



Return of Title IV Aid (R2T4) Policy

Financial Aid Office

The Alma College Financial Aid Office encourages all financial aid recipients to read this policy carefully. Any student thinking about withdrawing from all classes in one term should contact our office to determine how withdrawing will affect their financial aid for that term and what the impact will be for future eligibility. Withdrawing can affect students academically as well as financially.

DEFINITION OF R2T4

According to Section 484B of the Higher Education Act of 1965 (as amended) students who withdraw or are withdrawn from all classes in a term may be required to return all or part of their **Title IV aid*** received for that term. These policies apply only to students who completely terminate their enrollment or stop attending classes before completing more than 60 percent of the enrollment period (term). This policy does not apply to students who withdraw from individual courses, unless all courses are eventually dropped.

- The return of funds is based upon the concept that students earn their financial aid in proportion to the amount of time in which they are enrolled.
 - A student who withdraws in the second week of classes has earned less of his/her financial aid than a student who withdraws in the sixth week.
 - 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 funds.
- Title IV aid is awarded to a student under the assumption that he/she will attend school for the entire period for which the assistance is awarded.
- When a student withdraws from all of his/her courses, for any reason including but not limited to medical withdraws, he/she may no longer be eligible for the full amount of Title IV funds that he/she were originally scheduled to receive.

*Title IV Aid Includes

- Federal Pell Grant
- Federal SEOG (Supplemental Educational Opportunity Grant)
- Direct Subsidized Loan
- Direct Unsubsidized Loan
- Parent PLUS Loan
- Federal Perkins Loan
- TEACH Grant

IMPORTANT NOTE: The Return of Title IV Funds regulation does **not dictate the institutional refund policy**. The calculation of Title IV funds earned by the student has **NO** relationship to the student's incurred institutional charges. (Institutional policy can be found at <http://www.alma.edu/live/files/600-2014-15-academic-catalog> under "Academic Policies" section, this policy is only applied to institutional grants, scholarships, awards, and charges)

WITHDRAW AND RETURN PROCESS

1. Determining the withdraw date
A student's withdraw date is used to calculate the amount of financial aid to be returned. The withdraw date is defined as the earlier of 1) the date the student began the withdraw process or officially notified the institution of the intent to withdraw or 2) the student's last date of documented attendance at an academically related activity.



Official Withdraw

The withdraw date used in the return calculation of a student’s federal financial aid is the actual date indicated on the withdraw form. If this date is in question the financial aid office will then reach out to faculty to verify last class activity/attendance.

Unofficial Withdraw

If a student stops attending, and fails to officially withdraw from classes, the student is considered to be an unofficial withdraw.

- To determine unofficial withdraws we obtain a report from the registrar’s office at term end which identifies students who have no passing grades. We determine the last date of attendance by contacting faculty to see if they can provide the last date of attendance or academic activity for their class. This will be the date used. If a last date of attendance can’t be determined the school will use the midpoint of the term as the withdraw date.
- If there is no proof of attendance beyond the 60% point of the term, the student is considered an unofficial withdraw and a refund calculation is performed.

Section 484B (c) of the HEA makes it clear that the determination of a student’s withdraw date is the responsibility of the institution. Therefore, the institution, not the student, must document a student’s attendance at an academically related activity. A student’s certification of attendance that is not supported by documentation by the institution would not be acceptable documentation for the student’s last date of attendance at an academically related activity.” (section 668.22 (c) in the Discussion, Federal Register 34 CFR Part 668, 6682, and 685, Student Assistance General Provisions and FFELP and Direct Loan Program, Final Rule)

2. Refunds on all institutional charges, including tuition and fees, will be calculated using the refund policy published in the Alma College Catalog and will be calculated and determined by the Student Financial Services Office.
3. Title IV aid earned is prorated up to and including the 60% point in the semester. After that point in time Title IV aid is considered 100% earned.
EXCEPTION: If the course or courses are not for the full length of the semester (ex. 1st 7 weeks class in fall term), see the section below regarding Module Courses)

a) Percentage of Title IV aid earned is calculated as follows:

$$\frac{60 \text{ (# of days completed)}}{120 \text{ (Total \# of days in term*)}} = 58.8\% \text{ (Earned Title IV Aid)}$$

* Total number of calendar days in a term of enrollment excluding any scheduled breaks of more than five days. (This will be the case in winter term – no breaks in fall exceed five days)

b) The percentage of unearned Title IV aid is 100% minus the percent earned. (Example: 100% - 58.8% = 41.2%)

c) Unearned aid will be returned first by Alma College from the student’s account calculated as follows:

$$\text{Total institutional charges} \times \text{percent of unearned aid} = \text{amount to be returned to program(s) by the school}$$

Alma College must return any unearned Title IV funds within 45 days of the date the school determined the student withdrew and offer any post-withdraw disbursements of loan funds within 30 days of that date. The College must also disburse any Title IV grant funds a student is due as a part of a Post withdraw disbursement within 45 days of the date a school determined the student withdrew, plus disburse any loan funds a student accepts within 180 days of that date. Unearned funds are paid directly to the U.S. Department of Education.



This amount is Alma College's responsibility to return to the appropriate Title IV fund(s), however because the student did not earn these funds, the amount will be billed to their student account.

Unearned Title IV aid shall be returned to the following programs in the below order:

- Unsubsidized Federal Direct Loan
- Subsidized Federal Direct Loan
- Federal Perkins Loan
- Federal Direct Parent PLUS Loan
- Federal Pell Grant
- Federal SEOG
- Other Title IV grants or loan assistance

NOTE: If you did not receive funds in one of the programs listed above there would be no funds to return. Also any loan amount not returned remains subject to the terms of the promissory note signed by the student.

- d) When the total amount of unearned aid is greater than the amount to be returned to programs by the school, known as an overpayment, the student is responsible for returning any overpayment of aid to the appropriate program(s) as follows:
 - Federal Pell Grant
 - Federal SEOG Grant
 - Other Title IV Grant Programs

The student will be notified in writing of their grant overpayments and will have 45 days to repay the funds or make satisfactory repayment arrangements. Overpayments not satisfied within the 45 days are referred to Ed Collections and reported to NSLDS.

- e) Non-Title IV aid (including alternative loans) is refunded to its source according to the institutional tuition refund schedule located in the catalog.
4. Refunds and adjusted student statement bills will be sent by the Financial Services office to the student's preferred address on file with the Registrar's office following a withdraw. Students are responsible for any portion of their institutional charges left outstanding after Title IV funds are returned and any institutional aid that may have be adjusted.
 5. **Module Courses**
A student is a withdraw for Title IV purposes if the student ceases attendance at any point prior to completing the payment period or period of enrollment, unless the school obtains written confirmation from the student at the time of the withdraw that he/she will attend a module that begins later in the term. If the school obtains this confirmation of future attendance but the he/she does not return as scheduled, the student is considered to have withdrawn from the payment period or period of enrollment. The student's withdraw date and total number of calendar days in the payment or enrollment period would be the initial withdraw date.
 6. **Reversal of Return of Title IV Funds Calculation**
If a student, who was previously determined to be subject to a Return of Title IV Funds calculation, has a change in status, such as a grade change, a recalculation may be completed, reversing the initial R2T4. The circumstances that would qualify for a reversal of the calculation include:
 - a) Grade change from F or I to a D or better in the same academic year
 - b) If a withdrawn student returns to school within the same payment period or period of enrollment for a term based program offered in modules.
 - c) Reversal of Return of Title IV Funds Calculation



7. Institutional and student responsibilities in regard to Return of Title IV Funds:

Alma College

- a. Providing each student with the information given in this policy.
- b. Identifying students affected by this policy and completing the Return of Title IV Funds (R2T4) calculation.
- c. Informing the student of the R2T4 calculation results and of any balance owed to Alma College as a result of a required return of funds.
- d. 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 withdraw date.
- e. Contacting student borrower if conditions for a late or post withdraw disbursement are met.

Student

- a. Review the R2T4 policy and understand how a complete withdraw affects eligibility for Title IV aid
- b. Understand the return process of disbursed Title IV program funds when it is determined to be unearned.