Policy

Financial aid is intended for students who are enrolled in and attending classes. There are timelines set up that regulate whether a student has earned all of his/her financial aid funds. If a student remains enrolled and continues to attend beyond those timelines, all Title IV federal aid is considered earned and does not need to be repaid back to the program/s. If a student withdraws or stops attending before those timelines, all or a portion of his/her financial aid funds may be required to be repaid back to the aid program/s.

If a repayment is required, the University will return funds to the grant, scholarship or loan source from which the funds were received and the student may owe an amount back to the University as a result. If a student received assistance from any of the following programs and officially withdraws or stops attending classes before the end of the semester, a review to determine whether Return of Federal Title IV aid is required:

1. Federal Pell Grant
2. Federal Teacher Education Assistance for College and Higher Education (TEACH) Grant
3. Federal Supplemental Educational Opportunity Grant (SEOG)
4. Federal Perkins Loan
5. Federal Subsidized and/or Unsubsidized Loan
6. Federal Graduate PLUS Loan
7. Federal PLUS Loan
8. Iraq and Afghanistan Service Grant
9. Other Federal Title IV assistance

Procedures

The withdrawal date is determined based on one of the following:

- Official withdrawal by student or
- Documented last date of attendance by instructor(s)

To determine the amount of aid earned up to the time of withdrawal/last date of attendance for full-semester courses, the University will divide the number of calendar days the student attended classes by the total number of calendar days in the semester (less any scheduled break of five days or more). The resulting percentage is then multiplied by the total Federal funds that were disbursed for the semester. This calculation determines the amount of aid the student is allowed to keep if the student has attended or participated through 60% of the enrollment period. A variation of this calculation is used to determine how much aid the student earned if s/he is enrolled only in modular short courses that do not span the length of the semester. The enrollment period for modular courses is determined by the start and end date of all modular courses combined.
The unearned amount of Title IV aid will be returned to the Federal government by the University. The deadline to process a Return to Title IV calculation of Funds is as soon as possible but no later than 45 days after University determines student withdrawal date. The Return of Title IV funds returned to the Federal government are used to reduce the outstanding balances in individual Federal programs.

A student may be owed a disbursement of Title IV funds after the withdrawal date if the conditions for Post Withdrawal Disbursements are met according to the code of federal regulations 34 CFR 668-22(1)(2) and (3) and 34 CFR 690.61(a).

Financial aid returned by the University must be returned in the following order:

1. Federal Unsubsidized Loan
2. Federal Subsidized Loan
3. Federal Perkins Loan
4. Federal Graduate PLUS Loan
5. Federal PLUS (Parent) Loan
6. Federal Pell Grant
7. Federal Supplemental Educational Opportunity Grant (SEOG)
8. Federal Teacher Education Assistance for College and Higher Education (TEACH) Grant
9. Iraq and Afghanistan Service Grant
10. Other Federal Title IV assistance

Refunds of Institutional Funds less the Title IV share are subject to return to the state and local aid programs that require a return of funds. The funds are returned in accordance to the ratio of the aid program award to the total Non-Title IV aid package.

Any funds remaining will be used to pay the student’s obligation to Minnesota State Mankato. If the remaining funds are not sufficient to pay the student’s total obligation, a bill will be sent to notify the student of the balance due to the University. After the student’s obligations have been repaid, any excess balance will be returned to the student.

**Rationale**

In compliance with the Federal Student Aid Handbook, Volume 5, Withdrawals and the Return of Title IV Funds.