

## **Return of Title IV Funds Policy**

**2021-2022/2022-2023**

### **Withdrawal, Refund, and Repayment**

Federal financial aid is governed by Chapter IV of the Higher Education Act of 1965 and administered by the U.S.

Department of Education. This federal law, also known as Title IV, holds Santa Rosa Junior College accountable for the funds it disburses. According to regulations, the college must have a written policy regarding Title IV recipients who withdraw or otherwise fail to complete the term for which their financial aid was disbursed. This policy addresses the establishment of a withdrawal date, post-withdrawal disbursements, and the calculation of the amount of funds to be returned to the federal government by Santa Rosa Junior College and by you, the student.

The following provides a full explanation of the terms and policies regarding withdrawal, refunds, and repayment. This policy is subject to change at any time. Such changes may be driven by changes in the regulations and guidance provided by the United States Department of Education.

## **OVERVIEW OF THE R2T4 POLICY**

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**The Return of Title IV Funds Policy was established by the Higher Education Act, as reauthorized and signed into law on October 7, 1998.** The Santa Rosa Junior College Return of Title IV Funds (R2T4) policy reflects most recent regulations published 10-29-2010 that became effective 7-1-2011. This R2T4 policy applies to any student who receives federal financial aid, has enrolled in classes, and subsequently either drops courses and/or is reported as an “unofficial withdrawal” (all F’s, No Show) during or after the semester ends. At Santa Rosa Junior College, the R2T4 policy applies to all periods of enrollment: fall semester, spring semester, and summer session.

When a student withdraws from his/her courses, for any reason including medical withdrawals, he/she may no longer be eligible for the full amount of Title IV funds they were originally scheduled to receive. Santa Rosa Junior College follows the federally prescribed policies and procedures for calculating whether the student has earned all or a portion of their federal financial aid.

For students in fast track courses within the 17 and/or 20-week payment period, such as late-starting, fast track courses, weekend courses and/or any other variable length course that is not scheduled to run the entire 17 and/or 20 weeks, regulations require individual review of each course. Under the most recent federal guidance, this means that, even if a student successfully completes one course and subsequently withdraws from a later course within the same payment period, eligibility must still be reviewed.

Santa Rosa Junior College is required to return all unearned federal aid attributed to Non-Resident (out-of-state) fee charges. This means that a portion of Non-Resident student fees is no longer covered by financial aid, and the student is liable for paying the balance of school charges. This amount will be subject to immediate repayment and no further registration activity will be allowed. Santa Rosa Junior College's fee refund policy will not affect the amount of Title IV aid the student has earned as described in this document. The college fee refund policy is published in the Santa Rosa Junior College catalog.

## **DATE OF WITHDRAWAL**

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For an official withdrawal, the effective withdrawal date is the first date of notification by the student to the Office of Admissions and Records. Students should follow the official withdrawal policy as published in the Santa Rosa Junior College Catalog.

## **UNOFFICIAL WITHDRAWAL**

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A student who ceases to attend without officially withdrawing is considered an "unofficial withdrawal." When a student does not follow the official withdrawal procedure and has ceased attending, an effective withdrawal date will be assigned by instructors at the end of the semester with an F. If a student an F in from all courses, the mid-point of the semester will be used for the withdrawal date.

Santa Rosa Junior College may use a last date of attendance at an academically-related activity for the effective withdrawal date, if the last date a student attended class or submitted coursework is verified by an employee at Santa Rosa Junior College who has *sufficient knowledge* of a student's academic participation, or if there is an emergency situation (e.g., death or injury) with third-party documentation verifying a student was unable to academically participate. In the case of unofficial withdrawals, Santa Rosa Junior College does not accept a student's self-reported last date of attendance.

## **CALCULATION OF EARNED AND UNEARNED TITLE IV AID**

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Both Title IV aid recipients, who complete the official withdrawal process or have decided to unofficially withdraw from Santa Rosa Junior College, are subject to a prorated calculation of “earned” federal aid based on the withdrawal date and the mandatory return of Title IV funds to the appropriate accounts. **Responsibility for repayment of these funds will be shared by Santa Rosa Junior College and the student according to the federal formula for prorated refunds of “unearned” Title IV aid.**

The portion of “unearned” Title IV funds that the student and Santa Rosa Junior College must repay is calculated by the Financial Aid Office. The percentage of “earned” Title IV funds, excluding Federal Work-Study, is based on the number of calendar days completed before withdrawing, divided by the number of calendar days in the semester. Official breaks in enrollment of five consecutive calendar days or more are excluded from the number of calendar days in the semester. No repayment of Title IV funds will be required for withdrawals occurring after the 60 percent point of the semester. After this point, Title IV aid is considered 100 percent “earned.”

Regulations require schools to perform calculations within 30 days from the date the school determines a student's withdrawal and to process the actual return of funds within 45 days of the date the school sends the student notice of the overpayment. The institution is required to notify the student if they owe a repayment via written notice. It is imperative that students update their mailing address in their Cubby whenever they move.

## **RETURN POLICY DUE TO REPORTED NO SHOW COURSES**

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If you receive a grant based on 6 or more units and you are reported as No Show (never attended), and this brings your total attended units **below 6**, you will owe back a portion of the aid you received to the Department of Education.

## **RETURN OF TITLE IV FUNDS PROCESS IN DETAIL**

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The Financial Aid Office follows the instructions outlined in the federal worksheet when calculating Title IV earnings according to the following steps.

## Step 1: Student's Title IV Aid Information

The total amount of Title IV aid disbursed (if any) for the semester in which the student withdrew. (A student's Title IV aid is counted as aid disbursed in the calculation if it has been applied to the student's Santa Rosa Junior College account on or before the date the student withdrew.)

The total amount of Title IV aid disbursed plus the aid that could have been disbursed (if any) for the semester in which the student withdrew.

## Step 2: Percentage of Title IV Aid Earned

The Financial Aid Office will calculate the percentage of aid earned as follows:

For students attending regular term courses (courses that span the entire 17 and/or 20 weeks), the number of calendar days completed by the student divided by the total number of calendar days in the payment period (weekends included) in which the student withdrew minus any scheduled breaks of 5 days or more.

*Days Attended (minus scheduled breaks if attended through that period) / Days in Payment Period (minus scheduled breaks) = Percentage Completed*

For students attending fast track and regular term courses within the payment period, the number of calendar days completed by the student divided by the total number of calendar days in the payment period (weekends included) in which the student withdrew minus any days the student was not scheduled to attend (unscheduled breaks) and any scheduled breaks of 5 days or more.

*Days Attended (minus scheduled breaks if attended through that period) / Days in Payment Period (minus scheduled or unscheduled breaks) = Percentage Completed*

**Note:** If the calculated percentage exceeds 60%, then the student has "earned" all aid for that period.

For a student who withdraws after the 60% point, even though a return is not required, a school may have to complete a Return calculation in order to determine whether the student is eligible for a Post-withdrawal disbursement.

### **Step 3: Amount of Title IV Aid Earned by the Student**

The Financial Aid Office will calculate the amount of aid earned as follows:

The percentage of Title IV aid earned (Step 2) multiplied by the total amount of Title IV aid disbursed or by what could have been disbursed for the payment period in which the student withdrew (Step 1).

*Total Aid Disbursed x Percentage Completed = Earned Aid*

### **Step 4: Amount of Title IV Aid to be Returned or Disbursed**

If the aid already disbursed equals the earned aid, no further action is required.

If the aid already disbursed is greater than the earned aid, the difference must be returned to the appropriate Title IV aid program in accordance with the federal guidelines. Go to Step 5.

If the aid already disbursed is less than the earned aid, the Financial Aid Office will calculate a Post-Withdrawal Disbursement.

- The institution must advise the student or parent that they have 14 calendar days from the date the school sent the notification to accept or decline Post withdrawal loan funds. (If this Post-withdrawal disbursement contains loan funds a student should evaluate the situation as not to incur additional debt unnecessarily.)
- The Post-withdrawal disbursement must be applied to outstanding institutional charges before being paid directly to the student.
- The Financial Aid Office must track the notification and authorization to make the disbursement and meet deadlines as prescribed by U.S. Department of Education.
- **Post-withdrawal disbursement of loan funds must occur within 180 days of the date the institution determined the student withdrew.**
- **Post-withdrawal disbursement of grant funds must occur within 45 days of the date the institution determined the student withdrew.**

*Total Disbursed Aid - Earned Aid = Unearned Aid to be Returned*

### **Step 5: Amount of Unearned Title IV Aid to be Returned by the School**

Add the institutional charges for the payment period (before the CA Promise Grant credit). Multiply the percentage of unearned aid by the institutional charges.

Calculate the lesser amount of the Title IV aid to be returned with the amount of unearned charges. This equals the amount of Title IV funds to be returned by the school. **According to this policy, all repayments made by Santa Rosa Junior College will be charged to your student account for collection from you.**

### **Step 6: Order of Returned Funds by the School**

The order of return of funds is proscribed by the Department of Education regulations as follows:

1. Unsubsidized Federal Direct Loan
2. Subsidized Federal Direct Loan
3. Parent Federal Direct PLUS Loan
4. Federal Pell Grant
5. Federal Supplemental Educational Opportunity Grant (FSEOG)
6. Iraq and Afghanistan Service Grant for which a return is required

The calculation does not include the Federal College Work-Study program.

The student's grace period for loan repayments for Federal Unsubsidized and Subsidized Direct Loans begins on the day of withdrawal from the College. The student should contact the loan servicer if he/she has questions regarding the grace period or repayment status. If the student is not returning to Santa Rosa Junior College, exit counseling should be completed online at [http://.nslds.ed.gov/nslds SA/](http://.nslds.ed.gov/nslds_SA/).

### **Step 7, 8, 9, & 10: Unearned Title IV Funds Due Directly from the Student**

Subtract the amount of Title IV aid being returned by the school from the total amount of Title IV aid to be returned. If the amount is greater than zero, subtract the total loan funds the school must return from the total amount of net loans disbursed to the student. If the amount is less than or equal to the total, the school will notify the holder of the Loan and Federal Direct loan funds are paid back to the lender by the student in accordance with the terms of the borrower's promissory note.

If the amount is greater than the total, subtract the unearned Title IV aid due from the student with the amount of loans to be repaid by the student.

- Multiply the amount of Title IV grant aid that was or could have been disbursed by 50%, this is the amount of grant protection available.
- Subtract the initial amount of Title IV grant funding for the student to return with the grant protection. If this amount is less than or equal to zero, no further action is necessary.

- If the amount is greater than zero, the student must return the funds as proscribed by the Federal guidelines.

### Example of Return of Funds Calculation

Step 1	Student receives \$1013.00 Pell Grant award, \$180.00 in SEOG. Student could have received another \$1012.00 in Pell and \$180.00 in SEOG had he/she remained in classes. \$2385.00 is the total amount
Determine the total amount of federal funds for the semester	

	of aid that the student received/could have been eligible to receive for the semester. Student received a total \$1193.00.
Step 2	There are 115 calendar days in the semester and the student withdrew from <b>all classes</b> on the 26th calendar day of the semester.
Determine the percentage of funds earned by the student	26 days/115 days in the semester = <b>22.6% of funds earned</b>
Step 3	\$2385.00 of aid received/could have been received (Step1) by the student divided by the percentage earned (Step 2) is: $\$2385.00 \times 22.6\% = \mathbf{\$539.01}$
Amount of the semester funds earned by the student	
Step 4	Subtract the total amount of aid earned (Step 3) from the total aid student received (Step 1). This is the amount of aid that must be returned.
Amount of federal funds to be returned	$\$1193.00 - \$539.01 = \mathbf{\$653.99}$
Step 5	The student was charged \$387.00 (before BOGFW ) for the semester. 100% of the charges – 22.6% = 74.4% unearned by the school Or $\$387.00 \text{ in charges} \times 74.4\% = \mathbf{\$299.54 \text{ unearned by the school}}$
Determine the amount of unearned funds to be returned by the school. <b>The student must repay funds to Santa Rosa Junior College.</b>	
Step 6	Total to be returned = \$299.54
Order of Programs for Return of funds by the school	Loans = \$0.00 (no loans) Pell Grant = \$299.54 SEOG - \$0.00
Step 7	Subtract the amount due from the school (Step 5) from the total amount to be returned (Step 4).
Initial Amount of unearned funds due from the student	$\$653.99 - 299.54 = \mathbf{\$354.45}$
Step 8	Subtract the total amount of loan funds returned by the school from the total amount of loan funds received by the student. $\$0.00 - \$0.0 = \mathbf{\$0.00}$
Repayment of unearned loan funds due to the federal program from the school. <b>Student must repay Santa Rosa Junior College.</b>	

	Subtract the amount of loan funds to be repaid by the student (Step 8) from the initial amount of unearned funds (Step 7) due from the student. $\$354.45 - \$0.00 = \$354.45$ (Step 9a)
Step 9 (a, b, c)	Multiply the total aid that the student received and could have received for the semester by 50%.
Amount of grant funds to be returned to the federal program by the student after calculating the grant protection	$\$2385.00 \times 50\% = \$1192.50$ (Step 9b-student's grant protection)
	Subtract the balance of unearned funds (step 9a) from the amount of grant protection (Step 9b).
	$\$354.45 - \$1192.50 = \$0.00$ (Step 9c to be returned by the student to the federal program)
Step 10	Total amount to be returned by the student to the federal program = $\$0.00$ <b>Total amount student repays to Santa Rosa Junior College Step 5) = \$299.54.</b>
Order of grant programs for the return of funds by the student	

**Note:** Loan amounts to be returned by student (or parent in the case of a PLUS loan) are returned in accordance with the terms of the promissory note. The loan amount will be returned in accordance with the terms of the promissory note.

### **How can a student attending fast track courses determine if they are a withdrawal for Title IV purposes?**

1. After beginning attendance in the payment period, did the student cease to attend or fail to begin attendance in a course he or she was scheduled to attend? If the answer is "No", this is not a withdrawal. If the answer is "Yes", go to number 2.
2. When the student ceased to attend or failed to begin attendance in a course he or she was scheduled to attend, was the student still attending any other courses? If the answer is "Yes", this is not a withdrawal; however, other regulatory provisions concerning recalculation may apply. If the answer is "No", go to number 3.
3. Did the student confirm attendance in a course in a term beginning later in the payment period? If the answer is "Yes", this is not a withdrawal, unless the student does not return. If the answer is "No", this is a withdrawal.

Example: A student who is a recipient of Title IV aid, who is scheduled to complete two regular semester courses and three late starting, fast track courses (which start at different dates) within the same semester.



**Scenario 1:** The student begins attendance in both regular term courses in the semester, but ceases to attend both courses after just a few days and does not confirm that he/she will return to any courses within the semester. The student is a withdrawal because they ceased to attend courses they were scheduled to attend (“Yes” to question 1); was not still attending any other courses (“No” to question 2); and did not confirm attendance in a course starting later in the semester (“No” to question 3).

**Scenario 2:** The student begins attendance in both regular term courses, but withdraws from just one of the courses after a few days. The student is not a withdrawal. Although the student ceased to attend a course they were scheduled to attend (“Yes” to question 1), the student was still attending another course (“Yes” to question 2).

**Scenario 3:** If the student drops both regular term courses in the semester, and has been reported as a “No Show” in the first late-starting course, which started the day before the student dropped the regular term courses, the student is a withdrawal because they ceased to attend courses they were scheduled to attend (“Yes” to question 1); was not still attending any other courses (“No” to question 2); and did not confirm attendance in a course starting later in the semester (“No” to question 3). However, because the student did not begin attendance in all courses, other regulatory provisions concerning recalculation may apply.

### **Intent to Attend: Confirmation of Attendance in a late-starting, fast track course during the Payment Period**

As mentioned in the above scenarios, when it is determined that a student has withdrawn, students must confirm attendance in a future course within the same payment period, even if the student is already registered for future courses. If the student is registered for course offerings within the same payment period that have not yet started, Santa Rosa Junior College will send an e-mail and link to a Intent to Attend form. Submission of this form to the Financial Aid Office, in a timely fashion, allows us to suspend the Return of Title IV Funds Calculation. As long as the student successfully completes the future course(s) within the current payment period, no other action is necessary. Note: **This form must be returned within 7 days in order to avoid automatic processing of the student’s financial aid for Return of Title IV funds.**

**Notification of Overaward/Overpayments; after calculations notices will be mailed to students.**

## **OVERAWARDS – PROBLEMS RESULTING IN OVERPAYMENTS**

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**Updated Verification Information** – If the student was found to be ineligible for grant monies due to new verification information, he/she would have a grant overpayment for any monies received until the discrepancy is resolved, if possible.

**Discrepancies in File Paperwork** – If the student was paid grant monies and was then found to be ineligible based upon original/updated file documents, (e.g. had a B.A. Degree), then this student would have a grant overpayment and would be subject to collection procedures.

**The Student Fails to Update Financial Information** – If the student fails to update relevant financial information in his/her file, he/she could have a grant overpayment, which would either be repaid through adjustments made in the same award year, or through collection activity.

**Fraud or Forgery** – In some cases, the student might forge instructors' signatures in order to obtain a grant or loan funds disbursement. The student will owe a repayment on all funds obtained illegally and may be subject to prosecution.