



## **621 POLICY – Return to Title IV Refund (R2T4)**

### **621.1 Statement of Policy**

The Federal Law specifies how an institution must determine the amount of Federal Title IV program assistance that students earn if they withdraw from school. The criteria and procedures to be followed in implementing this policy are published in the Procedures section of the Policies and Procedures Manual.

Adopted March 2017



## **621 PROCEDURE – Return to Title IV Refund (R2T4)**

### **621.1:1 Definition of Withdraw**

A student is considered to have withdrawn if he/she drops a course after the add/drop period.

### **621.1:2 Official Withdrawal Process**

A student wishing to withdraw from college must initiate withdrawal procedures no later than three-fourths of the duration for each enrolled class, in the Enrollment Management Office. Completed withdrawal forms and final processing will be performed in the Registrar's Office.

### **621.1:3 Institutional Refund Policy**

Refunds of fees paid will be 100% during the Drop/Add period at the beginning of each semester. Drop/Adds which reduce the total fees paid will be refunded to the student. Total withdrawals during the Drop/Add period will provide a 100% refund of fees paid. Withdrawals after the Drop/Add period will require 100% payment of all charges for the withdrawal to be processed. Refunds will not include nonrefundable fees. Title IV recipients are exempt from this policy and will have refunds calculated according to the prescribed "Return of Title IV Funds" regulations.

### **621.1:4 Additional Enrollment Information**

Redlands Community College does not have a formal leave of absence policy.

### **621.1:5 Institutional Charges**

Institutional charges for R2T4 purposes at Redlands Community College consist of tuition, fees, room, board and books purchased with financial aid.



### **621.1:6 Establishing Last Date of Attendance**

For students who officially withdraw, the date of beginning the official withdrawal process will be considered the student's last date of attendance for calculation purposes. For students who do not officially withdraw, the last date of attendance documented by their instructors will be used. If no last date of attendance is documented, it is assumed that the student attended 50% of the enrollment period. Students who do not earn any passing grades, and have a combination of I, W, NP, AW or F grades for which a last date of attendance cannot be verified or does not reflect completion of the semester are considered to be "unofficial withdrawals". Both students who officially withdraw and students who unofficially withdraw will be subject to the R2T4 requirements when receiving Title IV funds.

A student receiving federal financial assistance who completely withdraws from classes at Redlands Community College will be subject to the following refund policy required by federal regulation. The policy only applies to students receiving assistance through:

- Pell Grant
- Supplemental Education Opportunity Grant (SEOG)
- Subsidized Direct Loan
- Unsubsidized Direct Loan
- Parent Loans for Undergraduate Students (PLUS)
- Any other Federal (Title IV) program

This policy assumes a student "earns" his or her financial aid based on the period of time the student remains enrolled through the semester. Upon withdrawal, the Financial Aid Office will determine the date of the student's withdrawal on record in the Office of the Registrar and will calculate the amount of financial assistance the student "earned" while enrolled in classes according to the following formula:

$$\frac{\text{Number of Calendar Days Enrolled}}{\text{Total Number of Calendar Days in the Semester (excluding breaks of at least five days)}}$$

Students at Redlands Community College earn their federal financial aid based on the percentage of the term that they have completed. Students who wish to officially withdraw from Redlands Community College must initiate withdrawal procedures no later than the 12th week of the semester in the Academic Advisors Office in the Enrollment Center. Completed withdrawal forms and final processing will be performed in the Registrar's Office. A student, who completely withdraws at or before 60% of the term, may have to return a portion of their unearned federal financial aid. They may owe tuition, fees or a repayment of federal funds. A Return of Title IV Funds calculation determines the percentage of financial aid students have earned. This is based on the



number of calendar days students attended, divided by the number of calendar days in the enrollment period. For example, if a student completed 20% of the payment period, they earn 20% of the federal funds that they were originally scheduled to receive. A student that has not completed 60% of the term may have to return a portion of their unearned financial aid. In order to determine the amount of the semester a student completed, the Return of Title IV Funds calculation will use the student's last date of attendance. For students who officially withdraw, the date of withdraw will be considered the student's last date of attendance for calculation purposes. For students who do not officially withdraw, it is assumed that the student attended 50% of the enrollment period, unless otherwise documented by their instructors. Students who do not earn any passing grades, and have a combination of I, W, NP, AW or F grades for which a last date of attendance cannot be verified or does not reflect completion of the semester are considered to be "unofficial withdrawals". Their federal aid eligibility will be recalculated as described in this policy. Redlands Community College must return funds, based on calculations, up to the total net amount from each source, in the following order:

1. Unsubsidized Federal Direct Loan
2. Subsidized Federal Direct Loan
3. Parent Loans for Undergraduate Students (PLUS)
4. Pell Grant
5. Federal SEOG
6. Any other Title IV programs

The return of funds must be completed no later than 45 days after the date the school determined the student withdrew. The school will return the lesser amount of the aid to be returned, as compared to the institutional charges, multiplied by the percentage of unearned aid. The student may also be responsible for returning a percentage of unearned financial aid. This amount will be the difference between the amount of Title IV aid due from the school, and the amount of Title IV aid to be returned. Any federal grant funds that a student is required to repay will be returned to the Department of Education by the institution, on the student's behalf. The student will return any unearned loan amounts in accordance with the terms of the promissory note. The student will be responsible to pay any unpaid charges incurred by the institution having to return Title IV funds. These will be billed through the Business Office.

### **621.1:7 Post Withdrawal Disbursement**

If the student did not receive all of the funds earned, he or she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement calculation indicates



that a post withdrawal disbursement is due from grant funds and the student has outstanding institutional charges, the funds are automatically applied to the student's account. If the calculation indicates that a post-withdrawal disbursement is due from loan funds, the student/parent is sent a letter notifying him/her of the amount available. The student/parent is asked to return the letter within 14 days indicating whether he/she wishes to receive the aid and if so, the amount.

Redlands Community College may not make a Post-Withdrawal Disbursement to the account or estate of a student who has died. Also a student's estate is not required to return any Title IV funds.

### **621.1:8 Notification**

Letters are mailed to all students and parents (Parent Loans for Undergraduate Students only) any time aid is returned as a result of the R2T4 calculation. The letters are mailed to the students' permanent address.

### **621.1:9 School and Student Responsibility for Return of Unearned Federal Funds**

The student and the school are both responsible for returning unearned federal financial aid to the federal government. The student will be billed for any amount due as a result of the return of federal aid funds (R2T4) calculation.

### **621.1:10 Direct Loans**

When Redlands Community College must return Direct Loans, those will be returned directly to the Department of Education on behalf of the borrower. Any loan funds that the student must return, the student will (or the parent for a Direct PLUS Loan) repay in accordance with the terms of the promissory note. That is, the student or parent will make scheduled payments to the holder of the loan over a period of time.

The Direct Loan recipient must also complete Exit Counseling upon withdrawal at [www.studentloans.gov](http://www.studentloans.gov).

### **621.1:11 Procedures for Return of Title IV Funds**

#### **Official Withdrawals**



- The student picks up an Official Withdrawal Form from Student Services.
- The student receives the required signatures from each office needed.
- The Financial Aid Office instructs the student to complete Exit Counseling online and informs the student there may be a return of financial aid owed due to the withdrawal.
- The R2T4 calculation is performed by the Financial Aid Office. For comparison, a manual R2T4 provided by the Department of Education is randomly completed.
- The Financial Aid Office makes the award adjustments and the Business Office pulls funds from the student account.
- The Business Office will return the required funds back to G5.
- A copy of the R2T4 printout is placed in the student's file. If the student has any returns, a letter is mailed to the student's permanent address notifying the student of the amount(s) owed, and a copy is placed in the student's file.
- The Business Office will notify the student via regular billing methods of any amount owed to the institution.
- The Financial Aid Office will also run a total withdrawal report in POISE every two weeks from the beginning of the semester through the last date to withdraw and run the R2T4 process for any student who did not already submit an official form to the Financial Aid Office for signature.

### **Unofficial Withdrawals**

- At the end of the semester, the Financial Aid Office will run a report of all students that earned a 0.00 grade point average (GPA). Financial Aid officers will determine if they earned this GPA because they have a combination of W, I, AW, or F grades without a verified last date of attendance or a date that indicated they did not complete the semester.
- The Financial Aid Office will run the R2T4 calculation for any Title IV recipient appearing on the report, using the last date of attendance as reported by instructors, or 50% if no last date of attendance can be documented. For comparison, a manual R2T4 provided by the Department of Education is randomly completed.
- The Financial Aid Office makes the award adjustments and the Business Office pulls funds from the student account.
- The Business Office will return the required funds back to G5.
- A copy of the R2T4 printout is placed in the student's file. If the student has any returns, a letter is mailed to the student's permanent address notifying the student of the amount(s) owed, and a copy is placed in the student's file.
- The Business Office will notify the student via regular billing methods of any amount owed to the institution.

Examples:



- A. James Kirk was enrolled full-time for the fall semester. James received a Direct Subsidized Stafford Loan with a net disbursement of \$1732.00 and a Direct Unsubsidized Stafford Loan with a net disbursement of \$990.00. James had institutional charges of \$1909.30 which was tuition and fees. James officially withdrew from all classes on the 68th day of class. There were 115 days in the term.

Based on the calculation, Number of Calendar Days Enrolled Divided by Total Number of Calendar

Days in the Semester (excluding breaks of at least five days),  $68/115 = 59.1\%$ . Therefore, the student did not earn 40.9% of the Title IV aid.

Institutional charges of \$1909.30 multiplied by the unearned percentage of 40.9% is \$780.90. Redlands Community College must return this amount, in the form of Direct Unsubsidized Stafford Loan to the Department of Education. The Financial Aid Office notified James by letter of the amount of the unearned Federal aid being returned by the institution and placed a copy of the letter and the calculation in the student file. The Business Office billed the student for this amount being returned. In addition, James must repay the remaining \$290.10 of the Direct Unsubsidized Stafford Loan and the \$1,732.00 Direct Subsidized Stafford Loan under the regular terms of the loan.

- B. Elsa Oldenburg was enrolled full-time for the spring semester. Elsa received a Pell Grant in the amount of \$2,908.00.

Elsa had institutional charges of \$2,413.98 which was tuition and fees. Elsa had a family emergency and had to withdraw on the 82nd day of class. There were 115 days in the term.

Based on the calculation, Number of Calendar Days Enrolled Divided by Total Number of Calendar

Days in the Semester (excluding breaks of at least five days),  $82/115 = 71.3\%$ . Since the percentage is greater than 60%, the student, therefore, earned 100% of the Title IV aid.

The R2T4 Worksheet, Treatment of Title IV Funds When A Student Withdraws From a Credit-Hour Program can be reviewed on the Department's Information for Financial Aid Professionals page,

<https://ifap.ed.gov/aidworksheets/attachments/2010IASGCreditHourFinal.pdf>



**621.1:12 Federal Regulation**

This policy and procedure was created and is maintained to be in compliance with Federal regulation 34CFR 668.22.

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Revised September 2018