

Return of Title IV Funds Policy

Federal regulations require all institutions to establish a policy that determines the amount of Title IV Financial Aid a student is eligible to receive if he/she withdraws from school. The Federal Student Aid (FSA) programs covered by these regulations include:

- Federal Direct Unsubsidized Loan
- Federal Direct Subsidized Loan
- Federal Direct PLUS Loan
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- Federal Teach Grant

When a recipient of Federal Student Aid (Title IV) funds ceases to be enrolled prior to the end of the period of enrollment, the institution is required to calculate a return of Title IV funds.

The institution is required to determine the amount of Title IV aid a student has earned as of the date the student ceased attendance. If it is determined that the student is eligible to receive additional funds, those funds may be disbursed. If it is determined that the student has received more funds than he or she is eligible to receive, the funds must be returned to the federal programs in the order listed below. The percentage of unearned funds is determined by dividing the number of calendar days remaining in the term by the total number of calendar days in the term.

Official withdrawals:

A student who stops attending classes must formally withdraw from school to avoid failing grades. Procedures and forms for formal withdrawal are available via MaSU eForms in the student's Campus Connection. The MSU Records Office can answer questions about officially withdrawing from the university. At the time of withdrawal, the MSU Financial Aid Office will determine the amount of student aid the student has "earned." For example, a student who completed 30% of the payment period (semester) will be determined to have "earned" 30% of the aid he or she was originally scheduled to receive. Once a student has completed more than 60% of a payment period, he or she is eligible to receive 100% of the FSA award.

Unofficial Withdrawals:

A student who stops attending classes but does not officially withdraw is considered to have unofficially withdrawn from school. Students who receive no passing grades for the semester will be evaluated as a student who has ceased enrollment. The MSU Financial Aid Office will calculate the amount of financial aid "earned and unearned" based upon the midpoint of the semester or based on the student's last day of attendance/participation in academically related activity.

A student must initiate and complete the formal withdrawal process to avoid failing grades.

All funds returned to federal programs by the school will be charged to the student's account at the institution. All refunds of institutional charges will be a credit to the student's account at the institution. Students will have 14 days to pay the balance due to the school, if any, or make payment arrangements with the Business Office. If the student has a credit balance after all calculations have been completed, the institution will issue a "refund" to the student via direct deposit (if available) or paper check.

Consistent with Federal law, "unearned" funds must be returned to the student aid programs in the following order:

1. Unsubsidized Direct Loan
2. Subsidized Direct Loan
3. Federal Plus Loans
4. Federal Pell Grant
5. Federal SEOG Grant
6. Federal Teach Grant

In addition, Mayville State University may return funds to programs other than Title IV Funds. This may include scholarships or third-party payments, as necessary. The amounts may be prorated to the original sources in proportion to the initial awards or revoked.

Post-withdrawal Disbursements:

After withdrawal, it may be determined that a student did not receive all funds "earned." In such cases, a post-withdrawal disbursement may be due. When a post-withdrawal disbursement includes student loans, the student may choose to decline the loan funds, thereby keeping loan debt to a minimum. The post-withdrawal disbursement will be applied to tuition, fees, housing, and food charges owed to the college, and any remainder is paid to the student. Some FSA funds are not available to the student after he/she has withdrawn because of other special eligibility requirements. Examples include:

- A first-time, first-year undergraduate student who withdraws before the thirtieth day of classes, the student will not earn any aid that they would have received had they remained enrolled past the 30th day of the payment period.
- No portion of a second or subsequent disbursement may be disbursed to a student as a post-withdrawal disbursement.
- Students participating in the Federal Work-study program are not eligible to earn Work-study funds after withdrawing from college.

Mayville State University must return any unearned funds as soon as possible, but no later than 45 days from the date of the institution's determination that the student withdrew. All financial aid funds returned will be the responsibility of the student.