

SECTION 12: RETURN OF TITLE IV FUNDS (R2T4)

12.1 Process Overview & Applicability

Students receiving financial aid who withdraw, stop attending, or receive all W, F's or I's may be required to return a portion of financial aid received. Federal Financial Aid funds are awarded with the expectation that students will complete the entire period of enrollment.

Students "earn" a percentage of the funds they are disbursed with each day of class attendance. If a student withdraws or stops attending classes, whether any credits have been awarded for the term or not, a portion of the aid received is considered to be unearned and must be returned to the Title IV programs from which it was received.

Students who wish to withdraw from **all** enrolled classes initiate a Total Drop / Withdrawal by submitting the electronic Total Drop / Withdrawal Form in iCloud.

The Financial Aid Office will receive e-mail notification with the Total / Drop Withdrawal Form Attached.

Student Records is the office designated to accept and process the submitted electronic Total Drop / Withdrawal Forms from iCloud.

12.2 Withdrawal Date

For Title IV purposes, the date of last attendance or withdrawal date is one of the following:

- The date the student submitted the electronic Total Drop / Withdrawal Form.
- If the student did not officially withdraw, the midpoint of the payment period for which financial aid was disbursed or a later date documented by the student's instructor(s).
- The last date of documented academic engagement such as attending a class or completing academically related activity. (i.e. submitting an assignment, taking a test, participating in a discussion board or interactive tutorial).

12.3 Formula Calculation

Procedures for Return of Title IV Refunds: Upon receipt of notification of withdrawal the Total Withdrawal checklist will be printed and all required documentation will be gathered and submitted to the Financial Aid Director for the R2T4 calculation to be completed.

The Director of Financial Aid calculates the Return of Title IV Funds using the R2T4 process in the PowerFails system. Calculations and documentation is verified by the Financial Aid team member prior to the return of federal funds.

The Director of Financial Aid will complete all of the steps on the R2T4 checklist and will provide notification to NSLDS of the student's withdrawal. The Director of Financial Aid will also be responsible for maintaining the Withdrawal Spreadsheet and will notify the student of any obligation to repay any federal financial aid funds.

The R2T4 form contains the following information:

- Name
- Social Security Number
- Date form completed
- Date of the school's determination that the student withdrew
- Payment period or period of enrollment
- Net Amount of Aid disbursed (or could have been disbursed)
- Date of Withdrawal
- Institutional Charges

The payment period or period of enrollment: The total number of calendar days in the payment period or period of enrollment for which financial aid is awarded divided into the number of calendar days completed in that period as of the day the student withdrew.

If the student received more Federal Financial Aid than the amount earned, unearned funds must be returned in the order specified below.

Institutional Charges: Are usually the charges that were initially assessed for the student for the entire payment period or period of enrollment. Initial charges may be adjusted by those charges the institution made prior to the student's withdrawal. If, after the student withdrawals, the institution changes the amount of institutional charges or decides to eliminate all institutional charges, those charges affect neither the charges nor aid earned in the calculation.

12.4 Post-Withdrawal Disbursements

If the student withdraws prior to Federal Financial Aid being disbursed to the student, CCCC will complete the Post-withdrawal calculation and will notify the student of the amount of aid that is available.

Title IV grant funds from a post-withdrawal disbursement will be credited to the student account to pay for tuition, fees, books & supplies, and room and board.

Written confirmation will be required from a student before making any disbursement of loans funds from a post-withdrawal disbursement.

12.5 Returning Unearned Funds

Return of Unearned Federal Financial Aid Funds: The school must return the lessor of:

- The amount of program funds that the student does not earn; or
- The amount of institutional costs that the student incurred for the payment period or period of enrollment multiplied by the percentage of funds that was earned.

The student (or parent, if a Federal PLUS Loan) must return the unearned funds for which they are responsible to loan programs in accordance with the terms of the loan, and to grant programs as an overpayment. Grant overpayments are subject to repayment arrangements satisfactory to the school, or overpayment collection procedures prescribed by the US Department of Education.

Order of Return of Federal Financial Aid Funds: The school will return unearned federal financial aid for which the school is responsible by repaying funds to the following sources, in order, up to the total received from each source until the total amount of the school's responsibility has been satisfied:

- Unsubsidized Stafford Loans
- Subsidized Stafford Loans
- PLUS Loans
- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- Other Title IV assistance (not including FWS)

If a student attends through greater than 60 percent of the term, all Title IV financial aid is considered earned. **However, withdrawing from classes may affect a student's satisfactory academic progress and eligibility for additional financial aid.**

At the end of each semester, reports are reviewed for those students who have all F's, I's and/or W's. R2T4 calculations are performed for these students within 30 days of the end of the semester unless the institution can document that the student completed the payment period.

All students have 45 days to satisfy overpayments to the Department of Education with payment made at CCCC. If the 45 days have elapsed and the student still owes the overpayment, it is reported to NSLDS. The amount of the overpayment is referred to ED/SFA Collections, and the student is notified in writing how to contact ED Collections for payment. The student will not be eligible for federal aid at any institution until the overpayment has been satisfied.

This policy is separate from CCCC's institutional refund policy. Unpaid balances due to CCCC that are a result from amounts returned to Title IV Programs and other sources of aid will be charged back to the student account. The student is responsible for any student account balance and must make arrangement with the business office to pay their student account. If the student has a balance due on their student account, the Business Office will place a hold on the student account until the account balance is paid in full.

The Financial Aid Office has established processes for the return of Title IV funds in the required time limit. Reports have been established and are run every two weeks throughout the semester to determine when a student officially withdraws including unsuccessful completion of a semester.

This report is cross checked with Student Records Total Withdrawal Report to determine that all students are identified. After the Financial Aid Office has completed the R2T4 calculation, the Business Office is notified and funds are returned. An excel spreadsheet has been established that both the Business Office and Financial Aid Office have access to and will be completed by both offices as funds are returned for each student.

R2T4 New Regulations effective July 1, 2021 will apply to students who withdraw or otherwise cease attendance (including graduation) on or after July 1, 2021.

According to the September 2, 2020 Federal Register, earned failing grades are not considered successfully completion. A student is **not** considered to have successfully completed a module unless they have a least one passing grade in the module. Successful completion of coursework equal to half-time enrollment status for the payment period.

A student is not considered to have withdrawn if the institution obtains written confirmation from the student at the time of the withdrawal that they will attend a later module in the same payment period.

Withdrawal exemptions for all programs:

- A student who completes all of the requirements for graduation from their program before completing the days or hours in the period that they were scheduled to complete is not considered to have withdrawn.

Withdrawal exemptions for programs with modules:

- In a program offered in modules, a student is not considered to have withdrawn if the student successfully completes:
 - One module that includes 49% or more of the number of days in the payment period, excluding scheduled breaks of five or more consecutive days and all days between modules
 - A combination of modules that when combined contain 49% or more of the number of the number of days in the payment period excluding scheduled breaks of five or more consecutive days and all days between modules

49% may NOT be rounded up (i.e. 48.7% CANNOT be rounded to 49%).

49% is based on the number of days in the overall payment period, not 49% of the modules the student was enrolled in for a particular payment period.

Successful completion means earning a passing grade.