

## Treatment of Title IV Aid When a Student Withdraws (Return of Title IV)

Title IV funds (federal aid) are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws (officially or unofficially) the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive.

When a federal financial aid recipient withdraws from a semester, federal regulations require a calculation to determine whether federal aid must be returned. This calculation, called a Return of Title IV (R2T4), is required for official withdrawals and for students who withdraw unofficially by ceasing attendance in all their classes. Bucknell University offers three standard terms per academic year, also referred to as payment periods; fall, winter/spring, and summer.

Federal regulations specify how Bucknell must determine the amount of Title IV program assistance you earn if you withdraw from school. The R2T4 calculation determines whether federal financial aid must be repaid to the federal programs. The university's tuition refund policy is independent of the federal R2T4 policy. Additionally, no leave of absence policy is used in the R2T4 process. For Title IV purposes, a leave of absence is considered a withdrawal.

The Title IV programs covered by federal regulations are Federal Pell Grants, Iraq and Afghanistan Service Grants, TEACH Grants, Federal Supplemental Educational Opportunity Grants (FSEOG), Direct Loans, Direct Grad PLUS Loans, and Direct PLUS Loans.

The withdrawal date for students who officially withdraw is the day they begin the formal process. In the case of unofficial withdrawals, the withdrawal date is the date of an academically-related activity. For example, academically related activities might include taking a test, submitting a paper, or other substantial interaction with the instructor. If Bucknell cannot determine this date, the student's withdrawal date is the semester's midpoint.

The percentage of the payment period the student completed is used to calculate the amount of the student's earned versus unearned federal aid funds. If a student completes more than 60% of the payment period, the student is eligible for 100% of their Title IV aid funds (federal aid). If a student completes 60% or less of the payment period, the amount of federal aid they earned is proportional to the percentage of the payment period completed.

The completion percentage is calculated by dividing the number of days the student completed by the total number of days they were scheduled to complete in the payment period. The day the student withdrew is counted as a completed day. The total number of calendar days in the payment period includes all calendar days (including weekends and holidays) but excludes scheduled college breaks of five or more consecutive days. For example, Thanksgiving Break is excluded when determining how many days a student completed or was scheduled to complete in the fall payment period. Students who do not complete courses that end prior to the last day of the payment period may be considered withdrawn, and the university may be required to perform a Return of Title IV Funds calculation.

$$\frac{\text{Number of calendar day completed in the period}}{\text{Total Number of calendar days in the period}}$$

This percentage determines the amount of federal aid that is earned. The remainder is the amount of federal aid that is unearned and must be returned by the university and/or the student. For example, if a student withdraws after attending 27 days of their scheduled 107 days payment period, their percentage of earned aid is  $27/107 = 25.0\%$ . The student in this scenario earned 25.0% of their aid; 75.0% of their federal aid is unearned and must be returned to the federal programs. As noted previously, if a student withdraws after 60% of the payment period, they have fully earned all federal aid. If you received (or your school or parent received on your behalf) less assistance than the amount that you earned you may be able to receive those funds in the form of a post-withdrawal disbursement.

Students are not subject to the R2T4 calculation, if they meet one of the following exemptions;

1. They complete all the requirements for graduation;
2. They successfully complete a class or multiple classes that comprise at least 49 percent of the days in the term (in a program offered in modules); or
3. They successfully complete a class or multiple classes that comprise at least half-time enrollment (in a program offered in modules)

Please note, Bucknell does not offer courses in modules during the fall and spring payment periods.

The responsibility for returning unearned aid is either the student or of the university. If you receive (or Bucknell or your parent receive on your behalf) excess Title IV funds that must be returned, Bucknell University must return a portion of the excess equal to the lesser of;

1. Your institutional charges multiplied by the unearned percentage of your funds (unearned institutional charges), or
2. the entire amount of excess funds (unearned Title IV aid)

Unearned institutional charges are based on the percentage of the semester the student did not attend. The university is responsible for its return of funds first, followed by the student's return of funds.

The student is responsible for returning:

	Amount of unearned Title IV Aid
Less	<u>Amount of aid school returns</u>
Equals	Amount Student Returns

If Bucknell is not required to return all the unearned aid, you may be required to return the remaining amount. Returning of federal funds by either Bucknell or the student will result in a reduction in your financial aid eligibility that may generate a balance due to Bucknell, which the student is responsible for paying.

The unearned portion of federal aid funds received must be returned to the appropriate aid program in the following order; Unearned federal Title IV funds will result in a reduction to aid programs in the following order:

- Unsubsidized Federal Direct Stafford Loan
- Subsidized Federal Direct Stafford Loan
- Federal Direct Grad PLUS Loan

- Federal Direct PLUS Loan received on behalf of the student (parent)
- Federal Pell Grant
- Iraq and Afghanistan Service Grant
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- Teach Grant

The university must return its portion of unearned Title IV aid (loan and grant) to the appropriate federal program within 45 days from the student's withdrawal date as determined by the Office of Financial Aid.

If the amount the student returns includes a federal loan program, the student is responsible for repayment of the loan in accordance with the terms of the promissory note. That is, you will not be required to repay any loan funds immediately but instead, you will make scheduled payments to the holder of the loan over a period of time. If the amount the student must return includes grant aid, a 50% grant protection allowance limits the total amount, the student must return to all grant programs. Students are not required to repay a grant overpayment if the original amount of the overpayment is \$50 or less.

The student must return unearned federal grant aid to the college within 45 days from the date of notification. Failure by the student to return or make arrangements to return unearned federal grant aid to the college within 45 days will result in the student being reported to the U.S. Department of Education (USDOE). As a result, the student will be considered in an overpayment status and will not be eligible for additional aid at any post-secondary institution participating in Title IV Aid programs. Students who are reported to USDOE in an Overpayment Status should contact the USDOE to make payment arrangements to repay the necessary grant funds.

When the university returns funding to the Department of Education, students are notified via email (Revised Financial Aid Notification) no later than 30 days from the determination of withdrawal. The notification will provide information about the money returned to the respective aid programs. Returning of federal funds may result in charges to the student account (balance due) that must be repaid to the university.

If a student earned more aid than was paid at the time of withdrawal, they may be eligible for a post-withdrawal disbursement (PWD). If the PWD includes loan funds, Bucknell must get your permission before it can disburse them to your student account. You may choose to decline some or all of the loan funds so that you do not incur additional debt. If eligible for a PWD, students are notified through university Email and will have fourteen days to respond and accept or decline any loan funds. Bucknell will automatically use all or a portion of your post-withdrawal disbursement of grant funds for unpaid tuition, fees, and room and board charges. Bucknell will need to secure your permission to use PWD funds for all other institutional charges, if applicable.

There may be some Title IV funds you were scheduled to receive that you cannot earn once you withdraw because of eligibility requirements. For example, if you did not accept your federal direct student loan, you are not eligible for these funds after you withdraw.

Withdrawing may impact future federal, state, and institutional financial aid eligibility. Therefore, please carefully review the Satisfactory Academic Progress requirements on the Office of Financial Aid's website.

**Non-Title IV grant and scholarship aid**

If a student is a recipient of Bucknell funding (scholarship/grant) and the student is issued a refund of tuition, room, and board (through the 7<sup>th</sup> week of the semester), the student's institutional aid is adjusted proportionally to university's refund policy.

**Additional information**

The calculation used to determine institutional charges after a withdrawal is completely different from the calculation used to determine federal financial aid eligibility. Please refer to the Bursar Services Financial Policies for more information regarding tuition/fee adjustments when you officially withdraw.

Institutional aid is adjusted proportionally to the university's refund policy.

Withdrawing from the University may cause a balance due to Bucknell for which you are responsible for paying.

Students considering withdrawing from Bucknell should contact the appropriate assistant or associate academic dean of their college or the dean of students to initiate the process. To complete this process, the student must complete a form that is available online at a link that can be obtained from the appropriate assistant or associate academic dean of their college or the dean of students.

If you have questions about your Title IV program funds, you can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at <https://studentaid.gov>.

