



## Return of Title IV Funds

Return of Title IV Funds (R2T4) refers to the calculation required when a recipient /student of *Title IV* aid (federal financial aid) withdraws from an institution during a payment period/period of enrollment in which the recipient began attendance. The calculation compares the amount of *Title IV* aid (federal financial aid) the recipient earned to the amount disbursed and determines whether funds must be returned, or the student is eligible for a post-withdrawal disbursement. R2T4 publications are listed below.

A student is a Title IV recipient if before the student withdrew: the institution received an official EFC; the institution certified an application for a federal loan; the student was awarded any federal loan or grant; the institution received a valid ISIR or SAR.

### 1. Determine the Percentage of Aid Earned

The percentage of aid earned by a Title IV recipient will be determined by calculating the percentage of the payment period the student completed. The percentage completed is calculated as "*days attended in the period divided by total days in the period*". The number of days are calendar days, and breaks of at least five days in length are excluded. If the percentage completed exceeds 60%, there is no need to return any Title IV funds.

#### 1.1. September, December, and Summer Sessions (Module) Aid Earned Calculation:

Students who are enrolled for more than one session (early and late in the summer or December or September Session and traditional Winter or Autumn Quarter) and drops an early session without attending other early sessions must confirm in writing that they are planning to attend the later session. If the student does not confirm they will be attending a later session, they are considered a withdrawal and the calculation of earned aid applies.

#### 1.2 Determine the Amount of Aid Earned:

The amount of aid earned will be determined by applying the earned percentage to the total Title IV aid that was or could have been disbursed to the student. The definition of aid that could have been disbursed is if it qualifies for late disbursement under the cash management rules. (A late disbursement may be made if, before the date the student became ineligible there was an official EFC received; an electronic origination record was created, or loan application was certified; a valid SAR or ISIR was received; the student was awarded grant; the student was awarded loan and the student has unpaid educational costs.) The net amount of Federal loan proceeds will be used, (after fees have been deducted), and Federal Work-Study earnings will be excluded.

##### 1.2.1 Disbursed Aid Exceeds Earned Aid:

The amount of unearned aid will be determined by subtracting earned aid from aid that was already disbursed. No further disbursements will be made from any Title IV program.

1.2.1.1 The responsibility for returning unearned aid is distributed between the school and the student. The institution will return the lesser of: total unearned aid or the product of multiplying institutional charges by the percentage of aid unearned. The student will return the difference between the total unearned aid and the amount returned by the institution. The institution will allocate its share of unearned funds first. The student's share of unearned funds will be fully allocated to the programs not satisfied by the institution's share. Any portion of the student's share that is allocated to a grant program will be reduced by 50%. Grants will be repaid to the grant program on the student's behalf and the student will owe the institution.

Any portion of the student's share that is allocated to a loan program will be repaid under the terms and conditions of the loan as specified in the promissory note.

1.2.1.2 The return of Title IV funds will be allocated back to the programs in the following order: Unsubsidized Federal Stafford Loan, Subsidized Federal Stafford Loan; Federal PLUS loan, Federal Pell Grant, Federal SEOG, other Title IV grant or loan assistance and other grants, for WA State EOG and SNG

#### 1.2.2 Earned Aid Exceeds Disbursed Aid:

The amount of post-withdrawal disbursement will be determined by subtracting disbursed aid from earned aid. A student who received less aid than was earned is *entitled* to a post-withdrawal disbursement; the institution will make or offer to make the disbursement. Awarded grant funds for which the student established eligibility prior to withdrawing would be disbursed ahead of loan funds when making post-withdrawal disbursements.

1.2.2.1 The institution will use some or all of a post-withdrawal disbursement to satisfy outstanding charges on the student's account for tuition, fees, and institutional contracts for room and board. The institution may use the post-withdrawal disbursement to satisfy other outstanding institutional charges only if it has a proper authorization from the student (or parent in the case of PLUS funds). Loan disbursements are subject to the notification and right-to-cancel provisions, which are included on the student's monthly account statement.

1.2.2.2 The student (or parent for PLUS) will be offered any portion of post-withdrawal disbursement not credited towards unpaid charges. The institution will not withhold the portion of a post-withdrawal disbursement not used to satisfy institutional charges. The remaining portion of a post-withdrawal disbursement will be offered to the student (or parent for PLUS) within 30 days of the institution's determination that the student withdrew. The institution is not obligated to disburse funds if the student (or parent) does not respond within 14 days. If a late response is received, the institution may either disburse the funds or notify the student (or parent) that it will not make the disbursement. All post-withdrawal disbursements will be made within 90 days of the institution's determination that the student withdrew.

## 2. Timeline

### 2.1 Within 45 Days:

Within forty-five days of the date the institution determined that the student withdrew, the institution will:

1. Return its share of unearned Title IV funds if disbursed aid exceeds earned aid.
2. Offer a student (or parent in the case of a PLUS loan) any post-withdrawal disbursement not credited to the student's institutional account if earned aid exceeds disbursed aid.

### 2.2 Within 90 Days:

Within ninety days of the date the institution determined that the student withdrew, the institution will make any post-withdrawal disbursement that is due the student or parent.

2.3 The institution will determine the withdrawal date for a student who withdraws without providing notification within 45 days after the end of the earlier of: the payment period for term-based programs; the academic year in which the student withdrew; or the educational program from which the student withdrew. The process will be:

1. After the initial grade run (one day after grades are due) and upon the close of each quarter (four weeks later), a report will be run of all students on financial aid who have received E's in every class.
2. From this list, the professors will be contacted to obtain the last date of attendance class.
3. Based on the date of last attendance, the student will be given the appropriate refund of Institutional charges and the Title IV funds, and state funds will be returned to the appropriate account.

2.4 Appeals or petitions from students that result in a change of the refund rate used to determine the initial repayment of financial aid to program funds must be received within 30 days from the date of withdrawal to ensure that funds are returned to the Title IV programs within the required 45 days.

### 3. Return of Institutional Grant and Scholarship for Need-Based Students

After the first week of a quarter (5 class days) financial aid enrollment and award is frozen, except for coursework in internships, independent studies, and individual instruction in music which can be added up to the 10<sup>th</sup> class day. If student receives 100% refund institutional aid is canceled and, when applicable, other aid is return in the following order: Private/State Loan funds, Nursing Loan, State Work-Study earnings, Federal Work-Study earnings and Institutional Loan. For WA College Grant Aid Policy

### 4. State Gift Aid Repayment Policy

4.1 General State gift aid recipients (Washington College Grant, College Bound Scholarship, or Passport to College Scholarship), who withdraw from SPU, are expelled, or otherwise complete zero credits in any given term must repay state grants on a prorated basis. For the purposes of this policy, "Award" is the amount of state grant for which the student was eligible during the enrollment period, after the school made any required adjustments for need and enrollment level. All monies, whether disbursed to the student account or directly to the student, shall be included in the repayment calculation.

#### 4.2 Authority

1. Washington College Grant (WAC 250.20.051(4))

#### 4.3 Known Last Date of Attendance

1. If a student's last date of attendance can be verified and is prior to or on 50% of the term, the state grant repayment will be based on the percent of the term not completed (or the percent of the scheduled hours remaining in the payment period for clock hour schools).
2. If the last date of attendance occurs after **50%** of the term, the state grant award is considered 100% earned and no state grant repayment is due.

4.4 Washington College grant repayment formula: Known last date of attendance, prior to or on 50% of the term.

1. The percentage of WCG earned is calculated by dividing days in attendance by calendar days in term. Scheduled breaks of five or more days should be excluded from the calculation.
2. Subtract the percent of state grant earned from 100%; this equals the percent of unearned state grant.
3. Multiply the percentage of unearned state grant by the grant amount.

4. Multiply the amount from step 3 by 50% to determine the state grant repayment due.

4.5 Unknown Last Date of Attendance: If a student attends a portion of a term and withdraws with no verified last date of attendance, the state grant repayment will be 50% of the grant amount with no additional adjustments.

4.6 No-Show Repayments: If a state grant recipient never attends courses in the term for which they received a state grant award, the state grant repayment is 100% of the award. If a school is unable to distinguish between a no-show and an unofficial withdrawal, the no-show policy shall apply.

5. General repayment policies:

1. Repayments are based on the state grant award amount, including enrollment and packaging adjustments.
2. Verified withdrawal dates after 50% of the term equate to 100% earned state grant.
3. Unofficial withdrawals/no known last date of attendance equate to repayment of 50% of the state grant award.
4. No shows are 0% earned and equate to repayment of 100% of the state grant.
5. Official withdrawals or verified last date of attendance repayment calculation:
6. WCG award amount multiplied by the percent of unearned state grant multiplied by the 50% reduction equals the state grant repayment due.
7. The 50% reduction applied at the end of the repayment computation addresses un-reimbursable start up education costs and reduces the barrier for students intending to return to school.
8. Repayments of less than \$50 should not be returned to the WSAC.
9. Institution repayment refund policy:
10. SPU will return state grant repayments directly to the WSAC and will collect from the students.