

Federal Return of Funds Policy/Withdrawal from Illinois State University

OFFICIAL WITHDRAWAL FROM ILLINOIS STATE UNIVERSITY:

The Office of the Registrar has been designated as the official office for withdrawals. When a student notifies the official office of their intent to withdraw from the University, the date of that notification will be the date designated as the withdrawal date.

- The Financial Aid Office will calculate the Percent Earned (number of days completed up to withdrawal date divided by total days in semester). Percent Unearned is 100% minus Percent Earned. The amount of Unearned Title IV aid is determined by multiplying the student's total Title IV aid by Percent Unearned. (If the student has aid that has been awarded but not yet disbursed, it is possible for the calculation to result in a post-withdrawal disbursement offer to the student.)
- The responsibility for returning unearned Title IV aid is allocated between the University and the student. It is the University's responsibility to return to the appropriate Title IV programs the lesser of unearned Title IV aid or the student's institutional charges multiplied by the Percent Unearned.
- The University will return Unearned Title IV to the appropriate Title IV programs in the following order: Unsubsidized Direct Stafford Loans, Subsidized Direct Stafford Loans, Federal Direct PLUS Loans, Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (SEOG), TEACH Grant.
- It is the student's responsibility to return the difference (if any) between the amount of unearned Title IV aid and the amount the University must return. For any loan funds the student must return, the student repays in accordance with the terms of the promissory note.
- The federal government presumes that Title IV aid is applied first toward institutional charges: tuition and fees and room and board (if in University housing). The Title IV Return of Funds calculation may result in the student owing a balance to the University. An encumbrance will prevent the student from re-enrolling or obtaining academic transcripts until the sum owed the University is repaid.

How a Complete University Withdrawal Affects Financial Aid:

What happens if I withdraw from all my classes?

- Eligibility for financial aid must be recalculated.
- Financial aid (grants, scholarships, and loans from federal, state or other sources) could be reduced.
- Eligibility for future financial aid could be lost. See Illinois State University Satisfactory Academic Progress policy (Section 9).

Will I lose my financial aid if I withdraw?

- If your attendance and/or course activity cannot be validated, all your financial aid will be removed.

Pell Grant, SEOG Grant, and Federal Direct loans (including PLUS):

- If you officially withdraw BEFORE 60% of the term is completed, a portion of your federal aid must be returned.
- You will be notified by mail of the adjustments to your financial aid within 45 days of your official withdrawal notification.

State/Other grant and scholarship aid:

- Grants and scholarships are governed by the requirements of the program giving the aid.
- The requirements of each program vary and may require that aid be returned to them in addition to any aid that is being returned to federal programs.

What happens if I withdraw BEFORE I receive my financial aid?

- It is possible for some financial aid to be disbursed after your withdrawal; however, it is recommended that you do not accept any loan if you withdraw during the first ten days.
- Post-withdrawal disbursements are credited to your University account and may result in a refund to you.

What else should I know about my financial aid if I withdraw?

- Be prepared to repay any resulting balance due Illinois State University.
- Officially withdraw through the Registrar Office whether or not you attended classes.

If no passing grades were earned:

- Illinois State University must verify that you attended at least one class in order to establish eligibility for any financial aid.
- If Illinois State University cannot verify you completed at least one class, a Return of Title IV funds calculation will be performed and some Title IV aid will be returned.

Time frame for the Return of Title IV program funds

- See “Unofficial Withdrawal from Illinois State University” section below.

Return of unearned Title IV Funds

Illinois State University must return unearned Title IV funds as soon as possible but no later than 45 days after the date school determined student withdrew.

Post-Withdrawal Disbursement Deadlines

For students with a Title IV grant (no acceptance needed by student) , Illinois State University must disburse to the:

- student’s account for outstanding current charges and for up to \$200 in prior year charges as soon as possible but no later than 180 days after the date school determined student withdrew and
- student for funds in excess of outstanding current charges as soon as possible but no later than 45 days after the date school determined student withdrew.

For students eligible for a Title IV loan post-withdrawal disbursement:

- Illinois State University must provide the student (or parent) the opportunity to accept all or part of a post-withdrawal disbursement of Title IV loan funds (Direct Loan or Direct PLUS Loan) to the student's account within 30 days of the school's determination that the student withdrew
- Illinois State University must specify in the notification the deadline for the student's response. Generally, it is 14 days after the date of the notification letter.

If the Loan Post-Withdrawal Disbursement is accepted, Illinois State University must disburse to the student's account for outstanding charges and/or to the student for funds in excess of outstanding charges as soon as possible but no later than 180 days after the date school determined student.

Post Withdrawal Disbursement

If a student has accepted Title IV, HEA financial aid by the date of the withdrawal, but the financial aid has not disbursed, the student may be eligible for a post-withdrawal disbursement. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a post-withdrawal disbursement for the earned aid that was not received.

Under these circumstances, an R2T4 calculation must be performed to determine whether the student is actually eligible for a post-withdrawal disbursement. Illinois State University must make this determination within 30 calendar days after the student withdraws.

The following conditions apply when processing a post-withdrawal disbursement:

- A student may not owe a prior year balance or fail to meet Satisfactory Academic Progress according to Illinois State University and federal policy.
- A student must have accepted aid by the date of the withdrawal.
- If, before the student's withdrawal date a loan offer has been accepted, the loan must also have been originated by Illinois State University.
- To be eligible for a Post-Withdrawal Disbursement the student must have completed 100% of the term in 6+ credit hours.
- If a student is eligible for a Post-Withdrawal Disbursement of loan funds, they will be offered to the student within 30 days of the date the school determined the student withdrew. Students will be given a minimum of 14 calendar days to respond to the post-withdrawal disbursement offer. Generally, accepted loan funds will be disbursed within two weeks of the date the student responds and all information and documents, including entrance counseling and the master promissory note if required, are complete. Loan funds accepted must be disbursed within 180 days of the date the school determined the student withdrew.
- Any Title IV grant funds a student is due as part of a post-withdrawal disbursement will be disbursed within 45 days of the date the school determined the student withdrew. Illinois State University may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition and fees. However, Illinois State University needs the student's permission to use the post-withdrawal grant disbursement for all other school charges. If the student does not give his/her permission, the student will be offered the funds.

If Title IV funds that are part of a post-withdrawal disbursement create a credit balance, the balance will be issued to the student within 14 days.

UNOFFICIAL WITHDRAWAL FROM ILLINOIS STATE UNIVERSITY:

If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period. For these students, the Financial Aid Office will check with instructors to determine if the student completed the term. If the student did not complete the term in at least one class, the school will perform a Title IV refund calculation.

The institution must perform a Return of Title IV funds calculation for unofficial withdrawals. Either the student's last date of an academically related activity or the midpoint of the period may be used as the student's withdrawal date. (A last date of academically related activity is preferable for students who completed greater than 60% of the term - if a student completes greater than 60% of the term, they have earned 100% of their Title IV aid.)

Determine if R2T4 Calculation is required:

- For 60% - ALL (began at least 1 course > 60% and began all):
- earned 100% of aid, no R2T4 required.
- If a student has completed greater than 60% of the term in at least 1 class AND began all his classes:
- earned 100% of aid, no R2T4 required.

If a student has completed greater than 60% of the term in at least 1 class BUT did not begin all his classes:

- Pell will be re-calculated/reduced to reflect hours began. No R2T4 calculation required.

If a student did NOT complete greater than 60% of the term in any class BUT did begin all his classes:

- R2T4 calculation required.

If a student did NOT complete greater than 60% of at least 1 class AND did NOT begin all his classes:

- PELL eligibility is re-calculated based on how many hours the student did begin and adjusted accordingly.
- R2T4 calc required

If a student did NOT begin and/or exhibit any academic related activity in any classes:

- ALL aid is deleted. Student is not a withdrawal. No R2T4 calculation is required. All their T4 aid must be returned because they never established eligibility for the funds.

The Financial Aid Office will calculate the Percent Earned (number of days completed up to withdrawal date divided by total days in semester). Percent Unearned is 100% minus Percent Earned. The amount of Unearned Title IV aid is determined by multiplying the student's total Title IV aid by Percent Unearned.

(If the student has aid that has been awarded but not yet disbursed, it is possible for the calculation to result in a post-withdrawal disbursement offer to the student.)

The responsibility for returning unearned Title IV aid is allocated between the University and the student. It is the University's responsibility to return to the appropriate Title IV programs the lesser of unearned Title IV aid or the student's institutional charges multiplied by the Percent Unearned.

The University will return Unearned Title IV to the appropriate Title IV programs in the following order: Unsubsidized Direct Stafford Loans, Subsidized Direct Stafford Loans, Federal Direct PLUS Loans, Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (SEOG), TEACH Grant.

It is the student's responsibility to return the difference (if any) between the amount of unearned Title IV aid and the amount the University must return. For any loan funds the student must return, the student repays in accordance with the terms of the promissory note.

Time frame for the Return of Title IV program funds

Illinois State University must determine the withdrawal date for a student who withdraws without providing notification within 30 days after the end of the earlier of: payment period, academic year in which the student withdrew or the education program from which the student withdrew.

Return of unearned Title IV Funds

Illinois State University must return unearned Title IV funds as soon as possible but no later than 45 days after the date school determined student withdrew.

Definition of an academic related activity:

Academic activity: active participation by a student in an instructional activity related to the student's course of study that:

- Is defined by the institution in accordance with any applicable requirements of its State of accrediting agency;
- attending a synchronous class, lecture, recitation, or field or laboratory activity, physically or online, where there is an opportunity for interaction between the instructor and students;
- Submitting an academic assignment;
- Taking an assessment or an exam;
- Participating in an interactive tutorial, webinar, or other interactive computer-assisted instruction;
- Participating in a study group, group project, or an online discussion that is assigned by the institution; or
- Interacting with an instructor about academic matters, and
- Does not include for example-
 - Living in institutional housing;
 - Participating in the institution's meal plan;
 - Logging into an online class or tutorial without any further participation; or
 - Participating in academic counseling or advisement.