

Return of Title IV Funds (R2T4) Policy

Process Overview and Applicability

The Financial Aid Office, in accordance with Federal regulations, will perform a Return of Title IV Funds (R2T4) on any Title IV recipient who withdraws from the College during a payment period in which the student began attendance. The R2T4 calculation process is completed using the Department of Education's R2T4 Calculator located on the COD website.

A letter will be sent to the student notifying them of their R2T4 calculation results and what their required responsibilities will need to be done, i.e. Exit Counseling.

The following is made available by the College to prospective and enrolled students, through publications, mailings, or electronic media:

- Refund Policy of the College
- Attendance Policy; and
- Requirements for Return of Title IV funds

Determining R2T4

The amount of earned financial aid is calculated on a daily basis from the first day of classes. The process uses calendar rather than business days. The percentage of the term completed = the number of days completed divided by the total days in the term. (Any break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.

Students enrolled in standard term courses—Returns apply to students that withdraw on or before the 60% point of the term. For a student who withdraws after the 60% point-in-time, there is no unearned financial aid.

Definitions

Standard Term—Defined as fall or spring semesters equaling 14 to 21 weeks of instruction.

Module— A program that uses a standard term academic calendar, is not a subscription-based program and a course or courses in the program do not span the entire length of the payment period or period of enrollment. (i.e. 1st 8 week courses, 2nd 8 week courses during a fall or spring semester)

Successful completion—earning a passing grade; See SAP policy for definition of passing grade

Exceptions

Students enrolled in modules are not considered withdrawn if the following requirements are met:

- Successfully completes a module (or a combination of modules) that includes 49% or more of the number of days in the payment period. (49% cannot be rounded up).
OR
- Successfully completes coursework equal to or greater than the coursework required for the institution's definition of a half-time student for the payment period (6 credit hours during a standard term)
OR
- All requirements for graduation from the students' program before completing the days or hours in the period that the student was scheduled to complete.

Students are also not considered to have withdrawn if the institution obtains written confirmation from the student at the time of the withdrawal that the student will attend a later module in the same payment period of enrollment and that module begins no later than 45 calendar days after the end of the module the student ceased attending. A student may change the date of return that begins later in the payment period provided that the student does so in writing prior to the return date previously confirmed.

Leave of Absence

The College does not utilize "leave of absence" for financial aid purposes. The student who takes an academic leave of absence is considered withdrawn for financial aid purposes and a Return of Title IV funds calculation is performed on the student's account.

The College's Leave of Absence Policy, including information about Financial Aid consequences can be found in the Student Handbook and the College Catalog.

Prior to being granted a LOA, the student is encouraged to meet with the Financial Aid staff to discuss effects that the student's failure to return from an LOA may have on the student's loan repayment terms, including expiration of the student's grace period.

Calculation

The calculation of earned Title IV funds includes the following Title IV grant and loan funds if they were disbursed or could have been disbursed to a student for the period of time for which the calculation is being performed (payment period or period of enrollment).

- Pell Grant
- Iraq and Afghanistan Service Grant
- Federal Supplemental Opportunity Grant (FSEOG)
- Direct Loans (Subsidized, Unsubsidized, and Plus)

The College will calculate institutional costs when conducting R2T4 calculations. The College includes book charges posted to student accounts as institutional costs, as well as other costs as appropriate. The calculation for R2T4 purposes are based on initial charges at the beginning of the semester. The withdrawal date used by the College is the last date of academic attendance for both official and unofficial withdrawals.

In the case of a student who unofficially withdraws, determination is made within 14 days of last attendance date. Returns to financial aid programs will be made within 45 days of the date the student officially or unofficially withdraws, is expelled, or takes a leave of absence.

The order of return of funds by the College is as follows:

- Unsubsidized Direct Loan
- Subsidized Direct Loan
- Direct PLUS Loans
- Federal Pell Grants
- Iraq and Afghanistan Service Grant
- Federal Supplemental Opportunity Grant (FSEOG)

The R2T4 calculation process is completed using the Department of Education's R2T4 Calculator located on the COD website. Typical rounding procedures will be performed. The student is obligated to return any Title IV overpayment by making repayment arrangements satisfactory to the school.

Notification mailed to students' permanent address will include the following:

- Documentation of R2T4 calculation
- Amount of Title IV funds required to be returned by the student (if there are any)
- Requirement of Exit Loan Counseling and web address where it can be accessed
- Reminder that the loan servicer will be in touch with the student and/or parent (Parent Plus Loan)
- Reminder to contact Business Office to discuss remaining balance on student's account (if applicable)

Copies of all documentation will be stored in the students' file.

Treatment of Title IV Credit Balances when a Student Withdraws

When a student withdraws during an enrollment period, a Title IV credit balance created during the period is handled as follows.

1. No portion of a Title IV credit balance is released to the student nor is any portion returned prior to performing the R2T4 calculation. The College will hold these funds even if, consistent with the 14-day credit balance payment requirements, it would otherwise be required to release them.
2. Title IV credit balance allocation is as follows:
 - a. Any Title IV credit balance is allocated first to repay any grant or loan overpayment owed by the student as a result of the current withdrawal.
 - b. In accordance with the cash management regulations to pay authorized charges at the institution;
 - c. With the student's authorization, to reduce the student's Title IV loan debt (not limited to loan debt for the period of withdrawal); or
 - d. As a post-withdrawal disbursement to the student (or parent for a Direct PLUS Loan).

If the College cannot locate the student (or parent) to whom a Title IV credit balance must be paid, the College will make determinations that are in the best interest of the individual student. The College will apply refund policy before allocating a Title IV credit balance.

Crediting Post-Withdrawal Disbursements

A school must disburse any Title IV grant funds a student is due as part of a post-withdrawal disbursement within 45 days of the date the school determined the student withdrew. Loan funds must be accepted within 180 days of the date the school determined the student withdrew. Post-withdrawal

disbursements are first credited to the student's account for allowed charges but will pay or offer any remaining amount to the student or parent within 14 days. SEHCON's Financial Aid Office notifies the student or PLUS borrower within 30 days of withdrawal by mail of their right to a post-withdrawal disbursement to the student account, the disbursement date and amount, and the loan cancellation right. The student will have no more than 30 days to accept a post-withdrawal disbursement.

Updated 7/14/2021