

Withdrawal and Return of Title IV Funds (R2T4) Policy

Purpose

Federal regulations require Title IV financial aid funds to be awarded under the assumption that a student will attend the institution for the entire period in which federal assistance was awarded. However, in the event a student withdraws from all courses for any reason, including medical withdrawals or stops attending class, the University is required to determine if the student has fully earned the awarded Title IV aid. The return of funds is based upon the premise that students earn their financial aid in proportion to the amount of time in which they are enrolled. A pro-rated schedule is used to determine the amount of federal student aid funds he/she will have “earned” at the time of the withdrawal and return the “unearned” disbursed funds to the appropriate federal program.

Policy

When a recipient of Title IV aid officially or unofficially withdraws (drops out, stops attending, is expelled, or takes an unapproved leave of absence) on or before completing 60% of the full semester or summer term, the University must calculate a Return of Title IV (R2T4) and determine the amount of funds to return to the appropriate federal programs.

When a student unofficially withdraws, the student’s last date of attendance or the 50% midpoint of the term, whichever is later, is used in the R2T4 calculation. Federal financial aid regulations consider a student to be an unofficial withdrawal if the student receives all failing or incomplete grades, or a combination of withdrawal, failing, or incomplete grades (unearned F, I) for the term.

Students who receive federal financial aid must “earn” the aid they receive by staying enrolled in classes. Students who withdraw or do not complete all registered classes during the semester may be required to return some of the financial aid they were awarded.

R2T4 Calculation

Upon determination that a student has withdrawn, whether officially or unofficially, the Office Financial Aid will process the R2T4 calculation. The following steps are used to calculate the amount of aid a student has earned and how much must be returned (if any) to the federal programs:

1. **Determination of the withdrawal date:** For official withdrawals, this is the date the course was withdrawn by the student at MyGSU portal. For unofficial withdrawals, this is the mid-point of the term or the last documented date of attendance in an academically-related activity (e.g. documented attendance in a class or lab or submission of an assignment), whichever is later.
2. **Determination of the amount of aid the student earned and unearned aid:** The percentage of aid the student has earned is equal to the percentage of the semester the student has completed.
 - a. For example, if a student completes 30 percent of the payment period, they earn 30 percent of the aid they were originally scheduled to receive. This means that 70 percent of the scheduled awards remain “unearned” and must be returned to the federal government. Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any federal funds.
3. **Determination of the amount of aid the University must return:** The University will remit the percentage of the unearned Title IV funds that were disbursed or that could have been disbursed to the federal programs. The funds will be returned no more than 45 days from the date of the official withdrawal or the last date of attendance. The University will return the lesser of the total or unearned aid or an amount equal to institutional charges multiplied by the percentage of unearned aid.
4. **Determination of the amount of aid the student must return:** The student will be responsible for repaying any remaining unearned portion that was disbursed to them.

Financial Aid Overpayments and Loss of Eligibility for Title IV Aid

Within 30 days of the determination that the student owes Title IV funds, the student will be sent notification. If no payment is received, the University will place registration and transcripts holds on the student’s account. The student will lose eligibility for Title IV aid unless the overpayment is paid in full or satisfactory repayment arrangement are made.

It is also important to remember this will affect the completion ratio and [Satisfactory Academic Progress \(SAP\)](#).