

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-4810**

SUBJECT: Return of Title IV Funds (R2T4)

REFERENCE: The Higher Education Act of 1965, as amended by the Higher Education Opportunity Act of 2008, 20 U.S.C. § 1001, et seq., specifically Section 484B thereof, 20 U.S.C. § 1091b; Title IV of the Higher Education Act of 1965, 20 U.S.C. §§ 1070, et seq.; 34 CFR § 668.22; West Virginia Code §§ 18C-5-5, 18C-5-7, 18C-7-6; and *SCP-4356, Change in Enrollment Status*

ORIGINATION:

EFFECTIVE: February 21, 2023

REVIEWED: New

SECTION 1. PURPOSE

- 1.1 The purpose of this policy is to establish the process for the return of Federal Title IV funds for students who receive financial assistance at Southern West Virginia Community and Technical College.

SECTION 2. SCOPE AND APPLICABILITY

- 2.1 This policy applies to all eligible students who receive assistance through federal, state, or institutional Financial Aid programs.

SECTION 3. DEFINITIONS

- 3.1 “Enrollment” means the act of registering and paying for specific classes in a student’s chosen program of study. The enrollment process is completed after a student has paid tuition in full, completed all financial aid requirements to secure a tuition payment, or completed the proper documentation to enroll in the installment tuition payment plan.
- 3.2 “Dropping a class” means unenrolling from the class by a certain deadline. When a student drops a class from their schedule, the course is completely erased from the student’s class schedule. Dropped courses do not appear on the student’s official academic record, and the student does not incur tuition and fee charges.
- 3.3 “Official Withdrawal” means a student drops a class after the allowed add/drop period ends. If a student finds it necessary to withdraw from class or from the College, he/she must complete the withdrawal process. The specific last day to withdraw in an academic term is published in the academic calendar included in the catalog. Students withdrawing during this time period will receive a grade of “W.” To officially withdraw, the student must contact a Student Success representative or a faculty advisor and complete the requisite process.
- 3.4 “Unofficial Withdrawal” means a student drops a class by ceasing to attend, failing to officially withdraw, and not successfully completing at least one course with an A, B, C, or D. In such instance, the student will be considered unofficially withdrawn and the College may recalculate Title IV aid based on the student’s last day of attendance. If the College cannot determine the student’s last date of attendance, the R2T4 calculation will

be taken back to the 50% point in the term. The final burden of proof regarding last date of attendance lies with the student.

- 3.5 “Administrative Drop” means a decision by the College to drop a student from an academic credit-based course or courses for nonpayment of tuition or fees or for lack of attendance.
- 3.6 “Administrative Withdrawal” means a decision by the College allowing a student who is facing certain types of documented hardships or crises to withdraw from an academic credit-based course or courses after the deadline passes for an official withdrawal.
- 3.7 “Grade of F*” means a failing grade due to non-attendance.

SECTION 4. POLICY

- 4.1 Title IV funds are awarded to a student under the assumption that the student will attend the institution for the entire period for which the Title IV funds are awarded. Students who receive federal funds as part of their aid package but withdraw from all courses, for any reason, during a semester may no longer be eligible for the full amount of Title IV funds and may be required to return all or a portion of those funds.
- 4.2 The College uses a pro-rated formula to determine the amount of federal student aid funds a student earned at the time of the withdrawal. Thus, a student who withdraws in the second week of classes has earned less financial aid than a student who withdraws in the seventh week.
- 4.3 Once the student completes 60% of the semester, he/she is considered to have earned all of his/her financial aid and will not be required to return any funds.
- 4.4 Return of Title IV funds is required:
 - 4.4.1 Although a student’s aid is posted to his/her account at the start of the term, the student earns funds as he/she completes the semester. If for any reason a student withdraws, as defined above, during the semester, the amount of Title IV program assistance earned up to that point is determined by a specific formula. If a student received less assistance than the amount earned, the student may be eligible to receive those additional funds. If a student received more assistance than earned, the excess funds must be returned by the school and/or the student.
 - 4.4.2 The amount of assistance that a student has earned is determined on a pro rata basis. For example, if a student completed 30% of the semester before withdrawal, the student earns 30% of the assistance he/she was originally scheduled to receive. Once a student has completed 60% or more of the semester, he/she has earned all the assistance that he/she was scheduled to receive for the semester. If a student received excess Title IV program funds that must be returned, the institution will return a portion of the excess equal to the lesser of:
 - 4.4.2.1 The student’s institutional charges multiplied by the unearned percentage of the student’s funds, or
 - 4.4.2.2 The entire amount of excess funds.
- 4.5 Any amount of unearned grant funds the student must return is called an overpayment. The institution will notify the student by email and/or postal mail of the amount of Title IV aid overpayment. It is the student’s responsibility to make payment arrangements with the institution or the U.S Department of Education.

- 4.5.1 A student is not eligible to receive any Title IV funds if:
 - 4.5.1.1 The student drops classes prior to the first day of the class, or
 - 4.5.1.2 College has no record of the student attending or participating in class during the semester, or
 - 4.5.1.3 College approves the student receiving a 100% reversal of his/her tuition and fee charges after the beginning of a semester.

4.6 Timeline for a Return of Title IV Funds

- 4.6.1 Financial Aid Office will determine the amount of aid that was earned/unearned within 30 days from the date of withdrawal. The College will return the amount of unearned aid to the U.S. Department of Education within 45 days from the date of the student's withdrawal.
- 4.6.2 This policy highlights the process by which Title IV funds are returned to the Department of Education. The requirement for the return of Title IV program funds when the student withdraws are separate from any tuition refund policy offered by Southern. Institutional charges are determined by the tuition refund policy, which includes how much the student will owe the institution. This amount is posted as a charge to the student's Southern account.

4.7 How Return of Title IV Funds is calculated

- 4.7.1 Federal regulations specify the process by which the institution will determine the amount of Title IV funds that a student earns if he/she withdraws from school.
- 4.7.2 The percentage of Title IV Aid is calculated based upon the number of days a student attended class, compared to the number of calendar days in the semester. The College uses a pro-rated formula to determine the amount of federal student aid funds a student will have earned at the time of the withdrawal.
- 4.7.3 The College calculates institutional charges and determines the amount that must be returned to each Title IV program. The College then returns such funds to the Title IV programs according to regulatory requirements.
- 4.7.4 The institution must return Title IV funds back to the federal aid programs in the following order:
 - 4.7.4.1 Unsubsidized Federal Direct Loans
 - 4.7.4.2 Subsidized Direct Loans
 - 4.7.4.3 Direct PLUS Loans
 - 4.7.4.4 Federal Pell Grant
 - 4.7.4.5 Iraq and Afghanistan Service Grant
 - 4.7.4.6 Federal Supplemental Education Opportunity Grant (FSEOG)

- 4.7.5 Federal Work-Study earnings are not affected by the Title IV regulations concerning the return of unearned federal student aid; however, the student cannot continue employment after the last day of attendance at the College.
- 4.7.6 Any federal student loan funds disbursed must be repaid in accordance with the terms of the loan's master promissory note (MPN). The student must make scheduled payments to the loan servicer over a period of time.

4.8 Post-Withdrawal Disbursement

- 4.8.1 If the student does not receive all the funds earned, they may be due a post-withdrawal disbursement. A student who earned more aid than was disbursed prior to withdrawal is owed a post-withdrawal disbursement which must be paid within 120 days of the student's withdrawal. The institution will credit post-withdrawal disbursements towards unpaid institutional charges (i.e., tuition, fees, books, and supplies). Any portion of a post-withdrawal disbursement not credited to the student's account (also known as a credit balance) will be offered to the student as a disbursement. If the student is due a credit balance, the credit balance must be disbursed as soon as possible and no later than 14 days after the calculation of R2T4.
- 4.8.2 If a post-withdrawal disbursement includes federal student loan funds, the student must give permission before it can be disbursed. Because loans must be paid back, the student may choose to decline some or all the loan funds.

4.9 Withdrawing or Ceasing to Attend Class

- 4.9.1 If the student "officially" or "unofficially" withdraws from all classes before completing 60% of the term and the student has received federal student aid, College is required to perform a Return of Title IV Funds Calculation (R2T4).
- 4.9.2 Should a student be assigned a grade of F or F* for all the courses in the term for which Title IV aid was calculated and disbursed, faculty will be required to verify the student's last day of attendance. Should faculty fail to verify the last date of attendance, the R2T4 calculation will be taken back to the 50% point in the term and the Title IV aid will be prorated or cancelled.
- 4.9.3 This calculation may result in a portion of Title IV funds being returned to the U.S. Department of Education. The student may then owe a balance to the institution/and or the U.S. Department of Education. For more information concerning repayment, please contact Southern's business office.

4.10 A Return of Title IV funds is not required:

- 4.10.1 If a student withdraws from one or more courses during a semester but remains enrolled, a Return of Title IV Funds is not required. However, withdrawing from one or more courses can affect the student's satisfactory academic progress and financial aid eligibility for future semesters.

4.11 Balances Due

- 4.11.1 When Title IV funds are returned, the student may owe a balance to the institution. The College will return funds owed to the U.S. Department of Education, which will turn the account over to collections at the 45-day point if not paid in full. Funds owed the institution will be sent through the business

office. Southern requires students to make financial arrangements for any outstanding balance prior to registering for the next term or obtaining any services (such as official transcripts, etc.). Federal law and regulations require that students must satisfy the amount owed the federal programs before they may re-enroll in any college.

SECTION 5. BACKGROUND OR EXCLUSIONS

- 5.1 The law specifies how the institution must determine the amount of Title IV program assistance that the student earns if he/she withdraws from school. The Title IV programs that are covered by this law, offered at Southern are: Federal Pell Grants, Iraq and Afghanistan Service Grants, Federal Direct Subsidized Loans, Federal Direct Unsubsidized Loans, Federal Direct PLUS loans, and Federal Supplemental Educational Opportunity Grants (FSEOGs).
- 5.2 In addition, the Higher Education Policy Commission and the Council for Community and Technical College Education require use of the same policy for the Higher Education Grant Program (HEGP), the PROMISE Scholarship, Higher Education Assistance for Part-time Students (HEAPS), and the WV Invests Grant Program.

SECTION 6. GENERAL PROVISIONS

- 6.1 None.

SECTION 7. RESPONSIBILITIES

- 7.1 None.

SECTION 8. CANCELLATION

- 8.1 None.

SECTION 9. REVIEW STATEMENT

- 9.1 This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President’s designee. Upon such review, the President or President’s designee may recommend to the Board that the policy be amended or repealed.

SECTION 10. SIGNATURES

Board of Governors Chair **Date**

President **Date**

Attachments: None

Distribution: Board of Governors (12 members)
www.southernwv.edu

Revision Notes: New Policy