



**Return to Title IV Refund Policy (R2T4)
Return Policy and Procedures for Financial Aid Recipients Who Withdraw**

Office Responsible:	Financial Aid
Area Information is located:	Website, Catalog, Handbook, Financial Aid Policy and Procedures Manual
Date Document was last updated:	January 2020
Date Policy and Procedure was last updated:	January 2020
How disclosure was made:	Information is posted on the website, Information is presented to students by Financial Aid staff

RETURN OF TITLE IV, HEA POLICY

When you apply for financial aid, you sign a statement that you will use the funds for educational purposes only. Therefore, if you withdraw before completing your program, a portion of the funds you received may have to be returned. Connors State College (CSC) will calculate the amount of tuition to be returned to the Title IV, HEA Federal fund programs according to the policies listed below.

RETURN TO TITLE IV, HEA FUNDS POLICY

This policy applies to students' who **withdraw officially, unofficially or fail to return from a leave of absence or dismissed from enrollment** at CSC. It is separate and distinct from the CSC refund policy. (Refer to institutional refund policy)

Financial aid recipients whose circumstances require that they withdraw from all classes are strongly encouraged to contact the CSC Financial Aid Office and their academic advisor before doing so. At that time, the consequences of withdrawing from all classes can be explained. The CSC Financial Aid Office staff can provide examples of return of funds calculations and further explain this policy to students or parents.

The federal government requires that students who withdraw from all classes may only keep the financial aid they have **"earned"** up to the time of withdrawal. Title IV, HEA funds (except federal work-study) that were disbursed in excess of the earned amount must be returned by CSC and/or the student to the federal government. This situation could result in the student owing aid funds to CSC, the government, or both.

The calculated amount of the Return of Title IV, HEA (R2T4) funds that are required for the students affected by this policy, are determined according to the following definitions and procedures as prescribed by regulations.

The amount of Title IV, HEA aid earned is based on the amount of time a student spent in academic attendance, and the total aid received; it has no relationship to student's incurred institutional charges. Because these requirements deal only with Title IV, HEA funds, the order of return of **unearned** funds do not include funds from sources other than the Title IV, HEA programs.

Title IV, HEA funds are awarded to the student under the assumption that he/she will attend school for the entire period for which the aid is awarded. When student withdraws, he/she may no longer be eligible for the full amount of Title IV, HEA funds that were originally scheduled to be received. Therefore, the amount of Federal funds earned must be determined. If the amount disbursed is greater than the amount earned, unearned funds must be returned.

The institution has 45 days from the date that the institution determines that the student withdrew to return all unearned funds for which it is responsible and 30 days from that date to complete the R2T4 calculation. The school is required to notify the student if they owe a repayment via written notice.

The school must advise the student or parent that they have 14 calendar days from the date that the school sent the notification to accept a post withdraw disbursement. If a response is not received from the student or parent within the allowed time frame or the student declines the funds, the school will return any earned funds that the school is holding to the Title IV, HEA programs.

Definition of Withdraw

A student is considered to have withdrawn if the student does not complete all the days in the period of enrollment that the student was scheduled to complete.

Official Withdrawal Process

A student is considered to be “Officially” withdrawn on the date the student notifies the Admission’s Office in writing of their intent to withdraw no later than the 15th week of the semester. The date of the termination for return and refund purposes will be the earliest of the following for official withdrawal:

1. Date student provided official notification of intent to withdraw, in writing or orally.
2. The date the student began the withdrawal from CSC, records. A student is allowed to rescind his notification in writing and continue the program. If the student subsequently drops, the student’s withdrawal date is the original date of notification of intent to withdraw.

Upon receipt of the official withdrawal information, CSC will complete the following:

1. Determine the student’s last date of attendance as of the last recorded date of academic attendance on the school’s attendance record;
2. Two calculations are performed:
 - a. The student’s bursar bill and attendance record are reviewed to determine the calculation of Return of Title IV, HEA funds the student has earned, and if any, the amount of Title IV, HEA funds for which the school is responsible. Returns made to the Federal Funds Account are calculated using the Department’s Return of Title IV, HEA Funds Worksheets, scheduled attendance and are based upon the payment period.
 - b. Calculate the school’s refund requirement (see school refund calculation):
3. The student’s grade record will be updated to reflect his/her final grade.
4. CSC will return the amount for any unearned portion of the Title IV, HEA funds for which the school is responsible within 45 days of the date the official notice was provided.
5. They will provide the student with a letter explaining the Title IV, HEA requirements:
 - a. The amount of Title IV, HEA assistance the student has earned. This amount is based upon the length of time the student was enrolled in the program based on scheduled attendance and the amount of funds the student received.
 - b. Any returns that will be made to the Title IV, HEA Federal program on the student’s behalf as a result of exiting the program. If a student’s scheduled attendance is more than 60% of the payment period, he/she is considered to have earned 100% of the Federal funds received for the payment period. In this case, no funds need to be returned to the Federal funds.
 - c. Advise the student of the amount of unearned Federal funds and tuition and fees that the student must return, if applicable.
6. Supply the student with current bursar bill noting outstanding balance due to the school and the available methods of payment. A copy of the completed worksheet, check, letter and final bursar bill will be kept in the student’s file.

In the event a student decides to rescind his or her official notification to withdraw, the student must provide a signed and dated written statement that he/she is continuing his or her program of study, and intends to complete the payment period. Title IV, HEA assistance will continue as originally planned. If the student subsequently fails

to attend or ceases attendance without completing the payment period, the student's withdrawal date is the original date of notification of intent to withdraw.

Unofficial Withdrawal from School

Any student who does not provide official notification of his or her intent to withdraw and is reported for nonattendance by all professors for a period of more than 2 weeks, or is failing all of his or her classes at midterm without documented academic related activity, or violates conditions mentioned in the CSC contractual agreement, will be considered to have unofficially withdrawn.

Within one week of our determination that the student may have unofficially withdrawn, the following will take place:

1. The academic advisor will make three attempts to notify the student regarding enrollment status.
2. Determine and record the student's last date of attendance as the last recorded date of academic attendance if reported by professors.
3. The student's withdrawal date is determined as the date the day after 2 consecutive weeks of absence.
4. Notify the student in writing of their failure to contact the school and attendance status resulting in the current termination of enrollment.
5. CSC calculates the amount of Federal funds the student has earned, and, if any, the amount of Federal funds for which the school is responsible.
6. Calculate the school's refund requirement (see school refund calculation).
7. CSC Executive Financial Director will return to the Federal fund programs any unearned portion of Title IV, HEA funds for which the school is responsible within 45 days of the date the withdrawal determination was made and note return on the bursar bill.
8. If applicable, CSC, will provide the student with a refund letter explaining Title IV, HEA requirements:
 - a. The amount of Title IV, HEA aid the student has earned based upon the length of time the student was enrolled and scheduled to attend in the program and the amount of aid the student received.
 - b. Advise the student in writing of the amount of unearned Title IV, HEA aid and tuition and fees that he/she must return, if applicable.
 - c. Supply the student with a final bursar bill showing outstanding balance due the school and the available methods of payment.
9. A copy of the completed worksheet will be kept in the student's file.

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 fees 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.

Leave of Absence/Additional Enrolment Information

Connors State College does not have a formal leave of absence policy.

Institutional Charges

Institutional charges for R2T4 purposes at Connors State College consist of tuition, fees, room, board and books purchased with financial aid at the bookstore.

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 U, 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 Connors 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 Connors earn their federal financial aid based on the percentage of the term that they have completed. Students who wish to officially withdraw from Connors State College must initiate withdrawal procedures no later than the 15th week of the semester in the Academic Advisors Office. Completed withdrawal forms and final processing will be performed in the Registrar/Admission’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 U, 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. Connors State 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.

Post-Withdrawal Disbursement

The institution will offer any post-withdrawal disbursement of loan funds within 30 days of the date it determines the student withdrew.

The institution must disburse any Title IV, HEA grant funds a student is due as part of a post-withdrawal disbursement within 45 days of the date the school determined the student withdrew and disburse any loan funds a student accepts within 180 days of that date.

Post-withdraw disbursements will occur within 90 days of the date that the student withdrew.

If you did not receive all of the funds that you have earned, you may be due a post-withdraw disbursement. CSC may use a portion or all of your post-withdraw disbursement for tuition and fees (as contracted with CSC). For all other school charges, CSC needs your permission to use the post-withdraw disbursement. If you do not give permission, you will be offered the funds. However, it may be in your best interest to allow the school to keep the funds to reduce your debt at the school.

The post-withdrawal disbursement must be applied to outstanding institutional charges before being paid directly to the student.

Connors State 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.

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.

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.

Direct Loans

When Connors State 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.

Procedures to be followed for the Return to Title IV Funds:

No Shows

- Instructors will confirm the accuracy of their class roster and turn in no-shows to the office of the Vice-President of Academic Affairs (VPAA) by the end of the third week of the semester. The Assistant VPAA will remove the non-attending students from their classes and their charges will be removed.
-

- The Financial Aid Office will place a hold on the account and remove awards for any student marked as a no-show.

Official Withdrawals

- The student picks up an Official Withdrawal Form from the Admissions Office.
- 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 in the Ellucian-Banner system. For comparison, a manual R2T4 provided by the Department of Education is randomly completed.
- The Financial Aid Office makes the award adjustments on RPAAWRD & complete an immediate disbursement to reverse funds from student account.
- The Accounting/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 Bursar 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 (RPRTIVR) within Ellucian-Banner 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 were registered for the term. Financial Aid will determine if they earned the grade because they have a combination of U, NP, 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 in the Ellucian-Banner system 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 on RPAAWRD & complete an immediate disbursement to reverse funds from student account.
- The Accounting/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 Bursar Office will notify the student via regular billing methods of any amount owed to the institution.

RETURN OF TITLE IV, HEA FUNDS – CALCULATION EXAMPLE

If you are a financial aid recipient and you officially withdraw or cease to attend any of your class before the 60% point in time for any semester, the Financial Aid Office must calculate whether or not you received more aid than you were entitled to for the period of time you were in school. This calculation is called a “Return of Title IV, HEA Funds” calculation, an example of which is shown below:

Jan Doe enrolled in the fall semester, which contains 80 calendar days, but officially withdrew from all classes on the 20th day of the semester. Her tuition and fee charges for the semester were \$500.00. Jan was awarded and disbursed a Pell Grant for \$1500 to pay her educational costs for the entire fall semester.

Percent of Pell Grant earned:	20 days attended =	25%
	80 days in semester	
Percent Pell Grant unearned:	100% - 25%	= 75%

Amount of Pell Grant unearned: $.75 \times \$1500.00 = \1125.00

CSC RETURNS TO PELL GRANT PROGRAM:

Less of: $\$500 \times .75 = \375 or Amount of Pell Grant unearned = \$1125

CSC returns **\$375** to the Pell Grant Program

STUDENT RETURNS TO PELL GRANT PROGRAM:

Amount of Pell Grant unearned: \$1125

Minus Pell amount CSC returns: \$ 375

	\$ 750
(Student grant overpayment	x .50
is reduced by half)	\$ 375

Jan Doe returns \$375 to the Pell Grant Program.

Order of Return

CSC is authorized to return any excess funds after applying them to current outstanding Cost of Attendance (COA) charges. A copy of the Institutional R2T4 work sheet performed on your behalf is available through the office upon student request.

In accordance with Federal regulations, when Title IV, HEA financial aid is involved, the calculated amount of the R2T4 Funds" is allocated in the following order:

- Unsubsidized Direct Stafford loans (other than PLUS loans)
- Subsidized Direct Stafford loans
- Parent PLUS loans
- Direct PLUS loans
- Federal Pell Grants for which a Return is required
- Iraq and Afghanistan Service Grant for which a Return is required
- Federal Supplemental Educational Opportunity Grant
- Other Title IV HEA assistance
- State Tuition Assistance Grants (if applicable)
- Private and institutional aid

CSC must return its share of unearned Title IV, HEA funds no later than 45 days after it determines that the student has withdrawn. Students return their share of unearned aid attributable to a loan under the terms and conditions of the promissory note. Only one-half of unearned grant money must be repaid by the student. CSC may allow the student to repay unearned grant aid under a repayment arrangement satisfactory to the institution and in compliance with federal regulations.

Direct Loans

When CSC must return Direct Loans, funds 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.

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>

Time frame for returning an unclaimed Title IV, HEA Credit Balance

If a school attempts to disburse the credit balance by check and the check is not cashed, the school must return the funds no later than 240 days after the date the school issued the check.

If a check is returned to a school or an EFT is rejected, the school may make additional attempts to disburse the funds, provided that those attempts are made not later than 45 days after the funds were returned or rejected. When a check is returned or EFT is rejected and the school does not make another attempt to disburse the funds, the funds must be returned before the end of the initial 45-day period.

The school must cease all attempts to disburse the funds and return them no later than 240 days after the date it issued the first check.

Institution Responsibilities

CSC's responsibilities in regards to Title IV, HEA funds follow:

- Providing students information with information in this policy;
- Identifying students who are affected by this policy and completing the return of Title IV, HEA funds calculation for those students;
- Returning any Title IV, HEA funds due to the correct Title IV, HEA programs.

The institution is not always required to return all of the excess funds; there are situations once the R2T4 calculations have been completed in which the student must return the unearned aid.

Student will be billed for any amount due as a result of the return of federal aid funds (R2T4) calculation

Overpayment of Title IV, HEA Funds

Any amount of unearned grant funds that you must return is called overpayment. The amount of grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You must make arrangement with CSC or Department of Education to return the amount of unearned grant funds.

Student Responsibilities in regards to Return of Title IV, HEA funds

- Returning to the Title IV, HEA programs any funds that were dispersed to the student in which the student was determined to be ineligible for via the R2T4 calculation.
- Any notification of withdraw should be in writing and addressed to the appropriate institutional official.
- A student may rescind his or her notification of intent to withdraw. Submissions of intent to rescind a withdraw notice must be filed in writing.
- Either these notifications, to withdraw or rescind to withdraw must be made to the official records/registration personal at your school.

Refund vs. Return to Title IV, HEA Funds

The requirements for the Title IV, HEA program funds when you withdraw are separate from any refund policy that CSC may have to return to you due to a cash credit balance. Therefore, you may still owe funds to the school to cover unpaid institutional charges. CSC may also charge you for any Title IV, HEA program funds that they were required to return on your behalf.

If you do not already know what CSC refund policy is, you may ask your Schools Financial Planner for a copy.

Return to Title IV, HEA questions?

If you have questions regarding Title IV, HEA program funds after visiting with your financial aid director, you may call the Federal Student Aid Information Center at 1-800-4-fedaid (800-433-3243). TTY users may call 800-730-8913. Information is also available on student aid on the web www.studentaid.ed.gov.

***This policy is subject to change at any time, and without prior notice.**

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