

### 13.1 Return to Title IV Policy Process Overview

This policy explains how the Return of Title IV funding is processed when a recipient of financial aid ceases to be enrolled (100% withdrawal) at DU prior to the end of a term for which they were enrolled. Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that he/she was originally scheduled to receive. Students are considered withdrawn from classes when they do not complete their scheduled enrollment. Federal regulations require DU to determine the percentage of the period the student has completed, and whether funds must be returned based on that percentage. DU must determine the earned and unearned portions of Title IV aid as of the date a student ceased attendance based on the amount of time the student spent in attendance. Assuming a student has completed all requirements for their Title IV aid to disburse (and any federal loans were certified before the student's withdrawal date) then, up through the 60% point in each term, a pro rata schedule is used to determine the amount of Title IV funds a student has earned at the time of their withdrawal. If a student withdraws after the 60% mark/date in a term, they have earned 100% of the Title IV funds they were scheduled to receive during the period. Students that withdraw prior to the term beginning or never attended the term for which they received Title IV aid are not entitled to receive any of said aid thereby requiring DU to return all monies disbursed for that term. DU is not required to perform R2T4 for those students who withdraw that were not packaged with Title IV aid, however up to the discretion of the institution can complete processes for institutional aid.

#### Exceptions for R2T4 calculations:

A return calculation is also not required if a student:

- Continues to attend at least one Title IV-eligible class
- Did not receive, and is not eligible to receive, any Title IV aid
- Has only received, or is eligible to only receive, Federal Work-Study funds

#### Aid Included in R2T4 Calculation

- Federal Pell Grant
- Iraq and Afghanistan Service Grant
- SEOG
- Teach Grant
- Direct Subsidized loan (net disbursement)
- Direct Unsubsidized loan (net disbursement)
- Perkins loan (net disbursement)
- Direct Plus loan (net disbursement)

### 13.2 Establishing Withdrawal Date

The Office of the Registrar at the University of Denver determines the withdrawal date based upon one of the following:

- official notice provided by the student in the form of intent to withdrawal via in person, written communication, or forms submitted by pioneerweb portal
- notification of non-attendance via online enrollment tools or professor contact
- documented last dates of academic attendance or attendance in academically-related activities by online class participation or verbal or written communication by faculty

### 13.3 R2T4 Formula Calculation

In the Office of Financial the processing of R2T4 involves at least three individual Financial Aid staff members who review the student's withdrawal information as a ticket that is provided through the R2T4 Process Workflow.

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

##### a. Disbursed & Potentially Disbursed Aid

- i. Total the amount of Title IV grant money *disbursed* to the student = A
- ii. Total the amount of Title IV grant money *could have disbursed* to the student = C
- iii. Total the amount of net federal loan money *disbursed* to the student = B
- iv. Total the amount of net federal loan money that *could have disbursed* to the student = D

##### b. Summations

- i. Total the amount of Title IV grant and net federal loan money *disbursed* to the student = E
- ii. Total the amount of Title IV grant money *disbursed* to the student & the total the amount of Title IV grant money *that could have disbursed* to the student = F
- iii. Total the amount of Title IV grant and net federal loan money *disbursed* to the student and that *could have disbursed* to the student for the period = G

## Step 2. Percentage of Title IV Aid Earned

- a. Divide the calendar days completed by the student in the period by the total calendar days in the period = H (> 60% = 100%)

## Step 3. Amount of Title IV Aid Earned by student

- a. Multiply the percentage of Title IV aid earned (H) by the Total Title IV aid disbursed and that could have been disbursed for the period (C) = I

## Step 4. Title IV Aid to be Disbursed or Returned

- a. If "I" = "E" no further action is necessary
- b. If "I" > "E" student is eligible for a post-withdrawal disbursement (PWD)
  - i. Subtract "E" from "I" = PWD amount (J)
- c. If "I" < "E" title IV aid needs to be returned
  - i. Subtract "I" from "E" = amount to be returned (K)

## **Institutional Return Responsibility vs. Student Return Responsibility**

The responsibility of returning Title IV funding may rest with the university, with the student, or both. The deciding factors in determining return responsibility are the amount of title IV aid that needs to be returned and the institutional charges posted to a student's account before they withdrew. An exception to this rule during calculation exists for prior to Term Withdrawals. In those cases, all disbursed Title IV aid must be returned by the *institution* (Reference 34 CFR 668.21).

## Step 1. School's Return Responsibility

- a. Total the institutional charges posted to a student account before their withdrawal date =L
- b. Subtract "H" from 100% = % of unearned aid (M)
- c. Multiply "L" by "M" = amount of unearned charges (N)
- d. School's return responsibility is the lesser amount represented by "K" or "N" = O
  - i. If the school has to return money the amount will be deducted from the students awards which may leave with a balance at DU.

## Step 2. Student's Return Responsibility

- a. Student's return responsibility is "K" minus the school's return responsibility amount (O) = P
  - i. If the student has to return grant money DU will cancel the funds and the student could be left with balance at DU

ii. If the student has to return loan money they can repay it like they would have if they never withdrew

**Types of Withdrawals Codes specific to DU**

<b>Withdrawal Label</b>	<b>Code</b>	<b>Guidelines for Federal Aid</b>	<b>Guidelines for Institutional/State Aid</b>
Prior to Term Withdrawal	07	Title IV money is returned 100% if disbursed Student is never eligible for a PWD Title IV aid should be cancelled for subsequent quarters if student is not enrolled	Institutional charges should be backed off 100% so institutional aid should also be backed off 100%
Official Withdrawal Within the Term	04	Regardless of the percentage of the term that was completed, a R2T4 calculation needs to be performed in RPATIVC. Institutional charges assessed <i>before</i> the student withdrew is a part of the R2T4 calculation. Therefore, adjustments made to DU charges on/after the effective date of a student's withdrawal do not affect the calculation of their earned Title IV aid.	The % of charges assessed at the time of a R2T4 review should be multiplied by each of their total DU grants and scholarships to assess their eligibility for institutional aid. In general, DU does not allow a student to receive a refund of DU funding after they withdrawn from the university so amounts of institutional aid should be adjusted accordingly. Students with approved tuition appeals after the R2T4 calculation has been completed on their account will have their institutional aid eligibility re-evaluated through the suspicious refund workflow. State aid should be adjusted similar to institutional aid with the exception of COF

			<p>which does not need to be reduced (however any amount disbursed will count towards the student's lifetime eligibility limits)</p>
<p>Unofficial Withdrawal (Dismissal)</p>	<p>05</p>	<p>If the school administratively withdraws a student (e.g. expels, suspends or cancels the student's registration) who has not notified the school of his or her intent to withdraw, the possible date of withdrawal for the student is the date the school terminates the student's enrollment. However, an institution may not artificially create a withdrawal date for such a student that is beyond the midpoint of the period by simply choosing to withdraw the student after the midpoint. Of course, if the school can document that the student continued his or her attendance past the point the school can use the later date. Institutional charges assessed before the student withdrew is a part of the R2T4 calculation. Therefore, adjustments made to DU charges on/after the effective date of a student's withdrawal do not affect the calculation of their earned Title IV aid.</p>	<p>The % of charges assessed at the time of a R2T4 review should be multiplied by each of their total grants and scholarships to assess their eligibility for institutional aid.</p> <p>In general, DU does not allow a student to receive a refund of DU funding after they withdrawn from the university so amounts of institutional aid should be adjusted accordingly. Students with approved tuition appeals after the R2T4 calculation has been completed on their account will have their institutional aid eligibility re-evaluated through the suspicious refund workflow.</p> <p>State aid should be adjusted similar to institutional aid with the exception of COF which does not need to be reduced (however any amount disbursed will count towards the student's lifetime eligibility limits)</p>
<p>Unofficial Withdrawal (Failure to Earn Passing Grades)</p>	<p>06</p>	<p>If a student fails to receive passing grades for a term and no last date of attendance (LDA) has been provided by their instructor(s), then R2T4 calculations will assume the</p>	<p>The % of charges assessed at the time of a R2T4 review should be multiplied by each of their total grants and scholarships to assess their</p>

		<p>student attended at least 50% of the term when calculate their Title IV eligibility</p> <p>If a LDA is provided, that date will be used during R2T4 to determine the student's % of Title IV aid earned. If one instructor reports that the student attended through the end of the period, then the student is not a withdrawal. In the absence of evidence of a last day of an academically related activity attendance, a school must consider a student who failed to earn a passing grade in all classes to be an unofficial withdrawal.</p>	<p>eligibility for institutional aid.</p> <p>In general, DU does not allow a student to receive a refund of DU funding after they withdrawn from the university so amounts of institutional aid should be adjusted accordingly. Students with approved tuition appeals after the R2T4 calculation has been completed on their account will have their institutional aid eligibility re-evaluated through the suspicious refund workflow.</p> <p>State aid should be adjusted similar to institutional aid with the exception of COF which does not need to be reduced (however any amount disbursed will count towards the student's lifetime eligibility limits)</p>
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### **General Tenets of R2T4 Processing**

- If Title IV funding is disbursed to a student and the disbursed amount exceeds the amount a withdrawn student actually earned, the unearned funds must be returned.
- If Title IV funding is disbursed to a student and the amount disbursed is less than the amount a withdrawn student actually earned, the student may be eligible to receive a post-withdrawal disbursement of the earned aid that was not received.
- DU fulfills its return responsibility by returning student's financial aid directly back to the DOE. This is done as soon as possible but no later than 45 days after determining the student has withdrawn
- (Up to 60% of the term) The higher the % of term completed = the less total T4 aid needs to be returned
- If total aid disbursed + aid that could have disbursed  $\leq$  institutional charges, school is responsible for 100% of required returned amount
- If total aid disbursed + aid that could have disbursed  $>$  institutional charges, school's responsibility of required return amount = [(total institutional charge amount prior to

withdraw date/( total aid disbursed + aid that could have disbursed)) X required return amount)]

- Therefore - The larger the (positive) difference between (total of aid disbursed + aid that could have disbursed) and the student's institutional charges = smaller % of return amount DU is responsible for returning
- Institutional Charges
- Institutional charges generally are defined as the charges for tuition and fees, room and board, and certain other educational expenses that are paid to a school directly.
- All tuition, fees, room and board, and other educationally-related charges a school assess a student are institutional charges, unless demonstrated otherwise. If you want to exclude specific charges or costs from a calculation, you must document that the charges are not institutional charges.
- If a fee is required for all student in a program, then the fee should be considered an institutional charge (does not have to appear on a student's account)
- i.e. LEP program fee should be considered an institutional charge
- i.e. Health & Counseling fee for graduate students is not considered an institutional charge because it is "waivable"

#### **Institutional charge categories examples:**

- Tuition
- Fees
- Room and Board (if contracted with the school)
- Expenses for required course materials (books, kits, tools, supplies, etc.) if the student does not have a real and reasonable opportunity to purchase them from any place but the school

#### **Non-Institutional charge categories examples:**

- Charges to a student's account for group health insurance fees if the insurance is required for all students and the coverage remains in effect for the entire period for which the student was charged, despite the student's withdrawal
- Charges to a student's account for discretionary, educationally related expenses (e.g. parking or library fines, the cost of athletic or concert tickets, etc.)
- Institutional charges used in the calculation usually are the charges that were initially assessed the student for the entire payment period/period of enrollment.
- Initial charges may only be adjusted by those changes the institution made prior to the student's withdrawal (example: for a change in enrollment status unrelated to the withdrawal)

### **13.4 Post Withdrawal Disbursement**

Post-withdrawal disbursements are required when a student has completed all necessary forms, was enrolled at time of disbursement or earned more Title IV aid than received. A student is then entitled to receive their full aid eligibility based on the earned percentage. The institution has up to 45 days to disburse any grant funding to the student. If a post withdrawal disbursement is identified the student is then notified via email by an official Financial Aid

staff member of their additional aid eligibility. Loans must be offered to the student within 30 days, allowing the student at least 14 days to respond. This request is tracked via the post-withdrawal tracking sheet for a total of 14 calendar days in order to make an eligible disbursement. The notification is clear that the student or parent must respond within the 14 calendar days in order to be eligible for disbursement. If notified after the 14 calendar days DU is not responsible for making any post-withdrawal disbursements.

All post-withdrawal disbursements are applied to the student account first, and any resulting credit balance on the student's account must be disbursed as soon as possible and no later than 14 days after the calculation of R2T4.

### **13.5 Returning of Unearned Funds**

Loan Processor is responsible for double checking R2T4 calculation for accuracy of institutional return responsibility and student return responsibility based on aid earned. Institutional aid is prorated by the first reviewer based on tuition charges. Funds should be returned in this order (based on what types of aid the student receives) until the total net amount to be returned is achieved:

1. Direct Unsubsidized loan
2. Direct Subsidized loan
3. Direct Plus loan
4. Federal Pell Grant
5. Iraq-Afghanistan Student Grant
6. Federal Supplemental Educational Opportunity Grant (SEOG)
7. TEACH Grant

#### **13.5.1 Overpayment Resolution**

The Office of Financial Aid processes the return of funds on behalf of the student who owes an overpayment, differently depending on fund type. In the situation where Pell Grant or SEOG Grant was over paid the Office of Financial Aid will resolve the overpayment by returning funds and billing the student accordingly. In regards to student loans, the institutions loan processor will notify the student of the overpayment, and give the student the option of DU returning the funds on behalf of the student and therefore having a balance with the institution or the option to reaffirm the debt by signing and agreeing that as the student they acknowledge they received more funding that eligible and have sole responsibility of repaying the debt.

In the event an overpayment is returned on behalf of the student, and a balance is created the student is responsible for paying the balance back to the institution. The ramifications concerning institutional services if the balance is not paid are as follows:

8. The student will receive a bill on the first of each month following the institutional balance created

9. If the balance is not paid by the 22<sup>nd</sup> of the month billed the student will receive a late fee on the first of the month until the bill has been paid
10. A hold will go on a student's account by the first of the month the bill is unpaid that will prevent any future registration or requests of official transcripts
11. A student will not receive any future Title IV disbursements unless the student is enrolled at least part time and is eligible to receive federal funds.

### **CARES Act Waiver Flexibility**

Section 3508 of the CARES Act directs the Secretary to waive the statutory requirement for institutions to return Title IV funds as the result of student withdrawals related to a qualifying emergency. For any student who begins attendance in a payment period or period of enrollment that includes March 13, 2020, or begins between March 13 and the later of December 31 or the last date that the national emergency is in effect, and subsequently withdraws from the period as a result of COVID-19-related circumstances, an institution is not required to return Title IV funds. This includes all Direct Loans (subsidized unsubsidized, graduate PLUS, and Parent PLUS).

**If the student withdrew for other reasons not related to COVID-19**, the above guidance does not apply. The school performs the R2T4 calculation under normal R2T4 rules under [668.22](#) that are unrelated to COVID-19. The student does not qualify for the COVID-related withdrawal benefits, such as Direct Loan disbursement cancellation or restoration of Pell Grant Lifetime Eligibility Used (LEU).

Allowable circumstances for the attestation include, but are not limited to:

- Illness of the student or family member;
- Need to become a caregiver or first responder;
- Loss of childcare;
- Economic hardship;
- Inability to access wi-fi due to closed facilities; or
- An increase in work hours as a result of the COVID-19 emergency.