

## Title IV Refunds

This section is required:  
**668.22 CFR**

### WITHDRAWAL PROCEDURE

Official withdrawal occurs when a student submits an official Letter or Request to withdraw from studies to Vice-Dean for Student Affairs of the respective faculty or the Vice-Director for Student Affairs of the respective institute. Once the letter of withdrawal is submitted, the head of the institute removes the student from the list of students in their department and notifies the Registrar of the change. The Registrar's office forwards the letter of withdrawal to the Financial Aid Administrator (FAA).

For official withdrawals, the Return of Title IV funds calculation must be performed and the student notified of any overpayment within 30 days of the date the institution determined the student withdrew.

#### Withdrawal date determination (in general)

- The date the student submits a letter of withdrawal.
- The date the student was expelled/dismissed from the university.
- If the student ceases attendance without providing official letter of withdrawal, the student may be administratively withdrawn and the withdrawal date will be one of the following:
  - o The date the student last attended class or participated in an academically-related activity. **Academically-related activities** are defined as - an exam, tutorial, online instruction, submitting an assignment, or attending a study group assigned by JU. Academic counseling and academic advising are not considered academically-related activities.
  - o The mid-point date of the student's payment period.
  - o If a student does not return from an approved leave of absence, the date that the institution determines the student began the leave of absence.
  - o If a student takes a leave of absence that is not approved by student's primary academic unit head or designee, the date that the student began the leave of absence.
  - o The date the student died, if the student passed away during the semester.

#### Attendance Reporting

Attendance in all classes is mandatory for completion of any given course. Attendance is taken by the teacher in the beginning of the class and is evidenced by the student placing their signature on the attendance sheet. Attendance is the basis for obtaining a credit in any course.

A student who fails to meet the attendance requirement shall be considered on academic warning, and in danger of being unofficially withdrawn from studies.

The FAA shall contact the reported students to inform them that they have been placed on academic warning and that further financial aid is in jeopardy since they have been identified as not attending class, and to change their status, students are contacted by the FAA for explanation of the situation and remediation plan, if applicable. If no documentation is forthcoming, the FAA will ask them to officially withdraw from the UJ so that a firm withdrawal date can be established and financial aid can be adjusted appropriately.

The FAA shall run the calculation of Title IV returns to determine if the student has withdrawn before completing more than 60% of the semester in which the Title IV funds were disbursed. For unofficial withdrawals, the withdrawal date used to determine the refund shall be established with the last attendance index submitted to the FAA or a later date if the student attended class or submitted coursework (the last date of an academically-related activity) if this date is verified by an employee provided they have sufficient knowledge of a student's academic participation.

Additional documentation supporting the last date of academic activity may be provided by the student if they verify a later date of attendance.

## **LEAVE OF ABSENCE**

The JU has a formal policy regarding leaves of absence; however there are certain restrictions for Title IV funds recipients who cannot request dean's leave. Furthermore, a maximum duration period of student's leave granted to Title IV funds recipients is limited to one semester in a 12-month period.

A student who has completed their first year of his/her studies may take a student's leave by submitting a letter declaring his/her intention to take the leave to the head of his/her basic institutional unit. The leave is granted on a semestral basis, no more than twice during a student's course of study but only once within a rolling 12 month period. The 12-month period begins on the first day of the student's initial leave of absence. A student who submits a letter declaring his/her intention to take student's leave during the semester is granted the leave as of the next semester.

The FAA shall explain to the student, prior to granting the leave of absence, the effects that the student's failure to return from a leave of absence may have on the student's loan repayment terms, including the exhaustion of some or all of the student's grace period.

A student who fails to report to register for his/her next year of study within 14 days of the commencement of classes after a period of leave shall be considered to have withdrawn and shall be treated in accordance with the requirements of R2T4 policy.

## **CALCULATION OF THE AMOUNT OF TITLE IV ASSISTANCE EARNED BY THE STUDENT**

The United States Department of Education mandates that any Title IV aid received by a student who subsequently withdraws from all courses in a term must be returned in accordance with the Return of Title IV (R2T4) policies set forth by the federal government. The Jagiellonian University is responsible for calculating how much aid has been "earned" by the student based on the number of days of attendance and how much aid needs to be returned to the United State government, either by the school, the student, or both. Any Title IV loan funds deemed to have been disbursed in excess of said "earned" eligibility must be repaid to the Department in a timely manner in accordance with the regulations of the Department, and the provisions of the policies herein.

1. A Return of Title IV Funds calculation must be performed when any student who received, or was eligible to receive, Title IV aid ceases attendance in all classes prior to completing the payment period. A return calculation is not required if the student:
  - continues to attend at least one class,
  - never began attendance at the school,
  - is on an approved leave of absence
  - did not receive, and is not eligible to receive, any Title IV aid.
2. Return calculations are done on a payment period basis with the period defined as the term (semester) in which the student received Title IV funds. The period used for calculations also must be used for Title IV aid and institutional charges included in the return calculation. If a tuition fee is charged for an entire program at the beginning of the first payment period, the FAA while running return calculations must prorate charges and aid based on the payment period in which the student withdraws.
3. When the student withdraws during the payment period the FAA shall apply a specific formula to determine the amount of Title IV assistance earned up to that point. If less assistance is received than what was earned, the student may qualify for those funds. If more assistance is received than earned, the unearned funds must be returned by the school and/or student to the appropriate federal program(s).
4. The FAA is responsible for:
  - performing R2T4 calculations and activities in an accurate and timely manner per federal regulations,
  - adhering to the financial aid and R2T4 policies, requirements, and procedures,
  - providing superior customer service and efficiency in response to student and staff inquiries,
  - staying informed and responsive to new and updated program regulations.

#### Return of Title IV Funds Formula in Detail

##### **1. Determine the amount of Title IV Aid received by the student.**

This includes the net amount of aid that has been disbursed and aid that could have been disbursed for the semester in which the student withdrew from the following Title IV programs: Direct Subsidized loans, Direct Unsubsidized loans, Direct PLUS loans.

- a) A student's Title IV aid is counted as aid disbursed in the calculation if it has been paid directly to the student or credited to the student's account to pay school charges. The amount of aid disbursed is based on when the school determined the student withdrew.
- b) "Aid that could have been disbursed" is defined as aid for which the student was eligible to receive at the time of withdrawal. Late disbursement rules apply to aid that could have been disbursed. Inadvertent overpayments are also included in the Return of Title IV Aid calculation as aid that could have been disbursed.
- c) If aid that could have been disbursed during a previous payment period (completed by the student) is received in a subsequent period during which the student withdrew, the aid is not considered "aid disbursed" or "aid that could have been disbursed" in the period during which the student withdrew and it is not included in the R2T4 calculation.

##### **2. Determine percentage\* of aid earned.**

\*percentages are rounded to three decimal places. For example, 0.5516 would be 0.552 or 55.2%

This requires several steps:

**i) Determine student's withdrawal date.**

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For official withdrawals, the withdrawal date is the date the student began the withdrawal process (as noted on the letter of withdrawal from the study) or otherwise provided official notification of intent to withdraw.

For unofficial withdrawals, the withdrawal date is the last date of attendance at an academically-related activity as documented by the school.

**ii) Determine the percentage of payment period (semester) completed.**

Divide the number of days attended (including the day the student withdrew) by the number of days in the semester. This percentage is the percentage of payment period (semester) completed and the percentage of Title IV aid earned for the semester.

Withdrawal from all classes through and including the 60 % point in each payment period (or period of enrollment) requires a Return of Title IV Funds calculation, which means that student may have to repay any unearned financial aid funds that were already disbursed to her or him.

Students withdrawing from all classes after the 60% point are considered to have earned 100% of the Title IV funds disbursed. The JU is required to determine if a post-withdrawal disbursement is necessary, regardless of the percentage of the period completed.

**Number of Days in Semester**

The earned percentage is based on **calendar** days in the semester, including weekends. Only scheduled breaks of at least 5 days will be excluded. The length of the break is determined by counting from the first day of the break up to the next day on which classes are offered. The weekends preceding and following the break are counted as part of the break, unless Saturday classes are scheduled. If Saturday classes are scheduled in the weekend preceding the break, only the Sunday would be counted as part of the break. If Saturday classes are scheduled in the weekend following the break, neither Saturday nor Sunday is counted as part of the break.

**3. Determine the amount of aid earned by the student.**

Multiply the percentage of Title IV aid earned by the total Title IV aid disbursed and that could have been disbursed for the period.

**4. Compare the amount earned to the amount disbursed.**

If earned aid exceeds disbursed aid, a post-withdrawal late disbursement is due the student. If disbursed aid exceeds earned aid, funds must be returned to the Title IV programs.

**5. Determine if the student is due post-withdrawal disbursement or if Title IV aid must be returned.**

Subtract the Title IV aid actually disbursed from the amount of Title IV aid earned. If aid disbursed is greater than aid earned, funds must be returned to the Title IV programs. If aid disbursed is less than aid earned, the student may be due a post-withdrawal disbursement.

**i) Title IV funds to be returned by the school and student must be credited to outstanding balances for the semester for which a Return of Title IV funds is required in the following order:**

- a. Unsubsidized Stafford loan
- b. Subsidized Stafford loan
- c. PLUS loan

**Amount due from school (may be rounded to the nearest dollar):**

- a. Determine the entire amount of unearned aid.
- b. Multiply the unearned aid percentage by the amount of institutional charges.
- c. School is responsible for returning the lesser of the two amounts - a or b.
- d. Timeframe for the Return of Title IV Funds to the Federal programs:
  - Return of Title IV Funds process will begin as soon as possible after it is determined that a student has withdrawn or ceased attendance.
  - The JU must determine the withdrawal date for a student who withdrew without providing notification no later than 30 days after the end of the semester.
  - The JU must return funds no later than 45 days after the date the College determined that the student withdrew.

**Amount due from student**

- a. Subtract amount due from school (from above) from the amount of Title IV aid to be returned. Student is responsible for returning this amount.
- b. Amounts to be returned to loan programs will be repaid in accordance with the terms of the loan.

**ii) Post-Withdrawal Disbursement of Loan Funds**

A post-withdrawal disbursement of loan funds may be paid if the student is eligible to receive the funds. The student will be notified within 30 days of the date of determination of withdrawal of the opportunity to accept all or a part of the post-withdrawal disbursement. Upon receipt of a timely response from the student (14 days from date of notification), the JU will disburse the loan funds within 180 days of the date of determination of the student's withdrawal date. Loan funds will be applied towards the outstanding semester charges on the student's account and may pay up to the amount of the allowable charges (i.e., tuition and fees). Any remainder will be paid directly to the student.

Note: There are some Title IV funds that a student was scheduled to receive that cannot be disbursed to the student once the student withdraws because of other eligibility requirements. For example, if a student is a first-time, first-year undergraduate student and has not completed the first 30 days of the program before withdrawing, the student will not receive any Direct Loan funds that would have been received if the student remained enrolled past the 30th day. The JU maintains the right to decide whether or not to make a post-withdrawal disbursement in the event that the student responds after 14 days of the date that the notification was sent. If the JU decides not to make this post-withdrawal disbursement, it will inform the student in writing.

**Consumer Information**

The FAA responsibilities in regard to the Return of Title IV funds policy include:

1. Providing each student with the information given in this policy;
2. Identifying students affected by this policy and completing the Return of Title IV Funds calculation;
3. Informing the student of the result of the Return of title IV Funds calculation and any balance owed to the University as a result of a required return of funds;
4. Returning any unearned Title IV aid that is due to the Title IV programs and, if applicable, notifying the borrower's holder of federal loan funds of the student's withdrawal date;
5. Notifying student of eligibility for a Post-Withdrawal Disbursement, if applicable.

6. Informing the student of the authorities designated to receive official letters of withdrawal from the study.

Any written notice required from the FAA pursuant to the R2T4 policy with regard to a student's rights and responsibilities, shall be provided to the specific address retained in the registrar's record by email, facsimile, mail or hand delivery.

Notification	Requirement	Deadline
Written notification providing the student the opportunity to accept all or part of a Post-withdrawal disbursement of Title IV loan funds, (FFEL, Direct Loan, or PLUS) to the student's account.	<ul style="list-style-type: none"> <li>- Identify type and amount of the Title IV loan funds that will make up the Post-withdrawal disbursement not credited to student's account.</li> <li>- Explain that student may accept all or part of the disbursement.</li> <li>- Advise student that no Post-withdrawal disbursement of Title IV loan funds will be made unless school receives response within the timeframe established by the school.</li> </ul>	Within 30 days of the school's determination that the student withdrew
Written notification of student's eligibility for a direct Post-withdrawal disbursement of Title IV loan funds in excess of outstanding current (educationally related) charges.		

## EXAMPLE OF R2T4 CALCULATION

Below there is an example of the calculation used to determine the amount of unearned aid a student would be expected to repay based on the reported last day of attendance of the term from which a student has withdrawn.

John Smith submitted his official letter of withdrawal from studies to the Vice-Dean for Student Affairs of his faculty on November 12<sup>th</sup> and stopped attending classes the same day. The term began on October 1<sup>st</sup> and was 128 days long.

John originally received institutional costs were \$ 1,400 and he received:

Direct Subsidized Loan	\$ 3,500
Direct Unsubsidized Loan	\$ 2,000
<b>Total aid - fall term</b>	<b>\$ 5,500</b>

1. John has attended 43 days and has earned 33.6% of his financial aid (43 days divided by 128 days equals 33.6%).
2. Amount of Title IV aid that is unearned is  $66.4\% \times \$ 5,500 = \$ 3,652$
3. The amount of federal aid earned is  $33.6\% \times \$ 5,500 = \$ 1,848$
4. The JU is responsible for returning the lesser of unearned Title IV aid (\$3,652 from point 2) OR unearned institutional charges ( $\$ 1,400 \times 66.4\% = \$ 929.60$ ).
5. John Smith is then liable for the difference between the two amounts:  
 $\$ 3,652 - \$ 929.60 = \$ 2,722.40$