

Return of Unearned Title IV Funds - "R2T4"

Federal regulations stipulate that students may forfeit a portion of their federal student financial assistance if they fail to complete the program of study in which they were enrolled. This policy affects students who:

- a) received or were eligible to receive federal student financial assistance authorized under Title IV of the Higher Education Act (HEA), i.e., Federal Pell Grants, Federal SEOG awards, or Federal Direct Student Loan (FDSL) program funds,
- and
- b) who withdrew or were terminated from the institution during the first 60% of any payment period or period of enrollment.

Students will be considered to have withdrawn from their program of study on the date of their official notification to the school of their intent to withdraw, or for unofficial withdrawals, after 14 consecutive calendar days of absence unless the student is on an approved leave of absence as otherwise stated in the institution's policies. Eligible Title IV federal aid recipients whose last recorded date of attendance, per the institution's attendance records, is within the first 60% of a payment period or period of enrollment are considered to have earned federal aid only in an amount equal to the percentage of time that the student was enrolled during the payment period or period of enrollment rounded to the nearest 1/10 of one percent (Example: $33.333\% = 33.3\%$, $66.666\% = 66.7\%$).

Accordingly, a required calculation will be performed to determine if federal aid that has not been earned by the student has been disbursed, in which case the unearned portion must be returned to the U.S. Department of Education, or if federal aid that has been earned by the student has not yet been disbursed, in which case the student may be entitled to a post-withdrawal disbursement of earned federal aid. This calculation will be done before a tuition refund calculation is performed in accordance with the institution's refund policy and will result in a determination of the amount of unearned aid that must be returned to the USDE by the institution, as well as the amount to be returned by the student.

The institution will notify the student upon completion of this calculation if the student has any responsibilities to repay any federal funds beyond the scope of the student's existing student loan repayment obligations. In many cases, any return of unearned Title IV funds will result in adverse financial consequences including the student owing tuition and fees to the institution that would otherwise have been paid with federal student aid. Unearned Title IV, HEA funds that must be returned to the U.S. Department of Education will be returned first to Unsubsidized Direct Loans, followed by Subsidized Direct Loans, Direct PLUS Loans, Federal Pell Grant awards and lastly, to any Federal SEOG awards. Unearned funds to be returned to the U.S. Department of Education by the institution, and any unearned grant funds owed by the student, must be repaid within 45 days of the

date the institution determined that a student has withdrawn. Unearned, Title IV funds owed by the student to a federal loan program must be repaid in accordance with the repayment terms of the student's loan.

In the event a student has earned federal aid in excess of the amount disbursed at the time of withdrawal, and is eligible to receive those funds, the school will process a post-withdrawal disbursement of such earned funds to the student in accordance with federal regulations and allowances.

Example of Return of Unearned Funds Calculation

Payment Period Length	450 Clock Hours
Title IV Federal Aid Awarded for Payment Period	\$6,000.00
Student's Scheduled Hours of Attendance as of Withdrawal Date	150 Clock Hours

Clock Hour Institutions

In this brief example \$6,000 of federal financial aid was awarded to a student for a 450 hour period of training. The student withdrew from school after only 150 scheduled hours of attendance (example: the student was scheduled to attend 30 hours per week and withdrew at the end of the 5th week of enrollment). Accordingly, this student was enrolled for 33.3% (150/450) of the 450 hour payment period. Since the student was enrolled for only 33.3% of the payment period, only 33.3% of the federal aid was earned by the student. The remaining 66.7% of the aid that has not been earned must be returned to the U.S. Department of Education. In this case \$4,000 (66.7%) of the original aid awarded must be returned and only the \$2,000 (33.3%) of earned federal aid may be applied to the student's educational costs. A similar calculation is performed for all federal aid recipients who withdraw from school during the first 60% of the period of time for which monies were awarded. Once a student has been enrolled for more than 60% of the payment period, all of the federal aid that has been awarded for that period is considered to be fully earned.

Return of Unearned Title IV Funds Calculation Form

Student Name _____

Withdrawal Date
(LDA) _____/_____/_____

Date Institution Determined
Student Withdrew (DoD)
(Refund due within 45 days) _____/_____/_____

Date This Form
Was Completed
(Must be within 30 days of DoD) _____/_____/_____

Step 1 Eligible Title IV Payments for ☐ Payment Period or ☐ Period of Enrollment

	Eligible Disbursed Amount	Eligible Undisbursed Amount		Eligible Disbursed Amount	Eligible Undisbursed Amount
1. FDSL Unsubsidized Stafford	\$ _____	\$ _____	5. Federal Pell Grant	\$ _____	\$ _____
2. FDSL Subsidized Stafford	\$ _____	\$ _____	6. ACG / SMART Grant	\$ _____	\$ _____
3. Federal Perkins Loan	\$ _____	\$ _____	7. Federal SEOG	\$ _____	\$ _____
4. FDSL PLUS Loan	\$ _____	\$ _____	8. TEACH Grant	\$ _____	\$ _____
I. Total Eligible Title IV Aid Disbursed: \$ _____			II. Total Eligible Title IV Aid Undisbursed: \$ _____		

Step 2 Determination of Percentages Earned & Unearned

Institutions That Take Attendance

Lines A & B intentionally omitted

C. Scheduled clock hours / calendar days elapsed as of withdrawal date:* _____

D. Total clock hours / calendar days in payment period or period of enrollment: _____

E. Percentage of period completed: _____%
(Line C / Line D x 100)
Round to the Nearest Tenth of a Percent

If Line E is greater than 60%, enter 100 in Line F and 0 in Line G. All aid for the period has been earned. If there is an Undisbursed Amount from Step 1, proceed to determine if the student is eligible for a Post Withdrawal Disbursement in Step 4.

F. Percentage of aid earned: _____%
(Enter value from Line E, or 100 if Line E is greater than 60%)

G. Percentage of aid not earned: _____%
(100% - Line F)

***For Line C:**

- Clock Hour Schools Use Hours Scheduled to be Completed by Student Between 1st Date of Period and Last Date of Attendance not Including Excused Absences or Leaves of Absence
- Credit Hour Schools Use Calendar Days Between 1st Date of Period and Last Date of Attendance not Including Excused Absences, Leaves of Absence, or Scheduled Breaks of 5 or more days

Institutions That Do Not Take Attendance

A. Beginning date of payment period or period of enrollment: _____/_____/_____

B. Ending date of payment period or period of enrollment: _____/_____/_____

C. Number of calendar days elapsed as of withdrawal date:* _____

D. Number of calendar days in period: _____

E. Percentage of period completed: _____%
(Line C / Line D x 100)

If Line E is greater than 60%, enter 100 in Line F and 0 in Line G. All aid disbursed has been earned. If there is an Undisbursed Amount from Step 1, proceed to determine if the student is eligible for a Post Withdrawal Disbursement in Step 4.

F. Percentage of aid earned: _____%
(Enter value from Line E, or 100 if Line E is greater than 60%)

G. Percentage of aid not earned: _____%
(100% - Line F)

Step 3 Determination of Title IV Funds Earned

H. Total Eligible Title IV Aid: \$ _____
(From Step 1, Line I+II)

K. Title IV Aid Amount Earned: \$ _____
(Line H x Line J)
(Round to the nearest dollar)

J. Percentage of aid earned: _____ %
(From Step 2, Line F)

Step 4 Determination of Title IV Funds to be Disbursed or Returned

L. Total Title IV Aid Earned by Student: \$ _____
(Step 3, Line K)

M. Total Title IV Aid Actually Disbursed: \$ _____
(Step 1, Line I)

N. Amount of Possible Post-Withdrawal Disbursement (if positive), or \$ _____
Amount of Unearned Aid to be Returned (if negative)
Confirm Eligibility Before Disbursing Any Additional Funds

Proceed to Step 5 Only if Step 4 Results in an Amount to be Returned

Step 5 Determination of Amount to be Returned by Institution

O. Institutional Charges for Payment Period (PP) or Period of Enrollment (PoE): \$ _____
(Must be the original charges assessed for the PP or PoE if tuition was charged separately by PP or PoE.
If tuition was charged for a longer period of enrollment, then use the greater of the prorated charges,
or the amount of Title IV aid for the period that was actually applied to institutional charges)

P. Percentage of period not earned: _____ %
(Step 2, Line G)

Q. Institutional Charges Unearned: \$ _____
(Line O x Line P)

R. Amount to be Returned by Institution: \$ _____
(Lesser of Line Q or Line N)

R1. Amount to be Returned to Loan Programs: \$ _____
(Not to Exceed Total Loans Disbursed)

R2. Amount to be Returned to Grant Programs: \$ _____
(Line R - R1)

Step 6 Determination of Amount to be Returned by Student

S. Title IV Aid to be Returned: \$ _____
(Step 4, Line N)

T. Amount to be Returned by Institution: \$ _____
(Step 5, Line R)

U. Amount to be Returned by Student: \$ _____
(Line S - Line T)

U1. Amount to be Returned to Loan Programs: \$ _____ (To be repaid under loan terms)
(Not to Exceed Loans Disbursed - Line R1)

U2. Remaining Amount Owed by Student: \$ _____
[(Line U - Line U1)]

U3. Grant Protection (Step 1, Lines 5+6+7+8) x 50%: \$ _____

V. Grant Refund Owed by the Student: \$ _____
(Line U2 - Line U3. If Negative, Enter "0")