Return of Title IV, HEA Policy

When you apply for financial aid, you sign a statement that you will use the funds for educational purposes only. Though your federal financial aid is posted to your account at the start of each period, you earn the funds as you complete the period. Therefore, if you withdraw before completing your program, a portion of the funds you received may have to be returned. UCA will calculate the amount of tuition to be returned to the Title IV, HEA Federal fund programs according to the policies listed below.

To Whom Does This Policy Apply?
This policy applies to students’ who withdraw official, unofficially, fail to return from a leave of absence, or dismissed from enrollment at UCA. It is separate and distinct from the UCA Refund policy: http://uca.edu/studentaccounts/withdrawal-refund-policy

What Financial Aid Programs Are Included?
The Title IV, HEA Programs that are covered by this law include Federal Pell Grants, Iraq and Afghanistan Service Grants, Direct Loans, Direct PLUS Loans, Federal Supplemental Educational Opportunity Grants, and Federal Perkins Loans.

How Does the Calculation Work?
The amount of Title IV, HEA aid earned is based on the amount of time a student spent in academic attendance, and the total aid received; it has no relationship to student’s incurred institutional charges. The amount of assistance that you have earned is determined on a pro rata basis. For example, if you completed 30% of your payment period or period of enrollment, you earn 30% of the assistance you were originally scheduled to receive. Once you have complete more than 60% of the payment period or period of enrollment, you earn all the assistance that you were scheduled to receive for that period.

How Will I Know If This Affects Me?
You may look at the chart below to determine if your date of official or unofficial withdrawal will require a Return of Title IV Funds. Once the Office of Student Financial Aid is notified of the withdrawal, the process will begin.

<table>
<thead>
<tr>
<th>Term</th>
<th>Must Attend Through To Avoid Repayment</th>
<th>Must Withdrawal On Or After To Avoid Repayment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2014</td>
<td>October 27, 2014</td>
<td>October 28, 2014</td>
</tr>
<tr>
<td>Spring 2015</td>
<td>March 11, 2015</td>
<td>March 12, 2015</td>
</tr>
</tbody>
</table>

The school is required to notify the student if they owe a repayment via written notice. The institution has 45 days from the date that the institution determines that the student withdrew to return all unearned funds for which it is responsible. The school must advise the student or parent that they have 14 calendar days from the date that the school sent the notification to accept a post withdraw disbursement. If a response is not received from the student
or parent within the allowed time frame or the student declines the funds, the school will return any earned funds that the school is holding to the Title IV, HEA programs.

Results: Three possible results exist:

1. No repayment or post-withdrawal disbursement will exist
2. The student will be entitled to a Post Withdrawal Disbursement
3. The institution or student will owe a Return of Title IV, HEA funds

The information below will explain how UCA will determine the results of the Return of Title IV, HEA funds.

Return of Title IV, HEA funds for “Official” Withdrawal from UCA

The official withdrawal date for undergraduate students is the date the Office of the Registrar receives written notification of intent to withdraw unless evidence of non-attendance is received by the Financial Aid Office. In the case of an unofficial withdraw (student stopped attending) the mid-point of the semester (50%) will be used unless otherwise documented.

The official withdrawal date for graduate students is the date the Graduate Dean’s Office receives written notification of intent to withdraw from the student unless evidence of non-attendance is received by the Financial Aid Office. In the case of an unofficial withdraw (student stopped attending) the mid-point of the semester (50%) will be used unless otherwise documented.

Upon receipt of the official withdrawal information, UCA will complete the following:

1. The student’s grade record will be updated to reflect his/her final grade.

2. Three calculations are performed:
   a. The students institutional charges and withdrawal records are reviewed to determine the calculation of Return of Title IV, HEA funds the student has earned and
   b. The amount of Title IV, HEA funds for which the school and student are responsible.
      i. Returns made to the Federal Funds Account are calculated using the Department’s Return of Title IV, HEA Funds Worksheets, scheduled attendance and are based upon the payment period.
   c. Calculate the school’s refund requirement (see school refund calculation):

3. UCA will return the amount for any unearned portion of the Title IV, HEA funds for which the school is responsible within 45 days of the date the official notice was provided.

4. UCA will provide the student with a letter explaining the Title IV, HEA requirements:
   a. The amount of Title IV, HEA assistance the student has earned. This amount is based upon the length of time the student was enrolled in the program based on scheduled attendance and the amount of funds the student received.
   b. Any returns that will be made to the Title IV, HEA Federal program on the student’s behalf as a result of exiting the program. If a student’s scheduled attendance is more than 60% of the payment period, he/she is considered to have earned 100% of the Federal funds received for the payment period. In this case, no funds need to be returned to the Federal funds.
   c. Advise the student of the amount of unearned Federal funds and tuition and fees that the student must return, if applicable.

5. Supply the student with a document noting outstanding balance due to the school and the available methods of payment. A copy of the completed worksheet, check, letter and final charges will be kept in the student’s file.

In the event a student decides to rescind his or her official notification to withdraw, the student must provide a signed and dated written statement that he/she is continuing his or her program of study, and intends to complete the payment period. Title IV, HEA assistance will continue as originally planned. If the student subsequently fails to attend or ceases attendance without completing the payment period, the student’s withdrawal date is the original date of notification of intent to withdraw.
Return of Title IV, HEA Funds for “Unofficial” Withdrawal from UCA

The official withdrawal date for undergraduate students is the date the Office of the Registrar receives written notification of intent to withdraw unless evidence of non-attendance is received by the Financial Aid Office. In the case of an unofficial withdraw (student stopped attending) the mid-point of the semester (50%) will be used unless otherwise documented.

The official withdrawal date for graduate students is the date the Graduate Dean’s Office receives written notification of intent to withdraw from the student unless evidence of non-attendance is received by the Financial Aid Office. In the case of an unofficial withdraw (student stopped attending) the mid-point of the semester (50%) will be used unless otherwise documented.

Please note that a student who does not officially withdraw but receive a combination of withdrawal, incomplete and/or failing grades at the end of any enrollment period will require verification of attendance to confirm whether they unofficially withdrew.

Once Withdrawal (official or unofficial) is Determined

Within one week of the date the student has been determined to have unofficially withdrawn the following procedures will take place:

1. The student’s grade record will be updated to reflect his/her final grade.
2. The Office of Student Financial Aid will determine and record the student’s last date of attendance as the
   a. Date of withdrawal or
   b. The last date of academic attendance
3. The Office of Student Financial Aid calculates the amount of Federal funds the
   a. Student has earned, and, if any, the amount of Federal funds for which the school is responsible.
4. The Office of Student Financial Aid will return to the
   a. Federal fund programs any unearned portion of Title IV, HEA funds for which the school is responsible within 45 days of the date the withdrawal determination was made.
5. If applicable, The Office of Student Financial Aid will provide the student with
   a. A letter explaining Title IV, HEA requirements:
   b. The amount of Title IV, HEA aid the student has earned based upon the length of
      i. time the student was enrolled and scheduled to attend in the program and the
      ii. Amount of aid the student received.
   c. Advise the student in writing of the amount of unearned Title IV, HEA aid and tuition
      i. And fees that he/she must return, if applicable.
   d. Supply the student with a billing statement showing outstanding balance
      i. Due the school and the available methods of payment.
      ii. A copy of the completed worksheet and letter will be kept in the student’s financial aid file.

Post-Withdrawal Disbursement

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If your post-withdrawal disbursement includes loan funds, UCA must get your permission before it can disburse them. You may choose to decline some or all of the loan funds so that you don’t incur additional debt. UCA may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school).

UCA needs your permission to use the post-withdrawal grant disbursement for all other school charges. If you do not give your permission (some schools ask for this when you enroll), you will be offered the funds. However, it may be in your best interest to allow the school to keep the funds to reduce your debt at the school.

Post-withdrawal disbursements will occur within 90 days of the date that the student withdrew.
Student and Institution Responsibilities
If you receive (or UCA or parent receive on your behalf) excess Title IV, HEA program funds that must be returned, your school must return a portion of the excess equal to the lesser of:

1. Your institutional charges multiplied by the unearned percentage of your funds, or
2. The entire amount of excess funds.

The school must return this amount even if it didn’t keep this amount of your Title IV, HEA program funds.

Institution Responsibilities in regards to return of Title IV, HEA funds
UCA’s responsibilities in regards to Title IV, HEA funds follow:

- Providing students with the information in this policy;
- Identifying students who are affected by this policy and completing the return of Title IV, HEA funds calculation for those students;
- Returning any Title IV, HEA funds due to the correct Title IV, HEA programs.

The institution is not always required to return all of the excess funds; there are situations once the R2T4 calculations have been completed in which the student must return the unearned aid.

Student Responsibilities in regards to return of Title IV, HEA funds

- Any notification of withdraw should be in writing and addressed to the appropriate institutional official.
- A student may rescind his or her notification of intent to withdraw. Submissions of intent to rescind a withdraw notice must be filed in writing.
- Either these notifications, to withdraw or rescind to withdraw must be made to the official records/registration personal at UCA.
- If UCA is not required to return all of the excess funds, you must return the remaining amount.
- Returning to the Title IV, HEA programs any funds that were disbursed to the student in which the student was determined to be ineligible for via the R2T4 calculation.
- Any amount of unearned grant funds that you must return is called an overpayment. The maximum amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You do not have to repay a grant overpayment if the original amount of the overpayment is $50 or less. You must make arrangements with your school or the U.S. Department of Education to return the unearned grant funds.
- Any loan funds that you must return, you (or your parent for a Direct PLUS Loan) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

Example of Calculation: - Credit Hour School

1. Determined the percentage of Title IV, HEA aid earned by the student by taking the calendar days completed in the payment period, divided by the total calendar days in the payment period (excluding breaks of 5 days or more and days the student was on an approve LOA

\[
\text{18 (completed days)} = 15.3\% \text{ (% of completed calendar days)} \\
\text{118 (total days)}
\]
2. Determine the amount of Title IV aid earned by the student by multiplying the percentage of Title IV, HEA aid earned times the total of the Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period.

   \[
   15.3\% \times \$2,805.00 = 429.17 \text{ (Amount of aid earned by student)}
   \]

3. If this percentage is greater than 60%, the student earns 100% of the disbursed Title IV, HEA funds or aid that could have been disbursed.

4. If this percentage is less than 60%, then the percentage earned is equal to the calculated value.

5. Aid to be returned = (100% minus the percent earned) multiplied by the amount of aid disbursed toward institutional charges. If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student may be required to return a portion of the funds. All Title IV funds that the institution must return will be made no later than 45 calendar days after the date the school determines that the student withdrew.

   \[
   100\% - 15.3\% = 84.7\% \text{ ( \% of aid to be returned)}
   \]

   \[
   84.7\% \times \$2,805 = \$2,375.83 \text{ (Aid to be returned)}
   \]

6. When Title IV, HEA funds are returned, the student may owe a balance to the institution.

**Order of Return**

UCA is authorized to return any excess funds after applying them to current outstanding Cost of Attendance (COA) charges. A copy of the Institutional R2T4 work sheet performed on your behalf is available through the office upon student request.

In accordance with Federal regulations, when Title IV, HEA financial aid is involved, the calculated amount of the R2T4 Funds is allocated in the following order:

- Unsubsidized Direct Stafford loans (other than PLUS loans)
- Subsidized Direct Stafford loans
- Perkins loans
- Direct Graduate PLUS loans
- Direct Parent PLUS loans
- Federal Pell Grants for which a Return is required
- Federal Supplemental Educational Opportunity Grant for which a Return is required
- Iraq and Afghanistan Service Grant for which a Return is required
- Other Title IV, HEA assistance
- State Tuition Assistance Grants (if applicable)
- Private and institutional aid
- The Student

**Time frame for returning an unclaimed Title IV, HEA credit balance**

If UCA attempts to disburse the credit balance by check and the check is not cashed, the school must return the funds to the federal aid program which generated the credit balance. The university will identify uncashed federal financial aid checks and will void the check after the 180th day the check was issued and will return the funds back to the applicable federal student aid program.
If a check is returned to UCA or an EFT is rejected, the school may make additional attempts to disburse the funds, provided that those attempts are made not later than 45 days after the funds were returned or rejected. When a check is returned or EFT is rejected and the school does not make another attempt to disburse the funds, the funds must be returned before the end of the initial 45-day period.

The school must cease all attempts to disburse the funds and return them no later than 240 days after the initial issue date of the check.

**Overpayment of Title IV, HEA Funds**
Any amount of unearned grant funds that you must return is called overpayment. The amount of grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You must make arrangement with UCA or the U.S. Department of Education to return the amount of unearned grant funds.

**Refund vs. Return to Title IV, HEA Funds**
The requirements for the Title IV, HEA program funds when you withdraw are separate from any refund policy that UCA may have to return to you due to a cash credit balance. Therefore, you may still owe funds to the school to cover unpaid institutional charges. UCA may also charge you for any Title IV, HEA program funds that they were required to return on your behalf.

If you do not already know what UCA’s refund policy is, you may ask the Student Accounts Office for a copy or access it through the UCA Student Accounts website at: [http://uca.edu/studentaccounts/withdrawal-refund-policy/](http://uca.edu/studentaccounts/withdrawal-refund-policy/)

**Return to Title IV, HEA Questions**
If you have questions regarding Title IV, HEA program funds after visiting with the UCA Office of Student Financial Aid, you may call the Federal Student Aid Information Center at 1-800-4-fedaid (800-433-3243). TTY users may call 800-730-8913. Information is also available on student aid on the web [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

*This policy is subject to change at any time, and without prior notice.*