

Approved By: President

Date Approved: October 23, 2017

1. **Summary:** This policy defines the process by which returns of Title IV funds are calculated and administered.
2. **Rationale:** This policy is necessary to ensure that Title IV funds are returned in compliance with all standards and requirements of the Department of Education.
3. **Entities Affected:** students
4. **Definitions:** Definitions are included within the body of the policy.
5. **Policy:**

Section 13: RETURN OF TITLE IV FUNDS

13.1 Overview

Criswell College awards Title IV funds under the assumption that the student will attend and make satisfactory academic progress through the completion of the payment period. This policy defines how the college determines the Title IV recipients that require a return of Title IV funds. This policy also defines students that are entitled a post-withdrawal disbursement. The return of Title IV process determines the percentage of earned versus unearned Title IV funds. This policy affects Title IV recipients who do not complete the payment period for Title IV funds awarded.

Students who partially withdraw, never establish eligibility, or pass away during the payment are not subject to Return to Title IV calculations. Return to Title IV calculations are only required for students that establish eligibility and then completely withdraw, officially or unofficially.

A Return to Title IV calculation is required when a student withdraws from school prior to completing the payment period or period of enrollment. Return calculations are also required for students enrolled in a program offered with modules if the student does not complete all the days within the payment period. Withdrawal from courses during the drop period may affect the student's financial aid award. Awards are based on demonstrated need (EFC) and enrollment status. However, this situation would not require a Return to Title IV calculation.

The calculation determines the amount of aid earned through the student's last date of attendance. Un-earned funds are sent back to the Department of Education on the student's behalf. Once a student completes 60% or more of a term, all Title IV funds awarded are considered to be earned. In some cases, the earned funds exceed

the disbursed funds and result in a possible Post-Withdrawal Disbursement (PWD). However, the financial aid department is required to complete the calculation regardless of the withdrawal date.

Criswell College uses the Federal Student Aid's CPS Return to Title IV Funds on the Web calculator found at: <https://faaaccess.ed.gov/R2T4Web/R2T4Servlet>.

Programs Impacted at Criswell College

- Federal Pell Grant
- Federal Direct Subsidized Loan
- Federal Direct Unsubsidized Loan
- Federal Direct Parent Plus Loan
- Federal Direct Graduate Plus Loan

General Steps Involved in Return of Title IV

In general, the steps to completing this process are:

1. Determine the student's withdrawal date.
2. Determine the percentage of earned aid.
3. Determine the amount of earned aid.
4. Determine the amount of unearned charges.
5. Determine the school and student shares of unearned aid.
6. Allocate unearned aid.
7. Offer post-withdrawal disbursement (if any) and track the progress of PWD.

If disbursed aid exceeds earned aid:

1. Determine the amount of unearned aid by subtracting earned aid from disbursed aid.
2. Distribute the responsibility for returning unearned aid between the school and the student.
3. If unearned funds must be returned, allocate unearned aid to programs from which the student was funded.
4. Return the institution's share and any funds repaid by the student or refer the overpayment to the Department of Education within the required time frame.

If earned aid exceeds disbursed aid:

1. Determine the amount of a post-withdrawal disbursement by subtracting disbursed aid from unearned aid.
2. If a post-withdrawal disbursement is due, determine the sources from which it will be funded and credit any grant portion towards allowable and/or authorized unpaid charges.
3. Offer and obtain the student's and/or parent's (when DL Plus Loan is involved) authorization to credit the applicable loan portion of the post-withdrawal disbursement towards allowable and/or unpaid charges.
4. Directly disburse to the student (in the form of a refund check) any amount of a post-withdrawal disbursement of grant funds which is not credited toward allowable and/or authorized unpaid charges.
5. Offer the student, or parent PLUS borrower, any portion of the post-withdrawal disbursement of loan funds not credited towards unpaid charges.

6. If the offer notification results in positive confirmation, the school must refund any loan funds not used to satisfy an outstanding current year balance on the student's account.

13.2 Withdrawal Date

Criswell College is accredited by The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) and is not required to take attendance for Title IV purposes. Criswell College uses official census dates to verify attendance for Title IV eligibility purposes. A student's withdrawal date and date of determination varies according to the type of withdrawal. Withdrawal dates are determined on a case-by-case basis as each withdrawal has unique circumstances. The college defines all withdrawals as official or unofficial and treats each differently. The designated point of contact for students wishing to withdraw is the Registrar's Office.

Official Withdrawals (Notification Provided by Student)

Students that initiate the College's published withdrawal process are considered official withdrawals. Students that notify the school verbally or electronically are considered official withdrawals also since official notification is initiated.

If a student initiates the published process and officially notifies the school via phone or email on a different date, the earlier of the two dates is the withdrawal date.

The Date of Determination for official withdrawals is the later of the student's withdrawal date or the date of notification.

Unofficial Withdrawals (No Notification Provided by Student)

Students who cease attendance without notifying the school are unofficial withdrawals. Unofficial withdrawals are identified through a report including Title IV recipients who attempted credit hours but earned all Fs resulting in a term GPA of 0.00. The timing of this report coincides with the SAP reporting process. The college works this report within 14 calendar days of the completion of a term. If a student receives all failing grades, the Financial Aid Office is required to determine if the grades were earned or unearned. Some students participate through the entire payment period and earn an F. There is no Return to Title IV calculation required for students who earn at least one of their Fs.

For students identified as unofficial withdrawals, the official date of withdrawal is the midpoint of the semester or the last date of an academically related activity. The Date of Determination is the date the institution becomes aware of the withdrawal. College and Federal policy dictates that the institution must determine the withdrawal date no later than 30 days after the end of the enrollment period.

13.3 Formula Calculation

Data Elements Included in Return of Title IV

- Period used for calculation – The payment period for all Return to Title IV calculations
- Date of Determination – The date the Financial Aid Office becomes aware of the withdrawal
- Aid Disbursed – The amount of Title IV funds that have actually disbursed to the student's account

- Aid that Could Have Been Disbursed – Undisbursed aid awarded to a student for the period, for which the student has established eligibility and meets the conditions for a late disbursement (conditions found in CFR 668.134(j))
- Start Date – The published start date of the payment period (published in annual school catalogue)
- Scheduled End Date – The published end date of the payment period (published in annual school catalogue)
- Date of Withdrawal
 - Official Withdrawals – The earlier of the date the student begins the official withdrawal process or officially notifies the school of the intent to withdraw.
 - Unofficial Withdrawals – The mid-point of the payment period or verified last date of academically related activity (provided by professors of courses for which the student enrolled).
- Total Days in Payment Period – The total number of days in the payment period minus scheduled breaks of 5 days or more, including the weekend before and the weekend after (this is normally a total of 9 days each payment period)
- Completed Days in Payment Period – The number of days the student attends during the payment period. This is based upon the withdrawal date (further explained in section 13.2)
- Institutional Charges – The tuition, fees, room and board and other educationally related expenses on the student’s Criswell student account

Calculating Earned and Unearned Title IV Funds

The formula used to calculate the percent of aid earned is the total number of days completed divided by the total days in the payment period. The remaining percentage is considered “unearned” and will be returned by the school to the federal aid programs. The percentage of Title IV aid earned is multiplied by the sum of the Title IV aid that has been disbursed AND Title IV aid that could be disbursed. Dependent upon the result being greater than, less than, or equal to the Title IV aid disbursed, the college will continue with one of the following:

- If the result is greater than the amount disbursed, the student may be eligible for a post-withdrawal disbursement.
- If the result is less than the amount disbursed, funds will need to be returned.
- If the result is equal to the amount disbursed, no further action is required.

13.4 Post-Withdrawal Disbursements

If a student has accepted Title IV aid by the date of the withdrawal, but the aid has not disbursed, the student may be eligible for a post-withdrawal disbursement. Criswell College must make this determination within 30 calendar days of the date of determination that the student withdrew.

The following conditions apply when processing a post-withdrawal disbursement:

1. The Financial Aid Office must notify the student of the availability of additional funds within 30 days of the date of determination.
2. Students must respond to the college’s notification to confirm their desire to receive the available funds within 14 days of the receipt of the college’s notification.
3. Students must meet the eligibility requirements for a late disbursement.
4. Student must have completed a master promissory note and loan entrance counseling prior to the Return to Title IV calculation.
5. The Financial Aid office must apply the additional aid as soon as possible but no later than 45 days from determination for Pell Grant and no later than 180 days for Federal Direct Loans.

Federal funds will NOT be disbursed to students who have not completed the verification process or been cleared of C codes.

13.5 Returning Unearned Funds

The Financial Aid Office will update the student information system to reflect the updated amount for each type of aid that must be adjusted. Once this task is completed, the Financial Aid Office will notify the Comptroller of the appropriate return categories and amounts. The Comptroller will deposit the funds into the federal bank account and return the funds through the G5 system. Funds are returned in the following order:

1. Unsubsidized Federal Direct Stafford Loan Program
2. Subsidized Federal Direct Stafford Loan Program
3. Federal Direct Parent Loan Program (PLUS)
4. Federal Pell Grant

Note: If Criswell College is unable to locate the student (or parent) to whom a Title IV credit balance is owed, the balance will be returned to the appropriate Title IV programs by the business office through the G5 system.

13.6 Student Notification

The Financial Aid Office will send a student an email notification of a Return to Title IV funds or PWD eligibility as soon as possible but no later than 30 days after the date of determination. The notification must contain the fund sources, the amount of each fund, and the option to accept full or partial loan amounts. The notification must also explain the right to decline the funds and communicate the 14-day response deadline.

The student and/or parent must provide positive confirmation within the 14-day response deadline for PWD. Once this period has passed, the school has the option to process the disbursements but it is not required. The College will determine whether or not to process late responses on a case-by-case basis.

Reporting to the Department

If the student fails to take positive action when the student is responsible for a grant overpayment as a result of the Return to Title IV calculation within the 45-day deadline, the school will immediately report the student and amount to the National Student Loan Database System and refer to the Department of Education's Debt Resolution Services. The student will be notified via mail that the report has taken place.

Consumer Information

This Return to Title IV policy is available on Criswell College's website under the "tuition and aid" tab. This policy is also available in the annually published catalogue. Students can also pick up a copy of this policy at the Financial Aid Office. Reminders of the availability of this information are emailed annually to students as part of the consumer disclosure guidelines.

13.7 Modules

Criswell College offers two modules for each long term. Each module is eight weeks in length and share the same 16-week payment period when combined. These modules are only available for Graduate students.

The regulations require the institution to determine whether Title IV funds must be returned based on the number of days actually completed versus the number of days the student was scheduled to attend in the

payment period. The new regulations prevent students from enrolling in modules or compressed courses spanning the period, completing a portion of the period, and retaining all aid for the period.

A program is considered to be offered in modules if a course or courses in the program do not span the entire length of the payment period or period of enrollment.

Students enrolled in payment periods comprised of modules that span the entire term are considered standard. However, these students require different treatment. Since programs offered in modules are only available to graduate students, Federal Pell Grant recalculation does not come into play. However, Direct Loan eligibility can be impacted as students may choose to only enroll in one module per payment period. The Registrar assists students in registering for courses in eligible enrollment pattern. This means that graduate students must enroll in at least one course each module if they are not enrolled in the standard term.

Students that enroll for both modules and only establish attendance in one will lose their Direct Loan eligibility. Students that establish attendance in both modules but do not complete the second module will be candidates for a Return to Title IV calculation. This information is communicated to students during the registration process with the Registrar as well as the Financial Aid Office.

13.8 Definitions

- **Academically-related activity**: Activity which can include submitting an academic assignment, taking an exam, participating in an interactive tutorial or computer-assisted instruction, attending a study group assigned by the school, participating in an online discussion about academic matters, or initiating contact with a faculty member to ask a question about the academic subject studied in the course. Academically-related activity does not include living in institutional housing, participating in a meal plan, participating in academic advising or counseling, or logging into an online course without active participation.
- **Conflicting information**: Information in a student's financial aid file that is contrary to information present elsewhere within the institution and that may affect his or her eligibility to receive Title IV aid. Conflicting information must be resolved in order for federal financial aid processing to proceed.
- **Credit hour**: An amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutionally established equivalency that reasonably approximates not less than one hour of classroom or direct faculty instruction and a minimum of two hours of out-of-class student work each week for approximately 15 weeks for one semester or trimester hour of credit, or 10 to 12 weeks for one quarter hour of credit, or the equivalent amount of work over a different amount of time
- **Credit-hour program**: An academic program in which a student's progress is measured in credit hours
- **Disbursed aid**: A student's Title IV aid that was disbursed directly to the student or credited to his or her institutional account
- **Earned aid**: A withdrawn student's earned aid is the amount of Title IV aid he or she is entitled to, based upon the amount of the payment period or period of enrollment completed as of the date he or she withdrew. A student's earned aid may be either disbursed or undisbursed.
- **Free Application for Federal Student Aid (FAFSA®)**: The application used to apply for all Title IV aid. The FAFSA collects financial and other information used to calculate the EFC and to confirm a student's eligibility via various database matches with other federal agencies.

- Last date of attendance (LDA): The date determined by an institution that the student last participated in an academically-related activity
- Late disbursement: A disbursement of Title IV aid made to an otherwise eligible student after the date that the student is no longer enrolled at the institution as at least a half-time student for the period of enrollment for which the aid was intended
- Date of Determination – The date the financial aid office becomes aware that a student has withdrawn
- Date of Withdrawal – the official date, as reported by the Registrar’s Office, which corresponds to the date the student withdrew from her or his last course in the applicable term
- Date of Notification – Date the student notifies the school verbally, electronically, or in writing of his or her intent to withdraw
- Institutional Charges – the total amount of tuition and fees, room and board, and other educational expenses that are paid to the school directly
- Period of enrollment: The period coinciding with one or more academic terms established by the school for which institutional charges are generally assessed, such as a semester, trimester, or quarter in weeks of instructional time; an academic year; or the length of the program of study in weeks of instructional time; also referred to as the loan period
- Post-withdrawal disbursement: The amount of Title IV funds earned by a student that exceeds the amount disbursed at the time he or she withdrew. The school must disburse, or offer to disburse, a post-withdrawal disbursement.
- Program offered in modules: An academic program in which all the courses do not span the length of the payment period or period of enrollment
- Title IV: The section of the HEA pertaining to administration of the federal student financial assistance programs
- Title IV recipient: A student who has received Title IV grant or loan funds or who meets the requirements to receive a late disbursement
- U.S. Department of Education (ED): The Cabinet-level department of the United States government with oversight of the programs and funds authorized under the HEA that provide financial assistance to eligible students enrolled in postsecondary educational programs. Also referred to as “the Department”
- Withdrawal: When a student ceases attendance in all courses for which he or she was registered for a payment period or period of enrollment

6. Procedure:

- Implementation:** The Financial Aid Director is responsible for maintaining and implementing procedures necessary for compliance with this policy.
- Responsibility for Compliance:** Vice President of Enrollment Services
- Notification:** This policy will be posted on the college’s website and network drive and will be published in its entirety or in summary in the college’s Catalog.
- Policy Review:** This policy will be regularly reviewed according to the college’s policy review procedure.

For the Office of Institutional Effectiveness and Research only:

Policy version: 2.0

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Related policies: Financial Aid Satisfactory Academic Progress, Financial Aid Verification, Return to Title IV

Policy History

Version 1.0	Not Available
Version 2.0	October 23, 2017