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| Bemidji State University Policies |

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| **Policy Name:**  Financial Aid -Return of Title IV Funds Policy | **Effective Date:**  7/1/2021 |
| **Policy Owner:**  VP Enrollment Management/Financial Aid Director | Last Review:  10/20/2022 |
|  | Next Review: |

**Policy Statement**

Bemidji State University policy on the return of Title IV Funds states that financial aid recipients, who withdraw or cease attending all their classes prior to 60% of their enrollment period being completed (including courses with a grade of “F” for non-attendance), are subject to the Return of Title IV Funds federal rules and the refund calculation for the Minnesota State funding programs (including MN SELF loan). A student who does not complete all days they are scheduled to complete in module courses (that is, courses that do not span the entire length of the semester) are also considered withdrawn and are subject to the Return of Title IV funds rules. Review Volume 5 in the Federal Student Aid Handbook for withdrawal exemptions for programs offered in modules. A student who withdraws from a module course but is scheduled to attend a module beginning later in the semester, must notify the Financial Aid Office at the time of withdrawal in writing if the student intends to complete the later module. If the student does not contact Financial Aid, the student will be considered to have withdrawn from the period of enrollment.

**Scope and Purpose of Policy**

The scope of this policy applies to all students who are eligible to receive Title IV monies for the purpose of enrollment at a post-secondary institution. It is the expectation that when a student begins a semester with approved Title IV financial aid eligibility for the semester, that the student will complete the semester. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive. The purpose of this policy is to comply with federal statutes and to recapture these funds if a student does not fulfill the terms of enrollment as prescribed by the policy.

**Definitions**

Title IV Funds are student financial aid funding provided through Title IV of the Higher Education Act of 1965, as amended in 1998, (Title IV, and HEA program). These acts establish general rules that apply to federal student financial assistance programs. For purposes of Return of Title IV Funds, these programs include Pell and Federal Supplemental Educational Opportunity (FSEOG) Grants, Federal Direct Loans, Direct PLUS Loans, Federal Teacher Education Assistance for College and Higher Education (TEACH), Iraq and Afghanistan Service Grant and Other Federal Title IV assistance. For additional information see: <https://fsapartners.ed.gov/knowledge-center/fsa-handbook> click on academic year and Volume 5.

**Procedures**

For the Return of Title IV funds calculation, the percentage of unearned aid is equal to the number of calendar days remaining in the term (or numbers of days of attendance remaining in planned modules) after the withdrawal date divided by the total number of calendar days in the term (or total number of days in planned modules). The calculation of Title IV funds unearned has no relationship to the student’s incurred institutional charges as determined by the university’s refund schedule for students that officially withdraw from a term. The Records Office is the university’s designated office to accept notification of official withdrawals. If the last date of attendance cannot be determined, the mid-point (50%) of the semester will be used. The Business Office will determine the repayment based upon federal and state procedures, the last date of attendance, type of aid awarded, and charges. The repayment amount is considered unearned aid that a student was not eligible to receive because of not completing the term, necessitating the repayment of funds. The university may have an obligation to return funds to an aid program that was previously applied to the student’s account. The student may have an obligation to repay funds that were paid directly to the student. If the university returns funds that were applied to the student’s account, a balance due the university by the student will result. Federal student aid may not cover all unpaid institutional charges due to the university upon withdrawal. Failure to repay will prevent future registration at the university and initiate delinquent collection procedures, which will adversely affect the student’s credit rating. Title IV aid for a future semester cannot be used to pay the balance of an R2T4 calculation. *Actual Sample Withdrawal Case:* Student received $701 Federal Direct Subsidized Loan and attended 25.5% of the enrollment period. After performing the R2T4 calculation, the student was required to repay $522 of the total $701 received.

A student may contact the Accounting Office to receive an estimation of the required financial aid repayment, if any. As per Federal Regulations, financial aid will be returned by BSU in this order:

1. Federal Unsubsidized Direct Loans
2. Federal Subsidized Direct Loans
3. Federal Direct PLUS Loans (Parent or Graduate)
4. Federal Pell Grant for which a return of Title IV funds is required
5. Iraq and Afghanistan Service Grant for which a return of Title IV funds is required
6. Federal Supplemental Educational Opportunity Grant (SEOG)
7. Federal Teacher Education Assistance for College and Higher Education (TEACH)
8. Other Title IV assistance

**Non-Federal Funds:**

Repayments to state aid programs and non-state aid programs will be calculated on a proportional basis using the institutional refund policy. To calculate the minimum refund due to the Minnesota State Grant, SELF Loan program, and other State aid programs, the OHE Refund Calculation Worksheet will be utilized.

**Rationale**

The rationale for this policy is to comply with federal statutes on Title IV Funds and to provide students the information needed to make decisions about ceasing enrollment as it relates to Title IV financial aid dollars.

**Supporting References**

Federal Student Aid Handbook; Select academic year, Volume 5

[**https://fsapartners.ed.gov/knowledge-center/fsa-handbook**](https://fsapartners.ed.gov/knowledge-center/fsa-handbook)