

# FEDERAL FINANCIAL AID POLICIES

## Treatment of Title IV Aid When a Student Withdraws

### Return of Funds Policy for Title IV Aid Recipients Who Withdraw

The Higher Education Amendments of 1998, as well as the program integrity regulations in 2010, established provisions which may require a certain percentage of federal financial aid (Title IV funds) to be returned to the Department of Education when a student completely withdraws from all classes. When a student is considered to have withdrawn, the University is required to determine the amount of earned and unearned Title IV aid.

Federal financial aid funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws from all courses for any reason – including medical withdrawals – the student may no longer be eligible for the full amount of Title IV funds that they were originally scheduled to receive. If a student has received Title IV financial aid, a refund must be calculated under the Federal Return of Title IV Funds policy. The refunds are based on the number of days attended for the semester, divided by the total number of days in the semester (minus any scheduled breaks of at least five days in length). Funds are deposited back to the financial aid accounts in accordance with federal regulations.

There are three types of withdrawals that fall under the return to Title IV (R2T4) federal calculation regulations:

1. **Official Withdrawals** – student withdraws from all courses through MavLINK or contacts the Office of the University Registrar to initiate an official withdrawal.
2. **Unofficial Withdrawal** - If a student began attendance and has not officially withdrawn fails to earn a grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn. UNO grading policy requires faculty to differentiate between two different types of failing grades – either an F (earned failing grade awarded to students who complete the course but fail to achieve the course objectives; and an FW grade (awarded to students who did not officially withdraw from the course, but who failed to participate in course activities through the end of the term). For FW grades, faculty report the last date a student last participated in any academically related activity. This date then becomes the basis for the withdrawal calculation. Therefore, a student cannot avoid the federally required return of Title IV Financial Aid by stopping out of classes but remaining enrolled and taking failing marks.
3. **Modular Withdrawals** – A student does not complete all modules the student was scheduled to attend (modules are classes that do not span an entire semester).
  - If a student is enrolled in a standard, term-based program offered in modules and ceases attendance at any point prior to completing the payment period or period of enrollment, unless the school obtains written confirmation from the student at the time of the withdrawal that he or she will attend a module that begins later in the same payment period or period of enrollment, the student is considered a withdrawal for Title IV purposes.
  - If written confirmation of future attendance is received from the student but the student does not return as scheduled, the student is considered to have withdrawn from the payment period or period of enrollment and the student's withdrawal date and the total number of calendar days in the payment period or period of enrollment would be the withdrawal

date and total number of calendar days that would have applied if the student had not provided written confirmation of future attendance.

#### How a Withdraw from Class or School Affects Financial Aid

Though your aid is posted to your account at the start of each period, you earn the funds as you complete the period. If you withdraw during your payment period or period of enrollment, the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. If you received (or your school or parent received on your behalf) less assistance than the amount that you earned, you may be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned by the school and/or you.

#### How “Earned” Financial Aid is Calculated

The amount of assistance that you have earned is determined on a pro rata basis. This calculation must be completed within 30 days of the date the school determines that the student has withdrawn. The school is required to return any unearned funds within 45 days. The calculation is completed by the Office of Financial Support and Scholarships. For example, if you completed 25% of your payment period or period of enrollment, you earn 25% of the assistance you were originally scheduled to receive. That means that 75% of the disbursed aid is considered to be “unearned” and must be returned to the federal government. The total number of days used in the calculation will exclude any scheduled breaks of 5 or more days.

Once you have completed more than 60% of the payment period or period of enrollment, you earn all the assistance that you were scheduled to receive for that period.

**IMPORTANT:** You may receive a partial cancellation of your tuition and fees because of your withdraw. UNO's refund policy is separate from the federal regulations on repayment of unearned aid. It is possible that financial aid will not cover a student's balance following the return of funds calculation – even after the tuition and fees cancellation policy has been applied.

#### What Happens When a Student Fails to Begin Attendance?

Federal regulations require that a procedure be in place to know whether a student has begun attendance in all classes for purposes of the Federal Pell Grant Program. Instructors will be contacted to verify attendance for all Pell Grant recipients if they withdraw from class. The Pell Grant will be recalculated based on the student's enrollment status to reflect only those classes for which the student actually began attendance. Instructors will also be contacted to verify attendance for Federal Direct Loan recipients if they withdraw from all classes. If a student does not begin attendance in any class in the loan period they will lose eligibility and the Federal Direct Loan will be canceled.

#### Student Notification of Results of Calculation

Upon completion of the Return of Title IV Funds calculation, students will receive notification indicating the amount of aid that will be returned. UNO will return the required funds on the student's behalf to the appropriate federal program(s) by charging the student's account. Students will be able to view the return and any resulting account balance on MavLINK after the return of funds has been processed. The student is responsible for all charges resulting from a Return of Title IV calculation.

#### Which Funds are Subject to the Return of Funds Calculation?

The Title IV funds that are covered by this law, in order of their required return are:

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Direct PLUS Loan
4. Federal Pell Grant
5. Federal Supplemental Educational Opportunity Grant (FSEOG)

6. Federal TEACH Grant
7. Federal Iraq Afghanistan Service Grant

#### Post-Withdrawal Disbursements

If a student has accepted Title IV, HEA financial aid by the date of the withdrawal, but the financial aid has not disbursed, the student may be eligible for a post-withdrawal disbursement. 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 for the earned aid that was not received.

Under these circumstances, a R2T4 calculation must be performed to determine whether the student is actually eligible for a post-withdrawal disbursement. If your post-withdrawal disbursement includes loan funds, the University must get your permission before it can disburse them. You may choose to decline some or all of the loan funds so that you don't incur additional debt. The University may automatically use all or a portion of your post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school). The University needs your permission to use the post-withdrawal grant disbursement for all other school charges.

Students will be notified of post-withdrawal disbursement eligibility within 30 days of the date of withdrawal determination. The school must return the Title IV funds within 45 days of the date the school determines the student withdrew.

### **Return of Title IV Funds Procedure**

When a student officially, or unofficially withdraws (i.e. quits attending class), during the first 60 percent of the semester, and has received or was eligible to receive federal Title IV funds, the Office of Financial Support and Scholarships is required to perform a Return of Title IV funds calculation. Each semester the Office of Financial Support and Scholarships will review those students who have received, or could have received Title IV assistance, and who have officially withdrawn from all classes.

Additional students who must also be considered are those who have not formally withdrawn, but have stopped attending classes (unofficial withdrawals). UNO grading policy requires faculty to report the last date a student who failed a class participated in any academic activity. Each semester an "All F" report will be run to determine students who have not officially withdrawn, but instead have unofficially withdrawn from all of their classes.

The calculation steps are as follows:

**Step One:** Establish the withdrawal date and determine how much Title IV aid was earned by the student. The percentage of enrollment period completed by the student is calculated by dividing the number of days a student attended by the total number of days in the semester (percent of aid earned), and then multiplying that percentage by the total amount of Title IV aid disbursed, or could have been disbursed.

**Step Two:** Determine the Title IV aid to be disbursed to student. If the student received less Title IV aid than earned from step one, a post-withdrawal disbursement may be made. This situation may occur in a case where federal aid was approved, or a loan certified, but not yet disbursed before the student withdrew.

**Step Three:** Determine the amount of unearned Title IV aid that must be returned by UNO. UNO must return the lesser of the amount of Title IV aid which the student does not earn, or the amount of institutional charges the student incurred for the semester multiplied by the percentage of Title IV aid not earned. Title IV funds that have to be returned by the school will result in a university obligation to the student. The student will receive a bill from the Cashiering and Student Accounts Office.

**Step Four:** Determine the amount of unearned Title IV aid to be returned by student. Any federal grant and federal loan funds that are calculated to be returned by the student will be returned by the school so a federal overpayment situation does not result and will be included in the amount billed in step three. The balance of any loan not paid by the school will go into repayment in accordance with the terms of the promissory note.

An aid recipient should contact the Office of Financial Support and Scholarships prior to withdrawal from the University. Upon request, the Office of Financial Support and Scholarships will provide written examples of various return of funds calculations.

Below is an example of the Return of Title IV Funds calculation.

<b>Title IV Return of Funds</b>	<b>Amount</b>
Institutional Charges	\$5,000
Title IV Loans	\$2,000
Title IV Grants	\$1,000
<b>Total Title IV aid</b>	<b>\$3,000</b>

Student withdrew on 29th day of a 116-day enrollment period.

Percent Earned  $29/116 = 25\%$

Percent Unearned  $100\% - 25\% = 75\%$

Amount of Title IV aid unearned  $\$3,000 \times 75\% = \$2,250$

UNO is responsible for returning the lesser of unearned Title IV aid (\$2,250 from above) or unearned institutional charges ( $\$5,000 \times 75\% = \$3,750$ ). UNO will return aid as follows:

- Title IV Loans \$2,000
- Title IV Grants \$250

Aid the student must personally return - student's aid is returned on his/her behalf by the school and therefore becomes part of the bill that must be repaid to the school. The balance of student's loan not paid by the school will go into repayment in accordance with the terms of the promissory note.

## **Standards of Satisfactory Academic Progress**

Federal regulations require a student to maintain satisfactory academic progress in the course of study he/she is pursuing in order to receive federal financial assistance. The Satisfactory Academic Progress Policy standards are applied consistently within all institutionally-defined categories of students (undergraduate, master's and doctoral level students) and enrollment levels (full-time and part-time), regardless of whether the student previously received financial aid.

In order to comply with these regulations, the University of Nebraska at Omaha has established the following Satisfactory Academic Progress (SAP) policy.

### **Satisfactory Academic Progress Requirements**

Satisfactory Academic Progress standards are reviewed annually after the final posting of Spring semester grades and apply to a student's entire academic record. Students returning to UNO following a withdrawal or dismissal will be evaluated upon receipt of the electronic FAFSA Submission Summary. To maintain eligibility, you must meet the following criteria:

1. **Grade Point Average (GPA) Standard** You must be in "good academic standing" at UNO. For undergraduates, this is defined as having an earned UNO cumulative GPA of at least 2.00. For graduate

students, this is defined as having an earned UNO cumulative GPA of at least 3.00.

2. **Pace of Progression** You must have successfully completed (“D” grade or higher) at least 67% of the total credit hours which you have attempted at UNO, plus any transfer hours accepted from other schools, upon completion of the Spring semester.
  - Grades of Failing (**F**); No-Credit (**NC**); No Report (**NR**); Unsatisfactory (**U**); Incomplete (**I**); In Progress (**IP**); Audit (**AU**); and **Withdraw (W)**; are considered **unsuccessful** completion of credit hours attempted. A grade of Failing (F) is used in calculating grade point averages.
3. **Maximum Time to Degree Completion** Undergraduate student must complete degree requirements within 180 attempted credit hours, master’s degree students must complete degree requirements within 70 credit hours at the graduate level and doctoral students must complete degree requirements within 125 credit hours. For this requirement, students will be suspended from financial aid eligibility the semester following the semester their attempted hours exceed their limit.

Attempted hours include both hours attempted at UNO **and** any transfer hours accepted from other schools you have attended. All credit hours for repeated courses will be included in the attempted hours calculation. Also, if the number of credit hours you still need to graduate, in addition to the number of hours you have already attempted exceeds the maximum attempted hour total above, your aid eligibility will be cancelled.

A course retaken beyond the first retake of a previously **passed** course **cannot** be included in the credit hour total when determining the total number of hours for disbursement of aid. “W” grades are not considered in this retake calculation, even though they are considered in the completion rate calculation in #2 above.

#### **Please be aware of how each of the following affect your GPA and Pace of Progression**

**Impact of earning an incomplete grade:** An incomplete course counts as credit hours attempted but will not count as credit hours completed/earned until a passing grade has been assigned. An incomplete grade such as a withdrawn course can negatively affect a student’s Pace and financial aid eligibility.

**Impact of withdrawing from a course:** Withdrawing from a course counts as credit hours attempted but will not count as credit hours completed/earned. A withdrawn course can negatively affect a student’s Pace and financial aid eligibility.

**Impact of repeating courses on GPA and Pace of Progression:** Repeating a course counts as attempted credit hours for each time the course is taken. If credit is earned (repeats as well), it will also count as completed/earned credit hours in Pace and Maximum Time to Degree Completion calculations. However, a course retaken beyond the first retake of a previously **passed** course **cannot** be included in the credit hour total when determining the total number of hours for disbursement of aid.

**Impact of transfer credits on GPA and Pace of Progression:** only transfer credits accepted by UNO will be counted as both attempted and completed hours.

## **Reinstatement of Eligibility**

Students who do not meet one or more of the SAP standards are no longer eligible to receive federal student aid and will be notified by email. Financial aid programs include, but are not limited to, all federal grants, loans and work-study, state grants, and most University of Nebraska at Omaha need-based grants and scholarships.

If you have incurred circumstances such as a death of a close family member, serious illness or injury to yourself, or other serious extenuating

circumstances that you feel have significantly contributed to your academic situation, you may appeal the Grade Point Average Standard or Pace of Progression. **Appeals will not be allowed for maximum credit hour issues or multiple retake issues.**

#### **Appeal Procedures:**

1. All appeals are completed via your To-Do List in MavLINK.
2. The appeal must provide a **full explanation** of why the standards were not originally met, and what changes students have made to ensure all SAP standards will be met in future semesters. Supporting documentation is required and can be uploaded via MavLINK after you submit the appeal.
3. No more than **three** appeals will be allowed per student for his/her entire academic career at UNO.
4. Appeals and supporting documentation must be submitted by the following deadlines: Fall semester by October 1st, Spring semester by March 1st, and Summer semester by July 1st.

#### **Possible Appeal Outcomes:**

1. **Appeal Denied:** If your appeal is denied, you will receive an email notification as to what steps you can take, if any, to regain aid eligibility.
2. **SAP Probation:** Financial aid eligibility is reinstated for **one semester only**, with the expectation that all SAP standards will be met after that semester. Upon review, if all SAP standards are not met in this timeframe, students will then become ineligible for aid.
3. **SAP Academic Plan:** In cases where an appeal is approved, but it is not possible to meet all SAP standards in one semester, you will be prescribed an individualized academic plan. You will remain aid eligible as long as you continue to meet the plan requirements. If you cease to meet the plan criteria before you meet the minimum SAP standards, you will become ineligible for aid.

ALL APPEAL DETERMINATIONS BY THE OFFICE OF FINANCIAL SUPPORT & SCHOLARSHIPS ARE FINAL.

## **Veteran Standards of Progress Policy**

A veteran and/or eligible person must make satisfactory progress toward an approved educational objective. Standard of Progress will be determined utilizing the Satisfactory Academic Progress policy as listed in the college catalog consisting of overall grade point average, pace, program length, maximum time for completion, attendance and/or conduct.

## **Veterans Benefits and Transition Act of 2018 Policy for Veteran Students Utilizing VA GI Bill® Education Benefits**

Consistent with the Veterans Benefits and Transition Act of 2018, Section 3679 of title 38, United States Code, Section 103, University of Nebraska at Omaha will not impose any penalties due to the delayed disbursement of a payment by the U.S. Department of Veteran Affairs on recipients of Chapter 31 and Chapter 33 VA Benefits. University of Nebraska at Omaha will permit any covered individual to attend or participate in the course of education during the period beginning on the date on which the individual provides University of Nebraska at Omaha a certificate of eligibility for entitlement to educational assistance under chapter 31 or 33, and ending on the earlier of the following dates: 1) The date on which payment from the VA is made to the institution or 2) 90 days after the date the institution

certified tuition and fees following the receipt of the COE (Certificate of Eligibility).

Additionally, University of Nebraska at Omaha will not require that a covered individual borrow additional funds, on any covered individual because of the individual's inability to meet his or her financial obligations to University of Nebraska at Omaha due to the delayed disbursement of funding from the Department of Veterans Affairs under chapter 31 or 33. A Covered Individual is any individual who is entitled to educational assistance under chapter 31, Vocational Rehabilitation, or chapter 33, Post 9/11 GI Bill® benefits, and has been verified by the school certifying official as benefit eligible. This requirement is limited to the portion of funds paid by VA.

"GI Bill®" is a registered trademark of the U.S. Department of Veterans Affairs (VA). More information about education benefits offered by VA is available at the official U.S. government website at **[www.va.gov/education](http://www.va.gov/education/)**. (**<http://www.va.gov/education/>**)