Policy Name: Return of Federal Title IV Funds

Purpose: This document contains the Office of Financial Aid’s current policies and procedures for Title IV Refunds.

Disclaimer: This policy is subject to change, without notice, in order to comply with administrative and regulatory requirements. All policies and procedures below are in accordance with Title 34; Subtitle B; Chapter VI; Part 668 of the Electronic Code of Federal Regulations (eCFR).

Policy Contents:

3.2 Return of Title IV Funds Overview
3.2.1.a Determine the Date of Withdrawal
3.2.1.b Calculate the Amount of Title IV Aid Earned/Unearned
3.2.1.c Institutional Costs
3.2.1.d Allocation of Unearned Aid
3.2.1.e Notification of Return of Funds
3.2.2 Applicable Deadlines
3.2.3 Academic Calendar
3.2.4 Post-Withdrawal Disbursement

Definitions and Terms:

DOE – U.S. Department of Education
FAFSA – Free Application for Federal Student Aid
OFA – Office of Financial Aid
R2T4 – Return of Title IV Funds
SFA – Student Financial Aid
UM – University of Mississippi
Federal Title IV funds (Pell Grant, Iraq and Afghanistan Service Grant, SEOG, TEACH, Work-Study, Direct Loans, Perkins Loan, and PLUS loans) are awarded under the assumption that the student will attend school for the entire period of enrollment. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive. Then the amount of Title IV grant or loan assistance “earned” by the student must be determined.

If the amount disbursed to the student is greater than the amount the student earned, the unearned funds must be returned. 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 of the earned aid that was not received.

**Correspondence:**

Please note that all correspondence from the OFA will be carried out through email. Therefore, the student is responsible for checking his or her Ole Miss email account regularly. If the student does not use their Ole Miss account, it is recommended that he or she forward it to an active email account.

**Part 3.2.1.a**  
**Determine the Date of Withdrawal**

The date of a student’s withdrawal is (A) the date in which the student began the official withdrawal process, or (B) the date in which UM determined that the student ceased to attend class.

If a student begins attendance but withdraws before being awarded Title IV funds, the student is not considered to have been a Title IV recipient and the requirements of 34 CFR 668.22 do not apply.

For more information, see policy “3.7 Withdrawals”

**Part 3.2.1.b**  
**Calculate the Amount of Title IV Aid Earned/Unearned**

The return of Title IV Funds is determined by calculating the earned and unearned portions of Title IV aid as of the date the student ceased attendance at the University.

The equation for calculating a student’s earned and unearned portions is called the “Return Calculation”, and it is as follows:

\[
\text{Number of Calendar Days Completed in the Term as of Date of Withdrawal} \div \text{Total Number of Calendar Days in Term}
\]
If the resulting percentage is greater than 60 percent, no paybacks will be processed. If the result is 60 percent or less, then this percentage is used to determine how much of the aid that was disbursed (or could have been disbursed) is considered earned. The remainder must be returned to the Title IV program(s).

UM must return the lesser of (A) the amount of SFA not earned or (B) the institutional costs (see below) that the student incurred multiplied by the percentage of SFA not earned.

### Part 3.2.1c Institutional Costs

Included in the list of institutional costs are:

- Tuition
- On-Campus Housing
- Non-Resident Fee
- Flex/Meal Plan Charges
- Capital Improvements Fee
- Course Fees (online program fees and lab fees)

Any items that are not included in the list above are not considered institutional costs. At UM, non-institutional costs may include but are not limited to:

- Parking Permits
- Registration Fees
- Textbook Fees
- Tickets to athletic events or concerts

### Part 3.2.1.d Allocation of Unearned Aid

Unearned funds are first applied (paid back) to any Title IV loans borrowed during the term. As stipulated by federal regulations, funds are returned in the following order:

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Federal Perkins Loans
4. Direct PLUS Loans (Parent and Graduate)
5. Federal Pell Grants
6. FSEOG
7. TEACH Grants
8. Iraq and Afghanistan Service Grants
When UM must return loan funds to DOE on the student’s behalf (or parent’s, in the case of a PLUS loan), the student’s bursar account will be charged for this amount. When the federal calculation determines, instead, that it is the student’s (or parent’s) responsibility to return funds directly to the DOE, the earned Title IV loan funds are repaid in accordance with the terms of the loan. If unearned funds remain after all loans have been repaid, the remaining unearned funds must be credited to Title IV programs in the following order:

1. Federal Pell Grant
2. Federal SEOG
3. TEACH Grant

When the school must return grant funds on the student’s behalf, the student’s bursar account will be charged for this amount. When the responsibility for repaying funds to the Title IV grant programs falls to the student, the student is required to return only 50 percent of the grant repayment as calculated using the federal formula. Grant overpayments may be collected according to arrangements satisfactory to the school or by overpayment collection procedures prescribed by the Department of Education.

Note: Federal Work Study is excluded from this policy.

Part 3.2.1.e Notification of Return of Funds

Students for which a portion of Title IV aid must be returned will receive an email from the OFA indicating that an adjustment has been made and funds have been returned on the student’s behalf. This communication further instructs that any resulting balances on the student account must be paid by the student and arrangements for payment must be made directly with the Office of the Bursar.

An electronic memo will be created and stored within the financial aid system to document each return of Title IV funds.

Part 3.2.2 Applicable Deadlines

Two primary deadlines impact R2T4 calculations:

1. The 45-day time frame for the return of funds. The UM must return unearned funds as soon as possible but no later than 45 days from the determination of a student’s withdrawal. Funds are considered returned in this time frame if the deposit or transfer into the school’s federal funds bank account have been awarded and disbursed to another eligible student or if the funds have been returned to the Department electronically using G5.
2. The 30-day required notification of the need for authorization to make a post-withdrawal disbursement of Title IV loan funds. The UM will notify students, or parents for a Direct Parent PLUS loan, in writing of their eligibility for a post-withdrawal disbursement if applicable.

The R2T4 calculation is based on UM’s official Academic Calendar. Please see the official Academic Calendar for more information. The Academic Calendar is available at http://registrar.olemiss.edu/academic-calendar-menu/

When counting the number of days in a period of enrollment, weekends are included for purposes of the calculation. Breaks of five or more consecutive days, however, are not included.
Sample Wording

As a result of your withdrawal from the University of Mississippi and the Federal Title IV financial aid regulations, you are eligible for what is referred to as a “post-withdrawal disbursement.” This means that you are due to receive some financial aid from the fall semester.

You attended a total of ___ calendar days of this term, earning ___% of your financial aid. The following shows what financial aid you earned and what the University of Mississippi has returned to the respective aid program(s):

<table>
<thead>
<tr>
<th>Loan Title</th>
<th>Amount</th>
<th>Returned</th>
<th>Can Keep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Direct Subsidized Loan</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Federal Direct Unsubsidized Loan</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Direct PLUS Loan</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Federal Perkins Loan</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Currently, the balance on your student account is $______. Any grant award(s) will automatically be credited against this balance, resulting in a total of $______ owed to the University. If you choose to do so, you can apply your remaining loan eligibility of $______ towards this balance.

You may accept all, a portion, or none of the loan amount. BORROWER’S NAME authorization is required in order to apply any loan funds to your account. This amount would be less any fees charged by your lender.

Please note that any and all loan funds that you accept will have to be repaid in full to their respective lender(s). Please visit [www.studentaid.ed.gov](http://www.studentaid.ed.gov) for current interest rates.

The University of Mississippi is obligated to make this post-withdrawal disbursement only if you accept the funds by MONTH DAY, YEAR, 14 days after this notification is sent. If we have not heard from you by that date, we will cancel your loan amounts, and they will automatically be returned to their respective lender(s).

If you have questions, please contact the Office of Financial Aid.
Sample Wording for Post-Withdrawal Disbursement Consent

(Check all that apply)

☐ I authorize the University of Mississippi to credit my account for the amount of $______, using my remaining financial aid eligibility for TERM of YEAR.

☐ I do not authorize the University of Mississippi to credit my account using my remaining financial aid eligibility for TERM of YEAR.

<table>
<thead>
<tr>
<th>Name</th>
<th>SID</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Student ID # or SSN)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(mm/dd/yyyy)</td>
</tr>
</tbody>
</table>

Please return this form as soon as possible to:

**Mail or hand deliver this form to:**
University of Mississippi
Office of Financial Aid
257 Martindale
University, MS 38677

**Fax this form to:**
(662) 915-1164

**Contact us at:**
(800) 891-4596