



Return of Funds Policy

RETURN OF FINANCIAL AID FUNDS

Refund policies pertaining to tuition, room, board, and fees charges may be found in the Taylor University Catalog. This policy statement refers to the return of federal aid funds disbursed for students who completely withdraw, stop-out, or are dismissed from the university during the first 60% of the semester and state and institutional funds for students who withdraw during the first six weeks of the semester.

Length of Enrollment

The university must establish a date of withdrawal or determine the date on which the student has unofficially withdrawn (last day of attendance as documented by the university). This date will be used in conjunction with the official payment period start date (the first day of classes of the term) to determine how long the student was enrolled. For federal aid, the percentage of the period that the student remained enrolled is calculated by dividing the number of days the student attended by the number of days in the enrollment period. Calendar days are used, but breaks of at least 5 days are excluded from both the numerator and the denominator.

Earned Aid vs. Unearned Aid - Title IV Aid During the first 60% of the semester, a student "earns" Title IV funds in direct proportion to the length of time he or she remains enrolled. The percentage of the semester for which the student is enrolled is the same percentage of Title IV aid that the student earned. A student who remains enrolled beyond the 60% point earns all aid for the semester. Unearned aid is the amount of disbursed financial aid that exceeds the amount of earned aid. Unearned Title IV funds, other than Federal Work-Study, must be returned. For Indiana state aid funds, the student must be enrolled for four weeks before any of the state aid has been earned. If a student withdraws during the fifth and sixth weeks, the percentage of state aid earned will be equal to the percentage of tuition charged to the student. Disbursed financial aid that exceeds the amount of earned state aid must be returned to the State Student Assistance Commission of Indiana (SSACI). During the first six weeks of the semester, a student "earns" institutional aid in proportion to the length of time he or she remains enrolled. The student will earn the same percentage of institutional aid as he/she is charged for tuition. If a student withdraws after the sixth week, he/she will receive no refund of tuition charges and thus will have "earned" all institutional aid for that semester.

Late Disbursements - Title IV Aid A student who earned more aid than was disbursed prior to withdrawal is owed a late disbursement. Late disbursements must be made from available grants before loans. The institution may credit late disbursements towards unpaid institutional charges. Authorizations for current year charges remain valid for late disbursements; authorizations for prior year charges become invalid. Any portion of a late disbursement not credited to the student's account must be offered as a cash disbursement to the student (or parent in the case of a PLUS Loan).

Repayment of Unearned Aid - Title IV Aid The responsibility to repay unearned aid is shared by the institution and the student in proportion to the aid each is assumed to possess. The institution's share is the lesser of the total amount of unearned aid or the institutional charges multiplied by the percentage of aid that was unearned. The student's share is the difference between the total unearned amount and the institution's share. The institution's share is allocated among the Title IV programs, in an order specified by statute, before the student's share. Title IV funds are returned in this order: Unsubsidized Federal Stafford Loan, Subsidized Federal Stafford Loan, Federal Perkins Loan, PLUS Loan, Federal Pell Grant, FSEOG. After the student's share is fully allocated among the Title IV programs, any amount owed to a grant program is reduced by half.

Timeframe for Returning Funds - Title IV Aid The institution must return its share of unearned Title IV funds no later than 45 days after it determines that the student withdrew. Students return their share of unearned aid attributable to a loan under the terms and conditions of the promissory note. The institution may allow the student to repay unearned aid attributable to a grant (after the 50% reduction) under a payment arrangement satisfactory to the institution.