

## **Return of Title IV Funds/Institutional Refund Policy**

The following policy addresses refund and repayment of aid received by students who cease to be enrolled prior to the end of a payment period. This policy is effective only if the student completely withdraws from all classes. (An exception is if the student withdraws during a payment period which is made up of modules and communicates in writing that he/she will return for a later module within that same payment period. Wartburg College's (WC) winter and May term are a payment period with two modules. See below\*)

The withdrawal date for the calculation of the return of Title IV funds, state funds (if applicable) and institutional aid is determined by the Vice President for Enrollment Management and is based on the following:

- The last date of attendance at an academic related activity, or
- The date the student officially notifies the institution of his/her intent to withdraw, or
- The date determined by Wartburg as the administrative withdrawal date, if the student has left without notifying the College, based on a determination of the last academically-related activity, or
- If none of the above three situations apply then the midpoint of the enrollment period for students who leave without notifying the institution (an unofficial withdrawal).

The Enrollment Management Office communicates the withdrawal date by email to appropriate departments.

If a student chooses to rescind their intent to withdraw prior to ceasing enrollment, they will be allowed to continue attendance and a return of Title IV funds will not take place. If they subsequently cease attendance, the determination of the withdrawal date would be re-evaluated if necessary and a return of Title IV funds completed if appropriate.

\* For a payment period in which courses in the program are offered in modules, (for WC that would be winter/May term and summer term) a student who ceases attendance in all classes is not considered to have

withdrawn if the institution obtains written confirmation from the student at the time of withdrawal that he or she will attend a module that begins later in the same payment period. A student is entitled to all federal aid for which he/she is eligible.

### **Earned Federal Aid Calculation**

When a recipient of title IV grant or loan assistance withdraws from WC during a payment period in which the recipient began attendance, WC will determine the amount of title IV grant and/or loan assistance that the student earned as of the student's withdrawal date using original charges. The amount of federal financial aid that is considered "earned" is pro-rated according to the percentage of the payment period completed.

The Office Coordinator (OC) performs the federal calculation to determine how much aid a student has earned by using the Federal Student Aid (FSA) web based software and the Assistant Director (AD) performs the federal calculation using PowerFAIDS software as a double check. The same percentage is used to complete the state and institutional calculations with a formula based Excel spreadsheet for the fall term only. For the winter term WC will use the percentage of the winter term the student has been enrolled for the institutional and state calculation. The federal calculation will use the number of days in the Winter/May term combined. The OC then adjusts the student's financial aid package to reflect the results of the calculations.

Once a student has completed 60 percent of the payment period, 100% of the student's federal financial aid assistance has been earned. A return of Title IV calculation is completed to show that the student has earned 100% of his/her federal financial aid.

### **Return of Funds Allocation**

Federal financial aid funds are returned in accordance with Federal regulations, in the following order if applicable:

1. Federal Direct Unsubsidized Direct Loan
2. Federal Direct Subsidized Direct Loan
3. Federal Perkins Loan
4. Federal PLUS (Parent) Loan

5. Federal Pell Grant
6. Federal SEOG
7. Federal TEACH Grant
8. Iraq and Afghanistan Service Grant

Funds received from the state (if applicable) and the institution are also returned based on the percentage of the payment period completed.

Based on the calculation, adjustments are made to the student's financial aid award and student account. The AD reports the student's enrollment status change to NSLDS.

### **Pro-rated Institutional Charges**

When a student withdraws, the Business Office completes a calculation with a formula based Excel spreadsheet to determine the student's pro-rated charges. Tuition charges are pro-rated using the percentage of the payment period completed. Certain fees are not pro-rated. Room and board charges are pro-rated based on the day the student terminates their board plan and officially checks out of his/her residence hall.

### **Institutional and Student Responsibilities**

Wartburg College's responsibilities in regard to the return of Title IV/State funds include:

- Provide each student with the information given in this policy
- Identify students who are affected by this policy and complete the Return of Title IV and/or state funds calculation in accordance with federal and state regulations
- Return any Title IV funds and state funds to the appropriate program(s)

The student's responsibilities in regard to the return of Title IV/state funds include:

- Return to the Title IV programs any funds that were disbursed directly to the student and which the student was determined not to have earned in accordance with federal and state regulations.

- In the case that WC returns funds on behalf of the student, the student becomes indebted to WC.

### **Leave of Absence (LOA)**

WC does have a LOA policy for students, but because it does not meet the conditions in 34CFR 668.22(d) the student is considered to have ceased attendance and to have withdrawn from WC. A return of Title IV calculation will be performed based on the date the student ceased attendance.

### **Post Withdrawal Disbursements**

If the student receives less Federal Student Aid than the amount earned, the Financial Aid Office (FAO) will offer a disbursement of the earned aid that was not received. This is called a post-withdrawal disbursement.

A post-withdrawal disbursement will be made within 180 days of the date WC determines that the student withdrew. The amount of a post-withdrawal disbursement is determined by following the requirements for calculating earned Title IV Aid and has no relationship to incurred educational costs.

A post-withdrawal disbursement whether credited to the student's account or disbursed to the student or parent directly, will be made from available grant funds before available loan funds.

Without obtaining a student's permission, Title IV grant funds from a post-withdrawal disbursement are credited to a student's account to pay for tuition, fees, room and board (if the student contracts with the school) or disbursed directly to a student. WC will obtain a student's authorization to credit a student's account with Title IV grant funds for charges other than current charges.

The FAO will obtain confirmation from a student, or parent for a parent PLUS loan, before making any disbursement of loan funds from a post-withdrawal disbursement.

The FAO will notify a student, or parent for a parent PLUS loan, in writing prior to making any post-withdrawal disbursement of loan funds, whether

those loan funds are to be credited to the student's account or disbursed directly to the student (or parent). The notification will be within 30 days of the date determined that a student has withdrawn and will include the following:

- information necessary for the student, or parent for a parent PLUS loan, to make an informed decision as to whether the student or parent would like to accept or decline any disbursement of loan funds
- type and amount of the loan funds WC wishes to credit to the student's account or disburse directly to the student or parent,
- an explanation to the student, or parent for a parent PLUS loan, the obligation to repay the loan funds whether they are disbursed to the student's account or directly to the borrower.
- requested confirmation of any post-withdrawal disbursement that the student or parent, as applicable, wishes WC to make.

The notice will also make clear that a student, or parent for a parent PLUS loan, may not receive as a direct disbursement loan funds that WC wishes to credit to the student's account unless WC agrees to do so. If the student, or parent for a parent PLUS loan, does not wish to accept some or all of the loan funds that WC wishes to credit to the student's account, WC will not disburse those funds.

The information the FAO provides to a student due a post-withdrawal disbursement of loan funds, should include the advantages of keeping loan debt to a minimum and the suggestion that unless the recipient needs the funds to pay educational costs, that the student cancel the loan. With a student's permission, Title IV grant funds due a student in a post-withdrawal disbursement can be used to pay down a Title IV loan, thereby reducing any post-withdrawal disbursement made directly to the student.

The FAO will document the result of the notification process and the final determination made concerning the disbursement and maintain that documentation in the student's file.

### **Change in Enrollment Status**

When a student withdraws from a course or courses that causes enrollment to become less than full-time, an adjustment of financial aid and tuition and fees will be completed up to 60% of the term. Federal Pell Grant for the entire term will be based on the new enrollment status. Once 60% of the term has been completed, the student has earned 100% of his or her financial aid so no adjustment will take place to aid or tuition and fees.

Full-time tuition and fees will be assessed on the percentage of the term that a student attended full-time prior to the change in enrollment. Part-time tuition and fees will be assessed after the enrollment change based on the number of course credits in which the student is still enrolled. An adjustment to institutional aid will also be made according to the percentage of the term the student attended full-time and part-time. A student is not eligible to receive institutional scholarships and grants at a less than full-time status. A student is not eligible to receive Direct loans at a less than half-time status.

### **When students fail to earn a passing grade in any of their classes**

WC is an institution which is not required to take attendance. If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over a payment period WC will assume, for Title IV purposes, that the student has unofficially withdrawn. In order to document this, the AD will request the Enrollment Management's office to confirm with the student's professors that the student attended the course and completed the final academic activity. If a student failed to attend for the entire term, the professor will be asked to provide the last day of attendance or the last day of an academic related activity. If that date falls before the 60% of the term, the student's financial aid and tuition charges will be recalculated as an unofficial withdrawal. If the student is found to have attended all term, the grade will be assumed to have been "earned" and the course completed and a withdrawal calculation will not take place.