

RETURN TO TITLE IV (R2T4) POLICY

Process Overview & Applicability

The return of Title IV funds requirement is a complex process involving a great deal of interoffice cooperation and coordination. The School director is designated as the contact point for students who wish to withdraw. Inter-Office email or written memoranda may be used to communicate that information to faculty, bookkeeping, and the Office of Financial Aid. The School director determines the withdrawal date and reports it to other institutional offices and the Department of Education. The Office of Financial Aid calculates the return of Title IV funds using federal formulas, notifies the student of his or her obligation to repay funds if applicable, tracks the repayment, and refers overpayments to ED. It also offers the student any earned post-withdrawal disbursement and follow-up procedures and policies pertaining to this indicated in the award notification part of the manual. For students whose status changes from full-time to part-time during the payment period, the award package must be revised based on the revised enrollment status and student must be notified about the changed award amounts and status. The date of Vantage College determination that a student withdrew is identified through faculty input, student's failure to return from an approved leave of absence, or the student's verbal or written notification to the school. In the event of any unofficial withdrawals, R2T4 refund must be done within 30 days from the date of determination of such withdrawal. The date of determination must occur within two weeks from the last day of attendance (LDA).

All enrolled students are notified through Vantage College catalog about Return of Title IV (R2T4) requirements, withdrawal process and the student's rights and responsibilities, including how a student reports the intent to withdraw and how the student begins the withdrawal process.

Withdrawal Date

The faculty is encouraged to take attendance and notify the school director if a student has stopped attending class without any notice for 3 (three) consecutive scheduled class days. The school director monitors attendance of all enrolled students. School director will contact students via email, phone call and / or letter. If no response is received within 7 days, the school will assume the student has unofficially withdrawn. The student's effective date of withdrawal is always the last date that the student attended classes regardless of whether or not the student has told the school of their intention to withdraw. Students will be considered to have informally withdrawn after they have been absent from class with no excuse from more than 10 consecutive days. The effective withdrawal date is the last day they attended classes. Students will also be considered to be unofficially withdrawn when they fail to return from an excused Leave of Absence (LOA). In this case the determination of non-official withdrawal will be made on the day the student fails return – with the last day of attendance being their determined day of withdrawal.

A student who wishes to withdraw from school for compelling personal reasons should notify the Director in writing stating the reasons for withdrawal and whether or not the student intends to return at a later date to pursue a program of study. All documentation for a withdrawn student will be kept in the student's file in the Office of Financial Aid.

Vantage College grants Leaves of Absence (LOA) as per federal regulations. Students who require a leave of absence from the program must request it in writing and be approved by the Director prior to leaving school. If a student does not return from his/her LOA, the student will be dropped the day following the expiration of the leave of absence, and the Financial Aid office will be notified. This begins the withdrawal process. The office of Financial Aid will complete the R2T4 (Return to Title IV) process as per regulations as described in the manual.

In all cases, the effective date of withdrawal is always the last day the student attended classes, regardless of the type of student's withdrawal. The last day of class attendance will be determined by examining the attendance records for the student in the SSIS system – with the last day being the last day that the system has a record of the student attending class.

Formula Calculation

Vantage College is required by federal statute to recalculate federal financial aid eligibility for students who withdraw, drop out, are dismissed, or fail to return from an approved leave of absence (LOA) prior to completing their program of study. The federal Title IV financial aid programs must be recalculated in these situations.

If a student leaves the institution prior to completing their program of study the Financial Aid office recalculates eligibility for Title IV funds. Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula:

Clock-hour Programs

Percentage of aid earned = the number of scheduled hours in the payment period completed up to the student's last date of attendance as per the school's attendance records, divided by the total clock hours in the payment period.

Credit-hour Programs

Percentage of aid earned = the number of calendar days completed in the period, divided by total number of days in the period.

To determine the number of days in the period the school shall follow these steps:

1. **Determine the percentage of credit earned** by dividing the number of credits completed by the number of credits in the period to determine the percentage of credits earned.
2. **Determine the number of days in the period** by dividing the number of days the student attended by the percentage of credits earned.

Please note that because Vantage College is a Non-Term school – the R2T4 calculation must be done by hand. Using the online form will not produce the appropriate results. (Please see page 5-79 of the FSA handbook for further information on how to calculate R2T4s for Non-term schools.)

Note: Scheduled breaks of at least five consecutive days and days in which the student was on an approved LOA are excluded from this calculation.

If this percentage is greater than 60%, the student earns 100% of the disbursed Title IV funds or aid that could have been disbursed.

If this percentage is less than 60%, then the percentage earned is equal to the calculated value. Funds are returned to the appropriate federal program based on the percent earned. The percentage of aid to be returned is determined using the following formula: 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 would 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 that the institution must return will be made no later than 30 calendar days after the date the school determines that the student withdrew.

If through its return calculation the school determines that a student has received an overpayment of

Direct Loan funds, the school:

1. Reduces the student's award/disbursements by making a downward adjustment in COD.
2. Returns the funds to the Department using the Electronic Refund function in G5 following the same procedures the school follows when making other G5 refunds/returns.
3. Notifies the borrower (student or parents) in writing within ten (10) business days via U.S. Postal Service that the funds were return. This notification will include the student (and in case of Parent PLUS Loans - the parent's) new loan liability and include information on when the student will go into repayment, who their loan servicer is and how to contact that servicer and – if the student has not already completed exit counseling - include ED's Exit Counseling brochure and a offer to do in person exit counseling if the student so wishes.

Examples and worksheets used to determine the amount of refund or return of Title IV aid are available upon request at the Financial Aid office.

When Title IV funds are returned, the student may owe a balance to the institution. If a student earned more aid than was disbursed to him/her, the institution must send written notification to the student (or parent for PLUS loan funds) to offer a post-withdrawal disbursement for any amount not credited to the student's account no later than 30 calendar days after the date that the school determines that the student withdrew . The institution is required to make a post R2T4 withdrawal disbursement within 45 days of the student's date of determination that they withdrew for grants and 180 days of the student's date of determination that they withdrew for loans. Refunds are allocated in the following order:

- Unsubsidized Direct Stafford loans
- Subsidized Direct Stafford loans
- Federal Pell Grant
- State Tuition Assistance Grants (if applicable)
- Private and institutional aid
- The student

The following is a step-by-step process that is followed in all R2T4 calculations:

1. Determine the percentage of aid earned by calculating the percentage of the scheduled days that the student completed. Be sure to determine the days in the period by first calculating the percentage of credit earned and then dividing the number of days the student attended by the percentage of credits earned.
2. Determine the amount of earned aid by applying the percentage to the total Title IV aid that was or could have been disbursed.
3. Determine the amount of unearned aid by subtracting earned aid from disbursed aid or determine the amount of a post-withdrawal disbursement by subtracting disbursed aid from earned aid.
4. If unearned funds must be returned, determine the schools and the student's shares; or if a post-withdrawal disbursement is due, determine the sources from which it will be funded.
5. If unearned funds must be returned, allocate unearned aid to programs from which student was funded; or if a post-withdrawal disbursement is due, send student applicable notification.
6. Return the institution's share and any funds repaid by the student or refer the student to ED; or make the post-withdrawal disbursement. The Department of Education provides return of Title IV funds worksheets in Volume 2, Chapter 6 of the FSA Handbook. These worksheets are used to calculate all R2T4 calculations. A copy of the worksheet in the event of manual calculation and a computer printout in the event of automated calculation is placed in the student's file for records. The Office of Financial Aid performs all R2T4 calculations as it has all Title IV award and institutional charges information which are required in the calculations.
7. Copies of all worksheets are sent to the CFO and the appropriate Campus Director.

Post-Withdrawal Disbursements

In the event a student is eligible for a post-withdrawal disbursement based on the student's budget, awarded financial aid and Title IV funds and R2T4 calculations, a post-withdrawal disbursement must be made only after the following conditions are met:

1. Student and parents will be notified in writing of the availability of post-withdrawal disbursements by the Office of Financial Aid within one week from the date of R2T4 calculation was performed.
2. Student and parents will be notified in writing by the Office of Financial Aid within a reasonable time indicating their acceptance of available post-withdrawal disbursement amounts. The reasonable time refers to allowing sufficient time to school to process a post-withdrawal disbursement within the deadlines set by the Department of Education.
3. Student has outstanding institutional charges that are due and wants to pay off those charges by applying his/her post-withdrawal disbursement.

Student/Parents completed all necessary paperwork related to such post-withdrawal disbursement within a reasonable time. The Office of Financial Aid must track the notification and authorization to make the disbursement and meet deadlines as prescribed by ED. A school must process Title IV aid within 120 days from the last day of the enrollment period. The post-withdrawal disbursement must be applied to outstanding institutional charges before being paid directly to the student.