Office of Financial Aid/Scholarship Federal Return of Title IV Refund Policy
(Effective July 2011)

If a student withdraws from Murray State University (MSU), the school, the student, or both may be required to return some or all of the federal funds awarded to the student for that semester. A student who withdraws from all classes prior to completing 60% of the enrollment semester is subject to having financial aid eligibility adjusted based on the percentage of the semester completed.

Students contemplating withdrawal from all classes, prior to completing 60% of the semester, should discuss with the Office of Financial Aid/Scholarship their options and how the withdrawal will potentially affect their financial aid. If you want to determine how much you may owe, you must contact the Bursar's Office. The Bursar's Office will automatically use any credit on your student account as payment towards a policy calculation.

This policy applies to all Title IV federal aid recipients with disbursed aid from any of the following Federal programs: ***Federal Direct Stafford Loans (Unsubsidized and Subsidized), Federal Perkins Loan, Federal Direct PLUS Loans (Graduate and Parent), Federal Pell Grant, Federal Supplemental Education Opportunity Grant (SEOG), National SMART Grant, Academic Competitiveness Grant and TEACH Grant.***

The formula used in the federal calculation divides the aid disbursed to a student account into 'earned' aid and 'unearned' aid. During the first 60% of the period of enrollment (a semester), a student will 'earn' federal funds in direct proportion to the length of time the student remains enrolled. If a student remains enrolled beyond the 60% point, then aid is considered 'earned' for the period. 'Unearned' aid is the amount of disbursed federal funds that exceeds the amount of aid 'earned' under the formula.

The percentage of the period a student remains enrolled is derived by dividing the number of days attended by the number of calendar days in a semester (excluding scheduled breaks of 5 consecutive days or more). This is referred to as the percentage completed (% completed).

Earned aid is calculated by multiplying the total aid that can be disbursed by the % completed.

> If 'earned' aid is equal to 'disbursed' aid, no calculation is required.
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> If 'earned' aid exceeds 'disbursed' aid and the student has aid that has not yet been disbursed, a calculation is required as a post-withdrawal

disbursement. The student is notified by letter, email, or phone regarding the aid to be disbursed to the student's account. At this time, MSU will verify as to whether or not the student would like the funds disbursed for the semester. The student will be given 14 days from the notification to respond. The Office of Financial Aid/Scholarship has up to 180 days to disburse funds after the withdrawal date has been determined.

If 'earned' aid is less than 'disbursed' aid, a calculation is required to determine the difference to be returned by MSU and the student.

The following calculation will be used.

A) Determination of 'unearned' aid
   a. total aid that can be 'disbursed' minus 'earned' aid
B) Determination of the percent of 'unearned' aid
   a. 100% minus % completed

MSU's share of the 'unearned' aid is the lesser of 'A' or the charges for the semester multiplied by 'B'. This amount must be returned by the university.

The student's share is the difference between the 'A' and the university's share. The amount must be returned by the student.

Return to Title IV Calculation Example	
Number of Days Attended	23
Number of Days in Semester	109
Total Charges (Tuition, Fees, Housing, Books(if charged to student's account))	2,214.00
Account Balance	0.00
Total Aid that could be 'disbursed'	1,500.00
Step #1 Determine 'earned' aid	23/109
	21%
Step #2 Determine 'unearned' aid	100% - 21%
	79%
Step #3 Determine amount of 'earned' aid	1,500.00 * 21%
	315.00
Step #4 Determine amount of 'unearned' aid	1,500.00 – 315.00
	1,185.00
Step #5 Determine the difference of 'unearned' aid to MSU charges	2,214.00 * 79%
	1,749.06
Step #6 Determine amount MSU is required to refund	The Lesser of
	Step #4 or Step #5
Step #7 MSU must return	1,185.00
Step #8 Student must return the difference of Step #7 minus the Account Balance	1,185.00

If a student does not earn at least one credit hour for the total credits of all courses attempted during a semester, the Office of Financial Aid/Scholarship is required to comply with the Return to Title IV Refund Policy, as well as the Murray State University Satisfactory Academic Progress Policy.

The chart provides a few examples to calculation possibilities.	
If the student‘s course grades are a combination of an E, I, X, W, or AU and all required work is submitted, then the grade was earned by the student.	MSU is not required to complete the calculation.
If the student’s course grades are a combination of an E, I, X, W, or AU and the student walked away prior to the 60% point, this is considered an unofficial withdrawal.	MSU is required to complete the calculation.
If the student’s course grades are a combination of an E, I, X, W, or AU and the student walked away after the 60% point, this is considered an unofficial withdrawal.	MSU is required to complete the calculation for file purposes only.
If the student never began attendance in courses prior to the 60% point, but then walked away and never completed the course, this is considered an unofficial withdrawal.	MSU is required to complete the calculation using the midpoint of the semester if the Last Date of Attendance is not recorded.
If the student enrolled in a course and did not begin attendance, this is considered an unofficial withdrawal.	MSU is required to complete the calculation.
If a student begins enrollment in a course, plans enrollment in a later course start, and does not attend, it may be considered as an unofficial withdrawal unless the school receives written confirmation of the plans to attend if more than 45 days from the first class that was began.	MSU may be required to complete the calculation.
It is the student’s responsibility to ensure the Office of Financial Aid/Scholarship receives either a letter (on departmental letterhead) or an email from an instructor noting the last date of attendance for your presence in class. Financial aid recipients who do not earn any credit hours for a given semester are notified by mail of the deadline for submitting documentation of class attendance for the semester. Late certifications will not be accepted.	

Monies will be refunded to the federal programs in the following order:

Federal Direct Unsubsidized Loan
Federal Direct Subsidized Loan
Federal Perkins Loan
Federal Direct Grad/PLUS Loan
Federal Pell Grant
Academic Competitiveness Grant
National SMART Grant
Federal Supplemental Education Opportunity Grant
TEACH Grant
Iraq Afghanistan Service Grant

The Office of Financial Aid/Scholarship is obligated by federal regulation to review aid recipients receiving all unearned credits. If not monitored, it could result in Murray State University paying monetary fines and potentially jeopardizing participation in federally funded programs. The assumption behind the law is a student receiving all unearned credits walked away from the semester without properly withdrawing from the university. These students must be identified within 30 days from the date final grades are posted to the student's transcript.