

Withdrawal and Return of Title IV Funds (R2T4) Policy

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. When a student withdraws from all courses for any reason, including medical withdrawals, they may no longer be eligible for the full amount of Title IV funds that they were originally scheduled to receive. 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. The Office of Financial Aid uses a pro-rated schedule to determine the amount of federal student aid funds that have been 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 eighth week.

The Office of Financial Aid completes the return of Title IV funds (R2T4) calculation within 45 days of notification of withdrawal. The date of withdrawal is determined when the student formally withdraws from all courses. If the student ceases enrollment without notifying the school, the withdrawal date is determined in conjunction with the Registrar and faculty.

Students who receive federal financial aid must “earn” the aid they receive by staying enrolled in classes. The amount of federal financial aid assistance the student earns is on a pro-rated basis. 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.

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 their financial aid and will not be required to return any federal funds.

Based on federal regulation, the Office of Financial Aid also determines the order in which Title IV program funds must be returned. Unsubsidized, Subsidized, Perkins, and PLUS loans are returned first followed by federal grants, such as Pell and FSEOG.

It is possible that a student could totally withdraw from courses and be owed a disbursement. In this case, the Office of Financial Aid would calculate the post-withdrawal disbursement and issue to the student. Cases such as these occur when the aid earned exceeds the institutional charges.

It is also important to remember this will affect the completion ratio and [Satisfactory Academic Progress \(SAP\)](#). It is highly recommended that you reference the SAP policy prior to taking action on withdrawing from courses.