Withdrawal and Return of Title IV Funds Policy


When federal financial aid funds are disbursed, the expectation is that the student will attend the entire period of enrollment for which the funds were awarded. If students only complete a portion of the semester or term, they have only earned a portion of their federal financial aid. In some cases, this means that funds must be returned to the government, otherwise known as Return of Title IV Funds (R2T4).

There are two types of withdrawal, official (discontinuance) and unofficial.

Official Withdrawal (Discontinuance) – student drops all classes for a given semester/term, does not complete all modules the student was scheduled to attend (modules are classes that do not span an entire semester), or drops all aid-eligible classes but remains enrolled in some classes. Non-aid-eligible classes include:

a. Audited classes
b. Repeated classes (more than twice)
c. Classes added after the census date or after initial evaluation for packaging (for Pell only)

Instructions for officially withdrawing can be found on the Registrar’s office website at https://enrollment.byu.edu/registrar/discontinuance.

Unofficial Withdrawal – Students who remain enrolled in a class but at some point, cease participation resulting in a 0.0 GPA. If a student receives either an E, W, NS, or I in all classes in which they are enrolled for a semester or module, that student is an unofficial withdraw. These are identified at the end of the semester after grades are posted.

Because an official or unofficial withdrawal will affect a student’s current federal financial aid and potentially their future financial aid eligibility, Brigham Young University strongly encourages students to meet with an Enrollment Services Counselor prior to making a final decision about withdrawing from classes.

Determination of Withdrawal Date

For students who officially withdraw from the college, the day of withdraw is the date that the student submitted the withdrawal (discontinuance) form and/or the date of the student’s notification of their intent to withdrawal.
For students who drop all courses during the add/drop period in a module or semester, the day of withdraw is the day the courses were dropped.

For students who unofficially withdraw from a module or session, the day of withdraw is either the last day the student participated in the class (in the case where participation records exist) or the mid-point of the semester (in the case where participation records do not exist).

**Proof of Attendance/Participation**

We are required to document proof of attendance/participation for all federal aid eligible classes. We do this through the following:

- Testing Center site
- Learning Suite site
- Canvas report
- DISC01 screen
- PET01 screen
- Email professors if nothing is identified by previous options
- Call professors if no response.

If the student was federal Pell Grant eligible and we do not get proof of attendance/participation for a portion of the classes, then a federal Pell Grant recalculation will be required before the R2T4 calculation can be completed. If the student received only loans, then we are only required to have proof of attendance/participation in at least one class.

Participation is defined as, but not limited to:

- Completion of Exams or Quizzes.
- Completion of an academic assignment or project.
- Class attendance.
- Participation in an online or in-class discussion about academic matters.
- Contact with a faculty member to ask a question about the academic subject being studied.
- Attendance at a study group that is mandatory for the class and where attendance is taken.

**Federal Financial Aid Calculation**

The federally required calculation is based upon the idea that students earn financial aid in proportion to the amount of time in which they were enrolled. For example, a student who withdraws in the second week of class has earned less than someone who withdraws in the fifth week of class.
Once a student has completed 60% of the weeks of a semester, the student is considered to have earned all the financial aid they were awarded and will not have to return any funds.

Students who receives federal financial aid, but never attends classes, the Financial Aid Office must return all disbursed aid to the respective federal and institutional aid programs.

**IMPORTANT**: Students may receive a partial cancellation of their tuition and fees because of their withdrawal. Brigham Young University’s tuition/fee cancellation policy is separate from the federal regulations on repayment of unearned aid.

**How “Earned” Federal Financial Aid is Calculated**

Institutions are required to determine the amount of Title IV financial aid that was “earned” by a withdrawing student. This calculation must be completed within 30 days of the date the school determines that the student has withdrawn. The school is required to return any unearned funds within 45 days. The calculation is completed by the Financial Aid Office.

The percent earned is equal to the number of calendar days completed up to the withdrawal date divided by the total number of calendar days in the semester/payment period. Breaks of 5 days or longer are not included in the count of total days in the payment period.

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\text{Earned Percent} = \frac{\text{Number of Days Completed}}{\text{Total Days in Payment Period}}
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\text{Unearned Percent} = 100\% - \text{Earned Percent}
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**Calculating Institutional Charges**

Institutional charges are the charges that were initially assessed to the student up to the discontinuance date. Do not take into consideration any adjustments that happened because of the student’s discontinuance.

Included in these charges are:

- Tuition
- Pro-rated tuition
- Class fees
- Pro-rated class fees
- On campus room (rent)
- On campus meal plans
- Program fees (study abroad)
Order of Return to Federal Aid Programs

In accordance with federal regulations, unearned aid will be returned to the federal programs within 45 days of the student’s withdrawal in the following order:

- Federal Direct Unsubsidized Loan
- Federal Direct Subsidized Loan
- Federal Direct GRAD PLUS Loan
- Federal Direct Parent PLUS Loan for Undergraduate Students
- Federal Pell Grant

Post-Withdrawal Disbursements

When the total amount of the Title IV assistance earned as of the withdrawal date is more than the amount that was disbursed to the student, the difference between the two amounts will be treated as a post-withdrawal disbursement.

- Post-Withdrawal Disbursement of Federal Grant Funds
  - Brigham Young University will automatically credit the student’s account with a late disbursement of Federal Pell Grant for current institutional charges (tuition, fees, room and board). Excess funds will be refunded to the student. The post-withdrawal disbursement will be made within 45 days of the date the institution determined the student withdrew.

- Post-Withdrawal Disbursement of Federal Loan Funds
  - If a post-withdrawal disbursement includes federal loan funds, Brigham Young University must obtain the students, or parent if a PLUS loan, permission before it can be disbursed. The borrower will be notified within 30 days of the date of determination of withdrawal of the opportunity to accept all or a part of the post-withdrawal disbursement. The student or parent has 14 days from the date of notification to respond. Brigham Young University will disburse the loan funds within 180 days of the date of determination of the student's withdrawal date. Loan funds will be applied towards the outstanding semester charges on the student's account and may pay up to the amount of the allowable charges. Any remainder will be refunded directly to the student or parent.
Student Notification of Results of Calculation

Upon completion of the Return of Title IV Funds calculation, students will receive notification through YMessage indicating the amount of aid that will be returned. Brigham Young University will return the required funds on the student’s behalf to the appropriate federal and institutional aid program(s) by charging the student’s account. Students will be able to view the return and any resulting account balance on their student account immediately after the return of funds has been processed.

The student is responsible for all charges resulting from a Return of Title IV calculation. If a student fails to pay or make payment arrangements on their student account balance, the student’s academic records will be place on financial hold. This means the student will not be permitted to register for future classes or receive transcripts until the balance is paid.

Timing and deadlines

The R2T4 calculation must be completed in thirty days from the date of determination. Then we have an additional 15 days (45 total) to return the funds to the government.

Modules:

The rules surrounding withdrawal and modules are slightly different. Students enrolled in modules are held accountable for attending the number of days in the modules in which they are scheduled to attend (currently enrolled).

The timing of a dropped class in the modular programs is also important. If a student drops courses in a later module while still enrolled in a current module within a semester, the student is not considered to be withdrawn. However, a recalculation of financial aid eligibility based on the change in enrollment status (full-time, three-quarter time, half-time) may still be required.

If a student ceases enrollment in a current module, but plans to attend a later module within the same semester, the student must notify the financial aid office in writing of their plans to attend the later module to avoid being considered a withdraw for the purposes of this calculation. If written notification is not received, the student is considered to have withdrawn and the return of funds calculation is completed. If, however, the student does continue to attend in a later module within the same semester, even if they failed to notify the Financial Aid Office that they would, prior calculations due to non-communication are reversed.