

Office of Financial Aid

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R2T4 Calculations

Policy and Procedure Legislative, Regulatory, and FSA Handbook Citations: Return of Funds

HEA, Section 484B

34 CFR 668.22

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Policy:

It is Marion Technical College's policy to use a pro rata schedule to determine the amount of Title IV funds a student has earned at the time of withdrawal, up through 60% of the payment period. After the 60% point in the payment period, a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period. It is also MTC's policy to use the last day of attendance as the withdrawal date for R2T4 purposes. If a recipient of Title IV grant or loan funds withdraws from school after beginning attendance, the amount of Title IV grant or loan assistance earned by the student will be determined. If the amount disbursed to the student is greater than the amount the student earned, the unearned funds will be returned. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a Post-withdrawal disbursement of the earned aid that was not received.

The Office of the Registrar determines the official withdraw date based on the date the student withdraws in writing. The date the of official withdrawal is the earlier of 14 days from the LDA or when the student provides notification in writing to the Registrar.

A student that does not officially withdraw, but is determined that they stopped attending and receives all failing grades (FN) is considered unofficially withdrawn. The date determining the student is unofficially withdrawn due to nonattendance must be no later than 14 days from the LDA.

Biweekly and after the 60% date of a term, IT will run a report showing all students who have withdrawn from classes. For any student who has withdrawn from all classes, a R2T4 calculation will be performed based on the last date of attendance (LDA). If a student never attended a class or classes before withdrawing, their aid will be adjusted based on the credit hours actually attended. (For Example: Student enrolls for 12 credit hours, never attends 4 credit hours, aid will be based on remaining 8 credit hours for calculating eligibility.) The R2T4 will then be calculated based on the LDA of the remaining classes. Adjustments are entered into PowerFAIDS and transmitted to COD.

The day after final grades are posted, IT will run a report to show all students who withdrew and/or received a grade of "FN" (Failing due to non-attendance). Students who receive all "FN" grades are considered to be unofficially withdrawn. The LDA will be considered the withdraw date. R2T4 calculations are then performed for all students who failed or withdrew from classes, based on their LDA. Adjustments are entered into PowerFAIDS and transmitted to COD.

Attendance is recorded by all faculty in the Self-Service module of Power Campus. A report is run after the 15th day and then again at the end of the term to identify students who failed due to non-attendance (FN grades) because a student could stop attending for a period of time and then start attending again before the end of the term, reports before the end of the term could be inaccurate

(because the student could potentially return and start attending again). These records will serve as the official source of attendance data for the institution.

Return to Title IV Funds Calculation

Eligibility for Title IV funds (federal student financial aid funds) is based on the courses the student takes each semester (full-time, half-time, etc.). Title IV funds are only disbursed and retained by the College if the student starts the courses for which the funds were disbursed. Eligibility for these funds may be recalculated if the student withdraws from a course(s) during a term. If a federal student financial aid recipient is considered a withdrawal from the term, the student will be subject to a Return to Title IV Funds (R2T4) calculation to determine the student's actual earned federal student financial aid.

The outcome of the R2T4 recalculation is dependent on the student's last day of attendance and how much federal student financial aid has been disbursed or is pending. The last day of attendance is determined by the institution from its attendance records as either the last day of academically related activity or the last day of classroom attendance. This date is used to determine the percentage of the term that the student has completed and this percentage is applied to the amount of federal financial aid disbursed and pending to determine how much aid is earned for the term and how much needs to be removed. Weekends and non-class days are included in this calculation and institutional scheduled breaks of five (5) or more consecutive days are excluded from the calculation. A student will not be required to return any portion of their federal financial aid if they complete at least 60% of the term (as determined by the date of attendance reported by the instructor(s)).

Return of Unearned Federal Aid

The total federal aid disbursed at the point of withdrawal less the earned amount constitutes the unearned aid that must be returned to the federal government. The school must return unearned funds as soon as possible but no later than 45 days after the date of determination of a student's withdrawal. The school will initiate a return of unearned aid in the following order:

1. Federal Unsubsidized Direct Stafford Loan
2. Federal Subsidized Direct Stafford Loan
3. Federal Direct Parent PLUS Loan
4. Federal Pell Grant
5. Iraq Afghanistan Service Grant
6. Federal Supplemental Educational Opportunity Grant (FSEOG)

Once the school initiates the return of funds to the federal government, students will see these entries on their online student account. The total amount returned may result in the student owing the school. If a balance due is created, the student now has a financial obligation to the school. The student may be required to directly repay a portion of the Title IV funds that were received. Any repayment outstanding or unpaid will be referred to the U.S. Department of Education for collection and legal disposition.

Students with a credit balance at the time of withdraw will have that credit balance held until the R2T4 calculation is completed. Any remaining credit due the student after the R2T4 is complete, will be returned to the student as soon as possible but not later than 14 calendar days after the calculation of the R2T4.

Withdraw Exemptions

The amount of assistance that a student has earned is determined on a pro rata basis. For example, if the student completed 30% of your payment period or period of enrollment, they earn 30% of the assistance they were originally scheduled to receive. Once they have completed more than 60% of the

payment period or period of enrollment, they earn all the assistance that you were scheduled to receive for that period.

The student will not be subject to returns of Title IV aid if they meet one of the following exemptions:

- Complete all of the requirements for graduation;
- Successfully complete a class or multiple classes that comprise at least 49 percent of the days in the term (in a program offered in modules); or
- Successfully complete a class or multiple classes that comprise at least half-time enrollment (in a program offered in modules).

MTC does not use a R2T4 Freeze date when calculating module/courses days for R2T4s

Post Withdrawal Disbursements (PWD)

In some cases, the student and/or parent may be eligible for federal financial aid funds that were not disbursed as of the student's withdrawal date. In such circumstances, the student and/or parent may be eligible for a post-withdrawal disbursement (PWD) of these eligible funds. The student's R2T4 calculation will indicate if the student and/or parent may be eligible for a PWD. After the determination of eligibility for a PWD, the student and/or parent are notified within 30 days of the date the institution determined the student withdrew, of the available funds and will be given 14 days to reply if eligible for a PWD of loan funds. If the student and/or parent fails to reply within that allotted deadline for a loan PWD, the loan funds will not be disbursed or will be returned if the PWD is inadvertently disbursed before the withdrawal was processed. Eligible grant funds from a PWD will automatically disburse to the student's account. A PWD of eligible grant funds will be credited to the student's account as soon as possible, but no later than 45 calendar days after the date of determination of withdrawal. If the student has an unpaid balance and is eligible for a grant PWD, the funds equal to the student's outstanding balance will be credited to the student's account as soon as possible, but no later than 14 calendar days after the date of determination of withdrawal.

Reviewed by: DL (es)

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