

## Return of Title IV Funds (R2T4)

The Return of Title IV Funds or R2T4 policy applies to students who withdraw or are administratively withdrawn from Lake Area Technical College during the first 60% of the semester unless a student qualifies for a module exemption. All students who receive federal financial aid funds (excluding Federal Work Study) are subject to this R2T4 policy.

Students not receiving federal financial aid will receive a refund or have any outstanding balance due adjusted based on the LATC Institutional Refund policy.

### Withdrawal Date

A student's withdrawal date is determined by one of the following:

- The date the student initiated the withdrawal process or officially notified LATC of their intent to withdraw.
- The midpoint of the semester for a student who leaves without notifying LATC, unless a Last Date of Attendance can be determined.  
The student's documented last date of attendance at an academically-related activity. Examples include: quiz, test, assignment, participation in a discussion group, or documentation of attendance if instructor documents daily attendance.

### Earned and Unearned Aid

- Title IV funds are earned at a percentage rate on a per day basis up to the 60 percent point of the semester.
- Title IV funds are 100 percent earned if the withdrawal date is after the 60 percent point in that period.
- If the date a student withdraws is prior to or on the 60% point of the semester, the Return of Title IV Funds calculation is required to determine the portion of the aid disbursed that was "earned" by the student before his or her withdrawal date.
- The "unearned" Title IV funds must be returned to the respective federal aid programs.
- Unearned aid is the amount of disbursed Title IV aid that exceeds the amount of Title IV aid earned based on the percentage of the semester completed.
- LATC uses the Return to Title IV funds application on PowerFAIDS to perform the R2T4 calculation. It mirrors the Department of Education's refund calculator
- If a student withdraws from LATC during the first 10 days of a fall or spring semester, or the first 5 days of a summer semester, the institution may exercise its right to treat the student as never having attended. To be eligible for this exemption from the Return to Title IV (R2T4) calculation, the student must be able to return all Title IV funds that were disbursed or made available to them. This option is not automatic and is at the discretion of the institution.

### R2T4 Calculation

LATC utilizes the Return to Title IV Funds application on PowerFAIDS to perform the calculations. Copies of the worksheet are distributed as follows:

- LATC Business Office retains the copy attached to original withdrawal form. The original withdrawal form is then scanned into the student's permanent academic file.
- Copy attached to the copy of the withdrawal form that is filed in the student's financial aid file.
- Copy is mailed to the student (when there is money owed by the student and/or LATC).

If the R2T4 calculation results in an amount that exceeds LATC's portion, the student will then be responsible to repay some of those funds.

Students and other interested persons wishing to see samples of the R2T4 calculation worksheet can contact the Financial Aid Office. We will provide a copy of the sample documents from the FSA Handbook.

### Return of Funds

The Federal government prescribes the order in which Title IV funds must be returned to the federal programs:

- Federal Direct Unsubsidized Loan
- Federal Direct Subsidized Loan
- Federal Direct PLUS Loan
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (SEOG)
- Iraq and Afghanistan Service Grant – **No Longer Exists with start of 24-25 year**

### LATC Responsibility

- LATC is responsible for distributing the "Return of Title IV Funds" information to students. This is provided in the Student Handbook and the LATC Catalog.
- Identifying students to which this requirement applies.
- Completing the R2T4 calculation for students to whom it pertains.
- Should the R2T4 calculation result in a credit balance on the student's account, LATC will disburse those funds to the student within 14 days of the calculation.
- Returning any Title IV funds required by the R2T4 calculation as soon as possible but no later than 45 days after determining the student has withdrawn.
- All student loan borrowers are sent the required Exit Loan Counseling information for Federal Direct Loans.

### Student Responsibility

- Student is responsible for returning to the Title IV programs any funds that were disbursed to the student that the student did not earn as determined by Step 10 of the R2T4 calculation.
- Student is contacted by letter (via regular mail) when an overpayment is due to a Title IV Grant program.
- Student has 45 days from the date of letter to make payment or establish a payment plan with the Director of Financial Aid.
- Grant overpayments not paid in full within 45 days or within an agreed upon payment plan established will be turned over to the Department of Education for collection. Student is notified by letter (via regular mail) that the account has been turned over.

### Post-Withdrawal Disbursements

A student may be eligible for a post-withdrawal disbursement if, prior to withdrawing, the student earned more federal financial aid than was disbursed.

If the post-withdrawal disbursement includes loan funds, LATC is required to obtain the student's permission before disbursing the funds. The student then can decline some or all the loan funds to avoid incurring additional debt. If a student is eligible for a Federal Direct Loan post-withdrawal disbursement, LATC will send the student a letter offering the funds within 30 days of determining the student's withdrawal; the student then has 14 days from the dates of the offer to accept or decline the funds by returning the signed and dated offer to the LATC

Financial Aid Office. Should the student accept the post-withdrawal disbursement of Federal Direct Loans, those accepted funds will be applied to the students account within 15 days.

Without the student's permission, LATC can use all or a portion of the post-withdrawal disbursement of grant funds to pay outstanding tuition and fees. The student's permission is needed, however, to use a post-withdrawal disbursement for all other school charges. If the student does not provide their permission, the funds will be offered to the student. However, it may be in the best interest of the student to allow the school to apply the funds to reduce the student's other debt at the school. Should the student be eligible for a post-withdrawal disbursement of Federal Grants, LATC will apply those funds to the students account within 45 days of determining the student's withdrawal.

It is important for a student to remember that by accepting a post-withdrawal disbursement of loan funds, the student is increasing their student loan debt that must be repaid under the terms of the Master Promissory Note. Accepting a post-withdrawal disbursement of grant funds will affect the student's Pell Grant Lifetime Eligibility Used (LEU) should the student continue their education later.

#### Unofficial Withdrawals

- Any student who fails to officially withdraw from LATC and stops attending classes and receives an "F" grade for all courses for the semester and an instructor cannot document a last date of attendance, the Return of Title IV Funds policy requires LATC to calculate the "earned" amount based on the 50 percent point of the semester.
- Unearned federal aid must be returned as described above.
- If a student was disbursed aid after the 50 percent point of the semester, the student is assumed ineligible for those funds and will be required to return those funds.

#### Pell Grants and Non-Standard Class Start Dates

- As part of the withdrawal processing by the Financial Aid Office, a copy of the student's schedule is printed and reviewed to ensure that all classes had started prior to the withdrawal date.
- If a student was paid Pell Grant at a certain enrollment intensity, but the student had classes that started later in the semester, the adjusted Pell Grant amount is used in the R2T4 calculation.
  - Example: Student withdraws on October 1. Student's Pell Grant was paid based on 12 credits (full-time). Student had 9 credits that started the first day of school and 3 credits that would not start until November 1. The student would only have been eligible for 75% based on enrollment intensity.
- The amount for which the student was not eligible is returned by the Financial Aid Office to the Federal Pell Grant fund. An adjustment is made to the Student Account and the student is responsible for repaying the Pell overpayment amount to LATC.

## Withdrawal Policy

### Official Withdrawals

Any student wishing to withdraw from Lake Area Technical College should visit with his or her program department supervisor. The Director of Enrollment or Registrar must be contacted to initiate the withdrawal process. (In the absence of those individuals, the Retention Coordinator, Counselor, Financial Aid Representative, Assistant Director of Financial Aid, Director of Financial Aid, or an administrator in Student Services may be contacted.)

### Unofficial Withdrawals

Any student who leaves LATC without initiating the official withdrawal process will receive the following for grades:

WP – if documented last date of attendance was prior to semester midpoint

WF – if documented last date of attendance was after semester midpoint.

The student's withdrawal date will either be the:

- 1) date the student began the withdrawal process or officially notified LATC of his or her intent to withdraw;
- 2) semester midpoint for a student who leaves without notifying LATC; or
- 3) student's last date of attendance at a documented academically related activity. Examples include: quiz, test, assignment, participation in a discussion group, or documentation of attendance if instructor documents daily attendance.

### Title IV Financial Aid Recipients

All recipients of Title IV federal financial aid who officially withdraw from LATC will have their withdrawal processed in accordance with the federal Return of Title IV Funds (R2T4) calculation. If the R2T4 calculation results in a balance owed to LATC, the amount due will be determined using the Institutional Refund Policy worksheet. Students who withdraw will not be required to repay LATC for any portion of unearned Title IV aid that is returned to the federal programs on their behalf. If a student withdraws from LATC during the first 10 days of a fall or spring semester, or the first 5 days of a summer semester, the institution may exercise its right to treat the student as never having attended. To be eligible for this exemption from the Return to Title IV (R2T4) calculation, the student must be able to return all Title IV funds that were disbursed or made available to them. This option is not automatic and is at the discretion of the institution.

### Non-Title IV Financial Aid Recipients

All non-Title IV fund recipients will have their withdrawal paperwork processed in according with the LATC Institutional Refund Policy. LATC's Institutional Refund Policy follows the R2T4 policy.

## Institutional Refund Policy

The Institutional Refund Policy applies only when a student officially withdraws from the institution. It does not apply to individual course drops.

Students who drop a class (but do not withdraw from the institution) are eligible for a 100% refund only if the drop occurs within the following timeframes:

- Fall or Spring Semester: Within the first 10 calendar days
- Summer Semester: Within the first 5 calendar days

If a student withdraws from LATC during the first 10 days of a fall or spring semester, or the first 5 days of a summer semester, the institution may exercise its right to treat the student as never having attended. To be eligible for this exemption from the Return to Title IV (R2T4) calculation, the student must be able to return all Title IV funds that were disbursed or made available to them. This option is not automatic and is at the discretion of the institution.

Refunds of tuitions/fees will be made in accordance to the U.S. Department of Education Return of Title IV Funds (see Return of Title IV Funds policy) for all students. This policy change was made effective for the 2014-2015 academic year shortly after we signed the Department of Defense Memorandum of Understanding. These refund policies apply only to students who completely withdraw from LATC.

### Semester Based Programs

In order to comply with the Veterans' Administration Principles of Excellence, LATC has aligned its Institutional Refund Policy with the Department of Education's Refund Policy. ED's policy allows for a refund through 60% of enrollment.

In calculating the amount refunded or due of a student, the Return to Title IV funds application on PowerFAIDS is used to calculate the percentage of time attended by the student. This number will then determine the percentage of tuition and fees refunded to the student, if the bill is paid in full, or will determine the percentage of tuition and fees owed by the student, if the bill is not paid in full.

#### Example #1

The fall semester is 120 days in length.

The student attends for 15 days and withdraws.

$15/120 = 13\%$  attended.

The student paid his bill of \$2,400 in full.

$100\% - 13\% = 87\%$ .  $\$2,400 \times 87\% = \$2,088$ .

The student would receive a refund of Tuition and Fees in the amount of \$2,088.

#### Example #2

The fall semester is 120 days in length.

The student attends for 20 days and withdraws.

$20/120 = 17\%$  attended.

The student has not paid his bill of \$2,800.

$\$2,800 \times 17\% = \$476$ .

The student would owe \$476.

**No refund of tuition and fees will be made after 60% of the enrollment period has been completed.**

**Please see corresponding Institutional Refund Policy Worksheet - Semester Based.**