

Return of Title IV Funds Policy

The requirements for Title IV Program Funds when a student withdraws, or is dismissed, are separate from any refund policy that McKendree University may have. Therefore, you may still owe funds to the school to cover unpaid institutional charges. McKendree University will charge the student for any Title IV Program Funds that McKendree University is required to return.

What is Title IV Aid?

Title IV of the Higher Education Act of 1965, as amended in 1998, (Title IV, and HEA program) establishes general rules that apply to federal student financial assistance programs. For purposes of Return of Title IV Funds, these programs include:

- Federal Pell Grant
- Federal Supplemental Educational Opportunities Grant (FSEOG)
- Federal Direct Student Loans (Subsidized and Unsubsidized)
- Federal Direct PLUS Loan (Parent PLUS Loan)
- Federal Perkins Loan
- Federal Teach Grant
- Federal Iraq and Afghanistan Service Grants

Determining Attendance and Calculating Earned Financial Aid

Student who are withdrawing from all classes and who have followed the withdrawal process obtaining the validation from the Office of Academic Records are considered to be an official withdrawal. The date on which such written approval is received by the Office of Academic Records determines the last date of attendance for the purposes of Return of Title IV Program Funds.

The Office of Financial Aid must review each student's academic registration record to determine financial aid eligibility. The Office of Financial Aid may also contact some or all instructors to verify class attendance if there is a question regarding the student's participation and attendance, and to support a last date of attendance. If a faculty member indicates that a student never attended or did not participate, the Office of Financial Aid will first adjust the disbursed aid if there is a resulting change in eligibility and then calculate the Return of Title IV Funds. As a result, the student may end up owing the institution for the amount of unearned aid. If the student never attended any of the registered classes in the semester, all aid will be cancelled and the student billed for all outstanding charges.

Financial Aid is posted to the student's account at the start of each semester, or at the time, eligibility is established during the semester if this date is later than the start of each semester. Title IV Aid is earned by the calendar day, not class day or business days. This includes weekends, holidays, and breaks of less than five consecutive days. The Office of Financial Aid is required to determine the amount of Title IV Aid the withdrawing student has earned and then either disburse any additional funds the student may be entitled to up to the amount earned, or return funds in excess of the amount earned which the student has

already received. Earned aid is determined by taking the number of days attended before enrollment ended divided by the total number of days in the semester (first day of instruction until the last day of finals, excluding breaks of five consecutive days or more).

A student who withdraws after the 60% point of a semester is entitled to retain all Title IV aid for that semester. However, if the student withdraws, or is dismissed, prior to the 60% point of the semester, unearned Title IV funds as determined by the federal policy must be returned to the various programs. These funds must be returned even if the University provides no refund to the student. This means the student could owe the University and/or the U. S. Department of Education a significant amount of money. This policy will not apply to students who drop some but not all of their classes, or withdraw prior to the first day of the semester.

It is advisable for any student considering adding or dropping, or withdrawing (either officially or unofficially) from McKendree to discuss with the Office of Financial Aid the impact of a withdrawal. A student withdrawing from McKendree could be held responsible for the entire costs charged by McKendree.

Return of Title IV Funds (Earned versus Unearned Aid)

The Office of Financial Aid must calculate the amount of financial aid a student has earned within 45 days from the date the student dropped their classes, or was dismissed from their classes. Any aid received in excess of the earned amount is considered unearned. The unearned financial aid must be returned to the respective federal programs no later than 45 days from when the student separated from McKendree University. The calculation is based upon only the amount of Title IV Aid for which you were eligible.

The State of IL MAP Grant may be reduced depending upon the amount of tuition charged. If the tuition charged is lower than the original amount of State of IL MAP Grant awarded, then the State of IL MAP Grant will be reduced. State of IL MAP Grant may only cover direct tuition charges and mandatory fees, and may not be refunded to the student.

McKendree University Institutional aid will be reduced at the same percentage rate as the tuition refund policy uses by the University. For example:

Drop Period	Institutional Aid Award Amount
Student drops during 100% drop period	100% of the institutional aid is removed
Student drops during the 75% drop period	75% of institutional aid is removed
Student drops during the 50% drop period	50% of institutional aid is removed
Student drops after the refund periods	0% of institutional aid is removed

Late or Post-Withdrawal Disbursement

Students may be eligible for a late or post-withdrawal disbursement if they have accepted aid that did not disburse at the time of withdrawal from McKendree University.

If eligible, the McKendree University Office of Financial Aid will send notification of the action required to either accept or decline a portion, or all, of the late disbursement. If no response is received within approximately two weeks of notification, the award will be cancelled.

Unofficial Withdrawal

Students who fail to show up for class are not considered officially withdrawn from McKendree University. Students who have not officially withdrawn will be responsible for the costs associated with their registration, which could include all registered courses and/or housing and meal plan. Students may also be responsible for any aid disbursed that may need to be returned. Please contact the Office of Academic Records to properly withdraw from the university.

The Office of Financial Aid reviews posted grades at the end of every semester. Title IV Aid recipients who fail to show up for class and did not properly withdraw are considered unofficial withdrawals. The Return of Title IV Funds policy requires McKendree University to calculate the “earned” amount of aid based on the last day of attendance of the semester. If a last day of attendance cannot be determined the Office of Financial Aid will use the 50% point of the semester. Unofficial withdrawals are processed within 30 day of determining the student was an unofficial withdrawal.

Calculating Return of Title IV Aid Amount

Once the earned and unearned aid percentages are determined, the next step is to calculate the dollar amount of unearned aid that must be returned. The amount of Title IV Aid to be returned is determined by multiplying the unearned aid percentage by the total of all Title IV Aid received.

The total unearned aid will be returned to the Title IV program from which it came in the following order:

1. Federal Direct Unsubsidized Loan
2. Federal Direct Subsidized Loan
3. Federal Perkins Loan
4. Federal Direct PLUS Loan
5. Federal Supplemental Educational Opportunity Grant (FSEOG)
6. Federal Iraq and Afghanistan Service Grant

In most cases, the amount of returned Title IV Aid will create a balance due to the student. The student will be responsible for paying this balance in addition to any unpaid tuition, student health/activity fees, lab fees, course fees, housing, meals, or other charges incurred while in attendance.

Modules and Summer sessions:

Modules are courses which do not span the entire academic semester, but fall within the academic semester time frame. The standard academic semester is 16 weeks of instructional time. A module course

may be 8 weeks, 6 weeks, or 4 weeks of instructional time. This includes semester based programs with a summer term consisting of two consecutive summer sessions; for instance, the summer term has courses that begin on June 1, ending on June 30, and another course beginning on July 1, ending on July 31.

As defined in the October 29, 2010 final regulations, for all programs offered in modules, a student is a withdrawal for Title IV purposes if the student ceases attendance at any point prior to completing the payment period or period of enrollment (unless the institution has written confirmation from the student that they will attend a module that begins later in the enrollment period). Written confirmation is identified during the drop process on the e-form **Add/Drop Form -- KY, Scott AFB, Online, & Graduate**, students are required to answer the question: **If you are registered for other courses during this term, do you intend to complete those courses?** Students who answer "Yes" to this question will have their financial aid reviewed and adjusted accordingly. Students who answer "No" to this question will be reviewed under the Return of Title IV Funds calculation process.

The regulation requires the institution to determine whether Title IV funds must be returned based on the number of days actually completed versus the number of days the student was scheduled to attend in the payment period. The new regulations prevent the students from enrolling in modules or compressed courses spanning the period, completing a portion of the period, and retaining all aid for the period.

The Office of Financial Aid has established the following procedures associated with handling withdrawals from programs offered in modules.

How to determine whether a student in a program offered in modules has withdrawn: (information obtained from the 2012-2013 FSA Handbook, Vol. 5, Chapter 1, page 5-63)

Schools can determine whether a student enrolled in a series of modules is a withdrawal by asking the following questions:

- 1) After beginning attendance in the payment period or period of enrollment, did the student cease to attend or fail to begin attendance in a course he or she was scheduled to attend?
 - If the answer is no, this is not a withdrawal
 - If the answer is yes, go to questions 2.

- 2) When the student ceased to attend or failed to begin attendance in a course he or she was scheduled to attend, was the student still attending any other courses?
 - If the answer is yes, this is not a withdrawal; however, other regulatory provisions concerning recalculation may apply.
 - If the answer is no, go to questions 3.

- 3) Did the student confirm attendance in a course in a module beginning later in the period (for Non-term and nonstandard term programs, this must be no later than 45 calendar days after the end of the module the student ceased attending)?
- If the answer is yes, this is not a withdrawal, unless the student does not return.
 - If the answer is no, this is a withdrawal and the Return of Title IV Funds requirements apply.

Dropping a course from the student's fall, spring, or summer schedule may cause the financial aid awards to be revised. The date of the drop affects the eligibility. If the student drops below full-time status (12 hours for undergraduates and 9 hours for graduates), they may lose financial aid eligibility. Keep in mind, Federal Direct Student Loans require at least half-time enrollment (6 hours for undergraduates and 5 hours for graduates). Dropping courses prior to the first day of instruction, but remaining enrolled in future courses: financial aid will be adjusted to reflect the change in enrollment.

Students may contact the Office of Financial Aid to inquire how a dropped course will affect their financial aid.

Withdrawing may affect your eligibility to receive financial aid in subsequent terms. Please contact the Office of Financial Aid if you are planning to return.

If you have borrowed a student loan at anytime during your education, we also recommend that you contact your Federal Student Loan Servicer of your enrollment status. By withdrawing from the university, you are subject to the rules and regulations of the Federal Student Loan Program. If your loans should go into repayment once you withdraw from school, it is important to make your payments on time to prevent default. If you default on a loan, you will lose your eligibility for any future financial aid. The Federal Student Loan Servicer can help you with various repayment options, deferment or forbearance options.