

<p><b>Return of Title IV Funds (R2T4) Policy</b></p>	<p><b>BOT Approved:</b> Mandated policy effective January 1, 2013; Revision approved March 19, 2024. <i>(Note: This revision supersedes all previous Garrett College R2T4 Policies listed in College Catalog).</i></p>
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**PURPOSE:**

The Higher Education Act (HEA), Section 484B, 34 CFR 668.22 and 34 CFR 600.2 require institutions to address how Title IV funds are handled when a recipient of those funds ceases to be academically engaged (enrolled) prior to the end of a payment period or period of enrollment. These requirements do not apply to a student who does not actually cease academic engagement, of all courses, at the school. When a Title IV grant or loan recipient withdraws (officially or unofficially) during a period of enrollment in which the recipient began attendance, Garrett College (“the College”) must determine the amount of the Title IV grant or loan that the student earned as of the student’s withdrawal date. This process is referred to as a Return of Title IV Funds or R2T4.

**POLICY STATEMENT:**

The Return of Title IV funds are handled when a recipient of those funds ceases to be enrolled (100% withdrawal) prior to the end of a payment period or period of enrollment. These requirements do not apply to a student who does not actually cease attendance at the school. For example, when a student reduces his or her course load from 12 credits to 9 credits, the reduction represents a change in enrollment status, not a withdrawal. Therefore, no Return of Title IV Funds (R2T4) calculation is required.

The R2T4 regulations do not dictate an institutional refund policy. Instead, a school is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the amount of time the student spent in attendance or, in the case of a clock-hour program, was scheduled to be in attendance. Up through the 60% point in each payment period or period of enrollment, a pro rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. After the 60% point in the payment period or period of enrollment, a student has earned 100% of the Title IV funds the student was scheduled to receive during the period.

**TYPES OF STUDENT WITHDRAWALS:**

Official Withdrawals

An official withdrawal occurs when a student completes the necessary steps to completely drop or withdraw from all courses through the Office of Records and Registration. Financial Aid weekly runs an Enrollment Withdraw to Zero with Date report from Jenzabar to ascertain all students requiring a return of funds calculation.

Unofficial Withdrawals

An unofficial withdrawal occurs when the Financial Aid Office receives notice from a college office, employee or student that a student has ceased to attend classes, moved out of the dorm

etc. In the case of an unofficial withdrawal, a student's instructors are notified to determine the last date of attendance. A second form of unofficial withdraw occurs at the end of each semester any student receiving ALL Fs (and has a last date of attendance documented prior to the 60.1% mark of the semester) is considered an Unofficial Withdraw and processed accordingly.

### **R2T4 CALCULATION PROCEDURES:**

An R2T4 calculation is required to be completed in order to determine the amount of funds a student has earned, the amount of fund that may need to be returned to the Department of Education, or the amount of funds that the student may be owed through a post-withdraw disbursement. A student does not earn 100% Title IV Aid funds until completion of the 60 percent point of the payment period/period of enrollment. Therefore, once the calculation returns 60.1% a student has earned (or will earn through post-withdraw disbursement) all eligible Title IV funds.

#### Order of Funds Return

Regulation stipulates the order in which funds are returned back to the U.S. Department of Education through the R2T4 process. That order is:

- Unsubsidized Federal Student Loans
- Subsidized Federal Student Loans
- Federal Direct PLUS loans
- Federal Pell Grants
- FSEOG Program aid
- Other assistance under Title IV for which a return of funds is required

#### Procedures

The R2T4 calculation is completed within 30 days of notification that the student withdrew. Garrett College uses the ED Return of Title IV electronic calculation worksheet available at COD Online (<https://cod.ed.gov>). Once FA is notified of the withdraw (official or unofficial) or if a student asks about the consequences for withdrawing from all courses the Assistant Director of Financial Aid performs the calculation as mentioned above. Once the calculation process is complete the worksheet is submitted to the Director of Financial Aid (or designee) to return the funds via PowerFAIDs and to ensure COD is updated (copies of the COD return History is printed and placed with the R2T4 calculation for audit purposes), within 45 days of the date of the institution determined the student withdrew. The Director then returns the form and paperwork to the Assistant Director who contacts the student, via email, to alert them that a return has been completed includes a letter of explanation within 45 days of date of withdrawal and it copied to the Business Office. The R2T4 process is overseen by the Assistant Director of

Financial Aid to ensure all necessary R2T4 calculation are complete and student's Satisfactory Academic Progress is updated.

Business Office posts PowerFAIDS changes made by the FAO on a daily basis. Student must contact the Business Office within 30 days to arrange any necessary repayment. Delinquent accounts may be sent to a collection service.

Through the R2T4 calculation process, should it be determined that the student is eligible for a post-withdrawal disbursement the following steps will take place. Any post-withdrawal disbursement of grant funds will be credited to a student's account and processed within 14 days of the date of the calculation. Should the student or the student's parent be eligible for post-withdrawal loan funds, the student (or student's Parent for PLUS loans) will be notified within 30 days of the date the institution determined the student withdrew, the option to process loans. The student (or student's parent for PLUS Loans) must respond within 14 days of the date that the notification was sent to respond. If there is no response from the student (or student's parent for PLUS loans), no portion of the post-withdrawal of loans funds will be credited back to the student.