

POLICY	Fundación Universidad de las Américas Puebla	DATE: 20/07/2020	
POL-135-05	RETURN OF TITLE IV FUNDS	P.1/15	ED.3.0
REVIEWED BY: Mónica Ruiz Huerta Administrative Vice President Mario Vallejo Pérez Finance and Institutional Development Vice President		AUTHORIZED BY: Dr. Luis Ernesto Derbez Bautista President	

I. Objective

To define the guidelines to oversee and administer the management and refund of the Federal Student Aid Program funds of the U.S. Department of Education, granted to eligible students who are enrolled in *licenciatura* or bachelor study programs at Fundación Universidad de las Américas Puebla and approved by said Department of Education. When the beneficiary of the Federal Student Aid Program withdraws from Fundación Universidad de las Américas Puebla during the school term in which they are enrolled, the university must determine the amount of Federal Student Aid funds that a student has earned up to that date and, if applicable, may require that the non-earned funds be returned to the Department of Education.

II. Definitions

- **Administrator:** Finance Office employee who oversees the management of funds and compliance with the requirements that the U.S. Department of Education establishes for the institutions that participate in programs authorized by Title IV of the Higher Education Act of 1965, as amended
- **Institutional Charge:** Amount to pay to Fundación Universidad de las Américas Puebla for services that the student receives for tuition, fees, and Residential Colleges, among others.
- **Direct Loan:** Federal student loan available to those who are eligible. The direct loan may be granted to cover in part the *licenciatura* or bachelor cost at Fundación Universidad de las Américas Puebla and may be used for tuition,

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books, room and board, fees, among others. The direct loan may be subsidized or unsubsidized.

- **Direct Unsubsidized Loan:** Type of direct loan granted through the Federal Student Aid Program that generates interest from the day it is disbursed and continues to accumulate for the duration of the loan. The borrower has the responsibility to pay the interest regardless of the state of the loan.
- **DirectPlus Loan:** Financial aid granted to the father, mother, and/or tutor, additional to the direct loan given the by the Federal Student Aid Program, and whose interests must be paid by the borrower.
- **Direct Subsidized Loan:** Type of direct loan granted through the Federal Student Aid Program whose accumulated interest will be covered by the U.S. Government while the borrower is studying, during a grace period or payment deferment. If the interest is not paid during the grace period, it will be added to the loan's capital.
- **Payment Period:** School term during which eligible students will receive direct loans.
- **Program:** Federal Student Aid Program through which eligible students receive financial aid (which includes Direct Loans) to pursue higher education studies. The Federal Student Aid Programs are managed by the U.S. Department of Education based on Title IV of the Higher Education Act of 1965, as amended. For the purposes of this policy, the students of this program are those that receive funds from said Department.

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- **Withdrawal:** For the purposes of the Federal Student Aid Program, a student is considered to have withdrawn if they do not attend classes during the school period for which they are enrolled, notifying Fundación Universidad de las Américas Puebla.
- **Permanent Withdrawal:** The student's permanent withdrawal is the voluntary abandon of a study program at Fundación Universidad de las Américas Puebla, with which they lose their status as a student.

Once a student has permanently withdrawn, the student officially abandons their studies at the institution with no expectations of returning.

- **Temporary Withdrawal:** Interruption of studies at Fundación Universidad de las Américas Puebla following a student's request with the intent of returning at a later period. Temporary withdrawal entails cancellation of all enrolled courses by the student for the school term in which they will not attend.
- **Unofficial Withdrawal:** The student stops attending classes without previous notice to Fundación Universidad de las Américas Puebla.
- **University:** Fundación Universidad de las Américas Puebla.

III. Regulations

General

1. Students may receive "program" funds to enroll in the eligible study program. Students may not receive "program" funds if they are enrolled in the

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Licenciaturas in Medical Surgeon, Dental Surgeon, or Nursing at the “University,” since those study programs are not approved by the U.S. Department of Education.

2. Students of the “program” must meet the guidelines established by the U.S. Department of Education and institutional regulations, specifically the **Satisfactory Academic Progress Policy**. Likewise, they must complete the “University’s” admission process and meet the academic requirements according to what is stipulated in the **Student Manual for Academic-Administrative Procedures** to be eligible to receive funds from the “program.”
3. The administration of the “direct loans” will be the responsibility of the Finance Office through an “administrator.”
4. The “University” will grant the “program” funds to the student, in the understanding that they must complete their studies at the “University” during the “payment period” in which the “direct loan” was granted.
 - a. The “program” student that does not attend any classes will be withdrawn from the “University.” If a “program” student enrolls in the “University” but does not attend any classes, no funds will be requested. The Academic Directors will report to the “administrator” those “program” students who, by the third week at the latest, have not met the requirements established in this section.
 - b. If a “program” student attends classes but withdraws during the school term or does not attend classes, the “University” must calculate the “program” return funds. (R2T4).

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5. The Registrar's Office will be responsible for informing the "program" "administrator" about the students who apply for "temporary withdrawal" or "permanent withdrawal." Likewise, they will report, five business days from the last day of the school term, the "program" students who have abandoned their studies without carrying out the corresponding process ("non-official withdrawals").
6. The "administrator" will be responsible for
 - a. Being the liaison between the "University" and the U.S. Department of Education.
 - b. Manage the funds received from the "program," including those items that will be given to the student for expenses that do not represent an "institutional charge."
 - c. Compute and request on time the corresponding refunds to the U.S. Department of Education.
 - d. Advise and inform the "program" students of the consequences of "temporary withdrawal" and "permanent withdrawal," regarding their eligibility for economic support received through the "program," their academic record, and any debts contracted with the "University".
 - e. The financial files of "program" students.
7. The "program" student will be responsible for
 - a. Obeying the institutional regulations.

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- b. Paying the “direct loan,” according to the terms and conditions established by the U.S. Department of Education.
 - c. Attend classes regularly.
 - d. Informing the “administrator” of any absences.
8. “Program” students who “withdraw” must pay the “University” any outstanding debts that were not contemplated in the “program.”

Permanent or Temporary Withdrawal

9. In case a “program” student is interested on “permanent withdrawal,” the “administrator” must inform them of the process to make the “withdrawal” official, according to what is established in Part IV of the ***Student Manual for Academic-Administrative Processes***. The “withdrawal” date will be the one where the student carries out the “permanent withdrawal” process.
10. Students interested in “temporary withdrawals” or “permanent withdrawals” must go to the Registrar’s Office to request the withdrawal form and get the signatures of
- a. The Department of Insurance and Fixed Assets.
 - b. The Credit and Collection Department.
 - c. Their Academic Director or Graduate Coordinator.
 - d. The Student Support Department.
 - e. The Head of the corresponding Residential College, if applicable.

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- f. The UDLAP Lottery Department, in case of “permanent withdrawal.”
 - g. The Library, in case of “permanent withdrawal.”
 - h. The Scholarship Department.
 - i. The Registrar’s Office.
11. The student must deliver the withdrawal form to the Registrar’s Office along with his/her student ID card by the dates established on the school calendar.
 12. The student who cannot personally carry out this process must authorize, through a proxy letter, a person to carry out the process on his/her behalf. The authorized person must present an official identification, a copy of their official identification, and a copy of the student’s official identification.
 13. Students who carry out a “permanent withdrawal” will be given their official documents on the date determined by the Registrar’s Office.
 14. The “temporary withdrawal” or the “permanent withdrawal” of a student enrolled in the current term may be carried out from the first day of classes, and the reimbursement or tuition waiver will be adjusted to the percentages established in the school calendar.
 15. When a student processes a “withdrawal,” the “program” financial aid that has been earned will be determined based on a specific formula. In this formula, the students earn “program” funds based on their attendance. The percentage of earned funds is equal to the percentage of the school term that the student completed. After the student has completed over 60% of the school term, they have earned 100% of the funds stipulated for the “program.”

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16. The “administrator” will be responsible for calculating the amount to be returned to the U.S. Department of Education, based on the official form (R2T4) provided for this, for each “program” student and for each school term.

The return of funds will be executed by the Treasury Department in adherence to the **Payment Policy**.

17. All funds will be returned to the U.S. Department of Education in a term no longer than 45 calendar days from the date that the “University” considers that the student has withdrawn.

Unofficial Withdrawal

18. For those cases in which there is no formal request to “temporary withdraw” or “permanently withdraw,” and the student stops attending classes without notification (“unofficial withdrawal”), the “withdrawal” date is the last provable academic activity date, such as class attendance, exam, in-person teamwork, handing in an assignment, etc. The “University” will document that the activity is related to the study program and that the student attended it.

In case the “University” cannot determine the date of the last academic activity, they will assume that 50% of classes were attended, considering the day that represents half of the current school term as the last day of attendance, unless the unofficial absence is due to causes not attributable to the student, such as illness, accident or any other specific circumstance that prevents the student from carrying out the “permanent withdrawal” procedure. In these cases, the “University” will determine the “withdrawal” date based on the circumstances.

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In every case that a student withdraws without notifying the “university,” this one will rule the “withdrawal” date within 30 days or at most 30 calendar days before the end of the school term the student withdrew.

19. If a student fails all their courses during a school term, the Registrar’s Office will consult with the Academic Director on the reason for these grades. If they determine that the failing grades were the result of absences, the “University” will take the student’s last date of attending an academic activity as a basis for the R2T4 calculations.

Earned Program Financial Aid

20. The amount of earned financial aid will be determined by calculating the percentage of “direct loan” that the student earned, and this percentage will be applied to the total amount of “direct loan” of the “program” that the “University” has disbursed to the student until the “withdrawal.”
21. The percentage of the completed school term will be determined by dividing (1) the calendar days that have gone by from the first day of classes until the day of the “temporary withdrawal” or “permanent withdrawal”, by (2) the total number of days of the school term, including the last day of final exams. If the student has attended over 60% of classes in the school term in which the “direct loan” was granted, they will have earned all of the “direct loan” granted for that period and there will be no reimbursement. For example, if the student does not attend classes after 23 days that the school term started.

Payment Period	
Total number of semester days	100
Number of days that the student attended	23
% obtained	0.23
Total Title IV financial aid that was paid out or	2,000

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that could have been paid out

Amount earned	460
Amount unearned	1,540

If the final amount of the earned “direct loan” is less than the amount of “direct loan” disbursed, the difference between these two amounts must be returned to the U.S. Department of Education, and there will be no further amounts disbursed for the school term.

Post-withdrawal Disbursements

22. If the student did not receive all of the earned funds, they may receive a post-withdrawal disbursement for the amount corresponding to the difference between the total amount of “program” funds that the student earned and the amount of “program” funds that the “University” disbursed during the academic period before their “withdrawal”.
23. The “administrator” has 30 calendar days from the date in which the “University” determines that the student withdrew to notify the student, parent or tutor (in case of “Direct PLUS Loan”) in writing if they are candidates to dispose of the post-withdrawal disbursement.

Likewise, the “administrator” must inform the student, parent or tutor that they may accept or refuse, partial (amount less than 100%) or total (100%) post-withdrawal ministrations, and must clearly explain the obligation of paying the “direct credit” if they decide to accept all or part of the post-withdrawal ministrations. The “administrator” must request the student, parent or tutor in writing of the acceptance or refusal of the available amount, in a time not exceeding 14 natural days after the notification.

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In the event the student, parent or tutor accepts the post-withdrawal disbursement after the time given, the “University” will decide whether to deliver or not said amount and must notify them in writing. If the student, parent or tutor does not respond or refuses the post-withdrawal disbursement, the “university” will not deliver that amount of post-withdrawal disbursement.

If the student accepts the post-withdrawal disbursement, they must indicate the amount they want of the total available, and whether it will be accredited to their school student account or returned according to the guidelines dictated by the Finance Office.

24. The “program” post-withdrawal disbursements
 - a. Must have the student’s written authorization to be applied to institutional student debts.
 - b. May not be awarded to first-year students or first-time loan borrowers, unless they have attended classes during the first 30 business days of the school term.
 - c. May not be awarded to a student that did not complete the “payment period” for which the “direct loan” was given, and if it is a second or later reimbursement of a “direct loan.”
 - d. Must be delivered within 180 natural days from the date the “university” determines that the student withdrew.

25. The “university” may totally or partially use the post-withdrawal disbursement to accredit the student’s account, so long as the student provided confirmation that he/she wishes to dispose of the disbursed funds. If the student does not grant

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permission for the post-withdrawal disbursed funds be applied to their institutional student account, they must pay any debt he/she has with the “University” using other means.

26. The “University” must give the student any amount derived from a post-withdrawal disbursement that is not accredited to their account as long as the student confirms that he/she wants the “University” to return the funds.

Return of Program Funds / Program Management

27. If the student, or the “University” on the student’s behalf, receives an excess of “program” funds that must be returned, the “University” will be responsible for returning the excess amount that is less between
 - a. The institutional charges multiplied by the percentage of unearned funds, or
 - b. the total amount of funds received in excess.
28. The return of funds that have not been given to the student will be executed by the “University,” first to the “ direct unsubsidized loan,” then to the “direct subsidized loan,” and last to the “direct PLUS loan.”
29. After the “University” has assigned unearned funds for which it is responsible, the “program” student must return the funds for which they are responsible in the order specified in the previous section.

The amount of financial aid the student is responsible for will be calculated by subtracting the unearned amount from the funds received that the “University” returns, from the total non-accrued amount that must be reimbursed, or pay the amount required according to the “direct loan” terms.

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30. The requirements to “withdraw” students from the “program” are independent of the “University” reimbursement policy and, therefore, it is possible that students may have to pay institutional fees that were not covered. If the “program” fund reimbursement originates a debt in the student’s institutional account, they are responsible for paying the institutional charges. Students must receive from the “administrator” a copy of the “University’s” reimbursement policy.

Temporary withdrawals

31. “Program” students who wish to “temporarily withdraw” must meet the guidelines established in Part IV of the ***Student Manual for Academic-Administrative Procedures***. For this “program” the “University” considers “temporary withdrawal” as a “permanent withdrawal” and will compute the funds to be returned..
32. If the “program” student is penalized by the Disciplinary Commission of Student Affairs with a “temporary withdrawal” or “permanent withdrawal” the “University” will make the return according to the R2T4 process in adherence to what is stipulated in this policy.
33. Any situation not foreseen in this policy will be analyzed and authorized by the President or the person he/she assigns.

IV. Transitory

This policy abrogates all previous regulations on this topic and is valid the day after it is published on the Intranet.

V. Directly related documents

MAN-016-01 Student Manual for Academic-Administrative Procedures

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POL-135-06 Satisfactory Academic Progress Policy

POL-136-01 Payment Policy

VI. Change History

Edition	Change Description	Change Date
2.0	Document with precedents (N00135 Reimbursement for students who participate in the Title IV program)	November 2017
2.1	In section 23 the specification that the student, parent or tutor accept the post-withdrawal disbursement was added. The partial acceptance corresponding to an amount below 100% of the disbursement was added, as well as that the total acceptance refers to 100%. Section 23 was eliminated. In case the student responds after the established timeframe, the University will decide whether or not to give said amount and must notify the student in writing; if there is no answer, the available amount will not be given, and the administrator must return it to the U.S. Department of Education. Also, if the student refuses the post-withdrawal disbursement, the administrator must return the available Title IV Program fund amount to the U.S. Department of Education, using form R2T4 provided by the same Department to determine the amount to be reimbursed. In case the student, parent or tutor accepts the post-withdrawal disbursement in the established timeframe, the University will decide whether or not giving said amount, and must notify them in writing; if the student, parent or tutor does not respond, or refuses the post-withdrawal disbursement, the University will not ask the U.S. Department of Education for funds or reimburse any post-withdrawal disbursement amount.	January 2018
3.0	Title IV Program was renamed Federal Student Aid Program. The definition of administrator, institutional charge, direct loan, program, withdrawal, permanent withdrawal and temporary withdrawal was updated. The definition of payment period was added, and the definitions of loan and unapproved temporary withdrawal were eliminated. In section 4c, when a student stops attending classes, the reimbursement of funds was eliminated. The names of areas and job positions were updated. In section 24c, a condition was added that the disbursement will not be granted if the student does not complete the payment period for which the direct loan was assigned. The account statement was specified as institutional. The section that stated that if the University granted an unapproved temporary withdrawal it would be considered a permanent withdrawal was eliminated.	July 2020

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VII. Annexes

This policy has no annexes.