



## **ARTS UNIVERSITY BOURNEMOUTH**

### **Return of Title IV Funds Policy - Financial Aid for U.S. Students 2016-17**

#### **1. Background**

US Federal Aid regulations state that if a student receiving Title IV funds withdraws from their course, Arts University Bournemouth must complete a Return of Title IV calculation. This is completed by the Income team situated within the finance office. The Title IV funding due to be returned by the University as a result of student withdrawal is calculated independently of the tuition fee liability due as a result of the withdrawal. Further information on the tuition fee liability can be found in AUB's Fees Payment Policy:

<http://webdocs.aub.ac.uk/Fees%20and%20Charges%20Payment%20Policy.pdf>

This policy covers the following US Federal Aid loans:

- Direct Subsidized Loan
- Direct Unsubsidized Loan
- Direct Plus (Parent and Graduate) Loans

#### **2. Withdrawal from Course**

Students who withdraw from their course are required to inform their course leader of their decision to withdraw. The official withdrawal date is the date recorded on the University's withdrawal form. This is the date that is used to calculate the return of any Title IV funding to the US Government. For any students considering withdrawing, it is recommended that this decision is discussed with the Registry, Finance and International departments.



### 3. Calculation of Title IV entitlement

Federal Aid rules specify how the University must calculate the funding entitlement earned up to the day that a student withdraws from the University. If a student withdraws before completing 60% of the academic year, they have not 'earned' all of their Federal Aid and therefore a Return of Title IV Funds calculation must be performed.

Federal Aid is usually disbursed in termly instalments in line with US Government rules. The calculation of funds to be returned is based on the number of days in each term that the student is deemed to be in registration, regardless of whether any teaching is scheduled.

Below is an example of the Return of IV Funds calculation:

	<b>Term start date</b>	<b>Term end date</b>	<b>Days in Term</b>	<b>Withdrawal Date</b>	<b>Days studied in term</b>	<b>% of term completed</b>	<b>Funds Borrowed</b>	<b>Funds to be returned</b>
Term 1	26/9/16	16/12/16	82	31/10/16	36	44%	\$10,000	\$5,600
Term 2	9/1/17	31/3/17	82	24/2/17	47	57%	\$5,000	\$2,150
Term 3	17/4/17	26/5/17	40	20/5/17	34	85%	\$20,000	\$0

In the Term 1 example the student has completed 44% of the term based on the withdrawal date, and so 56% of the Federal Aid funds totalling \$5,600 will be returned. In the Term 2 example, the student has completed 57% of the term. As this is just short of the 60% cut off, 43% of the Federal Aid funding will be returned to the US Government. In Term 3, because over 60% of the term has been completed, no return of IV Funds is required.

### 4. Liability of the student where Title IV Funds are returned

Federal Aid regulations require the University to return any unearned funds within 45 days of the date of withdrawal. If the return of the funds creates a balance due on the student's account, the student will be responsible to pay the full balance on their account. If funds have been returned for a student based on a specified withdrawal date those funds cannot be reinstated if the withdrawal date is later changed for whatever reason.

### 5. Further Information

Please contact the Income Team on (+44) 1202 363356 or [income@aub.ac.uk](mailto:income@aub.ac.uk) for further information on the Return of IV Funds policy.