



Policy Governing: Return of Title IV Funds (R2T4)

Date of last revision: January 2024

Federal Student Aid regulations require a Return of Title IV Funds calculation to be performed for all students who do a withdrawal from all classes prior to the end of the payment period or who have not successfully completed all courses for the payment period (ie: all failing grades). This policy will not apply to those students who only drop some courses but remain in others.

This policy will provide guidance as to how the University of Providence will calculate the amount of Federal Title IV aid to be returned. This policy will also conform to all federal regulations and the intent of those regulations.

General Process for Withdrawal Within a Semester:

1. Student completes intent to withdraw form on the University website and a designated team is informed via email. This team includes the Registrar's office, Student Accounts, Financial Aid office, Housing office, and the Academic Success Center.
2. The Academic Success Center reaches out to the student to guide them through the withdrawal process.
3. The Financial Aid office notifies faculty of the intent and asks for last date of attendance for the student. This date (latest date of attendance) will be used in the R2T4 calculation.
4. All offices notify the academic success center with information pertaining to consequences of withdrawal. A preliminary calculation is made based on the information from the faculty for last date of attendance, and the information is shared with the academic success counselor for use in the withdrawal conversation.
5. Once the withdrawal is complete, the Registrar's office notifies the team of the official withdrawal.
6. Upon receiving notification of complete withdrawal of a student who has received Title IV aid, the financial aid office will complete the current R2T4 form as soon as possible, and within 45 days from date of withdrawal notification. Unearned funds will be returned as required by the school. When funds are returned from a student's account, the student will be responsible for the balance to the University. The Student Accounts office will invoice for the charges.

Modules:

The rules surrounding withdrawal and modules are slightly different. Students enrolled in modules are held accountable for attending the number of days in the modules in which they are enrolled. For example, if the student enrolls in modules one and three within a semester, only the days in modules one and three will be considered when calculating the percentage of the semester completed. The timing of a dropped class in the modular programs is also important. If a student drops courses in a later module while still enrolled in a current module within a semester, the student is not considered to be withdrawn. However, a recalculation of financial aid eligibility based on the change in enrollment status (full-time, three-quarter time, half-time) may still be required. If a student ceases enrollment in a current module but plans to attend a later module within the same semester, the student must notify the Financial Aid Office in writing of their plans to attend the later module to avoid being considered a withdraw for the purposes of this calculation. If written notification is not received within required timeframes, the student is considered to have withdrawn and the return of funds calculation is completed. If, however, the student does continue to attend in a later module within the same semester, even if they failed to notify the Financial Aid Office that they would, prior calculations due to non-communication are reversed. Exceptions include if the student completes all requirements for graduation before completing the days scheduled to complete in the period or the student completes one or more modules that comprise 49% or more of the number of days in the payment period or at least half-time enrollment.

Note: In addition to calculating a return of Federal Title IV funds for students who notify the University of Providence of withdrawal, the University must also make the calculation for students who do not “officially” withdraw. The Return of Title IV Calculation is based on the official and the unofficial last date of attendance as determined by the school. The Financial Aid Office reviews final semester grades to determine students with all “F” grades. To facilitate the process, faculty instructors are required to indicate the last date of attendance for all students awarded an “F” grade. Charges are not adjusted for unofficial withdrawals. Federal aid is adjusted based on Federal Title IV return of funds calculations.

Glossary

Earned aid - During the first 60% of the period, a student “earns” Federal Title IV funds in direct proportion to the length of time he/she remains enrolled. That is, the percentage of time during the period that the student remained enrolled is the percentage of disburseable aid for that period that the student earned. A student who remains enrolled beyond the 60% point earns all aid for the period. Note that institutional costs play no role in determining the amount of Federal Title IV funds to be retained or returned. Also, aid is “disburseable” if the student could have received it at the point of withdrawal.



Unearned aid - The amount of disbursed Title IV aid that exceeds the amount of Title IV aid earned under the required formula. Unearned Federal Title IV funds, other than Federal Work-Study, must be returned.

Percentage of period enrolled - The number of days the student remained enrolled divided by the number of days in the period. Calendar days are used but breaks of at least 5 days are excluded from both the numerator and denominator. The number of days used to determine the enrolled percentage normally includes weekends; however, scheduled breaks are measured from the first day of the break to the next day that classes are held.

Repayment of unearned aid - The responsibility to re-pay unearned aid is shared by the institution and the student in proportion to the aid each is assumed to possess. The institution's share is the lesser of: The formula assumes that Federal Title IV funds are directly disbursed to a student only after all institutional charges have been covered and that Title IV funds are the first resource applied to institutional charges. Institutional charges comprise the amounts that had been assessed prior to the student's withdrawal, not a reduced amount that might result from an institution's refund policy.

The student's share is the difference between the total unearned amount and the institution's share. The institution's share is allocated among Title IV programs, in an order specified by statute, before the student's share:

- The total amount of unearned aid; or
- Institutional charges multiplied by the percentage of aid that was unearned.
- Unsubsidized Direct Loans (other than Direct PLUS Loans)
- Subsidized Direct Loans
- Direct PLUS Loans
- Federal Pell Grants for which a return of Title IV funds is required
- FSEOG for which a return of Title IV funds is required
- TEACH Grants for which a return of Title IV funds is required
- Iraq and Afghanistan Service Grant, for which a return of Title IV funds is required.

Timeframe for returning funds - The institution must return its share of unearned Federal Title IV funds no later than 45 days after it determines that the student withdrew. The student must repay his/her share either by repaying the amount to the University of Providence, as the University will send the student share back to the Department on their behalf.



Late disbursements - A student who earned more aid than was disbursed prior to withdrawal is owed a late disbursement or a post-withdrawal disbursement. Only the difference between earned aid and aid already disbursed may be late disbursed. Thus, conditions under which unearned aid must be returned and conditions under which a late disbursement is required are mutually exclusive. Any post-withdrawal disbursement due must meet the current required conditions for late disbursements. A school is required to make (or offer as appropriate) post-withdrawal disbursements. An accepted post-withdrawal disbursement for Direct Loans must be made within 180 days of the date the institution determines that the student withdrew.

A post-withdrawal disbursement for Pell Grants must be made within 45 days of the date the institution determines that the student withdrew.

The amount of a post-withdrawal disbursement is determined by following the requirements for calculating earned Title IV aid and has no relationship to incurred educational costs. A post-withdrawal disbursement, whether credited to the student's account or disbursed to the student or parent directly, must be made from available grant funds before available loan funds. Available grant or loan funds refer to Title IV program assistance that could have been disbursed to the student but was not disbursed as of the date of the institution's determination that the student withdrew. A school must obtain confirmation from a student, or parent for a Direct Parent PLUS Loan, before making any disbursement of loan funds from a post-withdrawal disbursement. A notification must be sent to the student or parent within 30 days of the date the institution determined a student withdrew. The institution must give at least 14 days for the student (or parent) to respond to accept all, a portion, or reject the loan. If the borrower does not confirm, the loan funds cannot be credited to the student account. A school is permitted to credit a student's account with the post-withdrawal disbursement of Title IV grant funds without the student's permission for current charges for tuition, fees, and room and board (if the student contracts with the school) up to the amount of outstanding charges.

The institution may credit late disbursements towards unpaid institutional charges. Authorizations for current year charges remain valid for late disbursements; authorizations for prior year charges become invalid. Any portion of a late disbursement not credited to the student's account must be offered as a cash disbursement to the student (or parent in the case of a Federal PLUS Loan).

Students who have a credit balance due to a post-withdrawal disbursement will have the credit balance mailed to them, in the form of a check, within 14 days of determining the credit balance.

Withdrawal date (unofficial withdrawal) - For students who withdraw without notifying the institution, the institution must determine the student's withdrawal date within 30 days after the expiration of the earlier of the:

- payment period or period of enrollment;
- academic year in which the student withdrew; or



- educational program from which the student withdrew.

The withdrawal date for unofficial withdrawals is determined:

- The institution uses the student’s last date of attendance at a documented “academically-related activity” in lieu of any other withdrawal date. “Academically-related activities” include activities confirmed by an employee of the institution, to include exams, tutorials, academic advisement, turning in a class assignment, and attending a study group assigned by the institution. Residing in institution-owned facilities, eating at institution-provided food services, and participating in off-campus study groups not assigned by the institution are not "academically-related activities".
- If the student left without notification because of circumstances beyond his/her control, the institution may determine a withdrawal date related to the circumstances. The Financial Aid Director is responsible for making this determination.

Withdrawal date (official withdrawal) - The withdrawal date for official withdrawals (student notified the institution that he/she was withdrawing) is the student’s last date of attendance at a documented “academically-related activity” in lieu of any other withdrawal date. “Academically-related activities” include activities confirmed by an employee of the institution, including exams, tutorials, academic advisement, turning in a class assignment, and attending a study group assigned by the institution.

Residing in institution-owned facilities, eating at institution-provided food services, and participating in off-campus study groups not assigned by the institution are not “academically-related activities”.

For a student who unofficially withdrew (withdrew without notifying the institution), this date is also the student’s last date of attendance at a documented “academically-related activity” in lieu of any other withdrawal date. “Academically-related activities” include activities confirmed by an employee of the institution, including exams, tutorials, academic advisement, turning in a class assignment, and attending a study group assigned by the institution.

Reference: Federal Student Aid Handbook, Volume 5, Chapter 2