



RETURN OF TITLE IV FUNDS POLICY FOR STUDENTS RECEIVING FEDERAL FINANCIAL AID

According to PL 105-244, Sec 484B, 64FR59016, this federal policy (effective October 7, 2000) governs students who receive Federal Title IV Funds and withdraw from ALL classes at Washburn University. (If the student withdraws before the first day of class, there is no charge for tuition and fees. If federal financial aid was awarded, it will be cancelled and returned to the necessary programs.) This policy will also govern withdrawals for students who receive their federal financial aid from Washburn University and are enrolled in study abroad or through any consortium agreement whereby Washburn University acts as the home school for financial aid purposes. This regulation also applies to a student who withdrew and whose parent borrowed a PLUS Loan.

Students at Washburn University who are Title IV recipients [Sec 668.22(1)[4]] are all students who have established eligibility for such funds, but may not have received these funds prior to total withdrawal. There are six basic steps to the formula for calculating the amount of financial aid funds that must be returned to the Title IV programs.

- 1) Determine the date of the student's withdrawal and the percentage of payment period (semester) attended by the student. (Students begin the "official" withdrawal process in the University Registrar's Office.)
- 2) Calculate the amount of Title IV financial aid earned by the student. The amount of Title IV financial aid that a student earns is determined by multiplying the percentage of the payment period completed by the total amount of Title IV aid disbursed or that could have been disbursed. The percentage completed is determined by dividing the days attended in the semester by the total number of days in the semester:
$$\frac{\text{DAYS ATTENDED IN THE SEMESTER}}{\text{TOTAL DAYS IN THE SEMESTER}} = \text{PERCENTAGE COMPLETED}$$
 - If the percentage completed exceeds 60 percent, regulations state that 100 percent is used as the **earned** percentage.
 - If the percentage completed is 60 percent or less, regulations state that the percentage **earned** is the same percentage as the percentage **completed**.
- 3) Compare the amount of financial aid earned and the amount already disbursed to the student to determine the amount of financial aid that is **unearned**. (This is done by subtracting earned aid from aid that was already disbursed.)
- 4) If the amount earned is greater than the amount disbursed, the student is entitled to a late disbursement of Title IV funds. (Students will be notified if a late disbursement can be made.) An example would be if the student's Stafford Loan had been guaranteed, but the lender had not disbursed the funds to the University.

- 5) If the amount earned is less than the amount disbursed, Title IV financial aid must be returned. Once this is determined, Washburn University's share is calculated first, and is the lesser of:
 - Total unearned financial aid; or
 - The figure derived by multiplying Washburn's charges by the percentage of financial aid that is unearned. (The unearned percentage is the complement of the earned percentage. For example, if the earned percentage is 20 percent, the unearned percentage is 80 percent.) If the amount of unearned financial aid is greater than the amount of the University's earned charges, the student must return the difference.

The student returns the difference between the total unearned financial aid and the amount returned by Washburn University.

- 6) Washburn University has 30 days (effective July 1, 2006, this timeframe becomes 45 days) to return its share of unearned financial aid. If a student is required to return unearned aid, repayment must be made within 45 days. The return of funds is initiated in the following order (Federal Work-Study is always excluded in the formula):
 - Unsubsidized Federal Stafford Loan
 - Subsidized Federal Stafford Loan
 - Federal Perkins Loan
 - Federal PLUS Loan
 - Federal Pell Grant
 - Federal SEOG
 - Any other Title IV grant or loan assistance

The University's portion of unearned financial aid is applied first, then the student's portion is applied to the programs not satisfied by the University's share. Any portion of the student's share that is allocated to a grant program is automatically reduced by 50 percent per federal regulations.* (Funds repaid by students to the grant programs must be repaid to the federal government within the 45-day requirement or the student will lose all Title IV financial aid eligibility.) Additionally, any portion of the student's share that is allocated to a loan program is repaid under the terms and conditions of the specific loan program.

*The 50 percent provision for student repayments is subject to further clarification by the Department of Education effective July 1, 2006.