



## **Return of Federal Title IV Funds Policy**

### **Purpose**

The purposes and intent of this policy are to provide guidance as to how UM-Helena will calculate the amount of Federal Title IV funds to be returned for a student who has withdrawn from all classes, inform interested parties of the methods and procedures used to calculate the amount, provide a fair and equitable policy, and provide a policy that conforms to federal regulations and the intent of those regulations.

This policy governs the return of Federal Title IV funds disbursed for a student who completely withdraws from a term, payment period, or period of enrollment. It does not apply to a student who has dropped some classes but remains enrolled in other classes at or through UM-Helena. The general assumption is that a student earns aid based on the period of time he or she remained enrolled.

### **The Process – General**

1. The student meets with an ACCESS Center advisor to discuss withdrawal and to fill out a withdrawal form. The ACCESS Center gives the withdrawal form to the Registrar.
2. The Registrar gives a copy of the completed withdrawal form to the Financial Aid Office.
3. The Financial Aid Office calculates the amount of funds to be returned.
4. The Financial Aid Office notifies the student and the Business Office of funds that UM-Helena must return and the amount the student must return.
5. The Financial Aid Office returns its share of unearned Federal Title IV funds within 30 days after it determines that the student withdrawal process is complete. The student must repay his/her share either by (1) paying loans in accordance with the terms and conditions of the promissory note or (2) repaying grants directly or under a payment arrangement through the College.

Note: in addition to calculating a return of Federal Title IV funds for students who notify UM-Helena of withdrawal, the College must also make the calculation for students who do not “officially” withdraw. The Financial Aid Office reviews final semester grades to determine students with all “F” grades followed by attempts to determine if the student withdrew from all classes. If so, the last date of attendance is obtained. To facilitate the process, the Registrar has requested faculty to indicate last date of attendance for all students awarded an “F” grade.

### **The Details**

**Earned aid** – During the first 60% of the period, a student “earns” Federal Title IV funds in direct proportion to the length of time he or she remains enrolled. That is, the percentage of time during the period that the student remained enrolled is the percentage of disbursable aid for that period that the student earned. A student who remains enrolled beyond the 60% point earns all aid for the period.

Note that institutional costs play no role in determining the amount of Federal Title IV funds to be retained or returned. Also, aid is “disbursable” if the student could have received it at the point of withdrawal.

**Unearned aid** – The amount of disbursed Title IV aid that exceeds the amount of Title IV aid earned under the required formula. Unearned Federal Title IV funds, other than Federal Work Study, must be returned.



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Percentage of period enrolled – The number of days the student remained enrolled divided by the number of days in the period. Calendar days are used, but breaks of at least five days are excluded from both the numerator and denominator. The number of days used to determine the enrolled percentage normally includes weekends; however, scheduled breaks are measured from the first day of the break to the next day that classes are held.

Repayment of unearned aid – The responsibility to repay unearned aid is shared by the institution and the student in proportion to the aid each is assumed to possess.

The institution's share is the lesser of:

- The total amount of unearned aid; or
- Institutional charges multiplied by the percentage of aid that was unearned.

The formula assumes that Federal Title IV funds are directly disbursed to a student only after all institutional charges have been covered, and that Title IV funds are the first resource applied to institutional charges. Institutional charges comprise the amounts that had been assessed prior to the student's withdrawal, not a reduced amount that might result from an institution's refund policy.

The institution's share is allocated among Title IV programs, in an order specified by statute, before the student's share.

After the student's share is fully allocated among the Title IV programs, any amount owed to a grant program is reduced by half. Students return their share of unearned aid attributable to a loan under the terms and conditions of the promissory note.

### **Timeframe for Returning Funds**

The institution must return its share of unearned Federal Title IV funds no later than 30 days after it determines that the student withdrew.

The student must repay his or her share either by (1) paying loans in accordance with the terms and conditions of the promissory notes or (2) repaying grants directly or under a payment arrangement through the College or the Department of Education.

### **Late Disbursements**

A student who earned more aid than was disbursed prior to withdrawal is owed a late disbursement. Only the difference between earned aid and aid already disbursed may be late disbursed. Thus, conditions under which unearned aid must be returned and conditions under which a late disbursement is required are mutually exclusive.

The institution may credit late disbursements towards unpaid institutional charges. Authorizations for current year charges remain valid for late disbursements; authorizations for prior year charges become invalid.

Any portion of a late disbursement not credited to the student's account must be offered as a cash disbursement to the student (or parent in the case of a Federal PLUS Loan).



### **Withdrawal Date (Unofficial Withdrawal)**

For students who withdraw without notifying the institution, the institution must determine the student's withdrawal date within 30 days after the expiration of the earlier date of the:

- Payment period or period of enrollment;
- Academic year in which the student withdrew; or
- Educational program from which the student withdrew.

The withdrawal date for unofficial withdrawals is the midpoint of the applicable period, except:

- If the student left without notification because of circumstances beyond his/her control, the institution may determine a withdrawal date related to the circumstances. The Director of Financial Aid is responsible for making this determination along with the Registrar and the Academic Dean.
- The institution may, at its option, use the student's last date of attendance at a documented 'academically-related activity' in lieu of any other withdrawal date. 'Academically-related activities' include activities confirmed by an employee of the institution, to include exams, tutorials, academic advisement, turning in a class assignment, and attending a study group assigned by the institution. Eating at institution-provided food services, and participating in off-campus study groups not assigned by the institution are not "academically-related activities."

### **Withdrawal Date (Official Withdrawal)**

The withdrawal date for official withdrawals (student notified the institution that he or she was withdrawing) is the date the student began the institution's withdrawal process or officially notified the institution of intent to withdraw, except the institution may, at its option, use the student's last date of attendance at a documented "academically-related activity" in lieu of any other withdrawal date.

"Academically-related activities" include activities confirmed by an employee of the institution, to include exams, tutorials, academic advisement, turning in a class assignment, and attending a study group assigned by the institution. Eating at institution-provided food services, and participating in off-campus study groups not assigned by the institution are not "academically-related activities."

The withdrawal date for a student who officially withdrew is the later of:

- The withdrawal; or
- The date of the student's notification to the institution.

For a student who unofficially withdrew (withdrew without notifying the institution), this date is the date that the institution becomes aware that the student ceased attendance.

The "date of institution's determination that a student withdrew" is used for the following purposes:

- It provides the dividing date between disbursed aid and late disbursements; and
- It starts the clock for the period of time within which the institution must return federal funds.