



## Return of Title IV Federal Funds Policy

Student Financial Assistance  
University of Southern Indiana  
8600 University Boulevard  
Evansville, IN 47712  
Phone: 812-464-1767 or 800-467-1965  
[www.usi.edu/finaid](http://www.usi.edu/finaid)

This policy applies to students who completely withdraw from the semester, either officially or unofficially, stop attending all courses before completing the semester, do not complete all modules (courses which do not span the entire payment period for which he/she has registered at the time the module(s) began), or are administratively dismissed.

- 1) The term "Title IV Funds" refers to the federal financial aid programs authorized under the Higher Education Act of 1965 (as amended) and at USI includes the following programs: unsubsidized Direct loans, subsidized Direct loans, Federal PLUS loans, Federal Pell Grants, and Federal Supplemental Educational Opportunity Grants (FSEOG).
- 2) A student's withdrawal date is the **earlier** of:
  - the date the student began the institution's withdrawal process (as described in the University bulletin) or officially notified the University's Registrar of intent to withdraw; or
  - the midpoint of the period for a student who leaves without notifying the institution; or
  - the student's last date of attendance of a documented academically-related activity.

Note: Medical Withdrawals and the Return of Title IV Funds - Students who are granted medical withdrawal are treated in the same manner as students who withdraw from the college.

- 3) The Return of Federal Funds Calculation
  - Title IV federal aid is earned in a prorated manner on a **per diem** basis based on the semester calendar up to the 60% point in the semester or summer as a whole. Title IV federal aid is viewed as 100% earned after that point in time.
  - The Return of Title IV Funds Calculation is a federally mandated process that requires USI to calculate the amount of federal aid to be returned for Title IV recipients that withdraw or cease attendance before the 60% point of the semester or payment period. As a result of the calculation, a student's Title IV aid may be reduced to reflect the percent of the term attended and any unearned aid may have to be returned.
  - For students enrolled in only coursework that spans the entire length of the term, the calculation is performed by dividing the number of days the student attended by the number of days in the term or payment period (less any scheduled breaks of 5 days or longer) to find the percent of the period completed. If this is greater than 60% without rounding, no Title IV aid is returned. The percent completed is then multiplied times the total Title IV disburseable aid to find the amount of aid earned in the period. The amount earned is then subtracted from the total disburseable aid to determine the amount of unearned aid to be returned.
  - For students enrolled in modules (courses that do not span the entire length of a term or payment period), the number of total payment period days used in the denominator of this calculation would include the days of a module if the student attended at least one day of the module or if the days of the module were used to determine the student's eligibility for Title IV funds. The calculation is performed by dividing the days attended by this number to determine the percent of the period completed. If this is greater than 60% without rounding, no Title IV aid is returned. The percent completed is then multiplied times the total Title IV disburseable aid to find the amount of aid earned in the period. The amount earned is then subtracted from the total disburseable aid to determine the amount of unearned aid to be returned.
  - For students enrolled in modules (courses that do not span the entire length of a term or payment period, usually in summer), a student is considered withdrawn, if after they begin attendance, they fail to complete all of the days in the payment period they were scheduled to attend. If a student drops courses in a later module while still attending a current module, they are not considered withdrawn, but aid may be recalculated based on a change in enrollment status. Effective for withdrawals May 10, 2021 and after, a student enrolled in modules is exempt from the return calculation, if before the withdrawal, the student successfully completed coursework necessary for half-time enrollment, successfully completed one or more modules that included 49% or more of the days of the overall payment period of the term, or if the student completed all requirements for graduation

for their program before completing the days in the period they withdrew from.

- Students enrolled in modules, who at the time they cease attendance, provide written confirmation of their intent to attend a later course in the same payment period are not considered withdrawn. If written confirmation is not provided, the student is considered withdrawn and the return calculation will be performed immediately. If they provide written confirmation and fail to begin attendance in a later course or drop the later course after beginning attendance, the return calculation will then have to be performed. If the student doesn't provide written confirmation of intent to attend a later course in the same payment period but does return in the same period, the student is not considered withdrawn and the return calculation is reversed and the student is eligible to receive the Title IV funds they were eligible for before originally ceasing attendance.
- Charges that are excluded from return calculations under this policy include:
  - institutional charges for **prior** terms;
  - munch money;
  - admission fees;
  - enrollment fees;
  - matriculation (orientation) fees;
  - charges for non-returnable supplies and equipment;
  - health services fee;
  - penalty charges such as parking, housing damages, library, and video fines; and
  - charges (besides book purchases in the USI Bookstore) incurred after the student's first date of attendance for the term of the withdrawal.

4) Post-Withdrawal Disbursements

- A Post-withdrawal disbursement may be made when the amount of Title IV aid earned is more than the Title IV aid disbursed. Post-withdrawal disbursements must be made as soon as possible but no later than 45 days from the school's determination that the student withdrew.
- Students must meet the conditions of a late disbursement such as: having a processed Student Aid Report (SAR) or Institutional Student Information Record (ISIR) with an official expected family contribution (EFC), may not owe a prior year balance, must meet both the USI and federal Satisfactory Academic Progress Policies, must have accepted the aid by the date of withdrawal and for loans, we must have student/parent (for PLUS loan funds) permission.
- If a post-withdrawal includes federal loan funds, USI must send notification of eligibility to students/parents (for PLUS loans) within 30 days after the determination that the student withdrew. Students/parents must respond within 14 days from the date of the letter to accept or decline any portion of the loan post-withdrawal disbursement. If no response is received within 14 days, USI is not required to disburse the loan funds. Because these are loan funds that have to be repaid, students/parents should consider whether or not it is beneficial to accept a loan post-withdrawal funds.

5) The University's responsibilities in regard to the return of Title IV funds include:

- providing each federal financial aid recipient with the information given in this policy;
- identifying students who are affected by this policy and completing the Return of Title IV Federal Funds calculation for those students;
- making required returns of Title IV federal funds that are due the Title IV programs within 45 days of the determination of a student's withdrawal; funds returned from Title IV programs would be done in the following order: Unsubsidized direct loans, Subsidized direct loans, direct PLUS loans, federal Pell grants, Iraq and Afghanistan Service grants, federal SEOG, and Teach grants; and
- notifying the student and/or parent borrower by mail within 30 days of eligibility of a loan post-withdrawal disbursement, if applicable.

6) The student's responsibilities in regard to the return of Title IV funds include:

- notifying the University's Registrar of intent to withdraw (**must provide proof of identity**);
- following the University's prescribed procedures for officially withdrawing from the semester; and

- if the R2t4 calculation results in an amount to be returned that exceeds the school's portion, the student must repay to the Title IV federal programs any funds that were disbursed directly to the student for which the student was determined to be ineligible.

7) Non-Attendance Procedure

Students who receive financial aid and do not attend classes will be required to promptly repay **all** funds received. Non-attending recipients of student loans will have their loans cancelled and all disbursed loan amounts will be **due and payable in full within 30 days**. Failure to repay this debt will result in an adverse report on the student's credit history and eligibility to enroll at USI will be revoked.

8) Tuition and Fee Refunds

- Refunds of tuition, campus service fees, parking fees, and special fees will be prorated on a **weekly** basis through the fourth week of the fall and spring semesters (eighth day of a summer session). There are no refunds of tuition and fees to students or to non-federal entities after that point in time.
- In accordance with federal regulations, when federal financial aid is involved, refunds are allocated in the following order: unsubsidized Direct Loans, subsidized Direct Loans, Federal PLUS loans, Federal Pell Grants, Federal SEOG, other Title IV federal assistance, other federal sources of aid, other state, private and institutional aid, and finally, the student. **Note: Generally, all semester charges must have been paid in full at the time of withdrawal for a student to receive a refund.** Any credit balance must be disbursed as soon as possible and no later than 14 days after the R2T4 calculation.
- The University reserves the right to apply any refund due a student to the repayment of institutional loans or book charges.
- For further information about tuition and fees refunds contact the Office of the Bursar (Orr Center lower level) or view the University Bulletin under fees and expenses at [bulletin.usi.edu/](http://bulletin.usi.edu/).
- Contact Housing & Residence Life (O'Daniel north) to properly check out of housing or for information about refunds of University housing payments.
- If you have a meal plan, contact Food Services (UC lower level) to cancel your plan.

9) Schedule Changes

**Refunds** of tuition and instructional fees **resulting from a change in enrollment status** (for example, from full-time to half-time) **will be returned to the financial aid program(s) which originally paid the tuition/fees**. Other refunds will be made by check to the student or other payee through the fourth week of the semester or eighth day of a summer session.

Note: Student accounts which are not paid in full at the time of withdrawal may not receive a refund or may receive only a partial refund.

Any notification of a withdrawal or cancellation of class schedule should be in writing, signed, and addressed to the University's Registrar. University withdrawal procedures are located on the Registrar's Office website at [www.usi.edu/registrar/schedule-changes](http://www.usi.edu/registrar/schedule-changes).

Cancellation of admission applications (prior to enrollment in classes) should be in writing, signed, and addressed to the University's Director of Admission.

If you believe that your individual circumstances warrant that your charges or refund should be determined in a manner other than described in USI's published policies, please contact the Bursar's Office in writing to explain your circumstances or justification for an exception. The outcomes of application of the institutional refund policy may be appealed in writing to the University's Administrative Appeals Committee.

**Disclaimer:** The fees, procedures, and policies listed above supersede those published previously and are subject to change at any time when required by changes in federal regulations. This policy reflects the University's good faith effort to interpret federal regulations that have a bearing on such matters.