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## Withdrawal and Return of Title IV Funds (R2T4) Policy and Procedures

### PURPOSE OF POLICY:

HEA Section 4848 34 CRF 668.22 establishes the basis for the steps related to provisions governing federal assistance if a federal financial aid recipient completely withdraws from school in any term. The rules and regulations provide that a federal financial aid recipient begins to earn Title IV funds on the first day of attendance. Therefore, even though a student may withdraw before the school's first census date, the school is required to perform a Return calculation using the number of days the student attended the institution not counting institutional scheduled break days greater than five days. This process is defined as an R2T4 calculation.

As related to the R2T4 calculation requirements, a recipient is a student who has actually received federal financial aid funds or has met the conditions that entitles the student to a late disbursement of federal financial aid funds. Lincoln University is required to review the amount of federal loan and grant aid a student received for the payment period in order to determine what percentage of federal financial aid the student earned prior to withdrawal. According to the Federal Return of Title IV funds formula:  $\text{Percentage of payment period or term completed} = \frac{\text{the number of days completed up to the withdrawal date}}{\text{the total days in the payment period or term}}$ . (Any break of five days or more is not counted as part of the days in the term). This percentage is also considered the percentage of earned aid.

The percentage of federal financial aid determined to be unearned for the payment period will be returned to the appropriate federal financial aid program(s).  $\text{Aid to be returned} = (100\% \text{ of the aid that could be disbursed} \text{ minus the percentage of earned aid}) \text{ multiplied by the total amount of aid that could have been disbursed during the payment period or term}$ . If the amount disbursed to the student is greater than the amount the student earned the unearned funds must 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, the student is eligible to receive a post-withdrawal disbursement (PWD) of the earned aid that was not received. The PWD must be paid to the student within 120 days of the student's withdrawal. Within 45 days Lincoln University must return the amount of the Title IV for which it is responsible. If a student earns less aid than was disbursed, Lincoln University would be required to return a portion of the funds and the student would be required to return a portion of the funds. In this case, the student borrower may owe a debit balance to the school. If the student withdraws after the 60% point in payment or period of enrollment, the student has earned 100% of the Title IV funds scheduled to receive during the period.

According to Title IV General Requirements a student is considered to have withdrawn from a payment period or period of enrollment if:

- In the case of a program that is measured in credit hours, the student does not complete all the days in the payment period or period of enrollment that the student scheduled to complete;
- In the case of a program that is measured in clock hours and weeks of instructional time in payment period or period enrollment that the student was scheduled to complete; or
- For a student in a non-term or nonstandard-term program, the student is not scheduled to begin another course within a payment period or period of enrollment for more than 45 calendar days after the end of the modules the student ceased attending, unless the student is on approved leave of absence, as defined later in this chapter.

### PROCESS OVERVIEW AND APPLICABILITY:

The Return of Title IV Funds (R2T4) applies to all federal grant and programs including the:

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant
- Federal Perkins Loan
- Federal Direct Subsidized and Unsubsidized Loans
- Federal Plus Loans



- Federal TEACH Grant programs
- Academic Competitiveness Grant
- National SMART Grant
- Iraq and Afghanistan Services Grant

#### **FORMULA CALCULATION:**

Lincoln University considers the official withdrawal date the date the student signs the Official University Withdrawal Form. The Financial Aid Office will use this date for all federal financial aid students that officially withdraw from school in determining the percentage of the pay period or period of enrollment the student completed. For Unofficial Withdrawal (UW) students who do not provide official notification in writing to Lincoln University of their intent to withdraw are considered unofficial withdrawals after 14 days of consecutive nonattendance in academically -related activity. The R2T4 calculation will be completed within 30 days of the withdrawal date, or 30 days from the notification of the unofficial withdrawal. Lincoln University calculates the annual award in credit-hours using the Federal Pell Grant full-time payment schedule. The maximum duration of Pell eligibility is limited to six (6) full-time scheduled awards. This is measured by the percentage of Lifetime Eligibility Used (LEU). If a student reaches 600% LEU or greater that student is considered ineligible to receive further Pell Grant funds. If a student has less than 100% remaining of the maximum 600% Pell LEU Lincoln University will disburse 50% of the Pell Award in the first Pell payment period and the remaining percentage of the Pell will be disbursed in the second Pell payment period. In calculating the payment amount the payment period will possible be subject to proration based on the Credit hours in the payment period over the credit hours in an academic year. The Office of Financial Aid will use the Return of Title IV Worksheet and Software on FAA Access to CPS website, [www.ifap.ed.gov/ifap/wst.jsp](http://www.ifap.ed.gov/ifap/wst.jsp), to determine the required payment from the institution and or the student. Any unearned funds will be returned to the U.S. Department of Education within 45 days of notification of official or unofficial withdrawals.

#### **RETURNING UNEARNED FUNDS:**

In coordination with the Registrar's Office the instructors will confirm the accuracy of their various class attendance rosters. Instructors will inform the Admissions/Records Office if there are students listed on the roster that have not attended class. This will be done by placing a symbol of "A" for absent on either the electronic class roster or hard copy for any three days of absence. The Registrar's Office will run a report that will show any and all students that fit into this category. The Registrar will then cancel the student's registration from the class and inform the Admissions Office of this action. The Registrar's office will provide a symbol; code of NA (Never Attended) status. The Registrar's Office will inform and provide the No Show student data to The Financial Aid Office. The Financial Aid Office will then run an Excel sheet report to be used to reverse any funds that the student received for NA statuses. The Financial Aid Office will share this student's roster Excel report with The Accounting/Fiscal Office for adjustments to the student credit balance report and return of funds to G5.

#### **OFFICIAL WITHDRAWALS:**

Lincoln University's Registrar's office will inform the student by email and in-person and it's the student responsibility to pick up the Official University Withdrawal Form from the Admissions/Records Office. The student will then obtain the signature of required instructors and advisors. The Financial Aid Office will conduct an Exit Counseling session and instruct the student to complete the interactive electronic Exit Counseling online at [www.studentloans.gov](http://www.studentloans.gov). Once this action has been completed The Financial Aid Office will sign off on the official withdrawal form. In the process if the student borrower withdraws without notifying the school, Lincoln University will confirm that the student has completed the online counseling and if the student has not, then Exit Counseling material will be mailed to the student borrower's last known address within 30 days of learning that the borrower has withdrawn or failed to participate in the exit counseling session. Documentation will be maintained in the student's file to substantiate the school's compliance. After the appropriate signatures are obtained the R2T4 calculation is performed in CPS on FAA Access and The Financial Aid Office records the award adjustment based on the R2T4 worksheet. The Financial Aid Office will run the the Excel transmittal process in conjunction with The



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Accounting/Fiscal Office. The Accounting/Fiscal Office will return the required funds to G5. A copy of the R2T4 worksheet will be placed in the student's file.

**UNOFFICIAL WITHDRAWALS:**

The Registrar's Office will run a report at the end of each semester of all federal financial aid recipients to determine the Unofficial Withdrawals. A student is considered unofficially withdrawn if he/she is absent no greater than 15 days after the official last date of attendance; or when a student fails to return from an approved leave of absence. Lincoln University will return all amounts of federal financial aid funds for which the school is responsible no later than 45 days after the date the designated school official in the Registrar's office determines the student has withdrawn. The Accounting/Fiscal Office will be responsible for returning the unearned funds to U.S. Department of Education G5.

**LEAVE OF ABSENCE:**

Lincoln University's policy on Leave of Absence (LOA) pertains to the temporary interruption in a student's program of study, when the student finds that he/she cannot be in attendance at the university. The LOA Policy is applicable to all students enrolled in the certificate, DI, and degree programs. A student must be actively enrolled in a program to be eligible to apply for an LOA. As long as the student is in an approved LOA, the student is not considered withdrawn and no calculation and Return to Title IV (R2T4) is required for federal financial aid recipients. The LOA may not exceed 180 calendar days in a 12-month period. Students must obtain the LOA Form from the Admissions/Records office and provide it to the Registrar's Office as a written signed and dated request with the reason for the LOA request. If a student requests the LOA after 14 consecutive days of nonattendance and is also in an unofficial withdrawal (UW) status and the request is not the result of unforeseen reasons the LOA will not be approved. Disbursement of Pell Grants funds can be provided to students on LOA if those funds are part of the credit balance created before a student commenced the LOA. Circumstances that may require a LOA include medical and family emergencies, military, jury duty, business travel, course cancellation, natural disasters and facility closures.