



RETURN TO TITLE IV (R2T4) POLICY AND PROCEDURES

Withdrawals and Return To Title IV (R2T4): When a student withdraws or their enrollment is otherwise terminated, the school calculates the amount of Federal Title IV financial aid that must be returned to the Federal Student Aid Programs as required. This process is referred to as “Return to Title IV” (R2T4).

R2T4 Calculation Information: Title IV funds are earned in a prorated manner based upon begin and end dates of term, number of days student attended during the term, less scheduled breaks of 5 consecutive days or more that have occurred as of the student’s Last Date of Attendance (LDA). Although an R2T4 calculation is required regardless of percentage of the period completed, after the 60 percent point in the semester, a student is considered to have earned 100 percent of the Federal Student Aid funds they were eligible to receive. If credit hours have changed, an adjustment of the Title IV aid may be necessary prior to performing the R2T4.

If, based on the calculation, the student has earned less than the amount of Title IV funds disbursed, the unearned funds must be returned.

Refunds are calculated according to applicable federal laws. All returned funds for which the school is responsible will be issued promptly after the school has determined that the student has withdrawn. The school will make this determination within 14 days of the student’s Last Day of Attendance. The return calculations must be completed within 30 days of the Date of Determination, unearned funds will be returned within 45 days of the Date of Determination.

Overpayments: Any amount of unearned federal grant funds that a student must return is referred to as an “overpayment.” The maximum amount of a grant overpayment is one half of the grant funds received or scheduled to be received. While this occurs very rarely, students in this circumstance must make arrangements with the school and/or the Department of Education to return the unearned grant funds. Failure to do so will result in loss of future eligibility for Federal Student Aid and potential other actions by the Department of Education.

Financial Aid Programs R2T4 Refund Sequence: Unearned funds returned by the school must be credited to outstanding balances on Title IV loans made to the student or on behalf of the student for the semester for which a return of funds is required. Those funds will be credited to outstanding balances in the following order:

1. Unsubsidized Federal Direct Stafford Loan,
2. Subsidized Federal Direct Stafford Loan, and
3. Federal Direct PLUS Loan received on behalf of the student.

If unearned funds remain to be returned after repayment of all outstanding loan amounts for the semester, the remaining excess must be credited to any amount awarded for the semester in the following order:

1. Federal Pell Grant.
2. Federal Supplemental Education Opportunity Grant (SEOG)



3. Iraq, Afghanistan Service Grant (IASG)

Post-Withdrawal Disbursement: The school will disburse Federal Pell Grant funds that had not yet been disbursed at the time of the student's withdrawal/termination, but for which the student remains eligible under the R2T4 calculation. In the case of borrower's loan funds, the school will calculate the borrower's eligibility for a "post-withdrawal disbursement." The Financial Aid Office will advise the borrower of the amount(s) available and of the fourteen-calendar day deadline to accept or decline the post-withdrawal disbursement.

If a response is not received from the borrower within the permitted time frame or the student declines the funds, the school will not request the funds. If the post-withdrawal disbursement is accepted, the funds will be applied to direct costs before any refund/stipend will be granted to the borrower.

PROCEDURES:

These revised R2T4 procedures will be immediately implemented and communicated to all relevant staff members and stakeholders.

Initial Assessment:

The Registrar's Office will notify the Financial Aid office of a pending withdrawal.

The Financial Aid Office will determine whether an R2T4 calculation is required. This depends on whether a student with Title IV funds has officially withdrawn from the institution. If a withdrawal is confirmed, proceed to the next steps.

Official Withdrawal: Student withdraws using the school's withdrawal form. The Financial Aid Office performs the R2T4 calculation using the Last Day of Attendance as determined by the withdrawal date on the form.

Unofficial Withdrawal: Student is withdrawn by the Registrar after 14 days of non-attendance, if the student has not gone on a Leave of Absence, and/or has earned all non-passing grades at end of term. The Financial Aid Office performs the R2T4 calculation, using the Last Day of Attendance as determined by the academic attendance record, confirmed by the Registrar.

Review Prior R2T4 Calculations:

Check if an R2T4 calculation was previously completed for the student in question. If so, gather the results of that calculation.

Perform the R2T4 Calculation:



The Financial Aid Office collects all necessary information, including the student's withdrawal date [LDA], the DOD, institutional charges, Title IV aid disbursed or that could have been disbursed, and the number of days in the semester and sends it to the Third-party Servicer to perform the calculation.

Reporting and Documentation:

Maintain a report of the R2T4 calculation results, including the amount to be returned and the breakdown of funds to be returned by both the school and the student.

Keep records of all calculations.

Communication with Student:

Email the student about the R2T4 calculation results, including the amount they owe and the timeframe for repayment, if applicable.

Title IV Fund Return:

Return the Title IV funds to the appropriate federal programs in the correct refund sequence within 45 days from the DOD.

Direct Loans and Pell Grant funds are returned to the Common Origination and Disbursement system [COD].

FSEOG and IASG funds are returned to G5

Three [3] days after the R2T4 calculation was completed, verify on COD and/or G5 that the appropriate refunds have been made.

Award Change:

In the event of an R2T4 calculation that generates a change to the student's award eligibility, the student will be notified in writing of the change.

Title IV Credit Balance:

In the event that the R2T4 calculation generates a Title IV Credit Balance, the credit balance will be disbursed as soon as possible and no later than 14 days after the date the calculation of R2T4 is performed.

Post-withdrawal Disbursement [PWD]:

Determine which students are eligible for post-withdrawal disbursements. This includes students who have withdrawn from their classes but are still eligible for a portion of their Title IV financial aid.



Post-Withdrawal Disbursement Notification:

After completion of the R2T4 calculation, the Financial Aid Office will notify the borrower of a potential post-withdrawal disbursement of loan funds in writing either via e-mail or postal mail within 30 days from the DOD which explains the type and amount of aid available and the student's right to accept or decline it providing a 14-day response period.

Obtain written confirmation from the student indicating whether they wish to accept the post-withdrawal disbursement. Ensure they understand the implications and potential debt obligations associated with accepting additional funds.

If the student confirms their desire to receive the PWD, grant funds will be made within 45 days of the DOD, and loan funds will be disbursed within 90 days of the DOD This includes funds from the appropriate Title IV programs, such as Pell Grants, Direct Loans, and/or FSEOG.

Training:

Staff members responsible for R2T4 calculations are trained in the process and updated on any regulatory changes.

Regulatory Updates:

Stay informed about any changes in Title IV regulations and requirements related to R2T4 calculations, as compliance by Dear Colleague Letters, the FSA Handbook, and the FSA Partner Connect Website.