

# Return to Title IV

## **POLICY**

The treatment of Title IV funds is governed by the Higher Education Amendments of 1998, Section 484B 34 CFR 668.22 (*Return of Federal Funds*). The Federal Regulations require the University to determine the amount of aid a student earned based upon the length of time the student is enrolled during a payment period (semester/term). If a student completes 60% or less of the term, the percentage of the period completed is the percentage of aid earned. If a student completes at least one day beyond the first 60% of the term, the student will have earned 100% of the aid disbursed.

Eligibility for late/post-withdrawal disbursements is considered in the R2T4 and withdrawal process per Title IV guidelines (as noted in the [FSA Handbook Vol. 5](#)). Exceptions are “unofficial withdrawals” as described in this policy. In accordance with federal regulations, the Financial Aid Office will:

- perform the calculation to return funds within 30 days of a student’s withdrawal, and
- funds will be returned to the appropriate federal aid program within 45 days of the withdrawal.

Note, R2T4 regulations do not dictate the University’s institutional refund policy, which [can be found on the finance.duke.edu](http://finance.duke.edu) website.

The PeopleSoft software system utilized by Duke University monitors student enrollment, billing, and financial aid, and this system also stores the University academic calendar by program. In the PeopleSoft aid and R2T4 modules, a calculation is conducted when a student ceases *all* enrollment to determine “earned” versus “unearned” federal aid based on the date of withdrawal. Any unearned federal aid will be returned first to an Unsubsidized Direct Student Loan, Subsidized Direct Student Loan, Direct PLUS, Pell Grant, FSEOG then all other Title IV programs - in that order.

## **Return of State Funds**

Offers made by the state will be refunded to the state of North Carolina according to the state return policy. [North Carolina’s return policy is included here.](#)

## **Return of All Other Funds**

Any designated outside scholarships (private donor, civic club, etc.) will be processed as instructed by the donor. Alternative educational loans and VA Chapter 33 benefits may be applied towards any remaining balance due to the college. Any remaining alternative loan funds held by Duke University after direct costs have been paid will be returned to the borrower’s lender as a prepayment.

Spring financial aid offerings cannot be applied towards fall charges. Any remaining VA Chapter 33 funds will be refunded to the student (VA recipient). The VA recipient will be responsible for repaying, if necessary, any unearned veteran funds to Veteran Affairs. *Questions regarding VA benefits should be directed to the Registrar’s Office at Duke University.*

**Federal, state, and institutional financial aid policies are subject to change as necessary for Duke University to remain in compliance with federal and state regulations.**

## **Identification of Withdrawn Students**

Attrition notices are the official notification of a student’s withdrawal from the University. Reasons for withdrawal as well as the official withdrawal date are documented on the attrition notice. In addition, the attrition notice includes a section outlining any special circumstances for consideration.

Official withdrawal dates and reasons for withdrawal are documented by the academic dean/Time-Away Office (the Time-Away Office is a division of the Dean's office at the undergraduate level). The attrition notice is distributed via an email listserv to the appropriate parties, including financial aid, registrar, housing, dining, and student affairs. These notices are then copied into the PeopleSoft record in the student's file.

Withdrawn students are identified in a number of ways:

1. Student voluntarily withdraws and indicates their intention to withdraw in person or in writing to the Dean's Office/Time-Away Office.
2. Unofficial Withdrawal: Student neglects to come to any of their classes or stops coming to all of their classes. The faculty member informs the Dean's office of the student's absence, who will attempt to contact the student. The Dean's Office/Time-Away Office will contact the appropriate University personnel to initiate the unofficial withdrawal if the absence has extended beyond 14 days and the student has not indicated an intent to return to classes.
3. Another staff member (Psychological Counselors from Counseling Services, Residential Assistants from Housing and Academic Advisors are good examples of this) indicates to the Dean's Office/Time-Away Office that the student has expressed an interest in withdrawing and the Dean's Office/Time-Away Office follows up with the student to determine if the withdrawal process should be initiated.
4. Health professionals on campus refer students to the Dean of Students Office/Time-Away Office for whom they would recommend withdrawal for health-related reasons. The Dean of Students Office/Time-Away Office would follow up with the student and begin the withdrawal process if the student must cease attendance.
5. Students can be involuntarily withdrawn by the Dean of Students Office/Time-Away Office for financial reasons, violation of academic regulations, disciplinary action, or other administrative reasons.
6. Students earning grades of F in all courses may be considered unofficially withdrawn unless confirmation of attendance in an academically related activity can be provided. Those unable to provide confirmation are considered not to have earned Title IV aid, and a calculation is completed for an R2T4 based on the term midpoint.

Communication with the student regarding withdrawal procedures as well as discussion of the readmission process or any readmission requirements is done in writing (and if possible, in person) through the Dean of Students Office/Time Away Office.

## **Withdrawal Date**

The official withdrawal date is noted on the attrition notice and is determined by the Dean of Students Office and noted in the student's record. The definition used is

1. the last date a student attended class,
2. the date the faculty member cites as the date the student was no longer attending any classes, or
3. the date the student comes to the Dean of Students Office/Time-Away Office to officially withdraw.

Reasons for withdrawal are noted on the withdrawal form and in the student record.

For information on University Policies relating to Withdrawal and Readmission, see the policies outlined by program in the appropriate [University Bulletin](#).

## **Post-Withdrawal Disbursements**

Once the student is withdrawn, the financial aid officer performing the R2T4 calculation is responsible for notifying the student of the availability of any post-withdrawal disbursements via email or by mail if an email address is not available. The notification is tracked in the PeopleSoft system. If the student requests the disbursement, the University will disburse the available funds. Funds will first go to pay any outstanding University balance due and then will be refunded if disbursement exceeds balance due. The financial aid officer will request the credit balance be refunded and provide appropriate address to the Bursar if no direct deposit account was established by the student.

## **Returning Unearned Funds and Overpayment**

Once the R2T4 calculation has been completed, there may be Title IV funds that are “unearned” but have been disbursed to the student’s account to cover charges. In most instances, these charges have since been removed or reduced. The institution will return all unearned funds to the Department of Education as required.

There also may be funds that have disbursed to the student which constitute an overpayment once the R2T4 calculation has been performed. The University will return the overpaid funds from the student’s University account and the balance due by the student will be paid to the University. The university will bill the student for the balance due.

The financial aid officer responsible for managing the R2T4 calculation is also responsible for assessing whether there are any unearned funds for the University and any overpayment to the student. If there are federal loan funds to be returned, the officer requests the amount to be returned by the Bursar and makes note of the amount to be returned and the date of the request in PeopleSoft. If Pell is to be returned, the officer requests the finance office return these funds to G5. The university returns unearned funds on behalf of the student.

Students are notified via email, or by letter (if there is no known email address) of the unearned funds returned to the Department of Education (in the case of Pell) or lender (in the case of Federal Loans). Students are notified a bill will be generated by the Bursar for any outstanding balance due to the University as a result of the R2T4 calculation.