

University of Tennessee Health Science Center

RETURN OF TITLE IV FUND

Process Overview & Applicability

The federal government mandates that students who withdraw from all classes may only keep the federal financial aid (i.e., Title IV funds) they have "earned" up to the time of withdrawal. *Earned* aid is determined by taking the number of days attended before enrollment ended divided by the total number of days in the term minus any break in enrollment of 5 days or greater.

Title IV funds that have been disbursed in excess of the "earned" amount must be returned by the university and/or the student to the federal government. Thus, the student could owe aid funds to the university, the federal government, or both. Title IV aid is earned in a prorated manner on a per diem basis up to the 60% point in the semester. After this point in time, Title IV aid is viewed as 100% earned and no return of title IV process is required.

The processing of Title IV returns at UTHSC is a complex process that involves a great deal of interoffice cooperation and coordination. As a result, an automated Banner process has been put in place to notify the Bursar, Financial Aid, and Registrar's offices. To ensure all withdrawn students have a return of Title IV process completed, the Financial Aid Director is responsible for running weekly queries in the ARGOS reporting system to identify official and unofficial withdrawals.

The Registrar's Office is responsible for submitting all withdrawals to the National Student Clearinghouse (NSC) via its established/required reporting criteria in order to meet NSLDS compliance. The Information Technology Office assists with this process via an electronic file transfer to NSC.

The Bursar office is responsible for determining the student's tuition refund. The bursar posts its policy of tuition refunds on its website at http://www.uthsc.edu/finance/bursar/pdfs/refundsrepay_2010_2011.pdf.

The Financial Aid office is responsible for determining how much federal aid a student has "earned" and therefore can retain as well as how much federal aid was "unearned" and therefore needs to be returned by the UTHSC and/or the student. The interaction between the adjustment of tuition by the Bursar and the adjustment of financial aid by the Financial Aid office will lead to a student owing or being owed funding once they withdraw.

To begin the official withdrawal process, the student must contact their college's assistant/associate dean's office to inform them of their decision to withdraw from UTHSC. Once notified, the college completes an electronic workflow process in the Banner student information system. The date the college completes the workflow process in Banner is the date of determination of the student's withdrawal. The college posts the student's withdrawal date as part of the Banner workflow process.

Once the college completes the workflow process, the Registrar's Office is notified. The Registrar's Office then updates the student's courses, moves the student's status from active to that of withdrawn, and completes the Banner SFAWDRL form. Once completed, other offices such as the Bursar and Financial Aid Offices are notified. The Bursar determines the student tuition refund amount, if any, using UTHSC's Refund and Repayments policy as listed on their website. The Financial aid Office reviews the information listed on the Banner SFAWDRL screen as posted by the Registrar to determine the amount of financial aid that needs to be returned, if any.

It is the responsibility of the Financial Aid Counselor to complete the calculation of Title IV to be returned within a 45 day period of notification from the original submission of the withdrawal by the college via the Banner workflow process. The Financial Aid Counselor notifies the student of any funds that have been returned and encourages the student to review their student account to determine if a balance is owed to the institution. The counselor provides both an email as well as a paper letter to the student about funds that have been returned as well as informs the student of the requirement to complete exit loan counseling.

In summary, the responsibilities of UTHSC and the student are as follows:

UTHSC Responsibilities

1. Providing each student with the Return of Title IV Refund policy
2. Identifying students affected by this policy and completing the Return of Title IV Funds calculation owed to the University as a result of a return of funds
3. Returning any unearned Title IV aid that is due to the Title IV programs and, if applicable, notification of the withdrawal date for federal loan funds
4. Notifying student and/or Plus borrower of eligibility for a Post-Withdrawal Disbursement

Student Responsibilities

1. Become familiar with the Return of Title IV funds policy and how withdrawing from all his/her courses affects eligibility for current and future Title IV aid
2. Resolving any outstanding balance owed to UTHSC resulting from a required return of unearned Title IV aid

Withdrawal Date

The withdrawal date is listed by the college during the Banner workflow process. This date corresponds to the students last day of attendance/educational activity as indicated by the student and verified by the college.

Unofficial Withdrawals

Federal regulations state that an institution must be able to determine the last date of attendance for those students who unofficially withdraw from school. A refund is then calculated using this date and Title IV funds are returned.

Throughout the term as well as at the end of the term, the Financial Aid Director runs an ARGOS query that identifies those students who received aid but did not complete any credit hours. The date of withdraw used for these students is either the last date the student attended an academically-related activity such as an exam, tutorial, study group, or submitted a class assignment as verified by their college. Academically-related activities do not include logging in to an online class without active participation or participating in academic counseling. If an academically-related activity is unknown, the midpoint (50%) of the term will be used in the Banner workflow process.

Formula Calculation

The Financial Aid Counselor performs the calculation of all Title IV Returns. The calculation is performed on the RPATIVC screen in the Banner student information system.

The following educational expenses are considered institutional charges:

- Tuition
- Various Institutional Fees

At the time of the student's withdrawal, the Banner system determines the amount of federal funds that were disbursed as well as the amount of funds that could have been disbursed. It is the total of those amounts that provides the base of financial aid that is used in the Title 4 Return of funds calculation to determine how much of those funds were earned. Then, it is determined how much of those unearned funds are the responsibility of the student to return as well as how much of those funds are the responsibility of the institution to return.

Returning Unearned Funds

A student is notified in writing by their Financial Aid Counselor if Title IV funds are required to be returned. A copy of the email and letter is retained with the Title IV Return calculation in the student's electronic Nolij image file.

The portion of the "unearned" funds the university is responsible to pay is returned by UTHSC immediately. The student is then notified of UTHSC's responsibility to return funds to the federal aid program. This reduction of financial aid in combination with the Bursar applying their tuition refund can result in a balance being owed by the student or a refund being produced by the Bursar. A student may not enroll in subsequent terms, nor have academic records released, until all debts have been repaid to the institution. An official hold is placed on the student's account and academic record in the Banner student information system.

UTHSC is required to return unearned financial aid assistance in a particular order when a student officially or unofficially withdraws:

1. Unsubsidized Federal Direct Stafford Loans
2. Subsidized Federal Direct Stafford Loans
3. Direct PLUS Loans
4. Federal Pell Grant
5. Academic Competitiveness Grant
6. Federal SEOG

In limited cases, as part of the Title IV return of funds process, a student might be required to submit repayment of a federal Pell or SEOG grant directly to the U. S. Department of Education (DOE). These situations are referred as a grant overpayment owed by the student. In these situations, UTHSC will return this money on the student's behalf. As a result, any balance owed by the student to institution will also incorporate this return of grant overpayment.

Post-Withdrawal Disbursements

In limited cases, a student might be owed a post-withdrawal disbursement due to the student earning more financial aid than their adjusted charges. The Financial Aid Counselor will email the student to determine if they wish to receive this post withdrawal disbursement or if the student would like those funds returned on their behalf to the federal government. The Financial Aid Counselor is responsible for offering post-withdrawal disbursements to eligible students within a 30 day period after the student's date of withdrawal determination. Students are given 14 days to respond. If the student does not respond, the post withdrawal disbursement will be returned for the student. Student responses to post-withdrawal disbursements are documented by the Financial Aid Counselor. Disbursements are made by our Bursar office as required by separation of duties regulations.

Modular Coursework

For all programs offered in modules, a student is considered to have withdrawn for Title IV purposes if the student ceases attendance at any point prior to completing the module, 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 (semester). If a school obtains a written confirmation of future attendance but the student does not return as scheduled, the student is considered to have withdrawn from the payment period (semester). A Return of Title IV calculation will be processed at that time using the original withdrawal date the student originally stopped attending. Students are required to return written confirmation within two weeks of being contacted by the Office of Financial Assistance. If not returned, a withdrawal calculation will be conducted.

Impact on Satisfactory Academic Progress

Withdrawing from scheduled classes can affect Satisfactory Academic Progress in addition to a student's scheduled graduation date. Students withdrawing from classes are encouraged to reach out to their respective college as well as the Financial Aid office to confirm how future aid could be affected. If a student is not meeting the Satisfactory Academic Progress requirements, federal financial aid could be put in jeopardy.

