

Return of Title IV Policy (R2T4)

This policy applies to students who officially withdraw, unofficially withdraw, fail to return from a leave of absence, or are dismissed from enrollment at Principia College.

The amount of Title IV federal aid earned is based on the amount of time a student spent in academic attendance and the total aid received; it has no relationship to student's incurred institutional charges.

Title IV, HEA funds are awarded to the student under the assumption that the student will attend Principia College for the entire period for which the aid is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV, HEA funds that were originally scheduled to be received. Therefore, the amount of federal funds earned must be determined.

There are different requirements for withdrawal, cease of attendance, and/or dismissal of students. These requirements vary according to the source of the student's financial aid.

Concepts

Incurred Institutional Charges: Tuition, Room (housing), Board (food), Fees, and other charges related to a student's attendance at Principia College.

Funds Awarded: After a student's eligibility evaluation, the amount of federal aid funds that were determined to be sent to a student (as grant or loan).

Funds Disbursed: Federal aid funds awarded to a student and were given out or deposited, into student's bank account.

Funds Earned: The amount of federal assistance funds earned by a student is determined on a pro-rata basis. This amount is determined by the number of days a student completes work at Principia College (attends class, completes work, or similar) to the number of days in a semester.

Funds can be earned by students up through the 60% point in each semester/pay period. For example, if a student completes 30% of the semester/pay period, the student earns 30% of the Federal Student Aid assistance that was originally scheduled to receive. After the 60% point of the semester/pay period, a student has earned 100% of the Federal Student Aid funds scheduled to receive during the period. See formulas below.

Funds Unearned: Determined by the difference between the number of days in a semester to the number of days a student completes work at Principia College (attends class, completes work, or similar). See formulas below.

Unofficial Withdrawal from Principia College/ Nonattendance

This is when a student fails to inform the Registrar's Office of their withdrawal from classes and subsequently fails to earn a passing grade in all the courses over the period of awarded federal aid. Principia College will assume the student unofficially withdrew, unless it can be documented that the student completed class work during the enrollment period.

For a student who withdraws without providing notification, the Registrar's Office must determine the withdrawal date no later than 30 days after the end of the earliest: (1) payment period or period of enrollment (as appropriate), (2) academic year in which the student withdrew, or (3) educational program the student withdrew.

Upon determination of the unofficial withdrawal date, Principia College has 45 calendar days to return federal funds.

If a student receives a Title IV grant or a loan assistance and does not begin attendance in a period of enrollment, the student is ineligible for any Title IV aid for that period, thus the Title IV aid for the payment period must be returned.

If a student receives incomplete or failing grades in all courses, the student will be considered a withdrawn for Title IV purposes.

Anytime a student begins attendance in at least one course but does not begin attendance in all the courses the student was scheduled to attend regardless of whether the student is a withdrawal, Principia College will determine if it is necessary to recalculate the student's eligibility for federal aid and Campus-Based funds based on a revised enrollment status and cost of education. If the student is a withdrawal, this recalculation must be done before performing an R2T4 calculation, and Principia College will use the recalculated amounts of aid in the R2T4 calculation.

The Registrar's Office will:

1. Determine which student did not officially withdraw and/or failed to earn a passing grade in at least one course offered over an entire period.
2. Make at least three attempts to notify the students of their unofficial withdrawal status. Notification can be attempted by any means available including but not limited to email, text message, phone call, or regular mail.
3. Determine the last date of attendance as the withdrawal date.

The Financial Aid Office will:

4. Calculate the R2T4.
5. Notify Business Office the unearned Title IV funds that need to be returned to the Department of Education (ED) within 45 days of official or unofficial withdrawal date.
6. Notify student of any obligations regarding the withdrawal, share completed [Return to Title IV Worksheet for calculations](#). Save this worksheet in student's record.
7. Exit interview and counseling.

Official Withdrawal or Dismissal from Principia College

When the student is receiving private funds or Principia Loans, please refer to the [Rebates in Cases of Withdrawal or Dismissal](#) policies in the Principia College Catalog.

When a student is receiving federal funds from a Title IV program and withdraws, ceases attendance, or is dismissed by Principia College, the student must notify the Registrar's Office in

a written notification stating reason(s) for their leave. The written approval from the Registrar Office is the effective “withdrawal date”.

Students withdrawing will take an exit counseling with the Financial Aid Officer, in which they would be communicated if they owe funds to the College to cover unpaid institutional charges.

Upon receipt of the withdrawal information the Financial Aid Office will:

1. Within 30 days, review the student’s satisfactory academic progress and determine federal financial aid eligibility.
2. This office will need to reach out to the faculty to confirm student’s class attendance and participation to reevaluate the eligibility and the return of Title IV Funds. If the student never attended the registered classes in the semester, all financial aid will be cancelled, and the student will be billed for all outstanding charges. The office of Financial Aid will communicate with the business office to invoice the corresponding charges.
3. Calculate the amount of R2T4, earned and unearned Title IV funds based on the available enrollment information.
4. If a student attended more than 60% of the period of enrollment, then the student is considered to have earned 100% of the financial aid funds. In this case, there is no need to return funds. When calculating this attendance percentage there is no rounding.

Business Office will:

5. Return unearned Title IV funds to the ED within 45 days if the day of official withdrawal date.

How to calculate the amount of funds to be returned?

Questions to evaluate if a student has withdrawn or not from the semester:

1. Did the student cease to attend, or fail to begin attendance in a scheduled course that was included in Principia’s calculation of the student’s Title IV awards for the payment period or period of enrollment?
 - If yes, go to question 2
 - If no, student is not a withdrawal
2. When the student ceased to attend or failed to begin attendance in a scheduled course, was the student attending other courses in the period?
 - If yes, student is not a withdrawal, but Pell recalculations may apply
 - If no, go to question 3
3. When the student ceased to attend or failed to begin attendance in a scheduled course, did the student complete all the requirements for graduation?
 - If yes, student is not a withdrawal, but Pell recalculations may apply
 - If no, go to question 4
4. When the student ceased to attend or failed to begin attendance in a scheduled course, did the student successfully complete:

- a module or combination of modules that contain 49% or more of the number of days of the payment period (excluding scheduled breaks of 5 consecutive days or more and all days between modules); OR
 - coursework equal to or greater than the coursework required for the institution's definition of a half-time student for the payment period?
 - If yes to either question, the student is not a withdrawal, but Pell recalculations may apply
 - If no, go to question 5
5. Did the student confirm attendance in a later module in the payment/enrollment period (45-day rule for standard or nonstandard programs; 60-days for nonterm or subscription-based programs, as applicable)?
- If yes, the student is not a withdrawal, but Pell recalculations may apply
 - If no, the student is a withdrawal

The Financial Aid Officer will have access to the *Common Origination and Disbursement* (COD) website to calculate and verify the Return to Title IV funds.

Title IV Aid is earned by the calendar day, not class day or business days, this includes weekends, holidays, and breaks of less than five consecutive days.

The Financial Aid Office is required to determine the amount of Title IV Aid the withdrawing student has earned and then either disburse any additional funds the student may be entitled to up to the amount earned or return funds in excess of the amount earned which the student has already received.

The Financial Aid Office will calculate the following R2T4, notify the student and keep a copy of these calculations or worksheet in the student's file:

Total days in the semester

= total days in semester – days allowed to change or withdraw from course
– breaks of 5 consecutive days or more

$$\text{Percentage Earned} = \frac{\text{number of Days completed up to withdrawal date}}{\text{total days in semester}}$$

$$\text{Percentage Unearned} = 100\% - \text{Percentage Earned}$$

$$\text{Amount of Unearned Title IV Aid (\$)} = \text{Student's total Title IV Aid} \times \text{Percentage Unearned}$$

The amount of assistance earned is determined on a pro-rata basis, up through the 60% point in each semester/pay period. For example, if a student completes 30% of the semester/pay period, the student earns 30% of the Federal Student Aid assistance that was originally scheduled to receive. After the 60% point of the semester/pay period, a student has earned 100% of the Federal Student Aid funds he or she was scheduled to receive during the period. Any time a

student begins attendance in at least one course but does not begin attendance in all the courses they were scheduled to attend, regardless of whether the student is a withdrawal or graduate, Principia College must review to see if it is necessary to recalculate the student's eligibility for funding received based on a revised enrollment status and the cost of education.

Title IV, HEA credit balances

A title IV, HEA credit balance occurs whenever the amount of title IV, HEA program funds credited to a student's ledger account for a payment period exceeds the amount assessed the student for allowable charges associated (tuition, fees, and board) with that payment period.

A title IV, HEA credit balance must be paid directly to the student or parent as soon as possible, but no later than:

- i. Fourteen (14) days after the balance occurred if the credit balance occurred after the first day of class of a payment period; or
- ii. Fourteen (14) days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period.
- iii. Credit balances held at time of withdrawal until R2T4 calculation completed.
 - a. May be eliminated during R2T4 calculation.
 - b. New credit balance disbursed within 14 days

Post-withdrawal disbursements (PWD)

If the student has aid that has been awarded but not yet disbursed, it is possible for the calculation to result in a post-withdrawal disbursement (PWD) offer to the student. Or if the student receives less Title IV aid than the amount earned, the school must offer a disbursement of the earned aid that was not received. This is called a post-withdrawal disbursement (PWD). If the student receives more Title IV aid than the amount earned, the school, the student, or both must return the unearned funds.

The responsibility for returning unearned Title IV aid is allocated between Principia College and the student.

If a student receives (or Principia College or parent receive on the student's behalf) excess Federal Student Aid funds that must be returned, Principia must return a portion of the excess equal to the lesser of:

1. The student's institutional charges multiplied by the unearned percentage of the student's funds; or
2. The entire amount of excess funds.

Written notification providing the student (or parent) the opportunity to accept all or part of a post-withdrawal disbursement of Title IV loan funds will be sent within 30 days of the determination that the student withdrew. This notification must be clear and must provide a timeframe between 14-60 days for student (or parent) to respond of the acceptance of a post withdrawal disbursement.

If the post-withdrawal disbursement includes loan funds, Principia College must get the student's (or parent's) permission before it can disburse them. The student may choose to decline some or all the loan funds so that they do not incur additional debt. Principia College may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges (as contracted with the College). Principia College needs the student's permission to use the post-withdrawal grant disbursement for all other institutional charges. 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 College to keep the funds to reduce debt at the College.

There are some Federal Student Aid funds that cannot be disbursed once the student withdraws because of other eligibility requirements. For example, a first-time, first-year undergraduate student that has not completed the first 30 days of their program before withdrawing, will not receive any Direct Loan funds, even though the funds were scheduled to be received had the student remained enrolled past the 30th day.

Once the amount to be returned has been determined the Financial Aid Officer will inform the Business Office of the need for this transaction. Eligible post-withdrawal disbursement will be disbursed as soon as possible but not later than 180 days of the date of student's last date of attendance.

Order of Return

Principia College will return Unearned Title IV to the appropriate Title IV programs in the following order:

1. Federal Direct Unsubsidized Loan Program
2. Federal Direct Subsidized Loan Program
3. Federal Direct Parent Loan Program (PLUS)
4. Federal Pell Grants
5. Federal Supplemental Educational Opportunity Grant Program

The timeframe for returning the unearned Title IV funds is 45 days.

It is the student's responsibility to return the difference (if any) between the amount of unearned Title IV aid and the amount the College must return. For any loan funds, the student repays in accordance with the terms of the promissory note.

The federal government presumes that Title IV aid is applied first toward institutional charges: tuition and fees and room and board. The Title IV Return of Funds calculation may result in the student owing a balance to Principia College.

Financial Aid Office Security Precautions

- Ensure that the workstation or network drive which your EDEXpress database sits on is secured and password-protected and that the workstation is locked when you are not present.
- Exit EDconnect and EDEXpress completely when leaving a workstation for long periods.

- Have a unique user ID and password.
- Choose passwords that cannot be guessed easily.
- Don't leave login information in public view.
- Don't allow students to enter or edit any information in your software.
- Keep all personal information printed from software or ED websites in a secure place.
- Have the appropriate level of access.
- Close student records when updates are completed.
- Delete access for staff who are no longer employed or responsible for FSA program administration.
- Local security – Restricted campus access, office access with key cards and locked workstation when not in use