



Presidencia

UNIVERSIDAD CENTRAL DE BAYAMÓN

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Executive Order ADM. 16-09

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Deans
Administrative and Academic Directors
Faculty
Students

Return to Title IV Aid Policy and Procedures

I. Introduction

Universidad Central de Bayamon, committed to serving the community, firmly believes that human beings with the capacity to learn should receive an education, regardless of their economic status. To this end, the University manages several financial aid funds for students who are in need and are eligible. These funds come from federal sources, the Commonwealth of Puerto Rico, the University and the private sector. A combination of grant, loan and / or work study is for students that qualify. This is the policy for all students who are eligible to receive Financial Aid.

II. Citation

The US Department of Education as stated on 34 C.F.R. §668.22(a) says that when a recipient of Title IV funds withdraws from an institution during a payment period or period of enrollment in which the recipient, began attendance, the institution must perform a Return of Title IV Funds calculation to determine the amount of Title IV grant or loan assistance the student earned as of the student's withdrawal date. Such calculation formula, and the determination date of the withdrawal are fully detailed on 34 C.F.R. §668.22 (e)(1)(2)(3)(4). Finally, the Institution is responsible for returning the unearned funds as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew. 34 C.F.R. §668.22(j)(l)

III. Purpose

These new regulations aim to provide undergraduate and graduate students a consistent and equitable treatment to withdraw from a program measured in credits hours, regardless of whether the courses in the program span the entire term or not. This policy applies for students enrolled in a program eligible for receiving financial aid funds as approved by the US Department of Education.

IV. Definitions:

1. **Academic activity:** includes, but are not limited to, physically attending a class or official activity, the submission of an assignment or active participation (forums, official class-chats, class reunions, among others active participation) into the web-platform (if it is an online course). It does not include: student self-certification, Registrar's Verification of Enrollment, participation in school's meal plan, participation in counseling or advising.
2. **Determination for the withdrawal date:** is the date indicated on the official drop form or the actual date on the Official Withdrawal Report issued by the Registrar's Office.
3. **Gradebook®:** is a tool developed from a third-party provider to support academic activities. Professor can manage his/her student data because the information comes directly from student database. The main purpose of Gradebook is for Professor to enter grades but may also choose to enter assignments, projects, and the last date of attendance for each student.
4. **Institutional funds:** funds given by Universidad Central de Bayamon. These are earned and recalculated the same as federal aid funds. However, each institution has its own awarding policies and procedures for each award, grant, or program. Tuition/fees refunds also affect the recalculation of institutional financial aid.
5. **Non-attendance or never-attendance:** when a student does not show up to classes or fails to begin attendance. This student is not eligible to receive financial aid.
6. **Official Withdrawal Report:** the Office of the Registrar will submit a weekly report listing potential withdrawal cases, based on data entered by Professors on the Gradebook tool.
7. **Official Withdrawal:** completed by the student, with a ballot or official form or notifying his/her intention of no return to classes. An R2T4 process must be completed.
8. **Overpayment or over award:** occurs when the student receives more aid than he/she was eligible to receive.
9. **Payment period:** for most students, it is the entire semester. However, for students enrolled in modules, "part of terms" or "weekend-periods", the payment period must include the quantity of days for the specific enrolled term. For graduate students, it is the quarter. For summer session, it is the number of days of each summer session.
10. **Percent earned:** is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in the payment period (does not include the schedule breaks).
11. **Percent unearned:** is equal to 100 percent minus the percent earned.
12. **R2T4:** name given to the process for the return of funds to the US Department of Education. This is the mnemonic of "Return to Title IV". It includes the recalculation and return of funds unearned by student/school when a student withdraws or stops attending class.

13. **State funds:** funds given by the state agencies, Puerto Rico Council of Education, among others. These are earned and recalculated the same as federal aid funds. However, each institution has its own awarding policies and procedures for each award, grant, or program. Tuition/fees refunds also affect the recalculation of institutional financial aid.
14. **Students enrolled in modules, “part-of-terms”, “weekend periods”:** students who are enrolled in a course or courses in a program that does not span the entire length of the payment period combined to form a term (example: 2 part-of-terms = 1 semester, 3 “weekend-periods” = 1 semester).
15. **Title IV funds:** funds granted by the US Department of Education to help eligible students with the payment of their education.
16. **Unofficial Withdrawal:** the Institution begins the process of a total withdrawal when the student stops attending classes or when it determines that the student received all grades of F discontinuing attendance to courses. It is also known as “Administrative Withdrawal”. An R2T4 process must be performed.
17. **Withdrawal date:** is the actual date indicated on the official drop form. If it is not an official withdrawal; it is the midpoint of the semester or the last date of attendance (LDA) of an academic activity. Professor or the person who is in charge of the academic activity must certify the LDA. Student may provide additional documentation to support his/her LDA if they verify a later date than the one certified by UCB.
18. **Withdrawals:** Withdrawal courses (grade of “W”) are considered attempted but not successfully completed credits. A grade of “W” does not affect GPA but does negatively affect the cumulative completion percentage and counts toward the maximum time frame.

V. Regulatory requirements

As per Federal Regulations requirements, Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws from Universidad Central de Bayamon, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive.

The Office of Financial Aid is required to calculate federal financial aid eligibility for students who completely withdraw, stops attending before completing the academic term, drop out, are dismissed, or take a leave of absence prior to completing a payment period or term. The federal Title IV financial aid programs must be recalculated when the student has not completed more than 60% of a payment period.

VI. Recalculation of unearned aid as a result of withdrawal

If the student leaves the university prior to completing 60% of a payment period or term, the Office of Financial Aid recalculates eligibility for Title IV funds. Recalculation is based on the percentage of earned aid using the following Return of Title IV Funds formula:

Percentage of payment period or term completed = number of days completed up to the withdrawal date divided by the total days in the payment period or term. (Any break of five days or more is not counted as part of the days in the term). This percentage is also the percentage of aid earned.

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

Aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term.

Universidad Central de Bayamon must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of the determination of the date of the student's withdrawal. Students could be responsible for repayment of the portion of aid unearned if they resulted ineligible for the amount already disbursed.

VII. Types of Withdrawals

Official Withdrawals

For a withdrawal to be considered an official withdrawal, a student must complete a withdrawal form or provide notification to the university of an intent to withdraw. A student is considered withdrawn as of the date he/she begins the withdrawal process or the date the student provides notification of the intent to withdraw, whichever is earlier.

Unofficial Withdrawals

If a student does not provide notification of withdrawal either because of circumstances beyond the student's control or other instances, he/she is considered to have unofficially withdrawn. In these cases, the student's withdrawal date is the midpoint (50%) of the payment period (or period of enrollment) if the last date of attendance cannot be determined. If the last date of attendance can be determined, it will be used instead.

If a student earned less aid than was disbursed, Universidad Central de Bayamon would be required to return a portion of the funds and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student may owe a debit balance to the college. When students fail to earn a passing grade in any class: If a student receives all F's at the end of a semester, the college will determine whether those students with failing grades have unofficially withdrawn.

If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn unless the institution can document that the student completed the period (or more than 60% of the period) based on the last date of a student's documented academic activity.

VIII. Post-withdrawal disbursements:

If a student does not receive all the funds he/she has earned, he/she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the school must get the student's permission before it can disburse them. The student may choose to decline some or all of the loan funds so that additional debt is not incurred.

The school may automatically use all or a portion of student's post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the school). The school needs a student's permission to use the post-withdrawal grant disbursement for all other school charges. If the student does not give permission, he/she will be offered the funds. However, it may be in the student's best interest to allow the school to keep the funds to reduce his/her debt at the school.

Universidad Central de Bayamon will send notification as soon as possible, but no later than 30 calendar days after the date that the school determines the student withdrew. Universidad Central de Bayamon must disburse any Title IV grant funds a student is due as part of a post-withdrawal disbursement within 45 days of the date the school determined the student withdrew. The school must disburse any loan funds the student accepts as soon as possible but no later than 180 days after the date the school determined the student withdrew.

IX. Overpayments (overawards):

An overpayment, or overaward, occurs when the student receives more aid than he/she was eligible to receive. An overpayment can occur when a student withdraws. Regulations limit the amount of grant funds a student must repay to one-half of the grant funds the student received or could have received during the applicable period. Within 30 days of determining that a student who withdrew must repay all or part of a Title IV grant, Universidad Central de Bayamon will notify the student that he/she must repay the overpayment or make satisfactory arrangements to repay it.

A student's eligibility for additional Title IV funds may end if the student fails to take action in one of the following ways:

- The student may repay the overpayment in full to Universidad Central de Bayamon.
- The student may sign a repayment agreement with the Department of Education.

The student should contact Universidad Central de Bayamon to discuss his/her options.

Unearned Title IV financial aid will be returned to the appropriate programs in the order listed below. The Title IV portion of a refund is repaid to various programs from which the funds were awarded.

The repayment is allocated using the following fixed priority:

1. Direct Unsubsidized Direct Loan
2. Direct Subsidized Direct Loan

3. Perkins Loan
4. Direct PLUS Loan
5. Pell Grant
6. FSEOG

If the Title IV portion of the refund is large enough, the entire amount of an award received is first returned to the highest priority program from which an award was made. The full amounts are similarly returned.

X. For students selected for verification:

Unless a student subject to verification has provided all required verification documents in time for the school to meet Return deadlines, the school includes as Aid Disbursed or Aid That Could Have Been Disbursed in the Return calculation only those Title IV funds not subject to verification.

If the student who failed to provide all required verification documents in time for the school to meet the Return deadline later provides those documents prior to the application verification deadline, the school must perform a new Return calculation on all of the aid the student qualified for based on the completed verification documents and make appropriate adjustments.

XI. When a student fails to return from a leave of absence (LOA):

If a student does not return to Universidad Central de Bayamon at the expiration of an approved LOA (or a student takes an unapproved LOA), the student's withdrawal date is the date the student began the LOA. Because a student who is granted an approved LOA remains in an in-school status for Title IV loan repayment purposes, the school must report to the loan holder the student's change in enrollment status as of the withdrawal date.

XII. Repayment of unearned funds

Student and school are both responsible for returning of all financial aid unearned funds protected by the R2T4 to the federal government. The student must be notified in writing of the withdrawal process and adjustment, cancellation or returning of financial aid. The student must be billed for any amount due as a result of the R2T4 calculation.

The Universidad Central de Bayamon will also notify the student if he/she owes back funds to the US Department of Education (DE). Amounts that must be returned by the student will first be applied to federal loans. The DE will permit the repayment options based on the terms of the Master Promissory Note (MPN) signed when the origination or the loan. Any grant overpayment to the student must be returned to DE within 45 days after the student receives the notification from OFA. If the grant overpayment cannot be paid in full, a repayment plan may be arranged with the US Department of Education.

XIII. Consequences of non-repayment

If a student does not repay the grant funds that are owed to the government within 45 days, the account will be turned over to the US Department of Education as an overpayment of federal funds. Student who owes an overpayment of TIV funds is not eligible for further disbursements from federal financial aid programs at any institution until the overpayment is paid in full or payment arrangements are made with the US Department of Education.

If the student does not pay funds due to UCB to cover their bursar balance, the student's record will be placed on financial aid HOLD. This means he/she will not be permitted to register for classes or receive transcripts until the balance is paid.

XIV. Effective

This policy shall take effect immediately and supersedes any other guidelines, rules, policies, or procedures that are in contrast to the provisions herein.

XV. Approved

This policy was signed as approved in Bayamon, Puerto Rico on the above date by:



Lillian Negrón-Colón, Ph. D.
President

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