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# Return of Title IV Funds Case Studies

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## **Case Study 1: Penny Jones**

A student is attending a two-year, semester-based community college, is receiving Title IV grants and loans (partially disbursed), and is due a post-withdrawal disbursement.

## **Case Study 2: Bob Ellison**

A student withdraws and is receiving Title IV grants and loans at a low-cost public community college that measures progress in credit hours, and both the school and the student must return grant funds.

## **Case Study 3: Richard Sherman**

A student withdraws unofficially and is receiving Title IV grants and loans.

## **Case Study 4: Harry Springer**

A student withdraws unofficially and is receiving Title IV grants and loans at a school that measures academic progress in clock hours and performs its return calculations on a period of enrollment basis.

## **Case Study 5: Jordan Aire**

A student withdraws unofficially and is receiving Title IV grants and loans at a school that measures academic progress in clock hours and performs its return calculations on a payment period basis.

## **Case Studies 6 and 7: Thompson S. Hunter**

A student officially withdraws, returns, and withdraws again while receiving Title IV grants at a school that uses a term-based modular course structure, measures academic progress in credit hours, and performs its return calculations on a payment period basis.

## **Case Study 8: Eli Kraut**

A student officially withdraws and is receiving Title IV grants at a school that uses a nonterm program structure, measures academic progress in credit hours, and performs its return calculations on a payment period basis.

## CASE STUDY 1: PENNY JONES

*Calculating the return of Title IV funds for a student attending a two-year community college (semester) who is receiving Title IV grants and loans (partially disbursed), and is due a post-withdrawal disbursement.*

### Learning Objectives

Learn to complete Steps 1 – 4 of the Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program worksheet and be able to:

- identify the basic information needed to complete the worksheet, including the withdrawal date and date of the institution’s determination that the student withdrew;
- calculate the percentage of the payment period or period of enrollment the student completed;
- calculate both the percentage and the amount of Title IV aid earned by the student;
- determine either that the student is due a post-withdrawal disbursement (PWD) of Title IV aid or that Title IV aid must be returned;
- determine the amount to be offered to the student or returned; and
- identify the information a school must maintain in its files when a student is eligible for a post-withdrawal disbursement, and complete a Post-Withdrawal Tracking Sheet.

#### School Profile

Everyone Should Have an Education Community College (ESECC) is a two-year, public, semester-based institution that measures academic progress in credit hours.

Academic Year (AY)/Program	2 semesters 32 weeks
Period	16 weeks 110 calendar days
Payment Period Start Date	August 23
Payment Period End Date	December 10
Institutionally Scheduled Break	None
Required to Take Attendance	No

The school’s AY is 32 weeks and 24 semester hours.

**Student Profile**

Penny Jones is a first-year student at ESECC. Charges to her account for the first semester are as follows:

Tuition and Fees	\$	1,000.00/16-week semester
Technology Fee	\$	100.00/16-week semester
Books and Supplies	\$	400.00/16-week semester
Health Insurance	\$	200.00/academic year

Charges remaining on Penny's account after the withdrawal:

Tuition	\$	100.00
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School Authorized to Credit  
Account for Other Charges: Yes (all charges)

Penny's financial aid package included the following annual awards:

Pell Grant	\$	2,000.00
Direct Subsidized Loan	\$	3,500.00
State Grant	\$	500.00
College Grant	\$	200.00

**Discussion**

On the first day of the fall semester, August 23, Penny received the following disbursements to her student account:

Pell Grant	\$	1,000.00
Net Direct Subsidized Loan	\$	0.00
State Grant	\$	500.00
College Grant	\$	100.00

Although Penny is grateful for the assistance, she is concerned about meeting her living costs for the year.

On October 8, Penny came to the Financial Aid Office to advise that she doesn't think she is doing very well and is considering dropping out prior to November 1, the last day to withdraw from classes without academic penalty. To help her make a decision, she requests information on the withdrawal process. You are fairly certain that Penny is having a hard time adjusting to college life and want to encourage her to hang in until the end of the semester, December 10. After you provide her preliminary information, you ask her if it is her intent to withdraw. Penny says that she needs some time to think it over and makes a follow-up appointment for October 13.

When Penny comes to see you on October 13, she indicates that the last class she attended was on September 30. Because she doesn't see how she can get caught up on the work she's missed, she is adamant about withdrawing, so you give her instructions on completing the college's official withdrawal process and advise her where she can get the appropriate forms. Penny picks up the forms from the registrar on October 14. She turns in the completed forms on October 15.

Let's review some basic information about Penny as well as our learning objectives for this case. Penny attended a two-year community college, which was on the semester system. Students earn academic credits based on credit hours taken. Before withdrawing, Penny received her Pell Grant disbursement but not her Direct Loan.

### Solution

The first thing we'll need to do is to decide on the date of the school's determination that Penny withdrew. Then, we'll complete Step 1: Student's Title IV Aid Information, which includes:

- Title IV aid disbursed, and
- Title IV aid that could have been disbursed.

The date of the institution's determination is the date you were advised by Penny that she had decided to withdraw (October 13). On the earlier date, October 8, she was only thinking about withdrawing.

Date of the institution's determination that the student withdrew = October 13.

Note that for a student who provides notification to the institution of his or her withdrawal, the *date of determination* is the student's withdrawal date, or the date of notification of withdrawal, whichever is later (34 CFR 668.22(I)(3)(i)). In this case the dates are identical, October 13.

The withdrawal date for Title IV purposes, October 13, is discussed in **Step 2**.

### Step 1: Student's Title IV Aid Information

<b>Box A.</b>	Title IV grants aid disbursed	
	Pell Grant	\$ 1,000.00

<b>A.</b>	=	\$ 1,000.00
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**Box B.** Net Title IV loans disbursed = \$ 0.00

**Box C.** Title IV grants that could have been disbursed = \$ 0.00

**Box D.** Penny's Direct Loan had not been disbursed yet. But, she was eligible for the disbursement. Net Title IV loans that could have been disbursed = \$ 1,700.00

$$D = \$ 1,700.00$$

**Box E.** Although Penny also received disbursements of state and institutional aid, only Title IV aid is considered in the return of funds calculation. Title IV aid disbursed = \$1,000.00.

$$E = \$ 1,000.00$$

**Box F.** Box F is equal to the \$1,000.00 from Box A plus \$0.00 from Box C. Box F = \$1,000.

$$F = \$ 1,000.00$$

**Box G.** Both the disbursed Pell (Box A) and undisbursed Direct Loan (Box D) are included in Box G. Total Title IV aid disbursed plus Title IV aid that could have been disbursed = \$2,700.

Pell Grant (Box A)	\$ 1,000.00
Net Direct Subsidized Loan (Box D)	\$ 1,700.00

Total Title IV aid disbursed plus could have been disbursed (Box G)	\$ 2,700.00
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$$G = \$ 2,700.00$$

### Step 2: Percentage of Title IV Aid Earned

1. Payment period start date = August 23
2. Payment period end date = December 10
3. Withdrawal date = October 13

**Note:** Since ESECC does not take attendance and is not required by an outside entity to take attendance, the withdrawal date is the date Penny began the official school withdrawal process. Since the school includes the financial aid office as one of those places where the student can begin the withdrawal process, Penny's withdrawal date is October 13.

Although the school's refund policy is that the withdrawal date is the date a student turns in the signed withdrawal forms—which she did on October 15—that date is superseded for a student receiving Title IV aid by the federal requirement to use the date the student begins the withdrawal process or otherwise provides official notification (October 13).

Although Penny stopped attending classes on September 30, she didn't notify the school (begin the official withdrawal process) until October 13. When she came to see you on October 8, she was only thinking about withdrawing.

Of course, the school could have documented a last date of attendance at an academically-related activity and used that as her withdrawal date if it so chose.

**Box H.** Percentage of payment period completed

- Since the student attended a credit-hour school, the percentage of aid completed is calculated by dividing the number of calendar days completed by the total number of calendar days in the payment period. Number of calendar days completed in payment period = 52 (August 23–October 13).
- Because the semester does not include a scheduled break of five or more consecutive days, all of the calendar days in the period from August 23 to December 10 are counted. Number of calendar days in payment period = 110.

Note: Days in a period are counted as follows:

1. the first day of the payment period is the first scheduled day of academically related activity;
  2. the last day of the payment period is the last scheduled day of academically related activity;
  3. the school must count the date of withdrawal as a date of attendance.
- $52 \text{ days} \div 110 \text{ days} = .4727$ , rounded to .473, or 47.3%. Percentage of payment period completed = 47.3%.

**H.** Because this percentage is less than or equal to 60%, the percentage of Title IV aid earned in Box H = 47.3%.

**Step 3: Amount of Title IV Aid Earned by the Student**

**Box I.**  $47.3\%$  (Percentage of Title IV aid earned from Box H)  $\times$  \$ 2,700.00 (Total Title IV aid disbursed plus Title IV aid that could have been disbursed from Box G) = \$1,277.10.  
Amount of Title IV aid earned by the student (Box I) = \$1,277.10.

**I.** = \$1,277.10

**Step 4: Total Title IV Aid to Be Disbursed or Returned**

**Box J.** Because the total aid earned (Box I) is greater than the total aid disbursed (Box E), Penny is due a post-withdrawal disbursement.  $\$1,277.10$  (Box I)  $-$   $\$1,000.00$  (Box E) =  $\$277.10$ .  
Post-withdrawal disbursement (Box J) =  $\$277.10$ .

**J.** = \$277.10

If a post-withdrawal disbursement is due the student, you stop here on the worksheet (page 2 is not required as shown in our worksheet walkthrough). Your next step is to begin compiling the information a school must maintain in its files when a student is eligible for a post-withdrawal disbursement (ESECC has chosen to use FSA’s Post-withdrawal Tracking Sheet) and providing the required notifications to the student.

## THE POST-WITHDRAWAL DISBURSEMENT TRACKING SHEET

The school performed the R2T4 calculation on October 15 and determined that Penny was eligible for a post-withdrawal disbursement of \$277.10 (Step 4, Box J).

**However, the COD system will not accept requests for other than whole dollars (no cents) for the Direct Loan Program.** Therefore, the school must round down to, request, and disburse \$277.00.

Because the post-withdrawal disbursement would be composed entirely of loan funds, the school could not credit any funds to Penny's account or disburse any funds to her directly without sending Penny written notification advising her of her responsibility to repay the funds and obtaining Penny's confirmation that she still wants them.

Therefore, on October 20, the school sent Penny a letter explaining that:

- she was eligible for a post-withdrawal disbursement of Subsidized Direct Loan funds in the amount of \$277.00;
- she could accept some or all of the funds;
- Penny was obligated to repay any loan funds she accepted;
- if she accepted the disbursement, \$100 would be credited to her account for unpaid charges and that Penny could not receive that \$100;
- if she accepted the disbursement, the school would make a direct disbursement directly to her of \$177.00; and
- she has until November 13 (24 days from the day the school mailed the letter)<sup>1</sup> to accept the disbursement, and that if her response was received after that date, the school did not have to make the disbursement.

On November 13, the school received confirmation from Penny that she accepted all of the funds.

On November 15, the school drew down \$277.00 in Subsidized Direct Loan funds through G5, credited the \$277.00 to Penny's account, took \$100 for unpaid charges and sent Penny a check for the credit balance of \$177.00. (Note that the school could have drawn down the funds, credited the student's account with \$100.00, and sent the student the balance of \$177.00, but we do not require a school to deviate from its normal cash management procedures and establish a different type of audit trail for post-withdrawal disbursements.)

The school included a record of the calculation and communications described above in Penny's permanent financial aid file.

<sup>1</sup> The regulations allow a school to set a deadline later than 14 days, provided the later deadline applies to both confirmation of loan disbursements to the student's account and direct disbursements of a post-withdrawal disbursement of loan disbursements to the student's account and direct disbursements of a post-withdrawal disbursement.

# Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program

Student's Name	Penny Jones	Social Security Number	Example 1
Date form completed	10 / 15 /	Date of school's determination that student withdrew	10 / 13 /
Period used for calculation (check one)	<input checked="" type="checkbox"/> Payment period <input type="checkbox"/> Period of enrollment		

*Monetary amounts should be in dollars and cents (rounded to the nearest penny).  
When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)*

## STEP 1: Student's Title IV Aid Information

Title IV Grant Programs	Amount Disbursed	Amount that Could Have Been Disbursed	E. Total Title IV aid disbursed for the period.
1. Pell Grant	1000.00		A. 1000.00
2. FSEOG			+ B.
3. TEACH Grant			E. \$ 1000.00
4. Iraq and Afghanistan Service Grant			
<b>A. 1000.00</b> Subtotal		<b>C.</b> Subtotal	
		= <b>F. \$ 1000.00</b>	
Title IV Loan Programs	Net Amount Disbursed	Net Amount that Could Have Been Disbursed	G. Total Title IV aid disbursed and that could have been disbursed for the period.
5. Unsubsidized Direct Loan			A. 1000.00
6. Subsidized Direct Loan		1700.00	B.
7. Direct Grad PLUS Loan			C.
8. Direct Parent PLUS Loan			+ D. 1700.00
<b>B.</b> Subtotal		<b>D. 1700.00</b> Subtotal	
		= <b>G. \$ 2700.00</b>	

## STEP 2: Percentage of Title IV Aid Earned

08 / 23 /	12 / 10 /	10 / 13 /
Start date	Scheduled end date	Date of withdrawal

A school that is not required to take attendance may, for a student who withdraws without notification, enter 50% in Box H and proceed to Step 3. Or, the school may enter the last date of attendance at an academically related activity for the "withdrawal date," and proceed with the calculation as instructed. For a student who officially withdraws, enter the withdrawal date.

**H. Percentage of payment period or period of enrollment completed**  
Divide the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of five days or more **AND** days that the student was on an approved leave of absence).

52	÷	110	=	47.3 %
<small>Completed days</small>		<small>Total days</small>		

- ▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.
- ▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

**H. 47.3 %**

## STEP 3: Amount of Title IV Aid Earned by the Student

Multiply the percentage of Title IV aid earned (Box H) by the Total Title IV aid disbursed and that could have been disbursed for the period (Box G).

47.3 %	X	2700.00	=	I. \$ 1277.10
<small>Box H</small>		<small>Box G</small>		

## STEP 4: Title IV Aid to be Disbursed or Returned

- ▶ If the amount in Box I is greater than the amount in Box E, go to Item J (post-withdrawal disbursement).
- ▶ If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).
- ▶ If the amounts in Box I and Box E are equal, **STOP**. No further action is necessary.

**J. Post-withdrawal disbursement**  
From the Amount of Title IV aid earned by the student (Box I) subtract the Total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

1277.10	-	1000.00	=	J. \$ 277.10
<small>Box I</small>		<small>Box E</small>		

**Stop here**, and enter the amount in "J" in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet).

*Step 4 continued ▶*



<b>POST-WITHDRAWAL DISBURSEMENT TRACKING SHEET</b>						
Student's Name	Penny Jones		Social Security Number	Example 1		
Date of school's determination that student withdrew	10 / 13 /					
<b>I. Amount of Post-withdrawal Disbursement (PWD)</b>						
Amount from "Box J" of the Treatment of Title IV Funds When a Student Withdraws worksheet			<b>Box 1</b>	\$ 277.00		
<b>II. Outstanding Charges For Educationally Related Expenses Remaining On Student's Account</b>						
Total Outstanding Charges Scheduled to be Paid from PWD <i>(Note: Prior-year charges cannot exceed \$200.)</i>			<b>Box 2</b>	\$ 100.00		
<b>III. Post-withdrawal Disbursement Offered Directly to Student and/or Parent</b>						
From the total Post-withdrawal Disbursement due (Box 1), subtract the Post-withdrawal Disbursement to be credited to the student's account (Box 2) . This is the amount you must make to the student (grant) or offer to the student or parent (Loan) as a direct disbursement.						
\$ 277.00		-	\$ 100.00		=	<b>Box 3</b> \$ 177.00
Box 1			Box 2			
<b>IV. Allocation of Post-withdrawal Disbursement</b>						
Because COD will only accept whole dollar entries for Direct Loans, a Direct Loan disbursement must be rounded up or down to the nearest whole dollar, not to exceed annual or aggregate limits.						
If an institution only awards Pell and Iraq and Afghanistan Service Grants in whole dollars, the total award to the student for the period must be rounded up or down to the nearest whole dollar, not to exceed the annual or lifetime eligibility limitations.						
Type of Aid	Loan Amount School Seeks to Credit to Account	Loan Amount Authorized to Credit to Account	Title IV Aid Credited to Account	Loan Amount Offered as Direct Disbursement	Loan Amount Accepted as Direct Disbursement	Title IV Aid Disbursed Directly to Student
Pell Grant	N/A	N/A		N/A	N/A	
FSEOG	N/A	N/A		N/A	N/A	
TEACH Grant	N/A	N/A		N/A	N/A	
Iraq Afghanistan Svc. Grant	N/A	N/A		N/A	N/A	
Subsidized Direct			100.00	177.00	177.00	177.00
Unsubsidized Direct						
Direct Grad Plus						
Direct Parent Plus						
<b>Totals</b>						
<b>V. Authorizations and Notifications</b>						
Post-withdrawal disbursement loan notification sent to student and/or parent on			10 / 20 /			
Deadline for student and/or parent to respond			11 / 13 /			
<input checked="" type="checkbox"/> Response received from student and/or parent on			11 / 13 /		<input type="checkbox"/> Response not received	
<input type="checkbox"/> School does not accept late response						
<b>VI. Date Funds Sent</b>						
Date Direct Disbursement mailed or transferred		Grant	/ /		Loan	11 / 15 /

## CASE STUDY 2: BOB ELLISON

*Calculating the return of Title IV funds when a student receiving Title IV grants and loans at a low-cost public community college that measures progress in credit hours withdraws and both the school and the student must return grant funds.*

### Learning Objectives

Learn to complete Steps 1–10 of the Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program worksheet and be able to:

- identify the basic information needed to complete the worksheet, including the withdrawal date and date of the institution’s determination that the student withdrew for a student who officially withdraws;
- calculate the percentage of the payment period or period of enrollment the student completed;
- calculate both the percentage and the amount of Title IV aid earned by the student;
- determine either that the student is due a post-withdrawal disbursement (PWD) of Title IV aid or that Title IV aid must be returned;
- determine the amount to be offered to the student or returned;
- apply the Title IV grant protection; and
- apply the *de minimis* grant repayment provision.

#### School Profile

West Coast Community College (WCCC) is a two-year public, credit-hour institution.

Academic Year/Program:	2 semesters 32 weeks and 24 semester hours
Period:	16 weeks 110 calendar days
Period Start Date:	January 8
Period End Date:	May 4
Institutionally Scheduled Break:	Yes, 7 days
Taking Attendance Required:	No
Method for Matching FSEOG:	Fund-specific

**Student Profile**

Bob Ellison is a first-time freshman at WCCC. Charges to his account are as follows:

Tuition and Fees:                   \$       1,000.00/16-week semester

School Authorized to Credit  
Account for Other Charges:           Yes (all charges)

Bob's financial aid package includes the following annual awards:

Pell Grant                               \$       2,800.00  
FSEOG                                   \$       2,400.00

**Discussion**

Bob Ellison enrolled as a first-time freshman at WCCC for the spring semester on January 8. On January 18, Bob got a call from the state treasurer informing him that the programming job he had applied for six months ago was his for the taking. That same day, Bob contacted the Financial Aid Office to: (1) advise them that he was withdrawing from WCCC, (2) begin WCCC's formal withdrawal process (11 calendar days into the semester), and (3) find out what to do next. All of his financial aid for the semester had been disbursed.

**Solution**

The date of the institution's determination that Bob withdrew is the day he contacted the Financial Aid Office to advise the school that he was withdrawing from WCCC: January 18.

**Step 1: Student's Title IV Aid Information**

**Box A.** Because WCCC uses the fund-specific method of matching FSEOG funds, 100% of Bob's FSEOG grant is used in the calculation. Title IV grant aid disbursed = \$2,600.00.

Pell Grant	\$ 1,400.00
FSEOG	\$ 1,200.00
<b>A. =</b>	\$ 2,600.00

**Box B.** Net Title IV loans disbursed = \$ 0.00.

**Box C.** Grants that could have been disbursed = \$ 0.00.

**Box D.** Net Title IV loans that could have been disbursed = \$ 0.00.

**Box E.** Total Title IV aid disbursed for the payment period =  $A + B = 2,600.00 + 0.00 = \$ 2,600.00$ .

**Box F.** Total Title IV grant aid disbursed and could have been disbursed for the payment period =  $A + C = 2,600.00 + 0.00 = \$ 2,600.00$ .

**Box G.** Total Title IV aid disbursed and could have been disbursed for the payment period =  $A + B + C + D = 2,600.00 + 0.00 + 0.00 + 0.00 = \$ 2,600.00$ .

### Step 2: Percentage of Title IV Aid Earned

1. Payment period start date = January 8.
2. Payment period end date = May 4.
3. Date of withdrawal = January 18.
4. Percentage of payment period completed:
  - Number of calendar days completed = 11 calendar days.
  - Number of calendar days in payment period = 110 calendar days.
  - $11 \text{ days} \div 110 \text{ days} = 0.100$ . Percentage of payment period completed = 10.0%.

**Box H.** Because this percentage is less than or equal to 60%, the percentage of Title IV aid earned in Box H = 10.0%.

### Step 3: Amount of Title IV Aid Earned by Student

**Box I.** Multiply 10.0% (Percentage of Title IV aid earned from Box H)  $\times$  \$2,600.00 (Total Title IV aid disbursed plus Title IV aid that could have been disbursed from Box G) = \$260.00 Amount of Title IV aid earned by student = \$260.00.

**I.** = \$260.00

### Step 4: Total Title IV Aid to be Disbursed or Returned

**Box J.** Because the total Title IV aid earned (Box I) is less than the aid disbursed (Box E), no post-withdrawal disbursement is due, and we proceed to Box K. Post-withdrawal disbursement = N/A.

**Box K.** Because the total aid disbursed (Box E) is greater than the total aid earned (Box I), Title IV aid will need to be returned.

$\$2,600.00$  (Box E) –  $\$260.00$  (Box D) =  $\$2,340.00$ . Title IV aid to be returned =  $\$2,340.00$ .

**Step 5: Amount of Unearned Title IV Aid Due from the School**

**Box L.** Institutional charges for the payment period or period of enrollment = \$1,000.00.

Tuition and Fees                      \$1,000.00

**Box M.** Subtract 10.0%, the percentage of Title IV aid earned (Box H), from 100% ( $100\% - 10.0\% = 90.0\%$ ). Percentage of Title IV aid unearned = 90.0%.

**Box N.** First, calculate the unearned institutional charges. \$1,000.00 (institutional charges from Box L)  $\times$  90.0% (% Title IV aid unearned from Box M) = \$900.00. Amount of unearned institutional charges = \$900.00.

**Box O.** Then, compare the amount of Title IV aid to be returned (Box K) to unearned institutional charges (Box N), and enter the lesser amount for Box O.

Box K =                                      \$2,340.00

Box N =                                      \$ 900.00

Amount of unearned Title IV aid due from the school = \$900.00.

**Step 6: Return of Funds by the School**

**Box P.** The student had no loans, so the total loans the school must return = \$0.00

Box P =                                      \$ 0.00

The student's Pell Grant (\$1,400.00) exceeds the amount the school must return (\$900.00), so the school must return \$900.00 to the Federal Pell Grant program. The school must return the funds as soon as possible, but no later than **45 days** from the date it determined Bob withdrew.

**Step 7: Initial Amount of Unearned Title IV Aid Due from Student**

**Box Q.** Subtract the amount of Title IV aid that the school must return (\$900.00 from Box O) from the total amount of Title IV aid that is to be returned (\$2,340.00 from Box K).  $\$2,340.00 - \$900.00 = \$1,440.00$ . Initial amount of unearned Title IV aid due from student = \$1,440.00.

**Step 8: Repayment of the Student's Loans**

**Box R.** The student had no loans, so the total loans the student must return = \$0.00.

### Step 9: Grant Funds to be Returned

#### Box S. Initial amount of Title IV grants for the student to return

Subtract the amount of loans to be repaid by the student (\$0.00 from Box R) from the initial amount of unearned Title IV aid due from the student (\$1,440.00 from Box Q) to find the initial amount of Title IV grants for the student to return.  $\$1,440.00 - \$0.00 = \$1,440.00$ .

#### Box T. Amount of grant protection

Multiply the total of Title IV grant aid that was disbursed and could have been disbursed for the payment period or period of enrollment (\$2,600.00 from Box F) by 50%. Amount of grant protection =  $\$2,600.00 \times 50.0\% = \$1,300.00$ .

#### Box U. Title IV grant funds for the student to return

Subtract the protected amount of Title IV grants (\$1,300.00 from Box T) from the initial amount of Title IV grants for student to return (\$1,440.00 from Box S). Total grants for student to return =  $\$1,440.00 - \$1,300.00 = \$140.00$ .

### Step 10: Return of Grant Funds by the Student

#### Amount of Title IV grants for the student to return

- Subtract the amount the school had to return to the Federal Pell Grant program (\$900.00) from the amount of Federal Pell Grant disbursed to the student (\$1,400.00). Remaining unearned Pell Grant balance =  $\$1,400.00 - \$900.00 = \$500.00$ .
- Since the \$500 remaining in Pell Grant funds exceeds the \$140.00 for the student to return, WCCC informs Bob that he must repay the \$140.00 and that he has 45 days to make repayment arrangements or repay his overpayment. WCCC also informs Bob that if he fails to repay or make arrangements to repay the overpayment, he will be referred to the Department and will lose eligibility for additional Title IV funds.

The school included a record of the calculation and communications described above in Bob's permanent financial aid file.

# Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program

Student's Name	Bob Ellison	Social Security Number	Example 2
Date form completed	01 / 19 /	Date of school's determination that student withdrew	01 / 18 /
Period used for calculation (check one)	<input checked="" type="checkbox"/> Payment period <input type="checkbox"/> Period of enrollment		

*Monetary amounts should be in dollars and cents (rounded to the nearest penny).  
When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)*

## STEP 1: Student's Title IV Aid Information

Title IV Grant Programs	Amount Disbursed	Amount that Could Have Been Disbursed							
1. Pell Grant	1400.00		<b>E. Total Title IV aid disbursed for the period.</b> <table style="width: 100%;"> <tr><td style="text-align: right;">A.</td><td style="text-align: center;">2600.00</td></tr> <tr><td style="text-align: right;">+</td><td style="text-align: center;">B.</td></tr> <tr><td style="text-align: right;">E. \$</td><td style="text-align: center;">2600.00</td></tr> </table>	A.	2600.00	+	B.	E. \$	2600.00
A.	2600.00								
+	B.								
E. \$	2600.00								
2. FSEOG	1200.00								
3. TEACH Grant									
4. Iraq and Afghanistan Service Grant									
<b>A.</b> 2600.00 Subtotal		<b>C.</b> Subtotal							
<b>F. Total Title IV grant aid disbursed and that could have been disbursed for the period.</b>									
+ <b>C.</b>		= <b>F. \$</b> 2600.00							
<b>G. Total Title IV aid disbursed and that could have been disbursed for the period.</b>									
+ <b>D.</b>		= <b>G. \$</b> 2600.00							

  

Title IV Loan Programs	Net Amount Disbursed	Net Amount that Could Have Been Disbursed											
5. Unsubsidized Direct Loan			<table style="width: 100%;"> <tr><td style="text-align: right;">A.</td><td style="text-align: center;">2600.00</td></tr> <tr><td style="text-align: right;">B.</td><td></td></tr> <tr><td style="text-align: right;">C.</td><td></td></tr> <tr><td style="text-align: right;">+</td><td style="text-align: center;">D.</td></tr> <tr><td style="text-align: right;">=</td><td style="text-align: center;">G. \$ 2600.00</td></tr> </table>	A.	2600.00	B.		C.		+	D.	=	G. \$ 2600.00
A.	2600.00												
B.													
C.													
+	D.												
=	G. \$ 2600.00												
6. Subsidized Direct Loan													
7. Direct Grad PLUS Loan													
8. Direct Parent PLUS Loan													
<b>B.</b> Subtotal		<b>D.</b> Subtotal											

## STEP 2: Percentage of Title IV Aid Earned

01 / 08 /	05 / 04 /	01 / 18 /	
Start date	Scheduled end date	Date of withdrawal	

A school that is not required to take attendance may, for a student who withdraws without notification, enter 50% in Box H and proceed to Step 3. Or, the school may enter the last date of attendance at an academically related activity for the "withdrawal date," and proceed with the calculation as instructed. For a student who officially withdraws, enter the withdrawal date.

**H. Percentage of payment period or period of enrollment completed**  
 Divide the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of five days or more **AND** days that the student was on an approved leave of absence).

11	÷	110	=	10.00 %
Completed days		Total days		

- ▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.
- ▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

**H.** 10.0 %

## STEP 3: Amount of Title IV Aid Earned by the Student

Multiply the percentage of Title IV aid earned (Box H) by the Total Title IV aid disbursed and that could have been disbursed for the period (Box G).

10.0 %	X	2600.00	=	I. \$ 260.00
Box H		Box G		

## STEP 4: Title IV Aid to be Disbursed or Returned

- ▶ If the amount in Box I is greater than the amount in Box E, go to Item J (post-withdrawal disbursement).
- ▶ If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).
- ▶ If the amounts in Box I and Box E are equal, **STOP**. No further action is necessary.

**J. Post-withdrawal disbursement**  
 From the Amount of Title IV aid earned by the student (Box I) subtract the Total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

Box I	-	Box E	=	J. \$ .
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**Stop here**, and enter the amount in "J" in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet).

Step 4 continued ▶

<b>Student's Name</b> Bob Ellison	<b>Social Security Number</b> Example 2
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**STEP 4: Aid to be Disbursed or Returned CONTINUED**

From the Total Title IV aid disbursed for the period (Box E) subtract the amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned.

2600.00	-	260.00	=	<b>K.\$</b> 2340.00
Box E		Box I		

**STEP 5: Amount of Unearned Title IV Aid Due from the School**

**L. Institutional charges for the period**

Tuition	1000.00	
Room		
Board		
Other		
Other		
Other		

**Total Institutional Charges = L.\$ 1000.00**  
*(Add all the charges together)*

**M. Percentage of unearned Title IV aid**

100% - 10.0 % = **M.** 90.0 %

Box H

**N. Amount of unearned charges**

Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).

1000.00	X	90.0 %	=	<b>N.\$</b> 900.00
Box L		Box M		

**O. Amount for school to return**

Compare the amount of Title IV aid to be returned (Box K) to amount of unearned charges (Box N), and enter the lesser amount.

**O.\$ 900.00**

**STEP 6: Return of Funds by the School**

The school must return the unearned aid for which the school is responsible (Box O) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

Title IV Programs	Amount for School to Return
1. Unsubsidized Direct Loan	
2. Subsidized Direct Loan	
3. Direct Grad PLUS Loan	
4. Direct Parent PLUS Loan	
<b>Total loans the school must return = P.\$ .</b>	
5. Pell Grant	900.00
6. Iraq and Afghanistan Service Grant	
7. FSEOG	
8. TEACH Grant	

**STEP 7: Initial Amount of Unearned Title IV Aid Due from the Student**

From the amount of Title IV aid to be returned (Box K) subtract the Amount for the school to return (Box O).

2340.00	-	900.00	=	<b>Q.\$</b> 1440.00
Box K		Box O		

▶ If Box Q is ≤ zero, **STOP**. If greater than zero, go to Step 8

**STEP 8: Repayment of the Student's loans**

From the Net loans disbursed to the student (Box B) subtract the Total loans the school must return (Box P) to find the amount of Title IV loans the student is still responsible for repaying (Box R). These loans consist of loans the student has earned, or unearned loan funds the school is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower's promissory note.

00.00	-	00.00	=	<b>R.\$</b> 00.00
Box B		Box P		

▶ If Box Q is less than or equal to Box R, **STOP**. The only action a school must take is to notify the holders of the loans of the student's withdrawal date.

▶ If Box Q is greater than Box R, proceed to Step 9.

**STEP 9: Grant Funds to be Returned**

**S. Initial amount of Title IV grants for student to return**

From the initial amount of unearned Title IV aid due from the student (Box Q) subtract the amount of loans to be repaid by the student (Box R).

1440.00	-	0.00	=	<b>S.\$</b> 1440.00
Box Q		Box R		

**T. Amount of Title IV grant protection**

Multiply the total of Title IV grant aid that was disbursed and that could have been disbursed for the period (Box F) by 50%.

2600.00	X	50%	=	<b>T.\$</b> 1300.00
Box F				

**U. Title IV grant funds for student to return**

From the Initial amount of Title IV grants for student to return (Box S) subtract the Amount of Title IV grant protection (Box T).

1440.00	-	1300.00	=	<b>U.\$</b> 140.00
Box S		Box T		

▶ If Box U is less than or equal to zero, **STOP**. If not, go to Step 10.

**STEP 10: Return of Grant Funds by the Student**

Except as noted below, the student must return the unearned grant funds for which he or she is responsible (Box U). The grant funds returned by the student are applied in order as indicated, up to the amount disbursed from that grant program minus any grant funds the school is responsible for returning to that program in Step 6.

**Note that the student is not responsible for returning funds to any program to which the student owes \$50.00 or less.**

Title IV Grant Programs	Amount To Return
1. Pell Grant	140.00
2. Iraq and Afghanistan Service Grant	
3. FSEOG	
4. TEACH Grant	



## CASE STUDY 3: RICHARD SHERMAN

*Here is an example of when a student receives Title IV grants and loans and unofficially withdraws.*

### Learning Objectives

Learn to complete Steps 1–9 of the Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program worksheet and be able to:

- identify the basic information needed to complete the worksheet, including the withdrawal date and date of the institution’s determination that the student withdrew for a student who withdraws unofficially;
- calculate the percentage of the payment period or period of enrollment the student completed;
- calculate both the percentage and the amount of Title IV aid earned by the student;
- determine either that the student is due a post-withdrawal disbursement (PWD) of Title IV aid or that Title IV aid must be returned;
- determine the amount to be offered to the student or returned; and
- apply the Title IV grant protection.

#### School Profile

The Ultra Large State University (ULSU) is a four-year, semester-based, public institution that measures academic progress in credit hours and uses the aggregate method for matching the school’s FSEOG federal allocation with state grant funds.

Academic Year/Program	2 semesters 30 weeks and 24 semester hours
Period	15 weeks 100 calendar days
Period Start Date	September 1
Institutionally Scheduled Break	None
Required to Take Attendance	No
Method for Matching FSEOG	Aggregate method

### Student Profile

Richard Sherman is a third-year student with a 3.5 cumulative GPA majoring in engineering.

Tuition and fees	\$	4,000.00/15-week semester
Room	\$	1,000.00/15-week semester
Board	\$	1,000.00/15-week semester
Books and Supplies (credit voucher at school store)	\$	500.00/15-week semester

School Authorized to Credit  
Account for Other Charges: Yes (all charges)

Richard’s financial aid package included the following **annual** awards:

Pell Grant	\$	5,500.00
State Grant	\$	1,000.00
FSEOG	\$	4,000.00
Subsidized Direct Loan	\$	4,000.00

All of Richard’s financial aid for the first semester (i.e., one-half of his annual awards) was disbursed on the first day of classes.

### Discussion

Richard is a brilliant computer engineering major in his third year at ULSU. Over the summer between his second and third year, Richard developed and submitted to Gigantic Computer Corporation (GCC) an idea for a new memory chip. In October, Richard got a six-figure offer of employment from GCC. Richard was so excited by the offer that he packed his bags and headed for Seattle without telling anyone at the school that he was leaving.

Instructors at ULSU must report a last date of attendance (LDA) whenever they submit a non-passing grade, and those dates appear on a report of Title IV recipients who failed to earn a passing grade in any of their classes that is provided by the Computer Center to the financial aid office at the end of each grading period.

On December 16, after grades have been submitted for the fall semester, the Computer Center at ULSU ran the program that identified Title IV recipients who failed to earn a passing grade in any of their classes. When the aid office received and evaluated the report for the fall semester, it found that Richard’s LDA was October 10. Because Richard did not provide official notification of his withdrawal, he is considered an unofficial withdrawal.

At the beginning of the semester, the following awards were posted to Richard's account at ULSU.

Pell Grant	\$	2,750.00
State Grant	\$	500.00
FSEOG	\$	2,000.00
Net Subsidized Direct Loan	\$	1,930.00

### Solution

The date of the institution's determination that Richard withdrew is the date the aid office received and processed the report from the Computer Center. Date of institution's determination that the student withdrew = December 16.

Note: For a student who withdraws without providing notification to a school that is not required to take attendance, the school must determine the withdrawal date no later than 30 days after the end of the earlier of (1) the payment period or the period of enrollment (as applicable), (2) the academic year, or (3) the student's educational program.

### Step 1: Student's Title IV Aid Information

**Box A.** ULSU enters the following data in Step 1.

Title IV grant aid disbursed		
Pell Grant	\$	2,750.00
FSEOG	\$	2,000.00
<b>A. =</b>	\$	<u>4,750.00</u>

**Box B.** Net Title IV loans disbursed,  
Subsidized Direct Loan = \$ 1,930.00

**Box C.** Title IV grants that could have been disbursed = \$ 0.00.

**Box D.** Net Title IV loans that could have been disbursed = \$ 0.00.

**Box E.** Total Title IV aid disbursed for the payment period = A + B = 4,750.00 + 1,930.00  
= \$ 6,680.00.

**Box F.** Total Title IV grant aid disbursed and could have been disbursed for the payment period  
= A + C = 4,750.00 + 0.00 = \$ 4,750.00.

**Box G.** Total Title IV aid disbursed and could have been disbursed for the payment period  
= A + B + C + D = 4,750.00 + 1,930.00 + 0.00 + 0.00 = \$ 6,680.00.

## Step 2: Percentage of Title IV Aid Earned

Because Richard did not officially withdraw from school and ULSU does not take attendance and is not required to take attendance by an outside agency (other than for a one day snapshot for state census purposes), the school may use either the midpoint of the payment period or the last date of Richard's attendance in an academically related activity as the withdrawal date. The school elects to choose the midpoint of the period as Richard's withdrawal date.

1. Payment period start date = September 1
2. Payment period end date = December 9
3. Date of withdrawal = October 20<sup>1</sup>
4. Percentage of payment period completed
  - Number of calendar days completed = 50<sup>2</sup>
  - Number of calendar days in the payment period = 100
  - $50 \text{ days} \div 100 \text{ days} = 0.5000$ . Percentage of payment period completed = 50.0%

**Box H.** Because this percentage is less than or equal to 60%, the percentage of Title IV aid earned in Box H = 50.0%.

## Step 3: Amount of Title IV Aid Earned by the Student

**Box I.** 50.0% (Percentage of Title IV aid earned from Box H) **X** \$6,680.00 (Total of the Title IV aid disbursed and could have been disbursed for the payment period or period of enrollment from Box G) = \$3,340.00. Amount of Title IV aid earned by the student = \$3,340.00.

## Step 4: Total Title IV Aid to be Disbursed or Returned

**Box J.** Because the total Title IV aid earned (Box I) is less than the total Title IV aid disbursed (Box E), no post-withdrawal disbursement is due, and we proceed to Box K.

Post-withdrawal disbursement = NA.

**Box K.** Because the total Title IV aid disbursed (Box E) is greater than the total Title IV aid earned (Box I), Title IV aid must be returned.

$\$6,680.00 \text{ (Box E)} - \$3,340.00 \text{ (Box I)} = \$3,340.00$ . Title IV Aid to be returned = \$3,340.00.

## Step 5: Amount of Unearned Title IV Aid Due from the School

**Box L.** Institutional charges for the payment period or period of enrollment = \$6,500.00.

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1, 2 The midpoint of the period, or 50 of 100 days.

Tuition and fees	\$	4,000.00
Room	\$	1,000.00
Board	\$	1,000.00
Books	\$	500.00

**Box M.** Subtract the percentage of Title IV earned from Box H (50.0%) from 100.0%.  
 $100\% - 50.0\% = 50.0\%$ . Percentage of Title IV aid unearned = 50.0%.

**Box N.** Calculate the amount of unearned charges. \$6,500.00 (institutional charges from Box L) X  
 50% (% of Title IV aid unearned from Box M) = \$3,250.00.  
 Amount of unearned institutional charges = \$3,250.00.

**Box O.** Compare the amount of Title IV aid to be returned (Box K) to unearned institutional  
 charges (Box N), and enter the lesser amount in Box O.

Box K =	\$	3,340.00
Box N =	\$	3,250.00

Amount of unearned Title IV aid due from the school = \$3,250.00.

### STEP 6: Return of Funds by the School

**Box P.** The only Title IV loan disbursement Richard received was a Subsidized Direct  
 Loan disbursement of \$1,930.00. Since \$1,930.00 is less than the \$3,250.00 (Box O)  
 the school must return the entire \$1,930.00. Box P = \$1,930.00.

After the school returns \$1,930.00 to the Direct Loan program, \$1,320.00 remains to be  
 returned by the school (\$3,250 (from Box O) – \$1,930 (from Box P)). Richard received  
 \$2,000.00 in Pell Grant funds, so the school returns the \$1,320.00 to the Pell Grant Program.

### STEP 7: Initial Amount of Unearned Title IV Aid Due from Student

**Box Q.** Subtract the amount of Title IV aid the school must return (\$3,250.00 from Box O) from  
 the total amount of Title IV aid that is to be returned (\$3,340.00 from Box K) to find the  
 initial amount of Title IV aid due from the student.  $\$3,340.00 - \$3,250.00 = \$90.00$ .

### STEP 8: Repayment of the Student's Loans

**Box R.** Subtract the Total Loans the school must return (\$1,930.00 from Box P) from the net  
 loans disbursed to the student (\$1,930.00 from Box B) to find the total of the loans the  
 student must repay  $\$1,930.00 - \$1,930.00 = \$0.00$ .

## STEP 9: Grant Funds to be Returned

### Box S. Initial amount of Title IV grants for the student to return

Subtract the amount of loans to be repaid by the student (\$0.00 from Box R) from the initial amount of unearned aid due from the student (\$90.00 from Box Q) to find the initial amount of Title IV grants for the student to return.  $\$90.00 - \$0.00 = \$90.00$ .

### Box T. Amount of grant protection

Multiply the total of Title IV grant aid disbursed or could have been disbursed for the payment period or period of enrollment (\$4,740.00 from Box F) by 50.0%.  $\$4,740 \times 50.0\% = \$2,370.00$ .

### Box U. Title IV grant funds for the student to return

Subtract the amount of grant protection (\$2,375.00 from Box T) from the initial amount of Title IV grants for the student to return (\$90.00 from Box S) to find the Title IV grant funds for the student to return.  $\$90.00 - \$2,375.00 = \$-2,285.00^1$ .

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<sup>1</sup> If this amount is less than or equal to \$0.00, stop here. Richard is not required to return any Title IV grant funds.

# Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program

Student's Name	Richard Sherman	Social Security Number	Example 3
Date form completed	12 / 17 /	Date of school's determination that student withdrew	12 / 16 /
Period used for calculation (check one)	<input checked="" type="checkbox"/> Payment period <input type="checkbox"/> Period of enrollment		

*Monetary amounts should be in dollars and cents (rounded to the nearest penny).  
When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)*

## STEP 1: Student's Title IV Aid Information

Title IV Grant Programs	Amount Disbursed	Amount that Could Have Been Disbursed															
1. Pell Grant	2750.00		<b>E. Total Title IV aid disbursed for the period.</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 50%;">A.</td><td style="width: 50%;">4750.00</td></tr> <tr><td colspan="2" style="text-align: center;">+</td></tr> <tr><td>B.</td><td>1930.00</td></tr> <tr><td colspan="2" style="text-align: center;">=</td></tr> <tr><td>E. \$</td><td>6680.00</td></tr> </table>	A.	4750.00	+		B.	1930.00	=		E. \$	6680.00				
A.	4750.00																
+																	
B.	1930.00																
=																	
E. \$	6680.00																
2. FSEOG	2000.00																
3. TEACH Grant																	
4. Iraq and Afghanistan Service Grant																	
<b>A.</b> 4750.00 Subtotal		<b>C.</b> Subtotal															
<b>F. Total Title IV grant aid disbursed and that could have been disbursed for the period.</b>																	
<b>A.</b> 4750.00		<b>C.</b>															
+		=															
<b>F. \$</b> 4750.00																	
Title IV Loan Programs	Net Amount Disbursed	Net Amount that Could Have Been Disbursed															
5. Unsubsidized Direct Loan			<b>G. Total Title IV aid disbursed and that could have been disbursed for the period.</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 50%;">A.</td><td style="width: 50%;">4750.00</td></tr> <tr><td>B.</td><td>1930.00</td></tr> <tr><td>C.</td><td></td></tr> <tr><td colspan="2" style="text-align: center;">+</td></tr> <tr><td>D.</td><td></td></tr> <tr><td colspan="2" style="text-align: center;">=</td></tr> <tr><td>G. \$</td><td>6680.00</td></tr> </table>	A.	4750.00	B.	1930.00	C.		+		D.		=		G. \$	6680.00
A.	4750.00																
B.	1930.00																
C.																	
+																	
D.																	
=																	
G. \$	6680.00																
6. Subsidized Direct Loan	1930.00																
7. Direct Grad PLUS Loan																	
8. Direct Parent PLUS Loan																	
<b>B.</b> 1930.00 Subtotal		<b>D.</b> Subtotal															
+		=															
<b>G. \$</b> 6680.00																	

## STEP 2: Percentage of Title IV Aid Earned

9 / 1 /	12 / 9 /	10 / 20 /	
Start date	Scheduled end date	Date of withdrawal	

A school that is not required to take attendance may, for a student who withdraws without notification, enter 50% in Box H and proceed to Step 3. Or, the school may enter the last date of attendance at an academically related activity for the "withdrawal date," and proceed with the calculation as instructed. For a student who officially withdraws, enter the withdrawal date.

**H. Percentage of payment period or period of enrollment completed**  
Divide the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of five days or more **AND** days that the student was on an approved leave of absence).

50	÷	100	=	50.00 %
<small>Completed days</small>		<small>Total days</small>		

- ▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.
- ▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

<b>H.</b> 50.00 %
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## STEP 3: Amount of Title IV Aid Earned by the Student

Multiply the percentage of Title IV aid earned (Box H) by the Total Title IV aid disbursed and that could have been disbursed for the period (Box G).

50.0 %	X	6680.00	=	I. \$ 3340.00
<small>Box H</small>		<small>Box G</small>		

## STEP 4: Title IV Aid to be Disbursed or Returned

- ▶ If the amount in Box I is greater than the amount in Box E, go to Item J (post-withdrawal disbursement).
- ▶ If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).
- ▶ If the amounts in Box I and Box E are equal, **STOP**. No further action is necessary.

**J. Post-withdrawal disbursement**  
From the Amount of Title IV aid earned by the student (Box I) subtract the Total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

Box I	-	Box E	=	J. \$ NA .
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**Stop here**, and enter the amount in "J" in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet).

*Step 4 continued ▶*

<b>Student's Name</b> Richard Sherman	<b>Social Security Number</b> Example 3
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**STEP 4: Aid to be Disbursed or Returned CONTINUED**

From the Total Title IV aid disbursed for the period (Box E) subtract the amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned.

6680.00	-	3340.00	=	<b>K.\$</b> 3340.00
Box E		Box I		

**STEP 5: Amount of Unearned Title IV Aid Due from the School**

**L. Institutional charges for the period**

Tuition	4000.00	
Room	1000.00	
Board	1000.00	
Books	500.00	
Other		
Other		

**Total Institutional Charges = L.\$ 6500.00**  
*(Add all the charges together)*

**M. Percentage of unearned Title IV aid**

100% - 50.0 % = **M.** 50.0 %  
Box H

**N. Amount of unearned charges**  
Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).

6500.00	X	50.0	%	=	<b>N.\$</b> 3250.00
Box L		Box M			

**O. Amount for school to return**  
Compare the amount of Title IV aid to be returned (Box K) to amount of unearned charges (Box N), and enter the lesser amount.

**O.\$ 3250.00**

**STEP 6: Return of Funds by the School**

The school must return the unearned aid for which the school is responsible (Box O) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

Title IV Programs	Amount for School to Return
1. Unsubsidized Direct Loan	
2. Subsidized Direct Loan	1930.00
3. Direct Grad PLUS Loan	
4. Direct Parent PLUS Loan	
<b>Total loans the school must return = P.\$ 1930.00</b>	
5. Pell Grant	1320.00
6. Iraq and Afghanistan Service Grant	
7. FSEOG	
8. TEACH Grant	

**STEP 7: Initial Amount of Unearned Title IV Aid Due from the Student**

From the amount of Title IV aid to be returned (Box K) subtract the Amount for the school to return (Box O).

3340.00	-	3250.00	=	<b>Q.\$</b> 90.00
Box K		Box O		

► If Box Q is ≤ zero, **STOP**. If greater than zero, go to Step 8.

**STEP 8: Repayment of the Student's loans**

From the Net loans disbursed to the student (Box B) subtract the Total loans the school must return (Box P) to find the amount of Title IV loans the student is still responsible for repaying (Box R).

These loans consist of loans the student has earned, or unearned loan funds the school is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower's promissory note.

1930.00	-	1930.00	=	<b>R.\$</b> 0.00
Box B		Box P		

► If Box Q is less than or equal to Box R, **STOP**. The only action a school must take is to notify the holders of the loans of the student's withdrawal date.

► If Box Q is greater than Box R, proceed to Step 9.

**STEP 9: Grant Funds to be Returned**

**S. Initial amount of Title IV grants for student to return**  
From the initial amount of unearned Title IV aid due from the student (Box Q) subtract the amount of loans to be repaid by the student (Box R).

90.00	-	0.00	=	<b>S.\$</b> 90.00
Box Q		Box R		

**T. Amount of Title IV grant protection**  
Multiply the total of Title IV grant aid that was disbursed and that could have been disbursed for the period (Box S) by 50%.

4750.00	X	50%	=	<b>T.\$</b> 2375.00
Box S				

**U. Title IV grant funds for student to return**  
From the Initial amount of Title IV grants for student to return (Box S) subtract the Amount of Title IV grant protection (Box T).

90.00	-	2375.00	=	<b>U.\$</b> -2,285.00
Box S		Box T		

► If Box U is less than or equal to zero, **STOP**. If not, go to Step 10.

**STEP 10: Return of Grant Funds by the Student**

Except as noted below, the student must return the unearned grant funds for which he or she is responsible (Box U). The grant funds returned by the student are applied in order as indicated, up to the amount disbursed from that grant program minus any grant funds the school is responsible for returning to that program in Step 6.

**Note that the student is not responsible for returning funds to any program to which the student owes \$50.00 or less.**

Title IV Grant Programs	Amount To Return
1. Pell Grant	
2. Iraq and Afghanistan Service Grant	
3. FSEOG	
4. TEACH Grant	



## CASE STUDY 4: HARRY SPRINGER

*Here is an example of when a student receives Title IV grants and loans and unofficially withdraws. The school measures academic progress in clock hours and performs its Title IV return calculations on a period of enrollment basis.*

### Learning Objectives

Learn to complete Steps 1–8 of the Treatment of Title IV Funds when a Student Withdraws from a Clock-Hour Program worksheet, and be able to:

- determine withdrawal date for student who did not provide notification of intent to withdraw at a school required to take attendance;
- determine the scheduled clock hours;
- calculate the percentage of the period of enrollment the student completed;
- calculate both the percentage and the amount of Title IV aid earned by the student;
- determine either that the student is due a post-withdrawal disbursement (PWD) of Title IV aid or that Title IV aid must be returned; and
- determine the amount to be offered to the student or returned.

#### School Profile

Quality Tech School (QTS) is a proprietary school that measures academic progress in clock hours.

Academic Year/Program/ Period of Enrollment	900 hours/30 weeks
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Payment Period	450 hours
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Period Start Date	January 8
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Period End Date	August 3
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Institutionally Scheduled Break	N/A
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Required to Take Attendance	Yes
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Period used in Return calculation	Period of Enrollment
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### Student Profile

Harry Springer enrolled at QTS for a 30-week program of study period consisting of 900 clock hours offered over 30 weeks. The first payment period is 450 clock hours. Charges to Harry’s account are as follows:

Tuition and fees	\$	8,000.00/30-week program
Room	\$	non-residential program
Board	\$	non-residential program
Books and Supplies	\$	500.00/program

School Authorized to Credit  
 Account for Other Charges: Yes (all charges)

Harry’s financial aid package included the following **annual** awards:

Pell Grant	\$	4,000.00
Subsidized Direct Loan	\$	3,500.00

All of Harry’s financial aid for the first payment period (450 clock hours, i.e., one-half his annual awards) was disbursed on the first day of classes.

### Discussion

On the first day of the winter period, January 8, Harry received the following disbursements to his student account:

Pell Grant	\$	2,000.00
Net Subsidized Direct Loan	\$	1,700.00

Everything seemed to be going very well for Harry. It wasn’t until January 26 that the school discovered Harry hadn’t been attending classes and didn’t plan on returning. The director of the program notified the aid office that Harry’s last day of attendance was January 17 (through which time Harry was scheduled to have attended 45 hours), and the aid office began the withdrawal process and required calculations.

**Solution**

The date of the institution's determination that Harry withdrew (January 26) is the date the aid office received the information from the Director of Student Services. Because QTS is required to take attendance, Harry's withdrawal date is his last day of attendance at an academically related activity, January 17.

**Step 1: Student's Title IV Aid Information**

**Box A.** Title IV grant aid disbursed

Pell Grant \$ 2,000.00

**A. =** \$ 2,000.00

**Box B.** Net Title IV loans disbursed

Net Subsidized Direct Loan \$ 1,700.00

**B. =** \$ 1,700.00

**Box C.** Because QTS uses the period of enrollment as the basis for its Return calculation, the \$2,000 in Pell funds Harry was scheduled to receive once he had completed the first 450 hours of his program is included as Title IV grants that could have been disbursed.

**C. =** \$ 2,000.00

**Box D.** Because QTS uses the period of enrollment as the basis for its R2T4 calculation, the \$1,700.00 in Subsidized Direct Loan funds Harry was scheduled to receive once he had completed the first 450 hours and the calendar midpoint of his program of his program is included as Title IV loans that could have been disbursed.

**D. =** \$ 1,700.00

**Box E.** Total Title IV aid disbursed for the period of enrollment =  $A + B = 2,000.00 + 1,700.00 = \$ 3,700.00$ .

**Box F.** Total Title IV grant aid disbursed and could have been disbursed for the period of enrollment =  $A + C = 2,000.00 + 2,000.00 = \$ 4,000.00$ .

**Box G.** Total Title IV aid disbursed and could have been disbursed for the period of enrollment =  $A + B + C + D = 2,000.00 + 1,700.00 + 2,000.00 + 1,700.00 = \$ 7,400.00$ .

## Step 2: Percentage of Title IV Aid Earned

Because QTS is required to take attendance by an outside agency, the school must use the last date of Harry's attendance in an academically related activity as determined from its attendance records as the withdrawal date. Harry's last date of attendance was January 17.

1. Period of enrollment start date = January 8.
2. Period of enrollment end date = August 3.
3. Date of withdrawal = January 17.

### Box H. Percentage of period completed

Only scheduled hours are used to determine the percentage of the period completed by a student withdrawing from a clock-hour program. The percentage of the period completed by a student is determined by dividing the number of hours the student was scheduled to complete in the payment period or period of enrollment as of the day the student withdrew by the total number of clock hours in the same period.

- Number of clock hours Harry was scheduled to complete by January 17 = 45.
- Number of clock hours in the period of enrollment = 900.
- $45 \text{ clock hours} \div 900 \text{ clock hours} = 0.050$ .

Percentage of period of enrollment completed = 5.0%.

Because this percentage is less than or equal to 60%, the percentage of Title IV aid earned in Box H = 5.0%.

## Step 3: Amount of Title IV Aid Earned by the Student

**Box I.** 5.0% (Percentage of Title IV aid earned from Box H) ~~X~~ \$ 7,400.00 (Total of the Title IV aid disbursed and could have been disbursed for the period of enrollment from Box G) = \$370.00. Amount of Title IV aid earned by the student = \$370.00.

## Step 4: Total Title IV Aid to be Disbursed or Returned

**Box J.** Because the total Title IV aid earned (Box I) is less than the total Title IV aid disbursed (Box E), no post-withdrawal disbursement is due, and we proceed to Box K.

Post-withdrawal disbursement = NA.

**Box K.** Because the total Title IV aid disbursed (Box E) is greater than the total Title IV aid earned (Box I) Title IV aid must be returned.

$\$ 3,700.00 \text{ (Box E)} - \$370.00 \text{ (Box I)} = \$3,330.00$ . Title IV Aid to be returned = \$3,330.00.

**Step 5: Amount of Unearned Title IV Aid Due from the School**

**Box L.** Institutional charges for the period of enrollment = \$8,500.00.

Tuition and fees	\$	8,000.00
Books & Supplies	\$	500.00

**Box M.** Subtract the percentage of Title IV earned from Box H (5.0%) from 100.0%.  $100\% - 5.0\% = 95.0\%$ . Percentage of Title IV aid unearned = 95.0%.

**Box N.** Calculate the amount of unearned charges. \$8,500.00 (institutional charges from Box L) X 95% (Percentage of Title IV aid unearned from Box M) = \$8,075.00.  
Amount of unearned institutional charges = \$8,075.00.

**Box O.** Compare the amount of Title IV aid to be returned (Box K) to unearned institutional charges (Box N), and enter the lesser amount in Box O.

Box K =	\$	3,330.00
Box N =	\$	8,075.00

Amount of unearned Title IV aid due from the school = \$3,330.00.

**STEP 6: Return of Funds by the School**

**Box P.** The only Title IV loan disbursement Richard received was a Subsidized Direct Loan disbursement of \$1,700.00. Since \$1,700.00 is less than the \$3,330.00 (Box O) the amount for the school to return, the school must return the entire \$1,700.00 to the Direct Loan Program.

**P =** \$ 1,700.00

After the school returns \$1700.00 to the Direct Loan program, the balance to be returned by the school is \$1,630.00 (\$3,330.00 [from Box O] – \$1700.00 [from Box P]). Harry received \$2,000.00 in Pell Grant funds, so the school returns the \$1,630.00 to the Pell Grant Program.

The school must return any unearned funds within 45 days from the date of the institution's determination that Harry withdrew.

### STEP 7: Initial Amount of Unearned Title IV Aid Due from Student

**Box Q.** Subtract the amount of Title IV aid the school must return (\$3,330.00 from Box O) from the total amount of Title IV aid that is to be returned (\$3,330.00 from Box K) to find the initial amount of Title IV aid due from the student.  $\$3,330.00 - \$3,330.00 = \$0.00$ .

Because Box Q is \$0.00, no further calculation is needed.

## Treatment Of Title IV Funds When A Student Withdraws From A Clock-Hour Program

Student's Name	Harry Springer	Social Security Number	Example 4
Date form completed	1 / 27 /	Date of school's determination that student withdrew	1 / 26 /
Period used for calculation (check one)	<input type="checkbox"/> Payment period	<input checked="" type="checkbox"/> Period of enrollment	

*Monetary amounts should be in dollars and cents (rounded to the nearest penny).  
When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)*

### STEP 1: Student's Title IV Aid Information

Title IV Grant Programs	Amount Disbursed	Amount that Could Have Been Disbursed	E. Total Title IV aid disbursed for the period.
1. Pell Grant	2000.00	2000.00	A. 2000.00
2. FSEOG			+ B. 1700.00
3. TEACH Grant			= E. \$ 3700.00
4. Iraq and Afghanistan Service Grant			
	<b>A.</b> 2000.00 Subtotal	<b>C.</b> 2000.00 Subtotal	
<b>F. Total Title IV grant aid disbursed and that could have been disbursed for the period.</b>			
			A. 2000.00
			+ C. 2000.00
			= F. \$ 4000.00
Title IV Loan Programs	Net Amount Disbursed	Net Amount that Could Have Been Disbursed	G. Total Title IV aid disbursed and that could have been disbursed for the period.
5. Unsubsidized Direct Loan			A. 2000.00
6. Subsidized Direct Loan	1700.00	1700.00	B. 1700.00
7. Direct Grad PLUS Loan			C. 2000.00
8. Direct Parent PLUS Loan			+ D. 1700.00
	<b>B.</b> 1700.00 Subtotal	<b>D.</b> 1700.00 Subtotal	= G. \$ 7400.00

### STEP 2: Percentage of Title IV Aid Earned

Withdrawal date: 1 / 17 /

**H. Determine the percentage of the period completed:**  
Divide the clock hours scheduled to have been completed as of the withdrawal date in the period by the total clock hours in the period.

45	÷	900.00	=	5.0	%
Hours scheduled to complete		Total hours in period			

▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.

▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

**H.** 5.0 %

### STEP 3: Amount of Title IV Aid Earned by the Student

Multiply the percentage of Title IV aid earned (Box H) by the Total Title IV aid disbursed and that could have been disbursed for the period (Box G).

5.0 %	x	7400.00	=	I. \$ 370.00
Box H		Box G		

### STEP 4: Title IV Aid to be Disbursed or Returned

- ▶ If the amount in Box I is greater than the amount in Box E, go to Item J (Post-withdrawal disbursement).
- ▶ If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).
- ▶ If the amounts in Box I and Box E are equal, **STOP**. No further action is necessary.

**J. Post-withdrawal disbursement**  
From the Amount of Title IV aid earned by the student (Box I) subtract the Total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

Box I	-	Box E	=	J. \$ NA .
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If there's an entry for "J," **Stop here**, and enter the amount in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet).

**K. Title IV aid to be returned**  
From the Total Title IV aid disbursed for the period (Box E) subtract the Amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned.

3700.00	-	370.00	=	K. \$ 3330.00
Box E		Box I		

Student's Name  Social Security Number

### STEP 5: Amount of Unearned Title IV Aid Due from the School

**L. Institutional charges for the period**

Tuition	8000.00
Room	
Board	
Books	500.00
Other	
Other	

Total Institutional Charges (Add all the charges together) = **L.\$** 8500.00

**M. Percentage of unearned Title IV aid**

100% -  % = **M.**  %

**N. Amount of unearned charges**  
Multiply institutional charges for the period (Box L) by the Percentage of unearned Title IV aid (Box M).

**X**  % = **N.\$** 8075.00

**O. Amount for school to return**  
Compare the amount of Title IV aid to be returned (Box K) to Amount of unearned charges (Box N), and enter the lesser amount.

**O.\$** 3330.00

### STEP 6: Return of Funds by the School

The school must return the unearned aid for which the school is responsible (Box O) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

Title IV Programs	Amount for School to Return
1. Unsubsidized Direct Loan	
2. Subsidized Direct Loan	1700.00
3. Direct Graduate PLUS Loan	
4. Direct Parent PLUS Loan	
<b>Total loans the school must return = P.\$</b> 1700.00	
5. Pell Grant	1630.00
6. Iraq and Afghanistan Service Grant	
7. FSEOG	
8. TEACH Grant	

### STEP 7: Initial Amount of Unearned Title IV Aid Due from the Student

From the amount of Title IV aid to be returned (Box K) subtract the Amount for the school to return (Box O).

-  = **Q.\$** 0.00

If Box Q is ≤ zero, **STOP**. If greater than zero, go to Step 8.

### STEP 8: Repayment of the Student's loans

From the Net loans disbursed to the student (Box B) subtract the Total loans the school must return (Box P) to find the amount of Title IV loans the student is still responsible for repaying (Box R).

These loans consist of loans the student has earned, or unearned loan funds the school is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower's promissory note.

-  = **R.\$**

If Box Q is less than or equal to Box R, **STOP**. The only action a school must take is to notify the holders of the loans of the student's withdrawal date.

If Box Q is greater than Box R, proceed to Step 9.

### STEP 9: Grant Funds to be Returned

**S. Initial amount of Title IV grants for student to return**  
From the Initial amount of unearned Title IV aid due from the student (Box Q) subtract the amount of loans to be repaid by the student (Box R).

-  = **S.** .

**T. Amount of Title IV grant protection**  
Multiply the total of Title IV grant aid that was disbursed and that could have been disbursed for the period (Box F) by 50%.

**X**  = **T.** .

**U. Title IV grant funds for student to return**  
From the Initial amount of Title IV grants for student to return (Box S) subtract the Amount of Title IV grant protection (Box T).

-  = **U.** .

If Box U is less than or equal to zero, **STOP**. If not, go to Step 10.

### STEP 10: Return of Grant Funds by the Student

Except as noted below, the student must return the unearned grant funds for which he or she is responsible (Box U). The grant funds returned by the student are applied in order as indicated, up to the amount disbursed from that grant program minus any grant funds the school is responsible for returning to that program in Step 6.

**Note that the student is not responsible for returning funds to any program to which the student owes \$50.00 or less.**

Title IV Grant Programs	Amount To Return
1. Pell Grant	
2. Iraq and Afghanistan Service Grant	
3. FSEOG	
4. TEACH Grant	



## CASE STUDY 5: JORDAN AIRE

*Here is an example of when a student receives Title IV grants and loans and unofficially withdraws. The school measures academic progress in clock hours and performs its Title IV return calculations on a payment period basis.*

### Learning Objectives

Learn to complete Steps 1–8 of the Treatment of Title IV Funds When a Student Withdraws from a Clock-Hour Program worksheet, and be able to:

- determine withdrawal date for student who did not provide notification of intent to withdraw at a school required to take attendance;
- determine the scheduled clock hours;
- calculate the percentage of the payment period the student completed;
- calculate both the percentage and the amount of Title IV aid earned by the student;
- determine either that the student is due a post-withdrawal disbursement (PWD) of Title IV aid or that Title IV aid must be returned;
- prorate the student’s charges to determine the correct amount of institutional charges for the payment period;
- decide whether the cost of unreturned equipment can be excluded; and
- determine the amount to be offered to the student or returned.

#### School Profile

Learn to Earn Technical School (LETS) is a proprietary school that measures academic progress in clock hours.

Academic Year/Program/ Period of Enrollment	900 hours/26 weeks
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Payment Period	450 hours/13 weeks
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Payment Period Start Date	April 3
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Payment Period End Date	June 30
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Institutionally Scheduled Break	N/A
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Required to Take Attendance	Yes
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Period Used in Return Calculation	Payment Period
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### Student Profile

Jordan Aire enrolled at LETS for a 26-week program of study consisting of 900 clock hours offered over 26 weeks. The first payment period is 450 clock hours. Charges to Jordan’s account are as follows:

Tuition and fees	\$	6,000.00/26-week program
Room	\$	non-residential program
Board	\$	non-residential program
Books and Supplies	\$	500.00/program

School authorized to retain Title IV funds and credit account for other charges: Yes (all charges)

Authorized to retain credit balance No

Jordan’s financial aid package included the following annual awards:

Pell Grant	\$	4,000.00
Subsidized Direct Loan	\$	3,500.00

All of Jordan’s financial aid for the first payment period (450 clock hours, i.e., one-half his annual awards) was disbursed on the first day of classes.

### Discussion

On the first day of the period, April 3, Jordan received the following disbursements to his student account:

Pell Grant	\$	2,000.00
Net Subsidized Direct Loan	\$	1,700.00

On May 1, the Retention Specialist at LETS is informed by the director of Jordan’s program that since April 20, Jordan has not been attending classes. The Retention Specialist contacts Jordan who tells him that he’s been ill but plans on coming back to school during the next week. Since this falls within the time period for excused absences allowed by school policy, as well as absences allowed by the state and the school’s accrediting agency, the school delays taking any action. However, on May 8 when the Retention Specialist follows up with the Program Director, he finds that Jordan has not returned to school. Since Jordan has now exceeded the number of absences allowed by school policy, LETS must administratively withdraw Jordan from school.

Note: Remember that institutions that are required to take attendance are expected to have a procedure in place for routinely monitoring attendance records to determine in a timely manner when a student withdraws. Except in unusual instances, the date of the institution’s determination that the student withdrew should be no later than 14 days after the student’s withdrawal date.

The institution is not required to administratively withdraw a student who has been absent for 14 days. However, after 14 days, it is expected to have determined whether the student intends to return to classes or has withdrawn. Moreover, the institution must return any unearned funds within 45 days after the date of the institution's determination that Jordan withdrew (May 4).

As part of Jordan's enrollment agreement, LETS provided Jordan with a kit that included all the books and supplies that he would need throughout the program (the entire period of enrollment). The kit is returnable, but Jordan does not return the kit after he withdraws.

### Solution

Jordan's withdrawal date is his last day of attendance as determined from the school's attendance records, April 20.

The school must use May 4 (14 days after the student's last day of attendance) as the date of the institution's determination that the student withdrew.

### Step 1: Student's Title IV Aid Information

<b>Box A.</b>	Title IV grant aid disbursed –		
	Pell Grant	\$	2,000.00
	<b>A. =</b>	\$	2,000.00

<b>Box B.</b>	Net Title IV loans disbursed –		
	Subsidized Direct Loan =	\$	1,700.00
	<b>B. =</b>	\$	1,700.00

**Box C.** Title IV grants that could have been disbursed = \$ 0.00.

**Box D.** Title IV loans that could have been disbursed = \$ 0.00.

**Box E.** Total Title IV aid disbursed for the payment period =  $A + B = 2,000.00 + 1,700.00 = \$ 3,700.00$ .

**Box F.** Total Title IV grant aid disbursed and could have been disbursed for the payment period =  $A + C = 2,000.00 + 0.00 = \$ 2,000.00$ .

**Box G.** Total Title IV aid disbursed and could have been disbursed for the payment period =  $A + B + C + D = 2,000.00 + 1,700.00 + 0.00 + 0.00 = \$ 3,700.00$ .

## Step 2: Percentage of Title IV Aid Earned

Because LETS is required to take attendance by an outside agency, the school must use the last date of Jordan’s attendance in an academically related activity as determined from its attendance records as the withdrawal date. Jordan’s last date of attendance was April 20.

1. Payment Period start date = April 3.
2. Payment Period end date = June 30.
3. Date of withdrawal = April 20.

**Box H.** Percentage of payment period completed

Only scheduled hours are used to determine the percentage of the period completed by a student withdrawing from a clock-hour program. The percentage of the period completed by a student is determined by dividing the number of hours the student was scheduled to complete in the payment period or period of enrollment as of the day the student withdrew, by the total number of clock hours in the same period.

- Number of clock hours Jordan was scheduled to complete by April 20 = 90
- Number of clock hours in the payment period = 450
- $90 \text{ clock hours} \div 450 \text{ clock hours} = 0.20$

Percentage of payment period completed = 20.0%

Because this percentage is less than or equal to 60%, the percentage of Title IV aid earned in Box H = 20.0%.

## Step 3: Amount of Title IV Aid Earned by the Student

**Box I.** 20.0% (percentage of Title IV aid earned from Box H) X \$3,700.00 (Total of the Title IV aid disbursed and could have been disbursed for the payment period or period of enrollment from Box G) = \$740.00. Amount of Title IV aid earned by the student = \$740.00.

## Step 4: Total Title IV Aid to be Disbursed or Returned

**Box J.** Because the total Title IV aid earned (Box I) is less than the total Title IV aid disbursed (Box E), no post-withdrawal disbursement is due, and we proceed to Box K.

Post-withdrawal disbursement = NA.

**Box K.** Because the total Title IV aid disbursed (Box E) is greater than the total Title IV aid earned (Box I), Title IV aid must be returned.

$\$3,700.00 \text{ (Box E)} - \$740.00 \text{ (Box I)} = \$2,960.00$ . Title IV Aid to be Returned = \$2,960.00.

## Step 5: Amount of Title IV Aid Due from the School

**Box L.** Total institutional charges for the payment period

Before entering data in Step 5, Part L, of the Return calculation a school that charges by the period of enrollment but performs its Return calculation on a payment period basis must determine whether it must enter: (a) the prorated amount of all institutional charges, or (b) the amount the school retained. To do this, first, the school prorates all institutional charges. Then, the school determines the amount actually retained. The school compares the two results and enters in Step 5, Part L, the greater of the two amounts (per the provisions in 34 CFR 668.22(g)(3)(ii)). LETS did not obtain an authorization to retain funds in excess of the prorated amount. Therefore, in this case the amount retained and the prorated amount are the same. The school enters \$250.00 as the charge for books and supplies.

**Prorated Charges**

Tuition and fees	\$3,000.00
Books & supplies	\$250.00

Total initial prorated institutional charges for the payment period = \$3,250.00.

Now, LETS determines whether it can exclude the cost of Jordan’s kit from the amount it enters in Step 5, Part L. The equipment was returnable, but Jordan did not return it in good condition within 20 days of withdrawing. Since a school may exclude from institutional charges the documented cost to the school (what the school paid for the items) of unreturnable equipment and returnable equipment not returned in good condition, LETS can exclude the documented cost of the kit from Jordan’s total institutional charges for the payment period. When LETS originally purchased the kit, it documented that the kit cost \$300.00, so LETS excludes \$300.00 from Jordan’s institutional charges, resulting in an adjusted final total of \$2,950 (\$3,250.00 – \$300.00) that the school will enter in Step 5, Part L.

**L =** \$2,950.00

**Box M.** Subtract the percentage of Title IV earned from Box H (20.0%) from 100.0%.  $100\% - 20.0\% = 80.0\%$ . percentage of Title IV aid unearned = 80.0%.

**M =** 80.0%

**Box N.** Calculate the amount of unearned charges. \$2,950.00 (institutional charges from Box L) **X** 80% (percentage of Title IV aid unearned from Box M) = \$2,360.00.

**N =** \$2,360.00

**Box O.** Compare the amount of Title IV aid to be returned (Box K) to unearned institutional charges (Box N), and enter the lesser amount in Box O.

Box K = \$2,960.00  
 Box N = \$2,360.00

**O = \$2,360.00**

### STEP 6: Return of Funds by the School

**Box P.** Jordan received a Subsidized Direct Loan disbursement of \$1700.00. Since \$1,700.00 is less than the \$2,360.00 (Box O) the school must return \$1,700.00 to the lender. Box P = \$1,700.00.

After the school returns \$1,700.00 to the Title IV loan programs, the balance to be returned by the school is \$660.00 (\$2,360.00 [from Box O] – \$1,700.00 [from Box P]). Jordan received \$2,000.00 in Pell Grant funds, so the school returns \$660.00 to the Pell Grant Program.

The school must return any unearned funds within 45 days from the date of the institution's determination that Jordan withdrew (May 4).

### STEP 7: Initial Amount of Unearned Title IV Aid Due from Student

**Box Q.** Subtract the amount of Title IV aid the school must return \$2,360.00 from Box O) from the total amount of Title IV aid that is to be returned (\$2,960.00 from Box K) to find the initial amount of Title IV aid due from the student.  $\$2,960.00 - \$2,360.00 = \$600.00$ .

**Q = \$600.00**

### STEP 8: Repayment of the Student's Loans

**Box R.** Subtract the total loans the school must return (\$1,700.00 from Box P) from the net loans disbursed to the student (\$1,700.00 from Box B) to find the total of the loans the student must repay  $\$1,700.00 - \$1,700.00 = \$0.00$ .

**R = \$0**

**Box S.** Subtract the amount of loans to be repaid by the student in Box R (\$0) from the initial amount of unearned Title IV aid due from the student Box Q (\$600.00) to find the initial amount of Title IV grants for the student to return  $\$600.00 - 0.00 = \$600$ .

**S = \$600.00**

**Box T.** Multiply the total Title IV grant aid disbursed and could have been disbursed for the period in Box F (\$2,000.00) by 50% to find the amount of grant protection.

$$\$2,000.00 \times 50\% = \$1,000.00.$$

$$\mathbf{T} = \$ 1,000.00$$

**Box U** Subtract the amount of grant protection in Box T (\$1,000.00) from the initial amount of Title IV grants for the student to return in Box S (\$600.00) to find the Title IV grants for the student to return  $\$600.00 - \$1,000.00 = -\$400.00$ .

$$\mathbf{U} = \$ -400.00$$

Since the amount in Box U is less than or equal to zero, the student does not have to return any Title IV grant funds, and the calculation is complete.

## Treatment Of Title IV Funds When A Student Withdraws From A Clock-Hour Program

Student's Name	Jordan Aire	Social Security Number	Example 5
Date form completed	5 / 9 /	Date of school's determination that student withdrew	5 / 4 /
Period used for calculation (check one)	<input checked="" type="checkbox"/> Payment period <input type="checkbox"/> Period of enrollment		

*Monetary amounts should be in dollars and cents (rounded to the nearest penny).  
When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)*

### STEP 1: Student's Title IV Aid Information

Title IV Grant Programs	Amount Disbursed	Amount that Could Have Been Disbursed	E. Total Title IV aid disbursed for the period.
1. Pell Grant	2000.00		A. 2000.00
2. FSEOG			+ B. 1700.00
3. TEACH Grant			= E. \$ 3700.00
4. Iraq and Afghanistan Service Grant			
<b>A.</b>	2000.00	<b>C.</b>	
Subtotal		Subtotal	
<b>Title IV Loan Programs</b>			
	Net Amount Disbursed	Net Amount that Could Have Been Disbursed	F. Total Title IV grant aid disbursed and that could have been disbursed for the period.
5. Unsubsidized Direct Loan			A. 2000.00
6. Subsidized Direct Loan	1700.00		+ C.
7. Direct Grad PLUS Loan			= F. \$ 2000.00
8. Direct Parent PLUS Loan			
<b>B.</b>	1700.00	<b>D.</b>	
Subtotal		Subtotal	
<b>G. Total Title IV aid disbursed and that could have been disbursed for the period.</b>			
			A. 2000.00
			B. 1700.00
			C.
			+ D.
			= G. \$ 3700.00

### STEP 2: Percentage of Title IV Aid Earned

Withdrawal date: 4 / 20 /

**H. Determine the percentage of the period completed:**  
Divide the clock hours scheduled to have been completed as of the withdrawal date in the period by the total clock hours in the period.

90	÷	450	=	20.0 %
Hours scheduled to complete		Total hours in period		

▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.

▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.     **H.** 20.0 %

### STEP 3: Amount of Title IV Aid Earned by the Student

Multiply the percentage of Title IV aid earned (Box H) by the Total Title IV aid disbursed and that could have been disbursed for the period (Box G).

20.0 %	×	3700.00	=	I. \$ 740.00
Box H		Box G		

### STEP 4: Title IV Aid to be Disbursed or Returned

- ▶ If the amount in Box I is greater than the amount in Box E, go to Item J (Post-withdrawal disbursement).
- ▶ If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).
- ▶ If the amounts in Box I and Box E are equal, **STOP**. No further action is necessary.

#### J. Post-withdrawal disbursement

From the Amount of Title IV aid earned by the student (Box I) subtract the Total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

	-		=	J. \$ NA .
Box I		Box E		

If there's an entry for "J," **Stop here**, and enter the amount in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet).

#### K. Title IV aid to be returned

From the Total Title IV aid disbursed for the period (Box E) subtract the Amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned.

3700.00	-	740.00	=	K. \$ 2960.00
Box E		Box I		



<b>Student's Name</b> Jordan Aire	<b>Social Security Number</b> Example 5
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### STEP 5: Amount of Unearned Title IV Aid Due from the School

**L. Institutional charges for the period**

Tuition	3000.00
Room	
Board	
Books	250.00
Other	-300.00
Other	

*Total Institutional Charges (Add all the charges together)* = **L.\$** 2950.00

**M. Percentage of unearned Title IV aid**

100% -  % = **M.**  %

Box H

**N. Amount of unearned charges**  
Multiply institutional charges for the period (Box L) by the Percentage of unearned Title IV aid (Box M).

x  % = **N.\$**

Box L                      Box M

**O. Amount for school to return**  
Compare the amount of Title IV aid to be returned (Box K) to Amount of unearned charges (Box N), and enter the lesser amount.

**O.\$**

### STEP 6: Return of Funds by the School

The school must return the unearned aid for which the school is responsible (Box O) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

Title IV Programs	Amount for School to Return
1. Unsubsidized Direct Loan	
2. Subsidized Direct Loan	1700.00
3. Direct Graduate PLUS Loan	
4. Direct Parent PLUS Loan	
<b>Total loans the school must return = P.\$</b> <input type="text" value="1700.00"/>	
5. Pell Grant	660.00
6. Iraq and Afghanistan Service Grant	
7. FSEOG	
8. TEACH Grant	

### STEP 7: Initial Amount of Unearned Title IV Aid Due from the Student

From the amount of Title IV aid to be returned (Box K) subtract the Amount for the school to return (Box O).

-  = **Q.\$**

Box K                      Box O

▶ If Box Q is ≤ zero, **STOP**. If greater than zero, go to Step 8.

### STEP 8: Repayment of the Student's loans

From the Net loans disbursed to the student (Box B) subtract the Total loans the school must return (Box P) to find the amount of Title IV loans the student is still responsible for repaying (Box R). These loans consist of loans the student has earned, or unearned loan funds the school is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower's promissory note.

-  = **R.\$**

Box B                      Box P

▶ If Box Q is less than or equal to Box R, **STOP**. The only action a school must take is to notify the holders of the loans of the student's withdrawal date.

▶ If Box Q is greater than Box R, proceed to Step 9.

### STEP 9: Grant Funds to be Returned

**S. Initial amount of Title IV grants for student to return**  
From the Initial amount of unearned Title IV aid due from the student (Box Q) subtract the amount of loans to be repaid by the student (Box R).

-  = **S.**

Box Q                      Box R

**T. Amount of Title IV grant protection**  
Multiply the total of Title IV grant aid that was disbursed and that could have been disbursed for the period (Box F) by 50%.

x  = **T.**

Box F

**U. Title IV grant funds for student to return**  
From the Initial amount of Title IV grants for student to return (Box S) subtract the Amount of Title IV grant protection (Box T).

-  = **U.**

Box S                      Box T

▶ If Box U is less than or equal to zero, **STOP**. If not, go to Step 10.

### STEP 10: Return of Grant Funds by the Student

Except as noted below, the student must return the unearned grant funds for which he or she is responsible (Box U). The grant funds returned by the student are applied in order as indicated, up to the amount disbursed from that grant program minus any grant funds the school is responsible for returning to that program in Step 6.

**Note that the student is not responsible for returning funds to any program to which the student owes \$50.00 or less.**

Title IV Grant Programs	Amount To Return
1. Pell Grant	
2. Iraq and Afghanistan Service Grant	
3. FSEOG	
4. TEACH Grant	

## CASE STUDY 6: THOMPSON S. HUNTER

*Here is an example of when a student receives Title IV grants at a school and officially withdraws. The school utilizes a term-based modular course structure, measures academic progress in credit hours and performs its Title IV return calculations on a payment period basis.*

### Learning Objectives

Learn to complete Steps 1–10 of the Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program worksheet and be able to:

- determine whether or not the student must be considered as withdrawn;
- determine the total number of days the student was in attendance;
- recalculate the student’s eligibility for Pell and Campus-Based funds;
- calculate the percentage of the payment period the student completed;
- calculate both the percentage and the amount of Title IV aid earned by the student;
- determine either that the student is due a post-withdrawal disbursement (PWD) of Title IV aid or that Title IV aid must be returned; and
- determine the amount to be offered to the student or returned.

#### School Profile

Las Vegas School of Digital Journalism (LSDJ) is a public residential institution that utilizes a term-based modular course structure and measures academic progress in credit hours.

Academic Year/ Period of Enrollment	2 semesters/ 32 weeks and 24 semester hours
Payment Period	1 semester 117 calendar days
Period Start Date	August 22
Period End Date	December 16
R2T4 Freeze Date	September 10
Institutionally Scheduled Break	Yes
Required to Take Attendance	No
Period used in Return calculation	Payment Period

### School Profile, continued

Scheduled starting and ending dates for modules within the term.

Start	End
August 22	September 16
September 19	October 14
October 17	November 11
November 14	December 16

A scheduled break begins after the last class on Friday, November 18. Classes resume on Monday, November 28. The scheduled break is nine days long.

LSDJ uses an R2T4 Freeze Date (RFD) to help calculate the number of days their students are scheduled to complete within modules.

Though it is not a school that is required to take attendance, LSDJ has a school policy of using a student's last date of attendance at an academically related activity as the withdrawal date when a student withdraws from a program offered in modules.

### Student Profile

Thompson Hunter is an independent, third-year student and as of LSDJ's R2T4 Freeze Date is enrolled for 12 credits over four modules. In each module, a student is enrolled in one course that begins and ends on a fixed date. In Thompson's case, each course is worth three credits.

Charges to Thompson's account for the **payment** period are as follows:

Tuition and fees	\$	1,200.00/12 credits
------------------	----	---------------------

School Authorized to Credit Account for Other Charges:	Yes (all charges)
--	-------------------

Thompson's financial aid package is based on the following academic year (9-month budget):

Tuition	\$	2,400.00
Room	\$	2,800.00
Board	\$	1,600.00
Books	\$	800.00
Personal Expenses	\$	800.00
Travel	\$	800.00

Thompson's financial aid package included the following **annual** awards:

Pell Grant	\$	5,550.00
FSEOG	\$	3,650.00

All of Thompson's financial aid for the first payment period (one-half his annual awards) was disbursed on the first day of classes.

### Discussion

On the first day of the period, August 22, Thompson received the following disbursements to his student account (school uses the aggregate method to match FSEOG):

Pell Grant	\$	2,775.00
FSEOG	\$	1,825.00

On October 17, Thompson comes to see you. Even though he fully attended his first two modules, he struggled with his coursework and earned Fs in both modules and is unsure if this is the correct career path for him. He needs some time to think about his future and feels it is best if he withdraws from the first semester now.

When a student withdraws from one of a series of modules in a term-based program, a school must first determine whether or not the student must be treated as a withdrawal. In order to do so, the school should review the following five questions:

1. Did the student cease to attend, or fail to begin attendance in a scheduled course that was included in the institution's calculation of the student's Title IV awards for the payment period or period of enrollment?

If the answer is no, this is not a withdrawal. If the answer is yes, go to question 2.

In Thompson's case, the answer to Question 1 is **Yes**; you go on to Question 2.

2. When the student ceased to attend or failed to begin attendance in a scheduled course, was the student still attending any other courses?

If the answer is yes, this is not a withdrawal; (Note, however that other regulatory provisions concerning recalculation may apply.) If the answer is no, go to question 3.

In Thompson's case, the answer to Question 2 is **No**; you go on to Question 3.

3. When the student ceased to attend or failed to begin attendance in a scheduled course, did the student complete all the requirements for graduation?

If the answer is yes, this is not a withdrawal, but Pell recalculation may apply. If the answer is no, go to question 4.

In Thompson's case, the answer to Question 3 is No; you go on to Question 4.

4. When the student ceased to attend or failed to begin attendance in a scheduled course, did the student successfully complete:

- a module or combination of modules that contain 49% or more of the number of days of the payment period (excluding scheduled breaks of 5 consecutive days or more and all days between modules); OR
- coursework equal to or greater than the coursework required for the institution's definition of a half-time student for the payment period?

If the answer is yes to either question, this is not a withdrawal, but Pell recalculations may apply. If the answer is no, go to question 5.

In Thompson's case, the answer to Question 4 is No; you go on to Question 5.

5. Did the student confirm attendance in a later module in the payment/enrollment period (45-day rule for standard or nonstandard programs)?

If the answer is yes, this is not a withdrawal, unless the student does not return. (Pell recalculations may still apply). If the answer is no, this is a withdrawal, and the Return of Title IV Funds requirements apply.

In Thompson's Case, the answer is No; you must treat Thompson as a withdrawal.

Because Thompson does not meet any of the R2T4 withdrawal exemptions and did not provide any written confirmation of future attendance, LSDJ must treat him as a withdrawn student.

Because Thompson failed to begin attendance in all of the classes on which his Pell Grant was based, before performing the required Return calculation, LSDJ must recalculate Thompson's Pell based on his enrollment in just the two modules he began—six credits or half time. Thompson's scheduled annual Pell award as a half-time student is \$2,775. His revised first semester award is \$1,388.00. LSDJ must return \$1,387.00 (the difference between Thompson's initial Pell disbursement of \$2,775.00 and his new award of \$1,388.00), and include only his new award of \$1,388.00 in the Title IV return calculation. The school returns the \$1,387.00 through G5 and reduces Thompson's Pell Grant in COD to \$1,388.00.

In addition, since Thompson was receiving Campus-Based aid (FSEOG), the school has to recalculate his eligibility for Campus-Based funds, eliminating the costs attributable to the modules that he did not begin attending to see whether a reduction of the Campus-Based aid is necessary. Based on a revised COA of \$3,600.00 for the fall semester and revised Pell Grant of \$1,388.00, Thompson's remaining first-semester need is \$2,212.00. That is more than his FSEOG of \$1,825.00. Therefore, LSDJ does not need to reduce Thompson's FSEOG award before performing the Title IV return calculation.

LSDJ performed an R2T4 calculation using Thompson's last day of attendance of October 14 as his withdrawal date (as per school policy); \$1,388.00 as the amount of Pell Grant disbursed; and \$1,825.00 as the amount of FSEOG funds disbursed. On October 24, LSDJ returned the funds for which it was responsible to the appropriate programs, and made the appropriate adjustments in COD.

### Solution

Per school policy, Thompson’s withdrawal date is his last day of attendance at an academically related activity as determined from the school’s attendance records, October 14.

At the beginning of the semester, the following awards were posted to Thompson’s account at LSDJ.

Pell Grant	\$	2,775.00
FSEOG	\$	1,825.00

### Step 1: Student’s Title IV Aid Information

**Box A.** After recalculating and returning the Pell Grant funds for which Thompson was ineligible, the Title IV grant aid disbursed was

Pell Grant	\$	1,388.00
FSEOG	\$	1,825.00
A. =	\$	3,213.00

**Box B.** Net Title IV loans that could have been disbursed = \$ 0.00.

**Box C.** Title IV grants that could have been disbursed = \$ 0.00.

**Box D.** Title IV loans that could have been disbursed = \$ 0.00.

**Box E.** Total Title IV aid disbursed for the payment period =  $A + B = 3,213.00 + 0.00 = \$ 3,213.00$ .

**Box F.** Total Title IV grant aid disbursed and could have been disbursed for the payment period =  $A + C = 3,213.00 + 0.00 = \$ 3,213.00$ .

**Box G.** Total Title IV aid disbursed and could have been disbursed for the payment period =  $A + B + C + D = 3,213.00 + 0.00 + 0.00 + 0.00 = \$3,213.00$ .

## Step 2: Percentage of Title IV Aid Earned

LSDJ has an institutional policy of using the last date of attendance in an academically related activity as determined from its attendance records as the withdrawal date for students who cease attendance before completing more than 60 percent of the payment period. Thompson's last date of attendance was October 14.

1. Payment Period start date = August 22.
2. Payment Period end date = December 16.
3. Date of withdrawal = October 14.
4. Percentage of payment period completed
  - Number of calendar days completed = 54
  - Number of calendar days in the payment period = 108 (117 – 9 day scheduled break)
  - $54 \text{ days} \div 108 \text{ days} = 0.50$ . percentage of payment period completed = 50.0%

Box H. Because this percentage is 60% or less, the percentage of Title IV aid earned = 50.0%.

## Step 3: Amount of Title IV Aid Earned by the Student

**Box I.** 50.0% (percentage of Title IV aid earned from Box H)  $\times$  \$3,213.00 (Total of the Title IV aid disbursed and could have been disbursed for the payment period or period of enrollment from Box G) = \$1,606.50. Amount of Title IV aid earned by the student = \$1,606.50.

## Step 4: Total Title IV Aid to be Disbursed or Returned

**Box J.** Because the total Title IV aid earned (Box I) is less than the total Title IV aid disbursed (Box E), no post-withdrawal disbursement is due, and we proceed to Box K.

Post-withdrawal disbursement = NA.

**Box K.** Because the total Title IV aid disbursed (Box E) is greater than the total Title IV aid earned (Box I), Title IV aid must be returned.

$\$3,213.00$  (Box E) –  $\$1,606.50$  (Box I) =  $\$1,606.50$ . Title IV Aid to be returned =  $\$1,606.50$ .

**Step 5: Amount of Title IV Aid Due from the School**

**Box L.** The institutional charges on Thompson’s account are the charges initially assessed for the payment period. Note that books and supplies are not included because Thompson had an opportunity to purchase them elsewhere, and did.

Tuition and fees	\$	1,200.00
Room	\$	1,400.00
Board	\$	<u>800.00</u>
Box L =	\$	3,400.00

**Box M.** Subtract the percentage of Title IV earned from Box H (50.0%) from 100.0%.  
 $100\% - 50.0\% = 50.0\%$ . percentage of Title IV aid unearned = 50.0%.

**Box N.** Calculate the amount of unearned charges. \$3,400.00 (institutional charges from Box L) X 50.0% (% of Title IV aid unearned from Box M) = \$1,700.00.

Amount of unearned institutional charges = \$1,700.00.

**Box O.** Compare the amount of Title IV aid to be returned (Box K) to unearned institutional charges (Box N), and enter the lesser amount in Box O.

Box K =	\$	1,606.50
Box N =	\$	1,700.00

Amount of unearned Title IV aid due from the school = \$1,606.50.

**STEP 6: Return of Funds by the School**

**Box P.** The student had no loans, so the total loans the school must return = \$0.00

Box P =	\$	0.00
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Thompson received a recalculated Pell Grant disbursement of \$1,388.00. Since \$1,388.00 is less than the \$1,606.50 (Box O), *the school must return the \$1,388.00 to the Pell Grant Program and an additional \$218.50 (1,606.50 – 1,388.00) to the FSEOG program through the G5 system.* The school must also reduce Thompson’s Pell Grant in COD to \$0.00.

The school must return any unearned funds within 45 days from the date of the school’s determination that Thompson withdrew.



**STEP 7: Initial Amount of Unearned Title IV Aid Due from Student**

**Box Q.** Subtract the amount of Title IV aid the school must return (\$1,606.50 from Box O) from the total amount of Title IV aid that is to be returned (\$1,606.50 from Box K) to find the initial amount of Title IV aid due from the student.  $\$1,606.50 - \$1,606.50 = \$0.00$ .

Box Q =                   \$                   0.00

Because Box Q is \$0.00, no further calculation is needed.

# Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program

Student's Name	Thompson Hunter	Social Security Number	Example 6
Date form completed	10 / 20 /	Date of school's determination that student withdrew	10 / 17 /
Period used for calculation (check one)	<input checked="" type="checkbox"/> Payment period <input type="checkbox"/> Period of enrollment		

*Monetary amounts should be in dollars and cents (rounded to the nearest penny).  
When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)*

## STEP 1: Student's Title IV Aid Information

Title IV Grant Programs	Amount Disbursed	Amount that Could Have Been Disbursed	E. Total Title IV aid disbursed for the period.
1. Pell Grant	1388.00		A. <span style="float: right;">3213.00</span>
2. FSEOG	1825.00		+ B. <span style="float: right;">_____</span>
3. TEACH Grant			E. \$ <span style="float: right;">3213.00</span>
4. Iraq and Afghanistan Service Grant			
	A. <span style="float: right;">3213.00</span>	C. <span style="float: right;">_____</span>	F. Total Title IV grant aid disbursed and that could have been disbursed for the period.
	Subtotal	Subtotal	A. <span style="float: right;">3213.00</span>
			+ C. <span style="float: right;">_____</span>
			= F. \$ <span style="float: right;">3213.00</span>
			G. Total Title IV aid disbursed and that could have been disbursed for the period.
			A. <span style="float: right;">3213.00</span>
			B. <span style="float: right;">_____</span>
			C. <span style="float: right;">_____</span>
			+ D. <span style="float: right;">_____</span>
			= G. \$ <span style="float: right;">3213.00</span>

  

Title IV Loan Programs	Net Amount Disbursed	Net Amount that Could Have Been Disbursed	G. Total Title IV aid disbursed and that could have been disbursed for the period.
5. Unsubsidized Direct Loan			A. <span style="float: right;">3213.00</span>
6. Subsidized Direct Loan			B. <span style="float: right;">_____</span>
7. Direct Grad PLUS Loan			C. <span style="float: right;">_____</span>
8. Direct Parent PLUS Loan			+ D. <span style="float: right;">_____</span>
	B. <span style="float: right;">_____</span>	D. <span style="float: right;">_____</span>	= G. \$ <span style="float: right;">3213.00</span>
	Subtotal	Subtotal	

## STEP 2: Percentage of Title IV Aid Earned

08 / 22 /	12 / 16 /	10 / 14 /
Start date	Scheduled end date	Date of withdrawal

A school that is not required to take attendance may, for a student who withdraws without notification, enter 50% in Box H and proceed to Step 3. Or, the school may enter the last date of attendance at an academically related activity for the "withdrawal date," and proceed with the calculation as instructed. For a student who officially withdraws, enter the withdrawal date. LESS 9-DAY SCHEDULED BREAK

**H. Percentage of payment period or period of enrollment completed**  
Divide the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of five days or more **AND** days that the student was on an approved leave of absence).

54	÷	108	=	50.0	%
Completed days		Total days			

- ▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.
- ▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

**H. 50.0 %**

## STEP 3: Amount of Title IV Aid Earned by the Student

Multiply the percentage of Title IV aid earned (Box H) by the Total Title IV aid disbursed and that could have been disbursed for the period (Box G).

50.0	%	X	3213.00	=	I. \$ 1606.50
Box H			Box G		

## STEP 4: Title IV Aid to be Disbursed or Returned

- ▶ If the amount in Box I is greater than the amount in Box E, go to Item J (post-withdrawal disbursement).
- ▶ If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).
- ▶ If the amounts in Box I and Box E are equal, **STOP**. No further action is necessary.

**J. Post-withdrawal disbursement**  
From the Amount of Title IV aid earned by the student (Box I) subtract the Total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

_____	-	_____	=	J. \$ NA .
Box I		Box E		

**Stop here**, and enter the amount in "J" in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet).

*Step 4 continued ▶*

<b>Student's Name</b> Thompson Hunter	<b>Social Security Number</b> Example 6
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**STEP 4: Aid to be Disbursed or Returned CONTINUED**

From the Total Title IV aid disbursed for the period (Box E) subtract the amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned.

3213.00	-	1606.50	=	<b>K.\$</b>	1606.50
Box E		Box I			

**STEP 5: Amount of Unearned Title IV Aid Due from the School**

**L. Institutional charges for the period**

Tuition	1200.00
Room	1400.00
Board	800.00
Other	
Other	
Other	

**Total Institutional Charges** = **L.\$** 3400.00  
*(Add all the charges together)*

**M. Percentage of unearned Title IV aid**

100% - 50.0 % = **M.** 50.0 %  
Box H

**N. Amount of unearned charges**

Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).

3400.00	x	50.0 %	=	<b>N.\$</b>	1700.00
Box L		Box M			

**O. Amount for school to return**

Compare the amount of Title IV aid to be returned (Box K) to amount of unearned charges (Box N), and enter the lesser amount.

**O.\$** 1606.50

**STEP 6: Return of Funds by the School**

The school must return the unearned aid for which the school is responsible (Box O) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

Title IV Programs	Amount for School to Return
1. Unsubsidized Direct Loan	
2. Subsidized Direct Staff Loan	
3. Direct Grad PLUS Loan	
4. Direct Parent PLUS Loan	
<b>Total loans the school must return</b> = <b>P.\$</b> N/A .	
5. Pell Grant	1388.00
6. Iraq and Afghanistan Service Grant	
7. FSEOG	218.50
8. TEACH Grant	

**STEP 7: Initial Amount of Unearned Title IV Aid Due from the Student**

From the amount of Title IV aid to be returned (Box K) subtract the Amount for the school to return (Box O).

1606.50	-	1606.50	=	<b>Q.\$</b>	0.00
Box K		Box O			

▶ If Box Q is ≤ zero, **STOP**. If greater than zero, go to Step 8

**STEP 8: Repayment of the Student's loans**

From the Net loans disbursed to the student (Box B) subtract the Total loans the school must return (Box P) to find the amount of Title IV loans the student is still responsible for repaying (Box R).

These loans consist of loans the student has earned, or unearned loan funds the school is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower's promissory note.

	-		=	<b>R.\$</b>	.
Box B		Box P			

▶ If Box Q is less than or equal to Box R, **STOP**. The only action a school must take is to notify the holders of the loans of the student's withdrawal date.

▶ If Box Q is greater than Box R, proceed to Step 9.

**STEP 9: Grant Funds to be Returned**

**S. Initial amount of Title IV grants for student to return**

From the initial amount of unearned Title IV aid due from the student (Box Q) subtract the amount of loans to be repaid by the student (Box R).

	-		=	<b>S.\$</b>	.
Box Q		Box R			

**T. Amount of Title IV grant protection**

Multiply the total of Title IV grant aid that was disbursed and that could have been disbursed for the period (Box S) by 50%.

	x	50%	=	<b>T.\$</b>	.
Box S					

**U. Title IV grant funds for student to return**

From the Initial amount of Title IV grants for student to return (Box S) subtract the Amount of Title IV grant protection (Box T).

	-		=	<b>U.\$</b>	.
Box S		Box T			

▶ If Box U is less than or equal to zero, **STOP**. If not, go to Step 10.

**STEP 10: Return of Grant Funds by the Student**

Except as noted below, the student must return the unearned grant funds for which he or she is responsible (Box U). The grant funds returned by the student are applied in order as indicated, up to the amount disbursed from that grant program minus any grant funds the school is responsible for returning to that program in Step 6.

**Note that the student is not responsible for returning funds to any program to which the student owes \$50.00 or less.**

Title IV Grant Programs	Amount To Return
1. Pell Grant	
2. Iraq and Afghanistan Service Grant	
3. FSEOG	
4. TEACH Grant	

## CASE STUDY 7: THE RETURN OF THOMPSON S. HUNTER

*Here is an example of when a student receiving Title IV grants officially withdraws, but returns within the payment period and withdraws again. The school utilizes a term-based modular course structure, measures academic progress in credit hours and performs its Title IV return calculations on a payment period basis.*

### Learning Objectives

Learn to complete Steps 1–10 of the Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program worksheet, and be able to:

- identify the steps that must be taken when a student who withdrew from a term-based program offered in modules returns within the payment period;
- determine the numerator and denominator when calculating the percentage of the payment period completed for a student who withdraws, returns and withdraws again.
- recalculate the student’s eligibility for Pell and Campus-Based funds;
- calculate the percentage of the payment period the student completed, and the percentage and the amount of Title IV aid earned by the student;
- determine if the student is due a post-withdrawal disbursement (PWD) of Title IV aid or that Title IV aid must be returned, and if so, how much the school must return and
- determine the amount to be offered to the student or returned by him.

#### School Profile

Las Vegas School of Digital Journalism (LSDJ) is public residential institution that utilizes a term-based modular course structure and measures academic progress in credit hours.

Academic Year/ Period of Enrollment	2 semesters/ 32 weeks and 24 semester hours
Payment Period	1 semester 117 calendar days
Period Start Date	August 22
Period End Date	December 16
R2T4 Freeze Date	September 10
Institutionally Scheduled Break	Yes
Required to Take Attendance	No
Period used in Return calculation	Payment Period

### School Profile, continued

Scheduled starting and ending dates for modules within the term.

Start	End
August 22	September 16
September 19	October 14
October 17	November 11
November 14	December 16

A scheduled break begins after the last class on Friday, November 18. Classes resume on Monday, November 28. The scheduled break is nine days long.

LSDJ uses an R2T4 Freeze Date (RFD) to help calculate the number of days their students are scheduled to complete within modules.

Though it is not a school that is required to take attendance, LSDJ has a school policy of using a student's last date of attendance at an academically related activity as the withdrawal date when a student withdraws from a program offered in modules.

### Student Profile

Thompson Hunter was an independent third-year student enrolled at LSDJ for 12 credits offered over four modules as of LSDJ's R2T4 Freeze Date. In each module a student is enrolled in one course that begins and ends on a fixed date. In Thompson's case, each course is worth three credits.

Charges to Thompson's account for the **payment** period are as follows:

Tuition and fees	\$	1,200.00/12 credits
------------------	----	---------------------

School Authorized to Credit Account for Other Charges:	Yes (all charges)
--	-------------------

Thompson's financial aid package is based on the following academic year (9-month budget):

Tuition	\$	2,400.00
Room	\$	2,800.00
Board	\$	1,600.00
Books	\$	800.00
Personal Expenses	\$	800.00
Travel	\$	800.00

**Student Profile (Continued)**

Thompson's financial aid package included the following **annual** awards:

Pell Grant	\$	5,550.00
FSEOG	\$	3,650.00

All of Thompson's financial aid for the first payment period (one-half his annual awards) was disbursed on the first day of classes.

**Discussion**

On November 11, Thompson Hunter (the student from Case Study 6) walks into your office with the news that his wife Barbara Ann has quit her acting job in LA and moved back to Las Vegas. Realizing having a career is important for him to take care of his family, Thompson would like to re-enter the program when the fourth module begins on November 14.

When Thompson returns for module four, 34 CFR 668.22(a)(2)(iii)(A) applies. That regulation provides that, if a student withdraws from a term-based credit-hour program offered in modules and re-enters the same program prior to the end of the payment period, the student is treated as if he or she did not cease attendance for purposes of determining the student's aid awards for the period. The student is considered to be in the same payment period he or she was in at the time of the withdrawal and retains his or her original Title IV eligibility for that payment period, provided the student's enrollment status continues to support the same amount of those funds. To do this, the school must:

- recalculate Thompson's Title IV program eligibility based upon enrollment in modules 1, 2, and 4 and then re-disburse any Title IV, HEA program funds that had been disbursed and then returned under the Return of Title IV Funds provisions, adjusting, if necessary, for any change in his enrollment status;
- disburse any Title IV, HEA program funds for which Thompson was otherwise eligible that had not yet been disbursed at the time he withdrew, adjusting for the change in enrollment status; and
- cancel any Title IV overpayments assessed Thompson as a result of the prior withdrawal.

When Thompson returns in module four, the three credits for that module are added to the six credits that Thompson completed previously. Nine credits at LSDJ are the minimum number required for three-quarter-time enrollment status. Therefore, the school must recalculate Thompson's eligibility for Title IV assistance as a three-quarter time student. Thompson's scheduled annual Pell award as a three-quarter-time student is \$4,163.00, and his one-semester award is \$2,081.50.

After recalculating Thompson's eligibility from full time to half time when he withdrew previously, the school returned \$1,387.00 (the difference between Thompson's initial Pell disbursement of \$2,775.00 and his half-time award of \$1,388.00). The school then included only his new award of \$1,388.00 in the Return calculation and returned the entire amount as a result of the calculation. The school also reduced his Pell award in COD to \$0.00. When Thompson returns, the school must once again adjust his award in COD (this time to his three-quarter-time award of \$2,081.50) and draw down and disburse \$2,081.50 to his account.

In addition, the school has to recalculate Thompson’s eligibility for Campus-Based funds, adding the costs attributable to the additional module that he has begun attending, to see whether a modification of his Campus-Based aid is necessary. Based on a revised COA of \$4,100.00 for the fall semester and revised Pell Grant of \$2,081.50, Thompson’s remaining first-semester need is \$2,018.50. That is greater than his initial FSEOG award of \$1,825.00. Therefore, since it has not already awarded the \$218.50 that it returned previously to another eligible student, the school re-awards and disburses the \$218.50 in FSEOG funds to Thompson.

When the aid officer reviews the results of the previous Title IV return calculation, he finds that Thompson had not been required to return any Title IV funds; therefore, there are no student overpayments to cancel.

On the first day of module four, November 14, LSDJ made the following disbursements to his student account (school uses the aggregate method to match FSEOG):

Pell Grant	\$	2,081.50
FSEOG	\$	218.50 (restoring his total to \$1,825)

After class on December 5, Thompson once again comes to see you. He says that his uncle Raoul (born in England under mysterious circumstances) has just discovered that he is in line to be the Duke of Marlboro. Raoul must go to England immediately to claim the title, and he’s willing to cover the cost of Thompson’s traveling with him to the investiture. Therefore, Thompson has decided to withdraw immediately.

When a student withdraws from one of a series of modules in a term-based program, a school must first determine whether or not the student must be treated as a withdrawal. In order to do so, the school should review the following five questions:

1. Did the student cease to attend, or fail to begin attendance in a scheduled course that was included in the institution’s calculation of the student’s Title IV awards for the payment period or period of enrollment?

If the answer is no, this is not a withdrawal. If the answer is yes, go to question 2.

In Thompson’s case, the answer to Question 1 is **Yes**; you go on to Question 2.

2. When the student ceased to attend or failed to begin attendance in a scheduled course, was the student still attending any other courses?

If the answer is yes, this is not a withdrawal. (Note, however, that other regulatory provisions concerning recalculation may apply.) If the answer is no, go to question 3.

In Thompson’s case, the answer to Question 2 is **No**; you go on to Question 3.

3. When the student ceased to attend or failed to begin attendance in a scheduled course, did the student complete all the requirements for graduation?

If the answer is yes, this is not a withdrawal, but Pell recalculation may apply. If the answer is no, go to question 3.

In Thompson’s case, the answer to Question 3 is No; you go on to Question 4.

4. When the student ceased to attend or failed to begin attendance in a scheduled course, did the student successfully complete:
- a module or combination of modules that contain 49% or more of the number of days of the payment period (excluding scheduled breaks of 5 consecutive days or more and all days between modules); OR
  - coursework equal to or greater than the coursework required for the institution’s definition of a half-time student for the payment period?

If the answer is yes to either question, this is not a withdrawal, but Pell recalculations may apply. If the answer is no, go to question 5.

In Thompson’s case, the answer to Question 4 is No; you go on to Question 5.

5. Did the student confirm attendance in a later module in the payment/enrollment period (45-day rule for standard or nonstandard programs)?

If the answer is yes, this is not a withdrawal unless the student does not return. (Pell recalculations may still apply). If the answer is no, this is a withdrawal, and the Return of Title IV Funds requirements apply.

In Thompson’s case, the answer is No; you must treat Thompson as a withdrawal.

Thompson began attendance in all of the classes on which his Pell Grant was based (modules 1,2, and 4). Therefore, the school did not need to recalculate Thompson’s revised Pell Grant. In addition, since Thompson began attendance in all of the classes on which his Campus-Based aid (FSEOG) was based, the school did not have to recalculate his eligibility for Campus-Based funds.

**Solution**

Per school policy, Thompson’s withdrawal date is his last day of attendance at an academically related activity as determined from the school’s attendance records, December 5.

**Step 1: Student’s Title IV Aid Information**

**Box A.** Since Thompson had begun all modules (classes) on which his Pell and Campus-Based aid was based, the Title IV grant aid disbursed was –

Pell Grant	\$	2,081.50
FSEOG	\$	1,825.00
<b>A. =</b>	\$	3,906.50

**Box B.** Net Title IV loans that could have been disbursed = \$ 0.00.

**Box C.** Title IV grants that could have been disbursed = \$ 0.00.

**Box D.** Title IV loans that could have been disbursed = \$ 0.00.



**Box E.** Total Title IV aid disbursed for the payment period =  $A + B = 3,906.50 + 0.00$   
= \$ 3,906.50.

**Box F.** Total Title IV grant aid disbursed and could have been disbursed for the payment period  
=  $A + C = 3,906.50 + 0.00 = \$ 3,906.50$ .

**Box G.** Total Title IV aid disbursed and could have been disbursed for the payment period  
=  $A + B + C + D = 3,906.50 + 0.00 + 0.00 + 0.00 = \$3,906.50$

## Step 2: Percentage of Title IV Aid Earned

Though it is not a school that is required to take attendance, LSDJ has a school policy of using a student's last date of attendance at an academically related activity as the withdrawal date when a student withdraws from a program offered in modules.

The total number of days in the payment period is the original 108 days. While the student did not begin module three, since Thompson was enrolled in module three as of LSDJ's R2T4 Freeze Date (September 10), module three is considered to have been used to determine the amount of Thompson's eligibility for Title IV, HEA funds, and therefore, the days from module three are included in the denominator.

The total number of completed calendar days in the period reflects the completed days in modules one, two, and four. From the previous Title IV return calculation, we know that Thompson completed 54 days in modules one and two. He completed 13 days in module 4 (22 days less the 9-day scheduled break). The total number of days completed (the days completed in modules one, two, and four) are the sum of the days completed during each period or 67 days (54 + 13).

1. Payment Period start date = August 22.
2. Payment Period end date = December 16.
3. Date of withdrawal = December 5.
4. Percentage of payment period completed
  - Number of calendar days completed in modules one, two, and four = 67
  - Number of calendar days in the payment period = 108 (117 – 9-day scheduled break)
  - $67 \text{ days} \div 108 \text{ days} = 0.62$ . Percentage of payment period completed = 62.0%

**Box H.** Because this percentage is greater than 60%, the percentage of Title IV aid earned = 100.0%. Note that although no return is required, the school must complete Step 3 in order to determine whether 100% of his aid has been disbursed or Thompson was due a post-withdrawal disbursement.

Percentage of Title IV aid earned = 100.00%

## Step 3: Amount of Title IV Aid Earned by the Student

**Box I.**  $100.0\%$  (percentage of Title IV aid earned from Box H) X \$3,906.50. (Total of the Title IV aid disbursed and could have been disbursed for the payment period or period of enrollment from Box G) = \$3,906.50.

Amount of Title IV aid earned by the student = \$3,906.50.

No further action is necessary.

# Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program

Student's Name	Thompson Hunter	Social Security Number	Example 7
Date form completed	12 / 06 /	Date of school's determination that student withdrew	12 / 05 /
Period used for calculation (check one)	<input checked="" type="checkbox"/> Payment period <input type="checkbox"/> Period of enrollment		

*Monetary amounts should be in dollars and cents (rounded to the nearest penny).  
When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)*

## STEP 1: Student's Title IV Aid Information

Title IV Grant Programs	Amount Disbursed	Amount that Could Have Been Disbursed	E. Total Title IV aid disbursed for the period.
1. Pell Grant	2081.50		A. 3906.50
2. FSEOG	1825.00		+ B.
3. TEACH Grant			E. \$ 3906.50
4. Iraq and Afghanistan Service Grant			
	A. 3906.50 <small>Subtotal</small>	C.	F. Total Title IV grant aid disbursed and that could have been disbursed for the period.
			A. 3906.50
			+ C.
			= F. \$ 3906.50
			G. Total Title IV aid disbursed and that could have been disbursed for the period.
			A. 3906.50
			B.
			C.
			+ D.
			= G. \$ 3906.50

  

Title IV Loan Programs	Net Amount Disbursed	Net Amount that Could Have Been Disbursed	G. Total Title IV aid disbursed and that could have been disbursed for the period.
5. Unsubsidized Direct Loan			A. 3906.50
6. Subsidized Direct Loan			B.
7. Direct Grad PLUS Loan			C.
8. Direct Parent PLUS Loan			+ D.
	B.	D.	= G. \$ 3906.50
	<small>Subtotal</small>	<small>Subtotal</small>	

## STEP 2: Percentage of Title IV Aid Earned

08 / 22 /	12 / 16 /	12 / 5 /	
<b>Start date</b>	<b>Scheduled end date</b>	<b>Date of withdrawal</b>	

A school that is not required to take attendance may, for a student who withdraws without notification, enter 50% in Box H and proceed to Step 3. Or, the school may enter the last date of attendance at an academically related activity for the "withdrawal date," and proceed with the calculation as instructed. For a student who officially withdraws, enter the withdrawal date. LESS 9-DAY SCHEDULED BREAK

**H. Percentage of payment period or period of enrollment completed**  
Divide the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of five days or more **AND** days that the student was on an approved leave of absence).

67	÷	108	=	62.0	%
<small>Completed days</small>		<small>Total days</small>			

- ▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.
- ▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

**H. 100.0 %**

## STEP 3: Amount of Title IV Aid Earned by the Student

Multiply the percentage of Title IV aid earned (Box H) by the Total Title IV aid disbursed and that could have been disbursed for the period (Box G).

100.0	%	X	3906.50	=	I. \$ 3906.50
<small>Box H</small>			<small>Box G</small>		

## STEP 4: Title IV Aid to be Disbursed or Returned

- ▶ If the amount in Box I is greater than the amount in Box E, go to Item J (post-withdrawal disbursement).
- ▶ If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).
- ▶ If the amounts in Box I and Box E are equal, **STOP**. No further action is necessary.

**J. Post-withdrawal disbursement**  
From the Amount of Title IV aid earned by the student (Box I) subtract the Total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

	-		=	J. \$	.
<small>Box I</small>		<small>Box E</small>			

**Stop here**, and enter the amount in "J" in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet).

Step 4 continued ▶

## CASE STUDY 8: ELI KRAUT

*Here is an example of when a student receiving Title IV grants and loans officially withdraws and is not scheduled to return within 60 days. The school utilizes a nonterm program structure, measures academic progress in credit hours and performs its Title IV return calculations on a payment period basis.*

### Learning Objectives

Learn to complete Steps 1–10 of the Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program worksheet, and be able to:

- determine whether or not a student must be considered a withdrawal;
- determine if it is necessary, and if so, recalculate the student’s eligibility for Pell and Campus-Based funds;
- determine the total number of days the student was in attendance, and the numerator and denominator when calculating the percentage of the payment period completed;
- calculate the percentage of the payment period the student completed, and both the percentage and the amount of Title IV aid earned by the student;
- determine either that the student is due a post-withdrawal disbursement (PWD) of Title IV aid or that Title IV aid must be returned; and
- determine the amount to be offered to the student or returned.

#### School Profile

The Giant School of Sports Medicine (GSSM) is a private, for profit institution that utilizes a nonterm program structure and measures academic progress in credit hours.

Academic Year/ Period of Enrollment	24 credits/ 32 weeks
Payment Period	12 credit hours/4 courses each 4 weeks long/16 weeks
Period Start Date	August 1
Period End Date	November 18
Institutionally Scheduled Break	No
Required to Take Attendance	No
Period Used in Return Calculation	Payment Period

**School Profile, continued**

Course structure within payment period includes:

Start	End
August 1	August 26
August 29	September 23
September 26	October 23
October 26	November 18

**Student Profile**

Eli Kraut is a dependent, fourth-year student enrolled in four courses at GSSM for 12 credits throughout the payment period. In each payment period, a student enrolls in four courses that begin and end on fixed dates. In Eli’s case, each course is worth three credits.

Charges to Eli’s account for the payment period are as follows:

Tuition and fees                      \$            3,200.00/12 credits

School Authorized to Credit  
 Account for Other Charges:                      Yes (all charges)

Eli’s financial aid package is based on the following nine month academic year cost of attendance (COA).

Tuition	\$	6,400.00
Room	\$	3,200.00
Board	\$	3,200.00
Books	\$	1,600.00
Personal Expenses	\$	3,200.00
Travel	\$	800.00
		800.00
Total COA	\$	18,400.00

**Student Profile, Continued**

Eli's financial aid package included the following **annual** awards:

Pell Grant	\$	5,550.00
FSEOG	\$	4,000.00
Subsidized Direct Loan	\$	5,500.00
Federal Work Study (FWS)	\$	3,350.00

Except for his FWS award, all of Eli's financial aid for the first payment period (one-half his annual awards) was disbursed on the first day of classes.

**Discussion**

On the first day of the period, August 1, Eli received the following disbursements to his student account (school uses the aggregate method to match FSEOG):

Pell Grant	\$	2,775.00
FSEOG	\$	2,000.00
Net Subsidized Direct Loan	\$	2,700.00

On August 25, Eli comes to see you. He tells you that his twin brother, Jake, has just won an all-expenses paid Mediterranean cruise for two and has invited Eli to accompany him on the cruise. Eli has decided not to miss this chance of a lifetime. He intends to drop courses two and three, and return for the original fourth course on October 26. On August 26, Eli completes his first course and withdraws.

Under 34 CFR 668.22(l)(6), a program is “offered in modules” if the program uses a standard term or nonstandard-term academic calendar, is not a subscription-based program, and a course or courses in the program do not span the entire length of the payment period or period of enrollment. Based upon the Department’s new definition of a program offered in modules established in the September 2, 2020 final regulations, GSSM’s nonterm program is NOT considered a program offered in modules. Therefore, none of the R2T4 module requirements apply, including the withdrawal exemptions associated with modules.

**Note:** CFR 34 668.22(a)(2)(i)(D) provides that a student in a nonterm or subscription-based program is considered to have withdrawn for Title IV purposes if the student is unable to resume attendance within a payment period or period of enrollment for more than 60 calendar days after ceasing attendance, unless the student is on an approved leave of absence.

34 CFR 668.22(a)(2)(ii)(A)(5) provides that, for a nonterm program, a student is not considered to have withdrawn if the institution obtains written confirmation from the student at the time that would have been a withdrawal of the date that he or she will resume attendance, and that date is no later than 60 calendar days after the student ceased attendance.

The course in which Eli will be returning does not start until October 26. That is 61 days from August 26, the end of the first course. Therefore, in Eli’s case, since he is unable to provide written confirmation to return within 60 days after ceasing attendance, GSSM must treat Eli as a withdrawal.

Because Eli failed to begin attendance in all of the classes on which his Title IV aid was based, before performing the required Return calculation GSSM must recalculate Eli’s eligibility for Title IV funds based on his enrollment in just the one course he began—three credits, or less than half time.

**Note:** Pell Grant awards for students in clock-hour programs and programs without terms are always based on the *Payment Schedule for Determining Full-Time Awards*. Therefore, a school does not have to recalculate a Pell Grant when a student attending a nonterm program or clock-hour program withdraws.

The school does have to recalculate Eli’s eligibility for Campus-Based aid (FSEOG and FWS), eliminating the costs attributable to the courses that he did not begin attending, to see whether a reduction of the Campus-Based aid was necessary. After eliminating the expenses associated with the period of non-attendance, the school determined that the COA (for Campus-Based purposes) associated with Eli’s enrollment in the first course was \$2,600.00. The loan funds that Eli had already received (and for which his eligibility does not have to be recalculated—\$2,700.00) plus his Pell Grant (\$2,775.00), plus the \$500.00 in FWS Eli has earned to date equal \$5,975.00. Since \$5,975.00 exceeds Eli’s revised COA of \$2,600.00, the aid officer determined that Eli was not eligible for any FSEOG funds, so the school had to reduce Eli’s FSEOG award to \$0.00 and either award the \$2,000.00 in FSEOG funds to another eligible student or return them to ED. Note that Pell Grants and earned FWS funds are never reduced to address an overpayment.

**Note:** Any time a student changes his or her enrollment status, the school must recalculate the student’s COA to determine if the student’s eligibility for Campus-Based funds has changed. The school may not include in the COA costs associated with any classes the student failed to begin. Moreover, when a student enrolled in a clock-hour or nonterm program withdraws, a school that calculates Returns on a period of enrollment basis may not include costs associated with any future payment period for which the student has not confirmed attendance at the time of withdrawal and that does not start within 60 days in the student’s COA.

GSSM performed an R2T4 calculation using Eli’s last day of attendance of August 26 as his withdrawal date; \$2,775.00 as the amount of Pell Grant disbursed; \$0.00 as the amount of FSEOG funds disbursed; and \$2,700.00 as the amount of Subsidized Direct Loan funds disbursed. On September 4, GSSM returned the funds for which it was responsible to the appropriate programs.

### Solution

Eli’s withdrawal date is his last day of attendance at an academically related activity as determined from the school’s attendance records, August 26.

At the beginning of the payment period, the following awards were posted to Eli’s account at GSSM.

Pell Grant	\$	2,775.00
FSEOG	\$	2,000.00
Net Subsidized Direct Loan	\$	2,700.00

**Step 1: Student's Title IV Aid Information****Box A.** After recalculation, the Title IV grant aid disbursed was

Pell Grant	\$	2,775.00
FSEOG	\$	0.00

**A. =** \$ 2,775.00

**Box B.** Net Title IV loans disbursed

Subsidized Direct Loan	\$	2,700.00
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**B. =** \$ 2,700.00

**Box C.** Title IV grants that could have been disbursed = \$ 0.00.**Box D.** Title IV loans that could have been disbursed = \$ 0.00.

**Box E.** Total Title IV aid disbursed for the payment period =  $A + B = 2,775.00 + 2,700.00$   
= \$ 5,475.00.

**Box F.** Total Title IV grant aid disbursed and could have been disbursed for the payment period  
=  $A + C = 2,775.00 + 0.00 = \$ 2,775.00$ .

**Box G.** Total Title IV aid disbursed and could have been disbursed for the payment period  
=  $A + B + C + D = 2,775.00 + 2,700.00 + 0.00 + 0.00 = \$5,475.00$ .

**Step 2: Percentage of Title IV Aid Earned**

For Title IV purposes, Eli's withdrawal date is August 26, the day he dropped his second and third courses and notified the school that he would not be returning until the start of his fourth course (61 days after ceasing attendance).

1. Payment Period start date = August 1.
2. Payment Period end date = November 18.
3. Date of withdrawal = August 26.
4. Percentage of payment period completed
  - Number of calendar days completed = 26
  - Number of calendar days in the payment period = 110
  - $26 \text{ days} \div 110 \text{ days} = 0.2363$ . Percentage of payment period completed = 23.6%

**Box H.** Because this percentage is less than or equal to 60%, the percentage of Title IV aid earned in Box H = 23.6%.

### Step 3: Amount of Title IV Aid Earned by the Student

**Box I.** 23.6% (percentage of Title IV aid earned from Box H)  $\times$  \$5,475.00 (Total of the Title IV aid disbursed and could have been disbursed for the payment period or period of enrollment from Box G) = \$1,292.10. Amount of Title IV aid earned by the student = \$1,292.10.

$$I. = \qquad \qquad \qquad \$1,292.10$$

### Step 4: Total Title IV Aid to be Disbursed or Returned

**Box J.** Because the total Title IV aid earned (Box I) is less than the total Title IV aid disbursed (Box E), no post-withdrawal disbursement is due, and we proceed to Box K.

Post-withdrawal disbursement = N/A.

**Box K.** Because the total Title IV aid disbursed (Box E) is greater than the total Title IV aid earned (Box I) Title IV aid must be returned.

$$\$5,475.00 \text{ (Box E)} - \$1,292.10 \text{ (Box I)} = \$4,182.90. \text{ Title IV Aid to be returned} = \$4,182.90.$$

$$K. = \qquad \qquad \qquad \$4,182.90.$$

### Step 5: Amount of Title IV Aid Due from the School

**Box L.** The institutional charges on Eli’s account are the charges initially assessed for the payment period. Note that books and supplies are not included because Eli had an opportunity to purchase them elsewhere, and did.

Tuition and fees	\$	3,200.00
Room	\$	1,600.00
Board	\$	1,600.00
Box L =	\$	6,400.00

**Box M.** Subtract the percentage of Title IV earned from Box H (23.6%) from 100.0%.  
 $100\% - 23.6\% = 76.4\%$ . Percentage of Title IV aid unearned = 76.4%.

$$M = \qquad \qquad \qquad 76.4\%$$

**Box N.** Calculate the amount of unearned charges. \$6,400.00 (institutional charges from Box L)  $\times$  76.4% (% of Title IV aid unearned from Box M) = \$4,889.60. Amount of unearned institutional charges = \$4,889.60.

$$N = \qquad \qquad \qquad \$ \qquad 4,889.60$$



**Box O.** Compare the amount of Title IV aid to be returned (Box K) to unearned institutional charges (Box N), and enter the lesser amount in Box O.

Box K =	\$	4,182.90
Box N =	\$	4,889.60

Amount of unearned Title IV aid due from the school = \$4182.90.

**O =** \$ 4,182.90

### STEP 6: Return of Funds by the School

**Box P.** The amount of unearned Title IV aid due from the school is \$4182.90 (Box O), and Title IV loans are returned before Title IV grants. Since Eli received a Net Subsidized Direct Loan of \$2,700.00, the school returns the entire \$2,700.00 to the Direct Loan Program.

The school also returns \$1,482.90 (\$4182.90 [from Box O] – \$2,700.00 [from Box P]) to the Pell Grant Program.

The school must return any unearned funds within 45 days from the date of the institution's determination that Eli withdrew.

### STEP 7: Initial Amount of Unearned Title IV Aid Due from Student

**Box Q.** Subtract the amount of Title IV aid the school must return (\$4,182.90 from Box O) from the total amount of Title IV aid that is to be returned (\$4,182.90 from Box K) to find the initial amount of Title IV aid due from the student.  $\$4,182.90 - \$4,182.90 = \$0.00$ .

**Q =** \$ 0.00

There is no unearned aid due from the student, so the Title IV return calculation ends here.



<b>Student's Name</b> <span style="border: 1px solid black; padding: 2px 20px;">Eli Kraut</span>	<b>Social Security Number</b> <span style="border: 1px solid black; padding: 2px 20px;">Example 8</span>
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**STEP 4: Aid to be Disbursed or Returned CONTINUED**

From the Total Title IV aid disbursed for the period (Box E) subtract the amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned.

5475.00	-	1292.10	=	<b>K.\$</b>	4182.90
Box E		Box I			

  

**STEP 5: Amount of Unearned Title IV Aid Due from the School**

**L. Institutional charges for the period**

Tuition	3200.00
Room	1600.00
Board	1600.00
Other	
Other	
Other	

**Total Institutional Charges** = **L.\$** 6400.00  
*(Add all the charges together)*

**M. Percentage of unearned Title IV aid**

100% - 23.6 % = **M.** 76.4 %

Box H

**N. Amount of unearned charges**

Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).

6400.00	X	76.4 %	=	<b>N.\$</b>	4889.60
Box L		Box M			

**O. Amount for school to return**

Compare the amount of Title IV aid to be returned (Box K) to amount of unearned charges (Box N), and enter the lesser amount.

**O.\$** 4182.90

  

**STEP 6: Return of Funds by the School**

The school must return the unearned aid for which the school is responsible (Box O) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

Title IV Programs	Amount for School to Return
1. Unsubsidized Direct Loan	
2. Subsidized Direct Loan	2700.00
3. Direct Grad PLUS Loan	
4. Direct Parent PLUS Loan	
<b>Total loans the school must return = P.\$</b> 2700.00	
5. Pell Grant	1482.90
6. Iraq and Afghanistan Service Grant	
7. FSEOG	
8. TEACH Grant	

  

**STEP 7: Initial Amount of Unearned Title IV Aid Due from the Student**

From the amount of Title IV aid to be returned (Box K) subtract the Amount for the school to return (Box O).

4182.90	-	4182.90	=	<b>Q.\$</b>	0.00
Box K		Box O			

▶ If Box Q is ≤ zero, **STOP**. If greater than zero, go to Step 8

  

**STEP 8: Repayment of the Student's loans**

From the Net loans disbursed to the student (Box B) subtract the Total loans the school must return (Box P) to find the amount of Title IV loans the student is still responsible for repaying (Box R).

These loans consist of loans the student has earned, or unearned loan funds the school is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower's promissory note.

	-		=	<b>R.\$</b>	
Box B		Box P			

▶ If Box Q is less than or equal to Box R, **STOP**. The only action a school must take is to notify the holders of the loans of the student's withdrawal date.

▶ If Box Q is greater than Box R, proceed to Step 9.

  

**STEP 9: Grant Funds to be Returned**

**S. Initial amount of Title IV grants for student to return**

From the initial amount of unearned Title IV aid due from the student (Box Q) subtract the amount of loans to be repaid by the student (Box R).

	-		=	<b>S.\$</b>	
Box Q		Box R			

**T. Amount of Title IV grant protection**

Multiply the total of Title IV grant aid that was disbursed and that could have been disbursed for the period (Box F) by 50%.

	X	50%	=	<b>T.\$</b>	
Box F					

**U. Title IV grant funds for student to return**

From the Initial amount of Title IV grants for student to return (Box S) subtract the Amount of Title IV grant protection (Box T).

	-		=	<b>U.\$</b>	
Box S		Box T			

▶ If Box U is less than or equal to zero, **STOP**. If not, go to Step 10.

  

**STEP 10: Return of Grant Funds by the Student**

Except as noted below, the student must return the unearned grant funds for which he or she is responsible (Box U). The grant funds returned by the student are applied in order as indicated, up to the amount disbursed from that grant program minus any grant funds the school is responsible for returning to that program in Step 6.

**Note that the student is not responsible for returning funds to any program to which the student owes \$50.00 or less.**

Title IV Grant Programs	Amount To Return
1. Pell Grant	
2. Iraq and Afghanistan Service Grant	
3. FSEOG	
4. TEACH Grant	

