



Procedure: Return of Title IV funds

Purpose

This procedure sets out the University's processes for the Return of Title IV Funds when a US Financial Aid student withdraws, is discontinued or takes leave from the University.

Definitions

Payment period means the period for which the aid was certified and disbursed. The payment period includes all sessions which have a census date within that period. The end of the payment period is the last day of the final session or semester in which the student has an enrolment in that payment period.

Earned aid means the portion of Title IV funds, as calculated in Step 6 of the Calculation of the Return of Title IV Funds, which the student can repay according to the normal conditions of a Title IV loan.

Period of enrolment means the period of time for which a United States Federal Student Aid loan is intended, which is the relevant period for which the University assesses its charges.

Return of Title IV funds means the return of unearned funds to the United States Government by the student and/or the University.

Title IV Withdrawal means a US Financial Aid student who is considered to be withdrawn from their program for the purposes of the return of Title IV funds. One of the following triggers a Title IV Withdrawal:

- a. a change to the student's enrolment: withdrawal from a program; leave of absence from a program (the student's official ANU status remains as a leave of absence); discontinuation of the student; transfer to an ineligible program; or unapproved leave of absence; or
- b. the student becomes ineligible for direct loans in the first 60% of the payment period.

Unearned aid means the portion of Title IV funds that are required to be returned to the United States government when there is a Title IV student withdrawal and the withdrawal date is in the first 60% of a payment period.

Withdrawal date means the date used in the calculation the Return of Title IV funds such that the number of days up to the withdrawal date is considered completed days in the calculation of earned days. The withdrawal date is the soonest of the following:

- a. The date the student withdraws from the program in writing as defined in the Coursework Award Rule;
- b. The date the student submitted an application for program leave;
- c. The Tuesday of Week 2 of the semester if a student fails to enrol by the Tuesday of Week 2 of the semester;
- d. The date on which a circumstance beyond the control of the student occurred in the situation that notice is not provided because of this circumstance. The student is required to provide supporting documentation for any circumstances beyond their control.

If the University is not notified by a student of their program withdrawal, the University makes a decision on the withdrawal date to calculate the return of loan funds. For other reasons, or when a reason cannot be determined, the withdrawal date is the midpoint of the payment period.

Procedure

Determining that a student meets the criteria of a Title IV Student Withdrawal and the withdrawal date

1. The US Financial Aid administrator is informed of a student who meets the conditions of a Title IV Withdrawal.
2. The US Financial Aid administrator confirms with the US Financial Aid student that they meet the criteria for a Title IV Student Withdrawal and the date of withdrawal. In the absence of confirmation from the student, the US Financial Aid Administrator gathers sufficient written evidence from other sources to indicate that the student meets one of the criteria for Title IV Student Withdrawal and the associated Withdrawal Date.

Calculation of the Return of Title IV Funds

3. The US Financial Aid Administrator determines the amounts that needs to be repaid by the student and the University using the Return to Title IV worksheet developed by the United States Department of Education.
4. The liability for tuition fees and refunds is dependent on the Student Refunds Policy and Procedure and independent of the regulations covering the Return of Title IV funds.

5. The unearned amount that must be repaid is calculated pro rata based on the withdrawal date.
6. The percentage of aid earned in any payment period (or period of enrolment) is determined on the basis of the percentage of the payment period completed as represented by the following formula:

$$\frac{\text{number of calendar days completed prior to the date of withdrawal}}{\text{total number of days in payment period (or period of enrolment) excluding scheduled breaks of five days or more}} = \text{\% of payment period completed (or period of enrolment completed)}$$

7. Where the percentage calculated through application of this formula is less than or equal to 60%, the amount of aid earned by the student is determined by multiplying this percentage by the total amount of the aid disbursed by the United States Government in United States Dollars (USD) as at the date of drawdown. If the percentage calculated through application of this formula is more than 60% of the relevant payment period, the full Direct Loan amount for the relevant payment period is earned.
8. If the University determines that the student has an earned refund amount for institutional fees as a result of the [Student Refund policy](#), the student submits a new refund form with bank account details. If the amount is to be refunded to an Australian bank account, then the currency exchange rate (from United States Dollars to Australian Dollars) from when the payment period disbursement was drawn down is used (as set out in the student's Credit Advice for the payment period).
9. The unearned amount of aid is 100% minus the earned amount for the relevant payment period (or period of enrolment). For example, if the student withdraws after completing 40% of the payment period, the unearned amount is 60% of the applicable aid.
10. A student who is a first year, first time borrower under the United States Federal Student Aid Program and who withdraws within the first 30 days of their program does not earn any aid.
11. The University's portion of the unearned amount is the percentage of the University's allowable institutional charges for the loan payment period (or period of

- enrolment), equal to the remaining percentage of the payment period after deduction of the proportion completed by the student. For example, if the student withdraws after completing 40% of the payment period, the University's portion of the unearned amount is 60% of the University's charges for the payment period.
12. If the University's portion of the unearned amount is a dollar amount less than the total dollar amount of all unearned aid, the University returns the amount of the University's portion to the United States Government.
 13. Any amount of the total unearned aid amount that remains after the University's portion is returned becomes the student portion of the return. This amount, if any, is repayable in accordance with the repayment terms and conditions attached to the borrower's promissory note for the relevant award(s).
 14. The US Financial Aid Administrator notifies the student of any return of unearned Direct Loan funds via the student's University email account and personal email account listed on the Master Promissory Note. This notice includes information about the amount of unearned Direct Loan funds and whether the University will return funds on behalf of the student.
 15. If the University is required to repay money on behalf of a student, the student is required to repay this money to the University.
 16. The direct loan funds are returned in the following order - Unsubsidised loan, Subsidised loan, then PLUS loans.

Timeframe for returning Title IV Funds

17. The University calculates the Return of Title IV amount, including the University's and the student's portion of that amount, within 30 days from the date of the withdrawal.
18. The University is required to return the amount of Title IV funds which it is responsible for as soon as possible but no later than 45 days after the University has determined that a student has withdrawn.
19. Any unearned Title IV funds that the student is required to return is returned or repaid in accordance with the terms of the loan.

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