POLICY

Title IV funds 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, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive. If a recipient of Title IV grant or loan funds withdraws after beginning attendance, the amount of Title IV grant or loan assistance earned by the student must be determined. If the amount disbursed to the student is greater than the amount the student earned, the unearned funds must be returned. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he/she is eligible to receive a post-withdrawal disbursement of the earned aid that was not received. Title IV funds are processed for return only when necessary.

Official Withdrawals

A student is considered to have withdrawn from a payment period or period of enrollment if the student does not complete all the days in the payment period or period of enrollment that the student is scheduled to complete. If a student ceases attendance (drops or withdraws) from all his/her Title IV eligible courses in a payment period or period of enrollment, the student must be considered a withdrawal for Title IV purposes. The principle is the same for programs offered in modules within terms.

Should a student cancel his/her enrollment as opposed to withdrawing, no Return to Title IV calculation will be performed. Instead, all aid disbursed will be canceled and returned to the appropriate programs. Should a student attend classes and officially withdraws during the refund period, but request in writing that that all his/her aid be returned, all the student’s aid will be returned, and no calculation will be performed. If all the aid is not returned, the student may be prohibited from receiving aid at another institution due to concurrent enrollment restrictions.

Unofficial Withdrawals
Students who cease attendance in all their classes but fail to complete the official withdrawal paperwork are considered as unofficial withdrawal students. At the end of each term, the Financial Aid Office will identify all Title IV students who received no passing grades. These students are then processed as unofficial withdrawals. The withdrawal date used to determine the amount of Title IV aid that must be returned to the federal aid programs will be the midpoint of the term.

**Effects of Withdrawing**
Students who are considering withdrawing from their classes should be aware that federal funds may not cover all unpaid institutional charges due to the institution upon complete withdrawal. To fully understand the withdrawal process and its impact, students should consult with the Financial Aid Office. Students who withdraw from classes may be placed on financial aid suspension, delay their graduation, or be obligated to repay a portion of their financial aid. Federal loan borrowers who completely withdraw from all classes within a term will enter into their grace period or may be required to begin repayment of federal loans received if their grace period has elapsed.

**Return of Title IV Calculation**
UTHSC is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the amount of time the student spent in attendance. Up through the 60% point in each payment period or period of enrollment, a pro rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. After the 60% point in the payment period or period of enrollment, a student has earned 100% of the Title IV funds the student was scheduled to receive during the period. For a student who withdraws after the 60% point-in-time, there are no unearned funds. UTHSC must still determine whether the student is eligible for a post-withdrawal disbursement.

**Attendance and Earned/Unearned Percentage**
The type and amount of aid that must be returned to the aid programs is directly 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 is calculated. This percentage is derived by dividing the number of calendar days attended in the term (excluding calendar breaks of five days or more) by the number of days in the term. Once the earned percentage has been calculated, it is then subtracted from 100 to get the earned 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.

**Institutional Charges**
Institutional charges for Return to Title IV funds purposes at UTHSC consist primarily of tuition and mandatory fee charges present at the time the student withdrew or stopped attending classes.

**Return of Funds**

Any unearned aid will be returned to the federal aid programs by UTHSC. A charge is placed on the student’s bursar’s account for the amount of the aid that is required to be returned. The Financial Aid Office will mail a copy of the Return to Title IV calculation and a detailed letter to the student outlining the total amount he/she must repay. The student must make payment arrangements with the Business Office for the amount that has been charged against their student account. UTHSC is required to return Title IV funds as soon as possible and not later than 45 days from the student’s withdrawal or no later than 30 days after the end of the payment period or period of enrollment or the end of the academic year in which the student withdrew. Funds are processed for return only when necessary. Funds are returned to the federal aid program received during the withdrawal term in the following order:

- Unsubsidized direct loans
- Subsidized direct loans
- Direct PLUS loans
- Federal Pell Grant
- Federal SEOG Grant
- Iraq and Afghanistan Service Grant

**APPROVAL HISTORY:**

Effective: October 15, 2019, Office of Financial Aid
Approved: October 15, 2019, Vice Chancellor for Academic, Faculty, and Student Affairs