



Geisinger  
Commonwealth  
School of Medicine

## **Return of Title IV Funds**

### **Policy:**

Student who withdraw from a course during the refund period will have their financial aid adjusted to reflect their change in enrollment. Students who completely withdraw from their courses prior to the first 60% of a semester will have their Federal Financial Aid adjusted based on the percentage of the semester completed prior to withdrawal. The federal government mandates that students who withdraw from all classes on or before the 60 percent point in the semester may only keep the financial aid they have “earned” up to the time of withdrawal. Title IV funds that were disbursed in excess of the earned amount of aid must be returned by the College and/or the student to the federal government. This may result in the student owing aid to the College, the federal government or both. Institution funds are adjusted based on the percentage completed before the date of withdrawal.

Students identified as an unofficial withdrawal will have R2T4 calculated based on the last day of attendance. Students attending graduate school, will be reviewed for failing letter grades (F). Medical students will be determined based on the Pass/Fail grading system.

### **Procedure:**

Student Affairs or the Registrar starts the official withdrawal process and notifies affected offices that a student will be withdrawing from the college. The student is encouraged to visit affected offices for effects of withdrawing and signature of the Withdrawal Form by approved staff. The form is submitted to Registrar for processing. The Registrar will send an email to the affected offices confirming the official withdrawal date. The Registrar updates the National Clearinghouse with the student’s official withdrawal date.

R2T4 will be completed within 45 days upon the school’s date of determination for withdrawal. The Financial Aid Office will complete the form via the FAA CPS Access on line R2T4 worksheet. To determine the amount of aid the student has earned up to the time of withdrawal, the Financial Aid Office will divide the number of calendar days the student attended classes by the total number of calendar days in the semester (less any scheduled breaks of five days or more). The resulting percentage is then multiplied by the total federal funds that were disbursed (either to the student’s account or directly to the student) for the semester. This calculation determines the amount of aid earned by the student, which he or she may keep (for example, if the student attended 25 percent of the semester, the student will have earned 25 percent of the aid disbursed). The unearned amount (total aid disbursed less the earned amount) must be returned to the federal government by the College or the student. A member of financial aid will process the R2T4 and another member of the financial aid staff will verify the calculation.

Student is notified via email and mailed letter the results of the calculation, including the amount of funds adjusted, as well as an exit package with detailed instructions on completing exit counseling. A revised award letter is sent to the student via email indicating the amount of financial aid the college could keep.

If there is a post disbursement withdrawal, student is notified via email and mailed letter of their intent to disburse the funds. The student has 15 days from the date of notification to approve or deny the disbursement. If student does not respond within the time frame, the funds are return to the Department of Education.

After the completion of R2T4, the financial aid office notifies the Bursar of adjustments to be made to the student's account. The Bursar will send an updated invoice to the student.

The Financial Aid Office will notify and provide instructions to students who are required to return funds to the federal government.

#### Allocating Returned Title IV (Federal) Aid

Funds that are returned to the federal government are used to reduce the outstanding balances in individual federal programs. Financial aid returned (by the College and/or the student) must be allocated in the following order:

Federal Direct Unsubsidized Loan  
Federal Direct Grad PLUS