

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The university must establish a date of withdrawal or determine the date on which the student has unofficially withdrawn (last day of attendance as documented by the university).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, IN State Aid, and Institutional 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 through the census date of the term before any of the state aid has been earned. Students who withdraw on or after the census date have earned all of their Indiana state aid for the term. Disbursed financial aid that exceeds the amount of earned state aid must be returned to the Indiana Commission for Higher Education (CHE).

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.

System to Determine Withdrawal Date for Official and Unofficial Withdrawals

The Financial Aid Office will perform a Return of Title IV calculation if your currently scheduled classes are all or any combination of the following: officially withdrawn, dropped within the refund period, unofficially withdrawn (stop attending), your instructor will report an F as your final grade with a date of last attendance, and never attended. Note: If you receive financial aid and never attend any of your scheduled classes, you will be required to repay all of the aid received, including any state funds. For official withdrawals, the withdrawal date listed on the withdrawal form will be used. For unofficial withdrawals, either the 50% point of the enrollment period or the last date of attendance or academically-related activity as recorded by the faculty member will be used, whichever is later.

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).

Post-Withdrawal Disbursements – Title IV Aid

Students who completely withdraw, drop out, or stop attending before their financial aid is disbursed for the semester may be eligible to receive a Post-Withdrawal disbursement. A Post-Withdrawal disbursement is for students that were eligible to receive a disbursement, but the aid was unable to disburse before they stopped attending. The Financial Aid Office will determine if any aid was earned by using the calculation above, i.e. the number of days enrolled divided by the number of days in the enrollment period. Federal grants must be disbursed within 45 days. Federal loans must be offered to the student within 30 days, allowing the student at least 14 days to respond.

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 Direct Loan, Subsidized Direct Loan, Direct PLUS Loan, Federal Pell Grant, Iraq and Afghanistan Service Grants, and 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 as soon as possible but no later than 45 days after it determines that the student withdrew. If the R2T4 calculation results in a credit balance on the student's account, it will be disbursed as soon as possible and no later than 14 days after the R2T4 calculation. If the R2T4 calculation results in an amount to be returned that exceeds the school's portion, the student must repay some funds. 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.

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