



## **FEDERAL RETURN OF TITLE IV FUNDS (R2T4) POLICIES**

**Purpose and Scope:** Per the Higher Education Amendment Regulation Return of Title IV (R2T4) Funds, all students receiving Title IV federal grant or loan assistance withdraw from the institution. This regulation affects the calculation of aid to be returned as well as repayment procedures.

San Ignacio University's Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for students who withdraw, drop out, are dismissed, or take a leave of absence prior to completing a payment period or term. All Title IV financial aid programs must be recalculated in these situations. The requirements for Title IV program funds when a student withdraws are separate from the University's refund policy.

**Policy Statement:** If a student leaves the University prior to completing a payment period or a term, the financial aid office recalculates eligibility for Title IV funds in accordance with the regulations.

**Policy Framework:** The policy framework outlines how federal Title IV funds are handled when a student who receives Title IV funds ceases to be enrolled in all classes prior to the end of a payment period or period of enrollment. SIU is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the student's last date of academic activity and/or withdrawal date.

### **Step 1: Determine the withdrawal date.**

If the student officially withdraws, the withdrawal date is the date SIU determines whether the student either began the withdrawal process, or the date the student provided official notification to SIU, in writing or verbally, of his or her intent to withdraw. If the student does not provide official notification of his or her intent to withdraw, the withdrawal date will be determined as the date SIU became aware the student was not attending class or the last date of the student's academic activity.

**Step 2: Calculate the percentage of enrollment period completed.** The percentage of enrollment period completed is determined by dividing the total number of calendar days in the enrollment period into the number of calendar days completed in that period as of the withdrawal date. The total number of calendar days in a payment period includes all days (including weekends) within the period. Scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in the enrollment period and the number of calendar days completed in that period.

**Step 3: Calculate the amount of Title IV aid earned.** If the withdrawal date is greater than 60 percent of the enrollment period (semester), the student has earned 100 percent of the Title IV funding disbursed for that semester. If the withdrawal date is less than or equal to 60 percent of the semester, the amount of Title IV funding the student has earned is calculated by using the federally mandated calculation to determine the percentage of Title IV funds that have been earned by the



student for that semester. This percentage is then applied to the total amount of Title IV funding that was disbursable for the semester as of the withdrawal date.

**Step 4: Determine the amount of Title IV aid unearned.** The amount of Title IV funding the student has not earned is calculated by subtracting the amount of Title IV funding the student earned from the total Title IV funding disbursed/or was disbursable.

**Step 5: Allocate unearned aid.** SIU is required to return the lesser of the total amount of Title IV funds the student has not earned or an amount equal to the charges if the total amount to be returned exceeds the charges incurred by the student. Charges include tuition and fees and can include other education-related expenses assessed by SIU.

Unearned Title IV funds must be returned within 45 days of the student's withdrawal. Title IV loan amounts to be returned by SIU will be credited to the appropriate programs in the following order: Federal Direct Unsubsidized loans, Federal Direct Subsidized loans, Federal Grad PLUS or parent PLUS loans received on behalf of the student.

**COVID-related Withdrawals:** Per the updated May 15, 2020, Electronic Announcement, we must determine if a student's withdrawal is COVID-related. Therefore, as we learn that the student is considered a COVID-related withdrawal, we will request a written attestation from the student explaining why the withdrawal was due to COVID. If a student withdrew due to COVID, based on allowable circumstances (See guidance below), the student may be able to retain the existing federal student aid funds that were awarded in the withdrawal Term without any adjustments:

The student is considered a COVID-related withdrawal only if the student provides the institution with a written attestation (including by email or text message) explaining why the withdrawal was the result of the COVID-19 emergency. Additionally, a student is considered a COVID-related withdrawal from a distance education program only if the student provides a written attestation (including by email or text message) explaining why the withdrawal was the result of the COVID-19 emergency. Notice, there is no signature requirement here. If no such attestation is received, the withdrawal is not COVID-related and unearned Title IV aid resulting from the R2T4 calculation must be returned.

Allowable circumstances for the attestation include but are not limited to:

- Illness of the student or family member.
- Need to become a caregiver or first responder.
- Loss of childcare.
- Economic hardship.
- Inability to access wi-fi due to closed facilities; or
- An increase in work hours because of the COVID-19 emergency. Information (which in the judgment of the institution is reliable) provided by the family



members of a withdrawn student whom the institution is unable to contact is acceptable for documentation purposes.

**Step 6: Communication of return of funds.** Students for which a portion of Title IV aid must be returned will receive a communication from the Financial Aid Office sent to their e-mail address indicating an adjustment has been made and funds have been returned on the student's behalf. This communication further instructs any resulting balances on the student account must be paid by the student and arrangements for payment must be made directly with SIU's Bursar.

### **Definition of Official and Unofficial Withdrawal**

#### Officially Withdrawing from the University:

Official withdrawal means that the approved procedure to withdraw from a course was followed by the student. To be considered official, the withdrawal must be in writing and signed by the student requesting the withdrawal. The official date of the withdrawal is the date the written notice is formally received by the University, NOT the postmarked date or the date stated in the notice. The University's record concerning a withdrawal is indisputable unless the student can provide reliable evidence of an earlier receipt date. An official withdrawal may be submitted by completing the Request for a Change of Schedule form or by written notice containing the student's name, signature, ID number, and course(s) to be dropped. The notice may be mailed, e-mailed, or hand delivered to the University. The official withdrawal procedure applies to all courses, irrespective of delivery mode or course length. A student may rescind his/her notification in writing and continue enrollment. If the student subsequently withdraws from the University, the student's withdrawal date is the original date of notification of intent to withdraw.

### **Unofficially Dropping a Course or Withdrawing from the University**

Beware of unofficially dropping a course. It will adversely affect your grades and student account. An Unofficial drop means that the approved procedure to withdraw from a course or the university was not followed by the student.

Students are prohibited from dropping a course/withdrawing by:

- Not attending the course.
- Communicating their desire to drop the course/withdraw other than by submitting the Request for Change of Schedule Form or other document containing the student's name, signature, ID number, and course(s) to be dropped to San Ignacio University.

### **Federally Defined Leaves of Absence Policy (FLOA)**



San Ignacio University does not grant federally defined Leaves of Absence for Financial Aid purposes. Instead of utilizing a federally defined Leave of Absence, the University assists students by:

- Allowing students to work with faculty to finish incomplete coursework
- Allowing an official appeal of the Financial Aid Refund calculation based on unusual circumstances
- Allowing students to “lay-out” for one or more sessions
- Allowing students to drop courses with a “W” rather than an “F” during specific timeframes during the session
- Allowing students to appeal a determination of insufficient satisfactory academic progress under the Financial Aid Satisfactory Academic Progress Policy requirements.

The “Federally Defined Leave of Absence” policy listed above is for student financial aid purposes only.

#### **Determining Withdrawal Date for R2T4 Funds:**

**Official Withdrawals:** The date of the termination for return and refund purposes will be the earliest of the following for official withdrawal: The date the University receives the student’s written communication of intent to drop a course or withdraw from the University.

**Unofficial Withdrawals:** The date of the termination for return and refund purposes will be determined by the following for unofficial withdrawals:

For the student who does not provide official notification of his or her intent to withdraw and is absent for more than two consecutive class meetings, the date of termination for return and refund purposes will be the student’s last recorded date of academic attendance or the midpoint of the payment period or period of enrollment for which Title IV assistance was disbursed (unless the University can document a later date).

#### **Upon Receipt of an Official Withdrawal:**

San Ignacio University will:

1. Determine the student’s last date of academic activity (to determine LDA).
2. Perform the following calculations:
  - a. The student’s account and date of official withdrawal are reviewed to determine the calculation of Return of Title IV funds the student has earned, and if any, the amount of Title IV funds for which the University is responsible. Returns made to the Federal Funds Account are calculated using the Department’s Return of Title IV Funds Worksheets, scheduled attendance and are based upon the payment period.
  - b. Calculate the University’s refund requirement



3. The student's grade record for the session will be updated to reflect his/her final grade for the course(s) dropped.
4. San Ignacio University will return the amount for any unearned portion of the Title IV funds for which the institution is responsible within 45 days of the date the official notice of withdrawal was provided.
5. San Ignacio University will provide the student with a letter explaining the Title IV requirements:
  - a. The amount of Title IV assistance the student has earned. This amount is based upon the length of time the student was enrolled in the program, based on scheduled attendance and the amount of funds the student received.
  - b. Any returns that will be made to the Title IV Federal program on the student's behalf because of exiting the program.
2. If a student's scheduled attendance is more than 60% of the payment period, he/she is considered to have earned 100% of the Federal funds received for the payment period. In this case, no funds need to be returned to the Federal funds.
  - c. Advise the student of the amount of unearned Federal funds and tuition and fees that the student must return, if applicable.
6. Supply the student with an account record noting outstanding balance due to the University and the available methods of payment.
3. A copy of the completed R2T4 worksheet, returned funds confirmation (if any), letter, and final account record will be kept in the student's file and made available to the student upon written request.

In the event a student decides to rescind his or her official notification to withdraw, the student must provide a signed and dated written statement that he/she is continuing his or her program of study and intends to complete the payment period. Title IV assistance will continue as originally planned. If the student subsequently fails to attend or ceases attendance without completing the payment period, the student's withdrawal date is the original date of notification of intent to withdraw.

#### **Upon Determination of an Unofficial Withdrawal:**

San Ignacio University will follow the following procedures within one week of determining the student may have unofficially withdrawn:

1. Make three attempts to notify the student regarding his/her enrollment status.
2. Determine and record the student's last date of Academic activity (to determine LDA).
3. Notify the student in writing of his/her failure to contact the University when requested to do so and notify the student of his/her current termination of enrollment.
4. Calculate the amount of Federal Title IV Funds a student has earned, and if any, the amount of Federal Funds for which the University is responsible.
5. Calculate the University's refund requirement.



6. Upon completing the Return to Title IV calculations, San Ignacio University will return to the Federal Funds program any unearned portion of Title IV funds for which the University is responsible within 45 days of the date the withdrawal determination was made and make a record of the return on the student's account and financial aid file.
7. If there is a return, San Ignacio University will provide the student with a R2T4 letter explaining Title IV return requirements:
  - a. The amount of Title IV aid the student has earned based upon the length of time the student was enrolled and scheduled to attend in the program and the amount of aid the student received.
  - b. Advise the student in writing of the amount of unearned Title IV aid and tuition and fees that he/she must return, if applicable.
  - c. Supply the student with a final accounting showing outstanding balance due the University and the available methods of payment.
8. A copy of the completed R2T4 worksheet, returned funds confirmation (if any), letter, and final account record will be kept in the student's financial aid file.

### **Return to Title IV Funds Calculation**

The calculation required determines a student's earned and unearned Title IV aid based on the percentage of the enrollment period completed by the student. The percentage of the period that the student remained enrolled is derived by dividing the number of days the student attended by the number of days in the period.

Calendar days (including weekends) are used but breaks of at least 5 days are excluded from both the numerator and denominator. Until a student has passed the 60% point of an enrollment period, only a portion of the student's aid has been earned. A student who remains enrolled beyond the 60% point is considered to have earned all awarded aid for the enrollment period.

Earned aid is not related in any way to institutional charges. In addition, the University's refund policy and Return of Title IV Funds procedures are independent of one another.

**A student who withdraws from a course may be required to return unearned aid and still owe the University for the Course.**

### **Example of Calculation: - CREDIT HOUR**

1. Determine the percentage of Title IV aid earned by the student by taking the calendar days completed in the payment period, divided by the total calendar days in the payment period (excluding breaks of **5** days or more)  $18(\text{completed days}) = 15.3\%$  (% of completed calendar days)  $118(\text{total days})$ .
2. Determine the amount of Title IV aid earned by the student by multiplying the percentage of Title IV aid earned times the total of the Title IV aid disbursed **plus** the Title IV aid that could have been disbursed for the payment period.

$$1. \quad 15.3\% \times \$2805.00 = 429.17 \text{ (Amount of aid earned by student)}$$



2. If this percentage is greater than 60%, the student earns 100% of the disbursed Title IV funds or aid that could have been disbursed.
3. If this percentage is less than 60%, then the percentage earned is equal to the calculated value.
4. Funds are returned to the appropriate federal program based on the Percentage of aid earned using the following formula:
5. Aid to be returned = (100% minus the percent earned) multiplied by the amount of aid disbursed toward institutional charges. If a student earned less aid than was disbursed, the institution may be required to return a portion of the funds and the student may be required to return a portion of the funds. All Title IV funds to be returned by the institution must be made no later than 45 calendar days after the date the school determines that the student withdrew.
6. When Title IV funds are returned, the student may owe a balance to the institution.

#### **Order of Return of Title Federal IV, HEA Funds**

In accordance with Federal regulations, when Title IV financial aid is involved, the calculated amount of the R2T4 Funds is allocated in the following order:

- Unsubsidized Direct Stafford loans (other than PLUS loans)
- Subsidized Direct Stafford loans
- Parent PLUS loans
- Direct PLUS loans
- Federal Pell Grants for which a Return is required
- Iraq and Afghanistan Service Grant for which a Return is required
- Federal Supplemental Educational Opportunity Grant
- Other Title IV assistance
- State Tuition Assistance Grants (if applicable)
- Private and institutional aid
- The student

#### **Credit Balance**

##### **Paying student credit balances**

The University's policy on paying all Student Credit Balances is modeled after the requirements of Title IV student credit balances. A Title IV credit balance occurs whenever the University credits Title IV program funds to a student's account and those funds exceed the student's allowable charges. The University pays by check the excess Title IV program funds (the credit balance) as well as credit





balances not related to Title IV funds directly to the student as soon as possible, but no later than 14 days after:

- The date the balance occurred on the student's account, if the balance occurred after the first day of class of a payment period; or
- The first day of classes of the payment period if the credit balance occurred on or before the first day of class of that payment period.

If the University determines that PLUS Loan funds created a credit balance, the University pays the credit balance amount to the parent. Although FSA regulations give the University the latitude to determine which FSA program funds create an FSA credit balance, the order of the sources of funds that are applied by the University may be found on the Financial Aid Office on this manual.

#### **Treatment of Title IV credit balances when student withdraws**

This treatment applies only to the handling of Title IV credit balances when a student withdraws. When a student withdraws from the University during a semester, a Title IV credit balance is handled as follows:

1. The University does not release any portion of the Title IV credit balance to the student and does not return any portion to the Title IV programs prior to the performing of the Return Calculation by the University's Financial Aid Office.
2. The Financial Aid Office performs the Return Calculation, including any existing Title IV credit balance for the period in the calculation as disbursed aid.
3. Any applicable refund policy (state, accrediting agency, institution, etc.) is applied to determine if doing so creates a new or larger Title IV credit balance.
4. Title IV credit balances are then allocated as follows:
  - Any Title IV credit balance must be allocated first to repay any grant overpayment owed by the student because of the current withdrawal. The University must return funds to the Title IV grant account within 14 days of the date the University performs the Return Calculation. Although not included in a Return Calculation, any Title IV credit balance from a prior period that remains on a student's account when the student withdraws is included as Title IV funds when the University determines the amount of any final Title IV credit balance when a student withdraws.
  - Remember, the University must use the final credit balance first to satisfy any current student grant overpayment.
  - Within 14 days of the date that the University performs the Return Calculation, the University pays any remaining Title IV funds.

#### **De minimus credit balances**

The University does not refund (pay) credit balances of less than a \$1.00 unless the student withdraws or otherwise leaves the University.





### **Holding credit balances**

The University may hold excess FSA funds (credit balances) if it obtains a voluntary authorization from the student or parent. Because FSA funds are awarded to students to pay current year charges, notwithstanding any authorization obtained by the University from a student or parent, the University must pay.

- Any remaining balance on loan funds by the end of the loan period, and
- Any other remaining FSA funds by the end of the last payment period in the award year for which they were awarded.

### **San Ignacio University's responsibilities regarding Title IV funds follow:**

- Providing students with information about this policy.
- Identifying students who are affected by this policy and completing the return of Title IV funds calculation for those students.
- Returning any Title IV funds due to the correct Title IV programs.

The institution is not always required to return all the excess funds; there are situations once the R2T4 calculations have been completed in which the student must return the unearned aid.

### **Overpayment of Title IV Funds**

Any amount of unearned grant funds that the student must return is called overpayment. The student must decide with San Ignacio University or the U.S. Department of Education to return the amount of unearned grant funds.

### **Post Withdrawal Disbursement**

The institution must disburse any Title IV grant funds a student is due as part of a post-withdrawal disbursement within 45 days of the date the institution determined the student withdrew and disburse any loan funds a student accepts within 180 days of that date. The institution will offer any post-withdrawal disbursement of loan funds within 90 days of the date it determines the student withdrew.

If the student did not receive all the funds earned, the student may be due a post-withdrawal disbursement. San Ignacio University may use a portion or all the student's post-withdrawal disbursement for tuition and fees. For all other school charges, San Ignacio University needs the student's permission to use the post-withdrawal disbursement. If the student does not give permission, the student will be offered the funds. However, it may be in the student's best interest to allow the University to keep the funds to reduce the student's debt at the institution.

### **Student Responsibilities regarding Return of Title IV, HEA funds**

- Returning to the Title IV programs, any funds that were disbursed to the student in which the student was determined to be ineligible via the R2T4 calculation.



- Any notification of withdrawal must be in writing and addressed to the appropriate institutional official following San Ignacio University withdrawal procedures
- A student may rescind his or her notification of intent to withdraw. Submissions of intent to rescind a withdrawal notice must be filed in writing.
- These notifications, to either withdraw or rescind to withdraw must be made to the official records/registration personnel at San Ignacio University.

### **Refund vs. Return to Title IV Funds**

The requirements for the Title IV program funds when a student withdraws are separate from any refund policy that San Ignacio University must return to the student any funds due from a cash credit balance. Therefore, students may still owe funds to San Ignacio University to cover unpaid institutional charges. San Ignacio University may also charge the student for any Title IV program funds that the University was required to return on the student's behalf.

For information on the San Ignacio University refund policy, refer to the current Schedule of Classes, the current University Catalog, the San Ignacio University website ([www.sanignaciouniversity.edu](http://www.sanignaciouniversity.edu)) or contact the Student Financial Aid office.

### **Return to Title IV Questions**

If you have questions regarding Title IV program funds after visiting with the financial aid personnel, please call the Federal Student Aid office at (305) 629-2929 x4015. Information is also available on student aid on the web [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

**Pro-rata:** The amount of assistance that the student has earned is determined on a pro-rata basis. For example, if the student is scheduled to complete 30% of the student payment period, the student earns 30% of the assistance the student was originally scheduled to receive. Once the student is scheduled to have completed more than 60% of the payment period, the student earns all the assistance that the student was scheduled to receive for that period.

The institution will use a Department of Education approved refund calculation that determines the percentage of Title IV funds earned by the student. If the student did not receive all the funds earned, the student might be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the University must obtain the student's permission before it can disburse funds.

**VA REFUND POLICY:** Up to the 60% point in each period of enrollment, a pro-rata schedule is used to determine the number of funds the student has earned at the time of withdrawal. San Ignacio University refunds the actual percentage of unearned aid up to the date of withdrawal. After the 60% point in the period of enrollment, a student has earned 100% of the aid funds awarded for that period, and all aid funds will remain in the student's account. In instances when a Service



Member stop attending due to a military service obligation, SIU will work with the affected Service member to identify solutions that will not result in student debt for the returned portion.