

## Return of Title IV Funds Example: Traditional Semester Program

There are circumstances when the University is required to perform a Return to Title IV funds calculation for students who received federal aid then withdraw from school. Warner Pacific University uses the federal return of funds calculation for all students who withdraw from school to determine the amount of federal, state, and institutional aid that is earned and unearned for the awarding period.

There are two types of withdrawals that trigger a Return to Title IV (R2T4) funds calculation:

**Official Withdrawal:** The student notifies the Student Success and Retention Manager of the intent to withdraw from school.

**Unofficial Withdrawal:** The student does not officially withdraw but earns all, or a combination of, X grades (no basis for grade), W (withdrawal) grades, NP (no pass) grades, or F (failed) grades. In these situations, the Student Success and Retention Manager in collaboration with Financial Aid, determines if at least one credit was an earned grade or if the student vanished (quit attending without notice). If the vanished, the last day of academically related contact is determined and used to perform a return calculation.

Example of an R2T4 Calculation:

Enrollment Period: Fall Semester (109 days)

Student received net federal loan amounts of \$5,442 unsubsidized, \$742 subsidized, Pell grants of \$2,908 and \$400 FSEOG.

Title IV Funds Received	Amount
Title IV Loans	\$5,184
Title IV Grants	\$3,308
Total Title IV Aid	\$9,492

Student withdrew on day 52 of the enrollment period

Percent Earned:  $52/109 = 47.70\%$

Percent Unearned:  $100\% - 47.70 = 52.3\%$

Amount of Title IV Aid Unearned:  $\$9,492 \times .523 = \$4,964.32$

The unearned aid must be returned to the federal government in the following order:

- Unsubsidized Federal Stafford Loans
- Subsidized Federal Stafford Loans
- Federal Perkins Loans
- Federal Parent PLUS Loan
- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal TEACH grants
- Iraq and Afghanistan Grant
- Other Grants

In the student example provided, the University returns a portion of the unsubsidized loan of \$4,964.32.