

RETURN OF TITLE IV FUNDS

Refund Policy for Students Who Receive Federal Financial Aid

Applicability

This refund policy applies only to all full- and part-time students enrolled in regularly scheduled courses at Worcester State who are receiving Federal Title IV Financial Aid.

This policy is mandated by federal regulation.

Withdrawal Requirements

Matriculated students who fail to take a course during a calendar year will be administratively withdrawn from Worcester State University. Students who wish to permanently withdraw from Worcester State University or take a temporary leave of absence must complete appropriate forms in the Academic Success Center. If the withdrawal or leave of absence is filed prior to the last day to withdraw from courses for the term, "W" will be recorded on the student's record. Students who file for leave of absence or withdrawal after the last day to withdraw from courses for the term may petition if they feel circumstances warrant the recording of "W" for all courses enrolled for that term. Normally, a leave of absence is for one semester; however, a student may have up to one year to return to Worcester State University. Failure to return at the specified time will result in an administrative withdrawal from Worcester State University.

Return of Federal Title IV Funds Policy

Return of Title IV Funds is based on the date a student completely withdraws from Worcester State University (WSU) as determined by the Registrar. During the first 60% of the semester a student earns Title IV funds in direct proportion to the length of time he or she remained enrolled. A student who remains enrolled beyond the 60% point earns all aid for the semester. The 50% point of the semester is used for unofficial withdrawals in cases where the last day of academic activity could not be confirmed by the faculty member.

The percentage of the semester that a student remains enrolled is derived by dividing the number of days a student remains in attendance by the number of days in a semester. Calendar days are used but breaks of at least five days are excluded from both the numerator and the denominator.

The school will perform these calculations as soon as possible but no later than 45 days from the date of the withdrawal determination. Post withdrawal disbursements must be credited back to the student within 45 days for grants. Loans will be offered to the student with 30 days which students then have 14 days to accept the loans. All credit balances are applied to the students account first before any refunds are made. If the result of the calculation creates a credit balance, the credit balance must be disbursed as soon as possible, but no later than 14 days.

Post-withdrawal Disbursements:

Federal regulations require that we notify the parent of late PLUS Loan disbursement and/or the student of late Federal Direct Student Loan disbursement. In addition, we require confirmation from the parent and/or student that they accept this late disbursement.

WSU processes a Return of Title IV Funds calculation to determine if a student is eligible for a post-withdrawal disbursement. If the student and/or parent decides to accept the late disbursement we can reinstate the loan up to 120 days from last attendance.

All Title IV returns are reversed from the student's account and refunded to the appropriate Title IV programs. The student is informed of the result of the Return of Title IV Funds via a revised award letter notification.

Title IV Funds are returned in the following order (within 45 days of the date WSU determined that the student withdrew):

Federal Direct Unsubsidized Loan

Federal Direct Subsidized Loan

Federal Perkins Loan

Federal Parent Loan

Federal Pell Grant

Federal Supplemental Educational Opportunity Grant

Other Title IV programs

See examples below.

EXAMPLE 1:

Student 1 stopped attending classes on November 8. The semester began on September 6 and is 109 days long. Student 1 attended 64 days and has earned 58.7 percent of his financial aid (64 days divided by 109 days equals 58.7).

Student 1 received in aid:

Federal Pell Grant \$1,083

Federal Direct Subsidized Loan \$1,750

Federal Direct Unsubsidized Loan \$1,000

Federal Parent Loan \$5,210

Total aid = \$9,043

1. The amount of federal aid earned is $58.7\% \times \$9,043 = \$5,308.24$
2. Total federal aid unearned is $\$9,043 - \$5,308.24 = \$3,734.76$
3. The second calculation determines percentage of amount unearned based on school charges for tuition. Student 1 was charged \$5,366 in tuition and did not live on campus. Percentage of unearned aid for this second calculation is $100\% - 58.7\% = 41.3\%$. Therefore, unearned aid based on the tuition charges for the semester, $\$5,366 \times 41.3\% = \$2,216.16$.
4. The amount of federal aid Student 1 must return is the lesser of step 2 or 3 (\$2,216.16 in our example).
5. Federal guidelines determine the order of aid types to be reduced. Therefore Student 1's aid will be reduced accordingly:

Federal Direct Unsubsidized Loan \$0 (\$1,000 returned)

Federal Direct Subsidized Loan \$534 (\$1,216 returned)

Federal Parent Loan \$5,210 (no adjustment)

Federal Pell Grant \$1,083 (no adjustment)

The total returned amount of \$2,216 will be reversed from Student 1's account and returned to the appropriate Title IV funds reducing Student 1's total aid to \$6,827.

EXAMPLE 2:

Student 2 stopped attending classes on March 1. The semester began on January 6 and is 111 days long (excluding a 5 day break). Student 2 attended 44 days and has earned 39.6 percent of his financial aid (44 days divided by 111 days equals 39.6).

Student 2 received in aid:

Federal Pell Grant \$2,907

Federal Direct Subsidized Loan \$2,250

Federal Direct Unsubsidized Loan \$1,000

Total aid = \$6,157

1. The amount of federal aid earned is $39.6\% \times \$6,157 = \$2,438.17$
2. Total federal aid unearned is $\$6,157 - \$2,438.17 = \$3,718.83$
3. The second calculation determines percentage of amount unearned based on school charges for tuition. Student 2 was charged \$3,318 in tuition and did not live on campus. Percentage of unearned aid for this second calculation is $100\% - 39.6\% = 60.4\%$. Therefore, unearned aid based on the tuition charges for the semester, $\$3,318 \times 60.4\% = \$2,004.07$.
4. The amount of federal aid Student 1 must return is the lesser of step 2 or 3 (\$2,004.07 in our example).
5. Federal guidelines determine the order of aid types to be reduced. Therefore Student 1's aid will be reduced accordingly:

Federal Direct Unsubsidized Loan \$0 (\$1,000 returned)

Federal Direct Subsidized Loan \$1,246 (\$1,004 returned)

Federal Pell Grant \$2,907 (no adjustment)

The total returned amount of \$2,004 will be reversed from Student 2's account and returned to the appropriate Title IV funds reducing Student 2's aid to \$4,153.