

**ADM Policy #60-02-04 (2018) Return to Title IV Aid (R2T4) Policy and Procedure**

**Policy Title:** Return to Title IV Aid (R2T4) Policy and Procedure

**Policy Type:** Administrative

**Policy Number:** ADM Policy #60-02-04

**Approval Date:** 11/13/2018

**Responsible Office:** The Office of Financial Aid

**Responsible Executive:** Vice President for Enrollment Services

**Applies to:** All students who receive Title IV aid

**POLICY STATEMENT**

Federal regulations require Title IV financial aid funds to be awarded under the assumption that a student will attend the institution for the entire period in which federal assistance was awarded. When a student withdraws from all courses for any reason, including medical withdrawals, he/she may no longer be eligible for the full amount of Title IV funds that he/she was originally scheduled to receive. The return of funds is based upon the premise that students earn their financial aid in proportion to the amount of time in which they are enrolled. A pro-rated schedule is used to determine the amount of federal student aid funds he/she will have earned at the time of the withdrawal. Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid.

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## **DEFINITIONS**

Official Withdrawal – A student notifies the College of his/her intent to withdraw from the College by following the College’s withdrawal process as defined by the Division of Academic Affairs

Unofficial Withdrawal – A student ceases attendance but does not notify the College through the official resignation process.

## **CONTACT(S)**

The Office of Financial Aid officially interprets this policy. The Vice President for Enrollment Services is responsible for obtaining approval for any revisions as required by ADM Policy # 01 (2018). Questions regarding this policy should be directed to the Vice President for Enrollment Services.

**STAKEHOLDER(S):** Students

## **R2T4: POLICY CONTENT**

Federal law requires schools to calculate how much federal financial aid a student has earned if that student:

- Officially withdraws from Wiley College,
- Unofficially withdraws from Wiley College, or
- Does not complete a term of scheduled enrollment at Wiley College.

An official withdrawal occurs when a student notifies the College of his or her intent to withdraw by following the College’s withdrawal process. An unofficial withdrawal occurs when a student ceases attendance in classes but does not notify the College through the official resignation process. Based on this calculation, Wiley College’s students who receive federal financial aid and do not complete their classes during a semester or term could be responsible for repaying a portion of the aid they received. Students who do not begin attendance must repay all financial aid disbursed for the term.

### **How a withdrawal affects academics?**

The following policies will help you understand that a withdrawal potentially affects students academically as well as financially. We encourage students to read all the information below prior to making a final decision.

- Academic policies on leaving Wiley College are available in the College Catalog.

### **How the earned financial aid is calculated**

Students who receive federal financial aid must “earn” the aid they receive by staying enrolled in

classes. The amount of federal financial aid assistance the student earns is on a pro-rated basis. Students who withdraw or do not complete all registered classes during the semester may be required to return some of the financial aid they were awarded.

Institutions are required to determine the percentage of Title IV aid “earned” by the student and to return the unearned portion to the appropriate aid programs. Regulations require schools to perform calculations within 30 days from the date the school determines a student’s complete withdrawal. The school must return the funds within 15 days of the calculation. For example, if a student completes 30% of the payment period, they earn 30% of the aid they were originally scheduled to receive. This means 70% of the scheduled awards remain “unearned” and must be returned to the federal government. Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any federal funds.

The following formula is used to determine the percentage of unearned aid that has to be returned to the federal government:

- The percent earned is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in the payment period (less any scheduled breaks that are at least 5 days long).
- The payment period is the entire semester.
- The percent unearned is equal to 100% minus the percent earned.

### **Steps in the Return of Title IV funds policy**

*Wiley College will determine:*

- A. The total amount of Title IV aid disbursed for the semester in which the student withdrew. A student’s Title IV aid is counted as aid disbursed in the calculation if it has been applied to the student’s account on or before the date the student withdrew.
- B. The total amount of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the semester in which the student withdrew.
- C. Will calculate the percentage of Title IV aid earned as follows: the number of calendar days completed divided by the total number of calendar days in the semester in which the student withdrew. The total number of calendar days in a semester shall exclude any scheduled breaks of more than 5 days.
- D. If the calculated percentage completed exceeds 60%, then the student has “earned” all the Title IV aid for the enrollment period.
- E. Wiley College will calculate the amount of Title IV aid earned as follows: The percentage of Title IV aid earned (Step 2) multiplied by the total amount of Title IV aid disbursed or that could have been disbursed for the term in which the student withdrew.
- F. Amount of Title IV aid to be disbursed or returned
  - If the aid already disbursed equals the earned aid, no further action is required.
  - If the aid already disbursed is greater than the earned aid, the difference must be returned to the appropriate Title IV aid program.

- If the aid already disbursed is less than the earned aid, then Wiley College will calculate a post-withdrawal disbursement.

## **Determination of the Withdrawal Date**

A student's withdrawal date will be the last date of attendance, since Wiley currently has a policy that faculty are required to take attendance for each class. In some cases for online students or in extenuating circumstances, the withdrawal date could be:

- The date the student began the College's withdrawal process or officially notifies the College of his/her intent to withdraw,
- The student's last date of contact for the course either through attendance, examination, quiz or assignment.

Ordinarily, the last day of documented attendance in a class will be used as the withdrawal date. The withdrawal date used in the return calculation of a student's federal financial aid is the actual date indicated on the official drop form. If a student stops attending classes without notifying Wiley College, the withdrawal date will be the last day of documented attendance or the last date of academic activity determined by Wiley College. Additional documentation supporting the last date of academic activity may be provided by the student if they verify a later date of attendance than determined by Wiley College.

## **Withdrawing prior to completing 60% of a term**

Unless a student completes 60% of the term in which federal aid was disbursed, the student will be required to return all or part of the financial aid disbursed in the term. This applies to students who have officially or unofficially withdrawn.

## **When a student fails to begin attendance**

If a student receives financial aid, but never attends classes, Wiley College will return all disbursed funds to the respective federal aid programs. If the student owes money to Wiley College resulting from the return of federal funds, the student will be billed by the Business Office. If the student does not pay the funds due to Wiley College, a business hold is placed on the student's account. This means he/she will not be permitted to register for classes or receive transcripts until the balance is paid.

## **Repayment of Federal Aid Programs**

Federal regulations require that the following aid programs be subject to the repayment calculation if the student did not attend 60% of the term in the following order:

1. Unsubsidized Direct Loan
2. Subsidized Direct Loan

3. Direct PLUS (Parent) Loan
4. Federal Pell Grant
5. Federal Supplemental Education Opportunity Grant (SEOG)

### **Overpayment of Federal Grant Funds**

Federal regulations provide that 50% of the unearned amount of all federal grants is protected by the federal calculation. Any federal grant money subject to repayment is returned by Wiley College and that amount will be billed to the student's billing account as a debt to Wiley College.

### **Additional loan information to consider when withdrawing**

When a student is enrolled less than half-time, the grace period begins. The student's grace period for loan repayments for Federal Direct Unsubsidized and Subsidized Loans will begin on the day of the withdrawal from the school. If the student is not enrolled half-time for more than 6 months, the loans will go into repayment. The student must contact the U.S. Department of Education or his/her servicer to make payment arrangements. Loans must be repaid by the loan borrower (student/parent) as outlined in the terms of the borrower's promissory note. The student should contact the servicer if he/she has questions regarding their grace period or repayment status.

### **Repayment of unearned funds and consequences**

Unearned funds are returned to the U.S. Department of Education by Wiley College on the student's behalf. The school will return the funds within 15 days of the calculation. If the student owes any money to Wiley College resulting from the return of unearned federal financial aid, the student will be billed by Wiley College. If the student does not pay the funds, a business hold is placed on the student's account. This means he/she will not be permitted to register for classes or receive transcripts until the balance is paid.

### **School and Student responsibilities in regard to the R2T4 Policy & Process**

*Wiley College's responsibilities:*

- Providing each student with the information given in this policy
- Identifying students affected by this policy and completing the R2T4 calculation
- Informing the student of the result of the R2T4 calculation and any balance owed to Wiley College as a result of a required return of funds
- Returning any unearned Title IV aid that is due to the Title IV programs and, if applicable, notifying the borrower's holder of federal loan funds of the student's withdrawal date
- Notifying student and/or PLUS borrower of eligibility for a Post-Withdrawal Disbursement, if applicable

*Student's responsibilities:*

- Becoming familiar with the R2T4 policy and how withdrawing from all courses effects eligibility for Title IV aid
- Resolving any outstanding balance owed to Wiley College
- Resolving any repayment to the U.S. Department of Education as a result of an overpayment of Title IV grant funds

**How a withdrawal affects future financial aid eligibility?**

Refer to the Wiley College Satisfactory Academic Progress Policy to determine how a withdrawal will impact future financial aid eligibility.

*Note: The procedures and policies listed above are subject to change without advance notice based on changes to federal laws, federal regulations, or school policies. If changes are made, students must abide by the most current policy. For further guidance on R2T4 policies and procedures please contact the Wiley College Financial Aid Office.*

**PUBLICATION**

**REVIEW SCHEDULE**

- Next Scheduled Review: 07/01/2019
- Approval by, date: Executive Cabinet, 11/13/2018
- Revision History: Unknown
- Supersedes: Unknown

**RELATED DOCUMENTS**

<https://ifap.ed.gov/fsahandbook/attachments/1819FSAHbkAVG.pdf>

**FORMS**

FAA Access Forms Web Portal

