
Introduction

The purpose of this publication is to provide participating schools with guidance on how to handle Title IV funds when you discover that a student is overawarded, has received an overpayment, or has withdrawn before completing a period for which the student has received FSA funds.

Here, we provide a *summary* of the changes and clarifications presented in greater detail in the chapters that follow. **Alone, the text herein does not provide schools with the guidance needed to satisfactorily administer the Title IV, HEA programs.** For more complete guidance, you should refer to the text in the chapters cited, the Code of Federal Regulations (CFR) and the Higher Education Assistance Act (HEA) as amended.

Throughout this volume, new information is indicated with the following symbol.



When the text represents a clarification rather than a change, it is indicated with this symbol.



When we believe that historically there might be some misunderstanding of a requirement, we indicate that with



or



Finally, if we want to point out a bit of helpful information we indicate it with



MAJOR CHANGES

Chapter 2 – Withdrawals and the Return of Title IV Funds

- ✓ We explain the treatment of a student selected for verification when the student has ceased attendance.
- ✓ We clarify the date of determination that a student has ceased attendance at an institution required to take attendance.
- ✓ We discuss the treatment of Title IV credit balances when a student withdraws.
- ✓ We expand the discussion of treatment of LEAP program funds in a Return calculation.
- ✓ We clarify when students enrolled in programs measured in credit hours without academic terms who have breaks in attendance must be considered withdrawals or placed on leave of absence.
- ✓ We expand the discussion of funds that can be included as *aid that could have been disbursed*.
- ✓ We describe the treatment of inadvertent overpayments.
- ✓ We clarify the requirements for determining a withdrawal date for a student who earns all “F” grades at institution that is not required to take attendance.
- ✓ We remind you that although a student’s withdrawal date for an unofficial withdrawal from a clock-hour program may be the midpoint, the hours that the student actually completed will not vary.
- ✓ We explain how to determine the *percentage of Title IV aid earned* when a student withdraws from a credit-hour nonterm program.
- ✓ We explain that a student who changes programs may be treated as one who withdraws and reenters or as one merely changing majors.
- ✓ Re revised the discussion of *institutional charges*.
- ✓ We clarify the charges that must be entered in Step 5 of the Return calculation when a student withdraws from a program offered in a nonterm, credit-hour format.
- ✓ We clarify that the *de minimus* amounts of grant funds students are exempted from returning are program specific.

- √ We remind you that when returning fund by check, you must note your schools DUNS number and Document Award Number on the check.
- √ We clarify when a student enrolled in a program measured in credit hours without academic terms who has a break in attendance must be treated as withdrawal or placed on leave of absence.
- √ We clarify the costs that must be included in Step 5 of a Return calculation when a student enrolled in a nonterm, credit-hour format ceases attendance.