

# Return of Federal Title IV Assistance

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## NEIU Financial Aid Withdrawal & Return of Title IV Policy

Federal Title IV funds are awarded and disbursed with the expectation that a student will attend coursework for the entire semester for which the assistance is disbursed. Most Financial Aid Programs will not pay for courses dropped during the add/drop period (before census date). After this period has expired, student enrollment is captured for the remainder of the term. Financial Aid Programs will disburse against the student's University billing account based on the captured enrollment hours. The return of funds is based upon the concept that students earn their financial aid in proportion to the amount of time in which they are enrolled. If the student withdraws from all courses prior to completing more than 60% of a semester, he/she may be required to repay a portion of the federal financial aid disbursed. A pro rata schedule is used to determine the amount of federal funds a student will have earned at the time of the withdrawal. All returns are required within 45 days of the date the withdrawal occurred ('date of determination'). Weekends are included in the calculation except where a break coinciding with a weekend exceeds five days.

NEIU returns a calculated amount based on a percentage earned, thereby creating a bill against the student's accounts receivable. Federal Title IV funds include:

- Federal Pell Grant
- Federal Supplemental Education Opportunity Grant
- Federal Direct Subsidized Stafford Loan
- Federal Direct Unsubsidized Stafford Loan
- Federal Parent Loan for Undergraduate Students (PLUS)
- Federal TEACH Grant

Once determined, Federal Title IV funds are returned in the following order: Direct Unsubsidized Loan, Direct Subsidized Loan, Direct PLUS Loan, Federal TEACH, Federal Pell Grant and Federal Supplemental Educational Opportunity Grant (FSEOG).

## Complete (OFFICIAL) Withdrawals

Financial Aid is required to perform a Return of Title IV calculation for students receiving Federal funds and who **completely withdraw** from all registered courses before 60% of the term has expired. The date of determination used in the calculation is the date in which the last course was withdrawn for that term. Once the calculation is performed, any Federal assistance is adjusted and the student is notified of the amount that must be returned to the U.S. Department of Education.

## Unofficial Withdrawals

Financial Aid is required to perform a Return of Title IV calculation for students receiving Federal funds and who receive no grade point average for a given semester. This includes any combination of I, F, NAF, RNAF, UWF, RUWF, NP, W, or X grades. This is referred to as an unofficial withdrawal. Once the calculation is performed, the student is notified and has the opportunity to submit documentation from instructors to Financial Aid verifying the actual last date of attendance. In addition, Financial Aid will contact each instructor requesting the last date of attendance or 'active participation' in order to determine if the student is eligible for a prorated portion of their disbursed aid or a Post Withdrawal Disbursement (PWD) of aid. If the last date of attendance is after the mid-point of the term, it minimizes the amount that must be returned to the U.S. Department of Education.

For courses with 'NAF' or 'RNAF' grades, all Title IV funds are returned as this grade reflects the student never attended. For courses with 'UWF' or 'RUWF' grades, the last date of attendance is a required entry for the instructors during grading and that last date of attendance is used in the calculation. Once it is determined that funds must be returned, NEIU returns the calculated amount thereby creating a bill against the student's accounts receivable.

## INVOLUNTARY WITHDRAWALS

Northeastern Illinois University (NEIU) reserves the right to involuntarily withdraw a student whose behavior suggests a significant risk of harm to self or others. Involuntary student withdrawal may or may not include plans or contingencies that condition the return of a student to the University.

## POST WITHDRAWAL DISBURSEMENTS

If the student has accepted his/her federal aid and it has not disbursed, the reason for the non-disbursal will be identified by Financial Aid. If any of the following conditions have been met, the aid will be included in the "Post Withdrawal Disbursement" section of the calculation:

1. **Federal Pell Grant:** FREE Application for Federal Student Aid received date with a valid expected family contribution (EFC) is prior to the official withdrawal date
2. **FSEOG:** Federal student aid was awarded prior to official withdrawal date
3. **Federal Direct PLUS, Subsidized and Unsubsidized:** Loan 'accepted' (originated) by federal processor prior to official withdrawal date and electronic Master Promissory Note signed prior to calculation

The post-withdrawal disbursement calculation identifies whether a student is eligible for an additional disbursement despite no longer being enrolled. If the student has outstanding institutional charges, the funds are automatically applied to the student's billing account. If a credit balance results from a post-withdrawal disbursement, the student/parent is sent a letter notifying him/her of the amount available. The student/parent is asked to return the letter within 14 days indicating whether he/she wishes to receive the credit balance. Northeastern Illinois University cannot make a Post-Withdrawal Disbursement to the account or estate of a student who is deceased. Further, a student's estate is not required to return any Title IV funds.

## **REPORTS OF NON-ATTENDANCE**

Students who are reported for non-attendance for coursework while enrolled at Northeastern Illinois University forfeit eligibility to any Federal, State, Institutional or Private financial assistance. The University will return all assistance to the appropriate source which will result in an outstanding balance due. Deferred and late fees apply.