



## **RETURN OF TITLE IV FUNDS (R2T4) POLICY**

### **FOR STUDENTS RECEIVING U.S. FEDERAL AID**

The U.S. Federal regulations require the University of Chichester to complete a return of Title IV Funds calculation if a student in receipt of federal aid (Subsidised, Unsubsidised and PLUS) withdraws from their course. The calculation determines the student's entitlement to U.S. federal aid based on the period of their attendance. This policy explains how to withdraw from a course, in what circumstances to apply the Return of Title IV Funds and how to calculate the Return of Title IV funds.

The Return of Title IV funds policy will also apply if a student interrupts their studies e.g. by taking Leave of Absence for over 180 day period or if a student becomes ineligible for federal aid following changes to their enrolment or other factors.

It is important not to confuse the Refund of Title IV Funds policy with the University's tuition fee refund policy. After returning any "unearned" funds to the U.S. Department of Education the withdrawn student may still owe funds to the University to cover any unpaid tuition fees and/or accommodation fees.

University of Chichester's tuition fee policy is available on the University's website:  
<https://www.chi.ac.uk/study-us/fees-finance/tuition-fees>

#### **1. Withdrawal from studies**

If a student wishes to withdraw from their studies, they should complete a withdrawal form, which is available on Moodle (Student Handbook). The form must be signed by an academic adviser, programme coordinator or a member of staff from Student Support and Wellbeing. Once completed and signed the form should be sent to Academic Registry as soon as possible. The student must also inform the international Student Advisory Service (ISAS) of their withdrawal by email [international@chi.ac.uk](mailto:international@chi.ac.uk), so that the Return of Title IV Funds can be promptly calculated. The date of withdrawal is the last date of attendance as stated on the withdrawal form.

If a student stops attending the University without completing the withdrawal form, ISAS will determine the last date of attendance in liaison with the relevant academic department's attendance/absence monitoring administrator/tutor.

#### **2. How to calculate the title IV entitlement**

When a student withdraws from the University a calculation of Return of Title IV Funds is carried out by the International Student Advisory Service (ISAS). Unless the student completed at least 60% of their programme during the relevant payment period, the University and/or the student will need to repay "unearned" funds to the US Department of Education. The "unearned" funds must be returned within 45 days of the date of the withdrawal. The student may be asked to make further tuition fee or accommodation payments to the University in order to replace the refunded funds. ISAS will calculate the "earned" funds by using the U.S. Department of Education formula. No return of funds is required if the student's attendance equated to 60% or more of the payment period.

Loans must be returned in the following order:

1. Federal Direct Unsubsidised loans
2. Federal Direct Subsidized loans
3. Federal PLUS and Grad PLUS loans

The amount of loan funds “earned” is calculated as follows:

Number of study days completed ÷ total number of study days in the payment period = Amount of loan funds earned

Example: Undergraduate – level 4

Loan disbursement date	Relevant period	Number of study days*
Disbursement 1 - 1/10/2015	21/9/2015 - 18/12/2015	89
Disbursement 2 – 1/2/2016	18/01/2016 – 13/05/2016	105

*\*For Federal aid entitlement purposes a study day is any day in the relevant period that is available for study, regardless whether any teaching is scheduled. Scheduled breaks of 5 days or more are excluded from both attendance counted and payment period.*

Example: A first year student decides to withdraw from their course of studies on 31 October 2015. The student attended 41 days during an 89 day study period. The amount of loan funds “earned” in this case is calculated as follows:  $41 \div 89 = 0.46$ . The student is eligible for 46% of their federal aid disbursement and is required to refund 54% of the funds.

#### Post-withdrawal disbursement

If the student received less assistance than the amount they “earned”, they will receive these additional funds as a post-withdrawal disbursement. After performing the calculations (as explained above) we will notify the student of any post-withdrawal disbursement due. The student can accept or decline the funds. The funds will be made by bank transfer in pounds sterling to the student or the parent (in case of a parent PLUS loan) within 180 days of the official withdrawal date.

#### Non-enrolment

Failure to register as a student at the university will make the student ineligible to receive any federal aid and all funds will be returned to the U.S. Department of Education.

#### First year undergraduate student receiving federal aid for the first time

If a first year undergraduate student withdraws within the first 30 days of a programme, the student is deemed not have “earned” any federal aid.

#### Leave of Absence

If a student wishes to take a break from studies they should follow the University’s intermission procedure, which is available on Moodle (Student Handbook). In addition, the U.S. Department of Education imposes restrictions on leave of absence for U.S. students in receipt of federal aid. Leave of Absence must not exceed 180 days in any 12-month period. If the student does not return after 180 days, the last date of attendance is used to calculate the “earned” loan amount and the date a student enters repayment. Students must contact ISAS if they wish to take a Leave of Absence in order to discuss the restrictions and to seek advice how leave of absence impacts on their visa (if applicable).

#### **Further information:**

Students with questions regarding the Return of Title IV Funds policy can contact the International Student Advisory Service ([international@chi.ac.uk](mailto:international@chi.ac.uk)) or visit: [www.studentaid.ed.gov](http://www.studentaid.ed.gov)