



Office of Scholarships and Financial Aid Return to Title IV Policy

The OSU Office of Scholarships and Financial Aid in accordance with 34CFR Sec. 668.22 calculates the return of Title IV Funds for any student whom receives Title IV Aid and subsequently withdraws before the end of the enrollment period (i.e. term).

Official Withdrawals

The official withdrawal date used to determine the return of funds calculation is maintained in the registrar's office; however, the Office of Scholarships and Financial Aid receives a daily and weekly list of students who have withdrawn. The withdrawal date is also maintained within the FAM system. The "official" withdrawal date is the date the student signed the withdrawal form, or in cases of withdrawals by advisors the date the advisor completed the form. The "official" withdrawal date of students who withdraw via the Internet is the date the action was taken on the Internet.

In the event that a student signs the official withdrawal form, yet delays in withdrawing and submits the withdrawal form at a later date, the withdrawal date is the date the student signed the form. However, should the university have documentation that student attended an academically related event after that date; the withdrawal date would become the day of the academic related event. Examples of academically related events would be attending class, taking a test, attending a required study or laboratory session, etc.

Should a student cancel his/her enrollment as opposed to withdrawing, no Return of Title IV Calculation will be performed. Instead, all aid disbursed will be cancelled and returned to the appropriate aid programs.

During the six day 100 percent tuition and fee refund period, it is ascertained whether the student attended either through contact with the registrar's office or direct contact with the student. Should a student attend classes and officially withdraw during the refund period, but ask in writing that all of his/her aid be returned, all of the student's aid will be returned and no calculation will be performed. This is a common request for students who transfer to another institution. If all of the aid is not returned, the student may be prohibited from receiving aid at the other institution due to concurrent enrollment restrictions. If a calculation has been performed, the earned aid retained will be canceled and those funds will be refunded to the various programs.

Unofficial Withdrawals

Because students sometimes cease attendance in all of their classes, in effect withdraw, and don't complete official withdrawal paperwork, OSU has a mechanism in place to identify these students. These students are referred to as unofficial withdrawal students.

When professors report grades at the end of the semester, they must report additional information for any student who is receiving a failing grade. Professors are required to report whether or not the student attended class throughout the semester, whether the student stopped attending or whether the student never attended. If the student stopped attending, the professor must indicate the last date of attendance.

Once the deadline for posting grades has passed, the Scholarships and Financial Aid Office identifies all Title IV students who received no passing grades or had some hours reported as having never attended. Although the hours of non-attendance are an eligibility issue (34CFR668.21) and not an R2T4 issue, they are identified and processed under the unofficial withdrawal policy.

If a student has non-attendance hours, in addition to completed/withdrawn hours, eligibility is recalculated based upon the hours attempted. Any aid for which the students become ineligible is returned. If the student stopped attending all classes and had hours of nonattendance, a recalculation is first performed for the nonattendance hours. Any aid for which the student becomes ineligible is returned and the R2T4 is then recalculated based upon the recalculated eligibility.

Aid Considered in the R2T4

The following types of aid will be considered in the official and unofficial R2T4 calculation: Pell, Federal Supplemental Educational Opportunity Grant (FSEOG)¹, Academic Competitiveness Grant (ACG), National Science and Mathematics Access to Retain Talent (SMART) grants, Perkins loans, Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct Plus (including graduate) Loans. Federal Work-study is reviewed for notification to appropriate employer, but is not part of the calculation.

The following types of aid will be considered in the eligibility recalculation for hours of nonattendance: Pell, FSEOG, ACG, SMART, Oklahoma Tuition Aid Grant (OTAG), Perkins, Direct Subsidized loans, Direct Unsubsidized loans, and Direct Plus (including graduate) Loans.

Institutional Charges

Institutional charges for R2T4 purposes at OSU primarily consist of tuition, fees, room, and board. However, occasionally there are supply or activity charges that should be classified as institutional charges.

The “real” and “reasonable” test is used to determine whether these miscellaneous charges should be classified as institutional. Does the student have a real or reasonable opportunity to purchase the supplies elsewhere? If the answer is no or not sure, the charge is classified as an institutional charge. Some examples of these are field trips, consumable materials, lab supplies, and lab fees which are required for some courses. Other examples are college video and text charges, which represent book and supply charges for telecourses.

When determining the student’s institutional charges, the charges present at the time the student withdrew or stopped attending class are used. If a student receives a refund as a result of the withdrawal, the refund of institutional charges **is not** used to reduce the amount of institutional charges used in the calculation. However, if prior to the complete withdrawal, the student received a refund as the result of dropping a course, the refund will be included when determining the amount of the institutional charges.

Fee waivers are treated as scholarships and are not used to reduce institutional charges because the fees are charged and the waivers are applied to the charges. However exceptions exist for students withdrawing under the below conditions:

- Active duty military personnel serving during a war, military operation or national emergency.
- Members of the National Guard performing a qualifying duty (i.e., called to active service by the President or Secretary of Defense for a period of more than 30 consecutive days) during a war, military operation or national emergency.
- People who reside or are employed in an area declared a disaster area by any Federal, State or local official in connection with a national emergency.
- People who suffer economic hardship as a result of a war, military operation, or national emergency.

Institutional charges are reduced by aid that has been to applied to the student’s bursar account to specifically cover institutional charges in accordance with the Heroes Act of 2003.

¹ Oklahoma State University uses the Aggregate method for determining the amount of FSEOG that must be included in the calculation. Scholarships and state grants (that receive no federal funding) are used to meet the federal matching requirements. If the student receives \$1000, then \$1000 is used in the calculation.

Attendance and Earned/Unearned Percentage

The type and amount of aid that must be returned to the aid programs is based on the percentage of aid that is considered to have been unearned at the point of withdrawal. Before calculating the unearned percentage, the earned percentage must first be calculated. This is calculated by dividing the number of days attended in the semester (excluding calendar breaks of five or more days) by the number of days in the semester (excluding calendar breaks of five or more days).

Weekends are included in the calculation except where a break coinciding with a weekend exceeds five days. Because the break during the fall semester is usually four days including the weekend, there is no break included within the fall semester calculation. The spring semester excludes the breaks when determining the number of days in the semester, and when determining the number of days attended if the last date of attendance is beyond the last date of the break.

During the summer, if the student is attending more than one session, the sessions are added together to determine the total number of days in the payment period. When adding the sessions together, only the non-overlapping days are added. For example if a student is enrolled in a 30 day session and an 56 day session, but 20 days overlap, the total number of days would be 66[30 +(56-20)]. Should the student successfully, complete a class within one module, no Title IV Return calculation is required.

Once the earned percentage has been calculated, it is then subtracted from 100 to get the unearned percentage. The unearned percentage is then multiplied by the Title IV assistance received to determine the amount of Title IV aid that is unearned and must be returned.

Unearned/Earned Aid and Return of Funds

There are two types of unearned aid: unearned aid by the institution and unearned aid by the student.

Unearned Aid by the Institution represents the unearned aid applied toward institutional charges and is returned within 45 days of the institution's knowledge that the student withdrew². A charge is placed on the student's bursar account for the portion of institutional charges that are no longer paid as a result of the return.

Unearned Aid by the Student represents the total unearned aid less the amount unearned by the institution. Because the student is no longer attending school, he/she will simply enter the "grace" period of the loans and the student will return no loan funds. In the case of grants, half of the grant is protected and excluded from the calculation. The student is will not be required to return any grant funds if the amount is \$50 or less. Any grant funds the student is required to return are automatically returned to the federal programs by OSU. The student is then billed for the amounts returned. Because OSU returns the funds, the student does not have an overpayment and is eligible to receive financial aid in future terms. If the student is identified as withdrawing under circumstances outlined in the Heroes Act of 2003 or the student is deceased, the student portion of unearned grant aid is not returned.

The following is the specified order for returning unearned aid: Direct Unsubsidized Loan, Direct Subsidized Loan, Perkins Loan, Direct Plus Loan (graduate), Direct Plus Loan (parent), Federal Pell Grant, ACG, SMART, FSEOG, and OHLAP Plus.

² The "official" withdrawal date that the student withdrew is the date he/she signed the withdrawal form, except by exception noted earlier; however, the 45 day return of fund deadline is the date that the institution became aware that the student had withdrawn, which is maintained in the registrar's office.

Post-Withdrawal Disbursement

If the student has accepted his/her federal aid and it has not disbursed, the reason for the non-disbursal will be ascertained. If any of the following conditions have been met below the aid will be included in the “Aid that Could Have Disbursed” section of the calculation to determine if a post-withdrawal disbursement is due:

- a. Federal Pell Grant-** ISIR received date with an “official” EFC preceding the withdrawal date and student meets all other eligibility criteria.
- b. FSEOG or Perkins-** Aid was awarded prior to withdrawal date
- c. ACG or SMART-** ISIR received date with an “official” EFC preceding the withdrawal date and student meets all other eligibility criteria.
- c. Direct Plus, Subsidized, and Unsubsidized Loans-** Loan had originated prior to withdrawal date and Master Promissory Note was signed prior to R2T4 calculation date.

If the post-withdrawal disbursement calculation indicates that a post withdrawal disbursement is due from grant funds and the student has outstanding institutional charges, the funds are automatically applied to the student’s bursar account. If the calculation indicates that a post-withdrawal disbursement is due from loan funds or grant funds remain available after being applied to outstanding institutional charges, the student/parent is sent a letter notifying him/her of the amount available. The student/parent is asked to return the letter within 14 days indicating whether he/she wishes to receive the aid and if so, the amount. When a loan is offered, the letter contains language reminding the student of the loan obligation should he or she choose to receive it.

If the letter is not received within 14 days but is received within applicable late disbursement provisions outlined in 34CFR168.164 and the student/parent is requesting disbursement of the funds, OSU will disburse the funds.

Notification

In addition to notifying students of potential eligibility, letters are mailed to all students and parents (Plus only) any time aid is returned as a result of the R2T4 calculation. Students and parents (Plus only) are also notified when the aid is adjusted as a result of non-attendance hours. The letters are mailed to the students’ permanent address.