



CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS ADMINISTRATIVE POLICY MANUAL

Student Affairs

Approved By: Richard R. Rush
President

Policy Number: SA.10.012

Effective Date: 10/28/08

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Policy on Return of Title IV Funds

PURPOSE:

Students who withdraw from the university and who have received financial aid assistance must have a Return to Title IV funds calculation completed to determine the source and funding amount that must be returned back to the awarding agency.

BACKGROUND:

This policy is required by Department of Education regulation.

- Source: Student Financial Aid Handbook
- Current reference: Award Year: 2008-2009
- Chapter: --Volume 5 – Over Award, Overpayments, & Withdrawal Calculations
- Section: --Volume 5 – Over Award, Overpayments, & Withdrawal Calculations
- Page Numbers: 179
- Policy No: HEA, Section 484B (4) CFR 668.22

POLICY:

Accountability:

Financial Aid office

Applicability:

All registered students at CSU CI receiving financial aid assistance.

Text:

Treatment of Title IV Aid When a Student Withdraw

When a student completely withdraws from the University, the Financial Aid office determines the percentage of Title IV funds to be returned and informs University Cash Services (Cashier's Office). Institutions are required to determine the percentage of Title IV aid "earned" by the student and to return the unearned portion to the appropriate aid program. This percentage is determined by the percentage of the enrollment period completed by the student, as outlined below.

- Determine the percentage of the enrollment period completed by the student.
$$\text{Days Attended} \div \text{Days in Enrollment Period} = \text{Percentage Completed}$$

If the calculated percentage exceeds 60%, then the student has "earned" all Title IV aid for the enrollment period.



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- Apply the percentage completed to the Title IV aid awarded to determine the student's eligibility for aid prior to the withdrawal.
$$\text{Total Aid Disbursed} \times \text{Percentage Completed} = \text{Earned Aid}$$
- Determine the amount of unearned aid to be returned to the appropriate Title IV aid program.
$$\text{Total Disbursed Aid} - \text{Earned Aid} = \text{Unearned Aid to be Returned}$$

If the aid already disbursed equals the earned aid, no further action is required. If the aid already disbursed is less than the earned aid, a late disbursement will be made to the student. If the aid already disbursed is greater than the earned aid, the difference must be returned to the appropriate Title IV aid program.
- Distribute the responsibility to return funds between the institution and the student.

The Financial Aid office will follow Federal regulations to determine the proportions of aid disbursed that must be returned by the institution and by the student. Both loan and grant funds must be returned. The amount of aid the student is responsible for returning will be reflected on the University bill. The student's portion of grant funds to be returned is reduced by 50%, per Federal regulations. Any refund or repayment obligation will be clearly outlined for the student in writing and will appear on the University bill.
- Return the Title IV aid, based on the type of aid disbursed, in the following order:
 1. Federal Unsubsidized Stafford Loan
 2. Federal (Subsidized) Stafford Loan
 3. [Federal Perkins Loan] *CSUCI does not participate in this program.*
 4. Federal PLUS Loan (Parent and Graduate PLUS)
 5. Federal Pell Grant
 6. Federal SEOG

EXHIBITS:

Exhibit A:

Example regarding the application of the Return of Title IV Funds policy:

The following is provided as an illustration of how the amount of earned and unearned aid is calculated by the CSUCI Financial Aid Office, as required by Federal regulation.



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Example:

A student receives the following financial aid:

Subsidized Stafford Loan:	\$1,275.00
Federal Pell Grant:	\$325.00
Total Aid:	\$1,600.00
Less Institutional Charges:	\$1,490.00
Student's Refund Check:	\$110.00

The student withdraws from CSUCI after completing 8.8% of the total semester.

- The semester began on August 18th and ended on December 16th
- The student totally withdraws on September 5th
- This is the 9th day of a semester that is 102 days long (or 8.8%)
- Federal law states that this student has "earned" 8.8% of federal aid disbursed:
- 100% of aid disbursed \$1600.00
- 8.8% of aid earned is \$140.80 thus 91.2% unearned aid is \$1459.20

CSUCI and the student will share the 91.2% of unearned aid to be returned. CSUCI's portion is determined by multiplying the total charges (\$1490.00) by the unearned percentage (91.2%) which will be **\$1358.88** (\$1162.80 Loan + \$296.40 Pell). **This will be the amount of aid returned by the institution.**

The student will be responsible for the remaining balance:

- Unearned aid \$1,459.20
- Institutional Share is \$1,358.88
- Student Share is \$100.32



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The balance of the subsidized Stafford loan, \$112.20 will be returned by the student in accordance with terms of the promissory note. The remaining \$28.60 would be returned at a 50% rate to the Federal Pell grant program. Pell Grant Overpayment is \$28.60. Multiply the total amount by .50. Amount the student owes Pell \$14.30

This student must make arrangements with the University Cash Services to repay \$14.30 to the Federal Pell Grant program within 45 days.

Exhibit B:

Consumer Information for Students Receiving Title IV Federal Aid

Repayment for Federal Unsubsidized and Subsidized Stafford Loans is to be made in accordance with the terms specified in the promissory note. The student should contact the lender if he/she has questions regarding repayment status.

If the student withdraws from the University, his/her employment under the Federal Work Study program will be terminated. The student's eligibility for future financial aid may change based on his/her withdrawal from the University and the University's *Satisfactory Academic Progress (SAP)* policy. For complete details of the SAP policy, refer to the Administrative Policy Website at <http://policy.csuci.edu/> or contact the CSUCI financial aid office.

The *Policy on Withdrawal* from the University is published in the current term *Schedule of Classes*, in the *University Catalog* or is available on-line at <http://www.csuci.edu/academics/scheduleandcatalog.htm>. It is important that students follow the exact process to withdraw from courses as outlined in the policy.

The *Change of Program* form is available from the Enrollment Center in Sage Hall or can be downloaded at http://www.csuci.edu/students/rec_reg_library.htm.

The *University Refund policy* and procedures may be found in the current term *Schedule of Classes*, in University Cash Services (Cashier's Office) located in the Enrollment Center, or available on-line at <http://www.csuci.edu/academics/scheduleandcatalog.htm>.



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Exhibit C:

Federal Student Financial Aid Handbook:

Volume 5: Chapter 2: Withdrawals and the Return of Title IV Funds

<http://www.ifap.ed.gov/sfahandbooks/attachments/0809V5Ch2.pdf>

Superseded