

## Student Withdrawal Policy – Return of Title IV Funds

Federal aid funds are awarded under the assumption that you will attend the institution for the entire period in which federal assistance was awarded. If you withdraw from school, you may no longer be eligible for the full amount of Title IV funds that you have received or were scheduled to receive. Therefore, a withdrawal may not only affect you academically but financially as well.

During a semester a student may decide to withdraw from all of their classes. For purposes of this section a withdrawal will refer to a full withdrawal from all classes prior to the completion of any one class in the semester. The withdrawal may be:

1. An official withdrawal whereby the student initiates the withdrawal process as outlined by the Office of The Registrar.
2. An unofficial withdrawal whereby the student may simply cease attendance and the Office of Financial Aid is only made aware of the unofficial withdrawal at the end of the semester.

When a student withdraws during the payment period, the amount of Title IV program assistance that the student earned to that point (Withdrawal Date) is determined by a specific federal formula. If the student received less assistance than the amount that was earned, the student may be able to receive those additional funds as a Post-Withdrawal disbursement. If the student received more assistance than the amount that was earned, the excess funds must be returned by the school and/or the student. The Title IV program funds that must be returned by the institution are processed no later than 45 days after determining the student has withdrawn.

At the time that the Office of Financial Aid is informed that a student has withdrawn, a review of the student's financial aid account is performed and, if necessary, a Return of Title IV (R2T4) Funds Calculation is initiated. The process is outlined below:

1. The first thing to be determined is if the student attended at least one class. If so, the financial aid record is reviewed to determine if any federal aid has been disbursed or could have been disbursed for the student.
2. Having determined that the student has attended at least one class and that federal aid has been or could have been disbursed; the R2T4 calculation is performed. When a student withdraws and if they are a financial aid recipient, the institution has to determine what percentage of their aid has to be returned to the Federal Government. This is done through a process called R2T4 (Return calculation). Federal Regulations state that a student begins earning Federal (Title IV) funds on his or her first day of attendance for the given period of enrollment. The earned aid is therefore calculated by dividing the number of days attended by the total number of days in the given term to determine the percent of aid earned.

$$\text{The Percent of Title IV Aid Earned} = \frac{\text{Number of days attended}}{\text{Number of days in term}}$$

3. Based on the results of this calculation, the Financial Aid Office is required to notify the student of his or her eligibility, if any, for a Post-Withdrawal disbursement within 30 days of the date the student withdraws from NYSID. If the student is eligible for a Post-Withdrawal disbursement of any grant funds, these will be disbursed within 45 days after determining the withdrawal date. Loans must be offered within 30 days after the withdrawal date to allow students at least 14 days to respond. The Post-Withdrawal disbursements are applied to the student account first and any resulting credit balance is refunded to the student within 14 days after the calculation.
4. The amount of assistance that a student has earned and is therefore, eligible to keep, is determined on a pro rata basis. For example, if the student completed 30% of the payment period or period of enrollment, the student has earned 30% of the federal financial aid that he or she received or was scheduled to receive. This also means that the student did not earn 70% of the scheduled federal financial aid and this amount must be returned to the federal financial aid program. Once a student has completed more than 60% of the payment period, the student has earned all the federal financial aid received or scheduled to be received for that period.
5. The net amounts of all federal aid disbursed are entered in the appropriate fields on the R2T4 Worksheet (or automated system on CPS). Net amounts of aid that could have been disbursed are also entered in the appropriate field.
6. The dates of the enrollment period and the date of withdrawal (if official withdrawal) are used to determine the percentage of the semester that has been completed by the student which in turn provides the percentage of aid that has been earned by the student.
  - a. If the percentage of the semester completed is greater than 60%, no further action is required. If the percentage completed is 60% or less, the percentage is used to calculate the amount of aid earned.

- i. If a student is thinking about withdrawing from all classes prior to completing 60% of the term, the student should contact their Academic Advisor, the Registrar and Financial Aid to determine how a withdrawal will affect financial aid.
  1. It is recommended that the student try to complete the term or complete at least 60% of the term to avoid having to repay any money that was already disbursed. If a student does not owe any money prior to withdrawal, the student may have a balance due to NYSID and/or the government after completion of the government required calculation.
- b. If there is any unearned aid, the R2T4 Worksheet will be completed to determine the amounts and type of aid to be returned. The Office of the Bursar is then informed as to the amount to be returned within 45 days from the date of withdrawal.
  - i. Be aware that you might have a balance due to NYSID based on this Federal calculation. Make sure to check your account accordingly.

In the case of an Unofficial Withdrawal, the same process as outlined above is initiated with the exception that, since there is no official withdrawal date, a default date, reflective of the 50% point of the semester, is used resulting in the student earning 50% of the aid disbursed (or that could have been disbursed.). If the withdrawn student did not receive all of the funds that he or she earned, they may be eligible for a post-withdrawal disbursement. If Post-withdrawal disbursement includes loan funds, NYSID Financial Aid Office must get their permission before it can disburse them. The student has 14 days to respond to the Post-withdrawal notification. Students may choose to decline some or all of the loan funds so that they do not incur additional debt. If the student does not give permission (some schools ask for this when students enroll), they will be offered the funds. However, it may be in the student's best interest to allow the school to keep the funds to reduce their debt at the school.

If the withdrawn student received more Title IV program funds than they earned, the school's financial aid office must return this unearned excess amount to the appropriate aid program. As required under regulation 34 CFR 668.22 and determined by the Return Calculation, unearned aid is returned in the following order as applicable:

- Federal Direct Unsubsidized Loan
- Federal Direct Subsidized Loan
- Federal Direct PLUS Graduate Loan
- Federal Direct PLUS Parent Loan
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)

You must repay the required amount during the term in which you withdraw. Students failing to repay the required amount will have a hold placed on their records and will not be eligible to re-enroll at any NYSID until repayment occurs.