

**TEXAS SOUTHERN UNIVERSITY**  
**MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES**

**SECTION: Fiscal Affairs**

**NUMBER: 03.08.08**

**AREA: Billing and Collections**

**TITLE/SUBJECT: Return of Title IV Funds & Post-Withdrawal Disbursement Policy**

**I. POLICY STATEMENT**

This policy covers the return of Title IV Funds per the Department of Education's regulations.

**II. PURPOSE AND SCOPE**

This policy is to ensure that Title IV funds are handled in accordance with the Department of Education regulations as they relate to students who cease to attend the University.

**III. DEFINITIONS**

**IV. POLICY PROVISIONS**

1. The 1998 amendments to the Higher Education Act (HEA) of 1965 and subsequent regulations issued by the Department of Education (43 CFR 668.22) established a policy for the return of Title IV grant and loan funds for a student who withdraws from the institution prior to the end of the payment period. Title IV grant and loan funds include the following programs: Unsubsidized Federal Stafford Loans, Subsidized Federal Stafford Loans, Unsubsidized Direct Stafford Loans (including PLUS loans), Subsidized Direct Stafford loans, Federal Perkins loans, Federal Pell Grants, Academic Competiveness Grants, National Smart Grants, Federal Supplemental Educational Opportunity Grants – FSEOG, and Federal Teach Grants.
2. Unearned Title IV funds must be returned to the Title IV programs. If the amount earned is greater than the amount that has been disbursed, the difference is treated as a post-withdrawal disbursement to the student. Unearned funds are returned to the Title IV programs by the institution.

3. PROCEDURE

3.1. Return of Unearned Title IV Funds

Unearned Title IV grant and loan funds are to be returned if a student withdraws from the institution after beginning attendance. The amount of Title IV funds the

student earns, up to the withdrawal date, is based on a daily proration determined by dividing the total number of calendar days completed by the total number of calendar days in the term (excluding breaks of five or more consecutive days). This calculation, referred to as the R2T4, must be done up to the 60-percent point in time for the term to ensure that all unearned aid is returned. Unearned funds must be calculated and returned as soon as possible, but not later than forty-five (45) days from the determination of a student's withdrawal.

Unearned Title IV funds are returned to the Title IV programs in the following order:

- i. Unsubsidized Federal Stafford Loans
- ii. Subsidized Federal Stafford Loans
- iii. Unsubsidized Direct Stafford Loans (other than PLUS loans)
- iv. Subsidized Direct Stafford loans
- v. Federal Perkins loans
- vi. Federal PLUS loans
- vii. Direct PLUS loans
- viii. Federal Pell Grants (for which a return of funds is required)
- ix. Academic Competiveness Grants (for which a return of funds is required)
  - x. National Smart Grants (for which a return of funds is required)
- xi. Federal Supplemental Educational Opportunity Grants – FSEOG (for which a return of funds is required)
- xii. Federal Teach Grants (for which a return of funds is required)

### 3.2. Post-Withdrawal Disbursements

If a student ceases to attend after 60-percent of the term has passed, a Return to Title IV calculation must be performed to ensure that funds for which a student was eligible and had earned at the time of withdrawal but had not been disbursed are offered to the student as a post-withdrawal disbursement. Any post-withdrawal disbursement must be made within 180 days of the date the institution determines that the student withdrew.

The institution must disburse any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account as soon as possible but no later than 180 days after the date it is determined that the student withdrew. A post-withdrawal disbursement of Title IV grants does not require permission from the student. A student's permission is not required to credit a student's account with the post-withdrawal distribution for current charges for tuition, fees, and room and board up to the amount of the outstanding charges. However, the student's authorization must be obtained before crediting the account for charges other than current charges.

Written notification must be sent to the student or parent (for parent PLUS loans) within thirty (30) days of the date it is determined that the student withdrew and confirmation received before making any post-withdrawal disbursement of loan funds. The

notification must include:

- 3.2.1. A request for confirmation
- 3.2.2. A confirmation deadline of fourteen (14) days or more
- 3.2.3. The type and amount of the loan funds it wishes to credit to the student's account or disburse directly
- 3.2.4. An option to accept or decline the post-withdraw disbursement
- 3.2.5. A notice of obligation to repay the loan funds
- 3.2.6. A notice that the student or parent may not receive as a direct disbursement loan funds that the institution wishes to credit to the student's account unless the institution agrees to do so.

A post-withdrawal disbursement must be made from available grant funds before available loan funds.

### 3.3.Official Withdrawal

All students requesting to withdraw from the University for the remainder of the semester must apply to the Dean of his/her school or college for permission. The student will secure the Dean's permission and will be granted an "honorable dismissal" through the Office of the Registrar after acquiring all required signatures.

### 3.4.Unofficial Withdrawal

Students who withdrew without notification are identified by the Registrar's office as follows:

- 3.4.1. The 4th class day roster, reported as students who have ceased to or never attended,
- 3.4.2. The 12th class day roster, reported as students who have ceased to or never attended,
- 3.4.3. Mid-term deficiencies reported by the instructor,
- 3.4.4. 60% roster – student is reported by all instructors as ceased to attend and by indicating the last day of attendance, or
- 3.4.5. Final grades on all F's report

Students on "All F" report are contacted by the Financial Aid and/or Enrollment Services Department and advised to contact the Registrar's office to request a withdrawal.

### 3.5.Withdrawal Dates

The Return to Title IV calculation is performed by the Office of Student Accounting on all students who began attending but ceased to be enrolled prior to the end of the payment period (term). Those students are identified from a list of students with withdrawal dates on or after the first day of the term through the end of the term.

The withdrawal date is assigned by the Registrar’s office as follows -

- 3.5.1. For an official withdrawal:
  - The date as determined by the institution, that the student began the withdrawal process prescribed by the institution
  
- 3.5.2. For an unofficial withdraw:
  - 3.5.2.1. The mid-point of the payment period or period of enrollment;
  - 3.5.2.2. The last date of academically related activity; or
  - 3.5.2.3. The date that the institution determines is related to that circumstance if because of illness, accident, grievous personal loss, or other such circumstances beyond the student’s control; or
  - 3.5.2.4. If a student withdraws without notification, the institution will make a determination of the withdrawal date no later than thirty (30) days after the earlier of:
    - 3.5.2.4.1. The end of the payment period or period of enrollment;
    - 3.5.2.4.2. The end of the academic year; or
    - 3.5.2.4.3. The end of the student’s educational program

3.6. Title IV Credit Balances

Title IV credits are placed on hold once the institution determines that a student has withdrawn. Any Title IV credit remaining after the R2T4 calculation and resulting adjustments must be paid to the student within fourteen (14) days of the calculation.

**V. APPROVALS**

Christina Ordonez-Campos, CPA  
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 Controller

*Kenneth Huewitt*  
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 Vice President of Administration & Finance/CFO

*[Signature]*  
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 President

Effective Date \_\_\_\_\_