



POLICY TITLE:

Return of Title IV Financial Aid Policy

APPLIES TO:

All students receiving Title IV Federal Aid

ADMINISTRATIVE AUTHORITY:

Office of Financial Aid

APPROVED BY:

President Koffi C. Akakpo (Interim Approval)

EFFECTIVE DATE:

September 26, 2025

EXPIRATION DATE:

Sixth Months from Approval if Not Renewed or Made Permanent

NEXT REVIEW DATE:

POLICY STATEMENT:

The Higher Education Amendments of 1998 established regulations requiring institutions to return unearned Title IV funds when students withdraw from all classes prior to completing 60% of a term. When a student withdraws from Kentucky State University, both the University and the student may be responsible for returning federal financial aid funds.

Title IV aid is earned in direct proportion to the number of days a student is enrolled. Students who withdraw before the 60% point of a semester may have aid reduced or canceled. Students remaining enrolled beyond 60% of the term are considered to have earned 100% of their aid.

DEFINITIONS:

Title IV Aid: Federal student aid programs including Pell Grant, SEOG, TEACH Grant, Direct Subsidized and Unsubsidized Loans, Perkins Loan, and Direct PLUS Loans.

Earned Aid: The portion of Title IV aid a student is entitled to based on the percentage of the term completed.

Unearned Aid: The portion of Title IV aid that must be returned when a student withdraws prior to completing 60% of the enrollment period.

Percentage Completed: The ratio of calendar days attended to total calendar days in the term (excluding scheduled breaks of 5 or more consecutive days).

Post-Withdrawal Disbursement: Aid disbursed after withdrawal when earned aid exceeds aid previously disbursed.

PROCESS:

1. Withdrawal Notification

- Students contemplating withdrawal must contact the Office of Student Financial Aid.
- Withdrawals must be processed through the Office of the Registrar.

2. Calculation of Earned vs. Unearned Aid

- $\text{Earned Aid} = \text{Total Disbursable Aid} \times \text{Percentage Completed}$.
- If Earned Aid equals disbursed aid, no return is required.
- If Earned Aid exceeds disbursed aid, a post-withdrawal disbursement may be offered.
- If Earned Aid is less than disbursed aid, the difference must be returned.

3. University Responsibility

- The University must return the lesser of:
 - Total Unearned Aid, OR
 - $\text{Institutional charges} \times \text{Percentage of Unearned Aid}$.
- Returns must be processed within 45 days of withdrawal determination.

4. Student Responsibility

- Students are responsible for any remaining unearned portion after the University's share is returned.
- Amounts owed are billed by the Bursar's Office and posted to the student's WIRED account.
- Students who owe repayment may be ineligible to re-enroll or receive future Title IV aid.

5. Communication

- Students receive written or electronic notification of their repayment obligation.
- Students have 14 days to respond to a post-withdrawal disbursement offer.

6. Separation from Tuition Refunds

- The Return of Title IV Aid process is separate from the University's tuition and fee reduction schedule.
- Students should refer to the Registrar's published refund/withdrawal calendar for tuition liability.

REFERENCES AND RELATED MATERIALS:

Higher Education Amendments of 1998

U.S. Department of Education Title IV Regulations

Kentucky State University Registrar's Refund/Withdrawal Calendar

CONTACTS:

Subject	Office	Telephone	E-mail
General Questions	Office of Financial Aid	(502) 597-6000	finaidmail@kysu.edu

HISTORY:

Revision Type	Date of Issuance/Revision	Drafter(s)/Editor(s)
Issued (New Policy)	September 2025	Office of Financial Aid
