

Policy Title: Return of Title IV Policy
Policy Number: FAO.600.9
Policy Owner: VP for Administrative Affairs
Responsible Office: Office of Financial Aid

1. Purpose and Scope

The Return of Title IV Policy provides guidelines for the Office of Financial Aid to calculate earned and unearned aid for withdrawal students to ensure funds are accurately awarded and/or returned to the proper Title IV aid program, per federal student aid guidelines.

2. Policy

The return of Title IV funds is a requirement that is applicable to Title IV recipients who are withdrawn on or before 60% of time has elapsed during the period of enrollment for which the student has been charged. The Return of Title IV funds Policy, as defined by the Federal government, determines the formula for calculating the amount of Title IV funds a student and school can retain when a student withdraws prior to completing more than 60% of a semester. The return of Title IV funds formula defines how much Title IV aid a school or student may use to cover incurred costs. Federal financial aid regulations have defined that a student who withdraws prior to completing more than 60% of a semester, has not earned 100% of the federal financial aid that was received, and the student and/or the school may be required to return a portion of his or her federal aid. For a student who withdraws after the 60% point of the period of enrollment, a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period.

3. Procedure

To determine the amount of Title IV aid for which the student is eligible, NAU uses the student's withdrawal date, the amount of aid the student was awarded, the number of days that comprise the payment period and the number of days completed in the payment period. The calculation is made using the number of days completed divided by the number of days comprising the payment period to determine the percentage earned. The total number of calendar days in a term of enrollment shall exclude any scheduled breaks of more than five days. The percentage earned, subtracted from 100%, will be the percentage of unearned aid that must be returned to the Title IV program. Funds are returned to the appropriate federal program based on the percentage of aid earned and the order of return dictated by the U.S. Department of Education.

The return of unearned aid is allocated in the following order:

1. Direct Unsubsidized Loan
2. Direct Subsidized Loan
3. Federal Parent (PLUS) Loans
4. Federal Pell Grants
5. Federal Supplemental Opportunity Grants (FSEOG)
6. Other Title IV grant programs for which return of funds is required.

Any Title IV funds required will be returned to the correct Title IV programs within 45-days after the date of the determination of the student's withdrawal.

4. Who Should Read This Policy

- Students
- Financial Aid Office
- Student Accounts Office

5. Related Documents and References

- [FSA Withdrawals and the Return of Funds](#)