Return of Title IV Funds (R2T4)

Policy:

A student who withdraws from a course during the refund period will have their financial aid adjusted to reflect their change in enrollment. A student who completely withdraws 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 withdraw. The federal government mandates that a student who withdraws 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 withdraw. 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. Institutional funds are adjusted based on the percentage completed before the date of withdraw.

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

Procedure:

Student Affairs or the Registrar initiates the official withdraw process and notifies affected offices that a student will be withdrawing from the college. The student needs to visit the offices listed on the withdraw form to receive the appropriate counseling and to obtain the necessary signatures. The withdraw form is then submitted to the Registrar for processing. The Registrar sends an email to all offices listed on the withdraw form confirming the official withdraw date. The Registrar updates the National Clearinghouse with the student’s official withdraw date.

R2T4 is completed within 45 days upon the school’s date of determination for the withdraw date. The Financial Aid Office will complete the R2T4 form via the FAA CPS Access online R2T4 worksheet. To determine the amount of aid the student has earned up to the time of withdraw, the Financial Aid Office divides 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 and 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. The financial aid staff processes the R2T4 and another member of the financial aid staff will verify the calculation.
The student is notified via email with a letter which contains the results of the R2T4 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 withdraw, the student is notified via email and mailed a 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 the student does not respond within the time frame, the funds are returned 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 the student who is 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:
1. Federal Direct Unsubsidized Loan
2. Federal Direct Grad PLUS