (obtained in the Office of the Dean of Students) or stops attending classes. An "unofficial" withdrawal occurs when the university discovers that the student has ceased to be enrolled (i.e., is no longer attending classes) and the student did not initiate/complete the withdrawal process.

In addition, students who are expelled or who take unapproved leaves of absences are considered to have withdrawn from the university. Currently, IWU does offer a Leave of Absence option for students looking to cease attendance in courses due to medical complications or academic performance. Furthermore, IWU reserves the right to request a student's withdrawal.

Regardless of the circumstances of withdrawal from the university, a withdraw can be initiated by:

- a. A withdrawal form, initiated either by the student or by the university, is filled out and documents the last date of class attendance (either as advised by the student or as determined by the university through contact with the student's professors)
- b. The date of withdrawal is considered to be the last date of class attendance. In the case of an "unofficial" withdrawal, the university will determine the date of withdrawal by contacting the student's professors or by using the 50% point if the last date of attendance cannot be determined.
- c. The date of withdrawal is the date used to calculate any applicable institutional refund and/or repayment. While the last date of attendance will be used for the federal return calculation.

Under all circumstances of withdrawal from the university, the student forfeits his or her rights and privileges as a student, including the use of IWU's facilities. Therefore, upon withdrawal from the college, a student living in campus housing is required to move out of campus housing immediately.

Students are usually unable to rescind their decision to withdraw if they have already discontinued classes and moved out of the dorm facilities. All withdraws are considered final. All students seeking to re-enroll at IWU will need to speak with the Registrar's Office concerning re-admit requirements and applications.

The last date of attendance is entered by the student on the withdraw form for official withdraws (unofficial withdraws require date confirmation from the student's professors). The withdraw policy is communicated to each student on an individual basis as they come in for withdraw counseling. Students informed that there may be a return of their funds based on the last date of attendance.

The Financial Aid performs the Federal Return of Title IV Refund calculation using the USDOE's system located on COD's website under tools at:

<https://cod.ed.gov/cod/LoginPage>. The payment period is used as part of the R2T4 calculation. The calculation is triggered by determining the official or unofficial withdrawal as described above.

Refunds to financial aid programs will be made within 45 days of the date the school determines that the student has (un)officially withdrawn, expelled, or takes a leave of absence. Furthermore, refunds will be redistributed in the following order:

1. Unsubsidized Federal Stafford Loans
2. Subsidized Federal Stafford Loans
3. Federal PLUS Loan

4. Federal Pell Grant
5. Iraq and Afghanistan Service Grant
6. Federal SEOG
7. Other sources of aid

For IWU, Institutional Charges are defined as all charges that are directly related to the attendance of classes. These items are tuition, other direct fees applied to billing account, room, board, etc...

For IWU, Non-institutional Charges are defined as all charges for special fees, books, etc...

Information on students who have withdrawn is sent to the Financial Aid Office from the Dean of Students and/or Registrar's Office. This ensures that all students are reported correctly. This information is used in conjunction with the information stored in Banner to perform the calculations of the return.

Unless a student subject to verification and has provided all required verification documents in time for the school to meet the return deadlines, the school includes aid as Aid Disbursed or Aid That Could Have Been Disbursed in the return calculation.

Once the calculation has been performed it is filed away. An email to the Business Office is sent to inform them of the percent of the semester that was completed. If any adjustment in the tuition needs to occur, they will adjust it at that time.

Post-Withdrawal Disbursements

If the student receives less Federal Student Aid than the amount earned, IWU will offer a disbursement of the earned aid that was not received. This is called "Post-Withdrawal Disbursement." Post-withdraw disbursements will be made to the student's account within 45 calendar days from the time IWU determines that a student is eligible for a post-withdraw disbursement.

Students with Title IV loans and parents with PLUS Loans will be notified in writing, prior to making any post-withdrawal disbursement of loan funds within 30 days. If the student or parent would like to accept the disbursement of such funds, the letter will request that they return the letter signed which signifies that they accept the loan amount. The letter will notify the student and/or parent that they have 14 days to respond to the letter for forfeit eligibility for the post-withdraw disbursement.

The Financial Aid Office is responsible for notifying the student or parent of the availability of a post-withdrawal disbursement and track the notification/authorization to make disbursement.

IWU may disburse Title IV grant funds without permission up to the amount of outstanding charges due the institution. A student/parent is notified in writing of eligibility/availability for a post-withdrawal disbursement of loans. All post-withdraw loan

funds must be accepted or declined by signing and returning the authorization letter within a specified time frame (typically 14 business days).

The post-withdrawal authorization letter will include the source, type, and amount of loan funds they would like to accept for disbursement. Should the post-withdrawal disbursement include a PLUS loan, the parent may not receive a direct disbursement of funds that the institution wishes to credit to the student account and IWU will obtain permission to credit loan funds to a student's account to cover unpaid institutional charges. Students and parents are discouraged from obtaining the post-withdrawal loan disbursement to keep their total loan indebtedness down. This notification will be sent ASAP but no later than 30 calendar days after the determination that the student withdrew.

Returning Unearned Funds

As stated above the Financial Aid Office will calculate the institutional and student shares of unearned aid using the US DOE system.

Returning Unearned Funds will be distributed in the following order:

1. Unsubsidized Federal Stafford Loans
2. Subsidized Federal Stafford Loans
3. Federal PLUS Loan
4. Federal Pell Grant
5. Iraq and Afghanistan Service Grant
6. Federal SEOG
7. Other sources of aid

Upon determining a Title IV repayment exists the Financial Aid Office may:

- Notify students they may owe a Title IV grant repayment.
- Inform students they owe a debt to the university as a result of the Title IV grant repayment.
- Return the school's portion of unearned funds
- May report any overpayment to the National Student Loan Data System (NSLDS) if the student has neither repaid nor made satisfactory repayment arrangements.

Tuition Assistance Returns

Any student receiving Tuition Assistance (TA) funds who is determined to have withdrawn from all classes will be considered for a return of funds up to 60% of the semester. This policy will mimic the federally required policies concerning Title IV aid. TA funds will be returned to the appropriate agency if funds still need to be returned after all required Title IV funds have been returned first.

A return calculation will be made if a student withdraws from all of their classes on or before the 60% point in time of the enrollment period for which the student was charged.

Withdraw is taken to mean the student voluntarily (or involuntary for medical or other reasons) chooses to stop attending in the classes enrolled. Since IWU has neither applicable state nor accrediting agency refund policies to consider in determining which calculation provides the largest refund, allowable institutional charges are refunded to Title IV programs based on the Return of Title IV Refund percentage of the enrollment period that remains. State aid is only returned or refunded as part of the return process if the state aid would exceed the adjusted tuition charge once the calculation is performed. Otherwise, IWU will prioritize and keep 100% of all processed state aid up to the semester's budget amount where possible. Refunds will be made to the state if the state aid exceeds the tuition charged for the semester. TA funds will be returned only if applicable and only after Title IV funds are returned first.

Schedule of Return

Returns of TA funds will be at the rate the student completed the semester as determined by the return calculation for Title IV funds up until 60%. After 60% completion, the student has effectively earned 100% of charges and aid for the term. No return calculation will be performed after 60% and no funds will be returned. The completion rate is calculated based on the number days in the semester and the number of days the student completed within that semester. The last date of academic related activity will be used as the date of withdraw for the calculation.

If a student's federal aid exceeds the direct costs, the student will be liable to repay the excess funds as an overpayment has occurred. The student's eligibility for federal aid will be recalculated at the time of the withdraw calculation and based on the percentage of the semester the student earned eligibility for the federal aid.

Overaward Resolution

IWU may return funds on behalf of a student who owes an overaward and consider the returned funds as the student's debt to the institution. The institution may enter into a repayment agreement with the student. The consequences of owing an overpayment may impact the student's eligibility for future Title IV aid, continued enrollment in the university until the debt is paid, or referred to collections.

- Per the HERA amendments, a student does not have to repay a grant overpayment of \$50 or less for grant overpayments resulting from the student's withdrawal. As a result, a grant overpayment of \$50 or less will not make the student ineligible to receive Title IV aid should the student return to school, and the student will not be reported as an overpayment on NSLDS.

Zero Units Earned

A report from the Registrar is obtained after the end of each term for those students that did not earn any academic credit for the recently ended term. Those students who did not withdraw/take a leave of absence and have federal aid are identified for a possible R2T4 calculation due to non-attendance. Once identified, the names of the professors

for each class the students were enrolled for is collected from the Registrar's Office. The Financial Aid Office emails and follows up with the professors to determine if the student completed the semester and earned an unsatisfactory grade through poor performance or received the unsatisfactory grade due to non-attendance. Students with unsatisfactory grades due to non-attendance in all classes (unless it is documented that the students completed the semester) are considered to have withdrawn for the semester and a R2T4 calculation will be run to determine how much aid as student earned for the term. The return calculations are run based on the last documented date of academic participation (up to the 60% point of the semester) or 50% of the semester if the latest date of participation is undeterminable. Students with at least one earned grade (even if unsatisfactory) are still considered to have been attending for the full term and no return calculation will be performed.

Credit Balances

Credit balances that result due to a return of funds will be issued to the student or parent depending on what aid caused the credit balance to occur. PLUS Loans are typically refunded to the parent unless the parent indicated on the loan application that credit balances should be refunded to the student. Credits balances will be refunded as soon as possible but no later than 14 days after the aid adjustment occurs. If a post-withdraw disbursement creates a credit balance, the balance will be refunded to the student or parent within 14 days of the time of disbursement.