

RETURN OF TITLE IV POLICY (FINANCIAL WITHDRAWAL CALCULATIONS)

Students who withdraw from their DU classes or are administratively withdrawn during their period of enrollment will be reviewed by the Financial Aid Office to determine if a return of Title IV funds (R2T4 calculation) is necessary.

Based on the student's last date of attendance, the Financial Aid Office uses the Department of Education's calculation to determine any adjustments necessary. This may result in all or a portion of the student's federal aid (Pell, FSEOG, TEACH, Iraq/Afghanistan Service Grant, student and parent loans) being returned to the Department of Education. It could also result in the cancellation of any subsequent financial aid disbursements.

Title IV funds are awarded to a student on the basis that the student will attend their classes for the entire period for which aid is awarded. A portion of Title IV funding is earned each day the student attends class. If a recipient of Title IV funds leaves DU after beginning their scheduled classes, the Financial Aid Office must complete a R2T4 calculation. The calculation is based on the Department of Education's guidelines and establishes the amount the student is eligible for based on the time they attended Davenport University during that semester.

If the amount of financial aid disbursed to the student is greater than the amount the student earned, the unearned funds must be returned back to federal program awarded. When a student remains enrolled beyond 60% of the enrollment period, the student is considered to have earned 100% of the federal financial aid for that semester.

Title IV funds are returned in the following order in accordance with federal regulations:

Unsubsidized Direct Loan

Subsidized Direct Loan

Direct Grad PLUS Loan

Direct Parent PLUS Loan

Pell Grant

Iraq and Afghanistan Service Grant

FSEOG

TEACH Grant

CALCULATION EXAMPLE

Fall semester starts September 5 and ends December 16 including one 5 day break; there are 98 calendar days in the semester. The student received \$10,483 in full time financial aid and was charged \$10,483 in tuition. The student decides to withdraw on October 4. This is 30 days completed into the semester.

RETURN OF TITLE IV FUNDS CALCULATION

Determine the percentage of Title IV by taking the calendar days completed in the semester (30 days), divided by the total calendar days in the semester (98 days). Subtract this percentage (30.6%) from 100% to get the unearned percentage (69.4%).

$$30 / 98 = .306 \text{ or } 30.6\%$$

$$100\% - 30.6\% = 69.4\%$$

Determine the amount of unearned Title IV financial aid by multiplying the unearned percentage (69.4%) by the total of Title IV aid disbursed (\$10,483). This equals the unearned amount of \$7,275 in aid that must be returned back to the federal government.

$$10,483 \times .694 = 7,275 \text{ or } \$7,275$$

Aid is returned to the federal financial aid programs in the order listed above, up to the amount received from each program. The student will receive a written notice from the Financial Aid Office listing the amounts returned to the aid programs. If the student owes a balance to the university, they will receive a separate invoice from the Business Office.