

College of the Canyons
Return to Title IV Funds & Withdrawal Policy

Federal Title IV financial aid funds are awarded under the assumption that a student will remain in classroom attendance for the entire term for which the funds were awarded. These funds include Federal Direct Student Loans, Pell Grants, and Federal Supplemental Educational Opportunity Grants (FSEOG). Institutional scholarship funds and Federal Work Study are not subject to Return to Title IV (R2T4) calculations.

When a student withdraws from all courses, regardless of the reason, he/she may no longer be eligible for the entire amount of Title IV funds originally awarded. The return of funds to the federal government is based on the premise that a student earns financial aid in proportion to the length of time during which he/she remains enrolled. A pro-rated schedule determines the amount of federal student aid funds he/she will have earned at the time of full withdrawal. For example, a student who withdraws in the second week of the semester has earned less of his/her financial aid than a student who withdraws in the fifth week. Once the 60% point of the payment period is reached, a student is considered to have earned all of the financial aid originally awarded and will not be required to return any funds.

Federal regulations require a recalculation of financial aid eligibility if a student:

- Completely withdraws;
- Stops attending before the end of the semester; or
- Fails to complete short term session (or modules) in which the student is enrolled as of the start date of the term.

Types of Withdrawals

The calculation for the R2T4 Financial Aid program funds is based on whether a withdrawal is classified as official or unofficial.

An **official** withdrawal is initiated by the student and is determined by “the student’s withdrawal date, or the date of notification, whichever is later.”

An **unofficial** withdrawal occurs when there is no notification or official withdrawal by the student, so the withdrawal date is based on “the date that the College becomes aware that the student has ceased attendance”. If the student does not officially drop class(es) and fails all courses in a term, it will be considered an unofficial withdrawal, even if the student was enrolled in the course(s) for the entire term.

Short-term courses (or modules) are courses in a program that do not span the entire length of the payment period or period of enrollment. If the student withdraws and does not attend a subsequent short-term class, it is considered a complete withdrawal and an overpayment calculation *must be done*. If at the time of withdrawal the student will attend another short-term course within 45 days of the same term, then it is not considered a withdrawal if the student provides written confirmation to attend the subsequent module. If the student fails to attend the subsequent term, the withdrawal date will be that of the prior term.

Students who fail to begin attendance in any class for which he/she was registered in a term will have awarded aid cancelled. Any funds received are considered “unearned” and will be billed to the student.

Please refer to the Financial Aid Office Satisfactory Academic Progress Policy to determine how a course withdrawal impacts aid eligibility.
NOTE: This policy is subject to revision without notice based on changes to federal laws and regulations or College of the Canyons policies.

Calculation of Earned Federal Financial Aid Funds

Financial aid recipients “earn” the aid originally received by remaining in class(es). The amount of federal assistance earned is based on a pro-rated system. Students who withdraw or do not complete all classes in which they were enrolled may be required to return some of the aid originally awarded.

College of the Canyons is required to determine the percentage of TIV aid “earned” by the student and return the “unearned” portion to the appropriate federal aid programs. College of the Canyons is required to perform this calculation within 30 days of the date the school learns that a student has completely withdrawn. The school must return the funds within 45 days of the calculation. The R2T4 calculation is completed by the Financial Aid Office.

The following explains the formula used to determine the percentage of unearned aid to be returned to the federal government:

- The percent earned is equal to the number of calendar days completed up to the withdrawal date divided by the total number of calendar days in the payment period.
- The payment period for most students is the full, 16-week fall and spring semesters or the full, 10-week summer semester. However, for students enrolled in short-term courses (or modules, the payment period only includes those days for the module in which the student is enrolled).
- The percent unearned is equal to 100 percent minus the percent earned.
- Breaks of 5 days or longer are not included in the count of total days in the payment period.

Institutional scholarship funds and Federal Work Study are not subject to the R2T4 policy.

For **official** withdrawals, the calculation of the percentage of the semester attended is based on the date of the official withdrawal from classes or the student's last date of documented attendance at an academically related activity.

For **unofficial** withdrawals, the calculation of the percentage of the semester attended is based on the student's last date of attendance at an academically-related activity, as reported by the faculty member on the course grade report. If this date is unavailable, College of the Canyons will perform the calculation using the midpoint of the period as the student's withdrawal date.

For Short-term courses (or modules):

- A student who withdraws and is not enrolled in a later module during the payment period will require a R2T4 calculation.
- A student who withdraws and is enrolled in a later module with 45 days or less between the withdrawal date and the start of the later course will *not* require a R2T4 calculation if a written notification of his/her intent to attend is submitted. If the notification is not submitted, a R2T4 calculation will be required.
- A student who withdraws and is enrolled in a later module with 45 days or *more* between the withdrawal date and the start of the later course will require a R2T4 calculation.

In any of these scenarios, if the student returns to attend a later Title IV-eligible module in the same payment period, regardless of written notification or lapse of days between attendances, the R2T4 process will be reversed and he/she will be awarded the funds that he/she is eligible to receive at the time of return.

Post Withdrawal Disbursement

If a student did not receive all of the funds that he/she earned, the student may be due a post withdrawal disbursement. College of the Canyons may automatically use all or a portion of a student's post-withdrawal disbursement (including student loan funds, if accepted) to offset outstanding tuition and fees. Please note that there may be scheduled Title IV Financial Aid that cannot be disbursed once a student withdraws because of other eligibility requirements.

Federal Direct Loans: Students who have withdrawn from classes and have a post withdrawal disbursement eligibility that includes Federal Direct Student Loan funds often do not wish to incur additional student loan debt. Eligible students will be notified via email and will have ten days to submit a Direct Loan Status Change form to the Financial Aid Office if they wish to have their loan reinstated. If the form is **not** received within that time frame, it will be assumed that the student has chosen **not** to receive a post-withdrawal disbursement of their federal direct loan funds.

Returning Funds

After the type and date of withdrawal is determined, the R2T4 calculation will be completed within 30 days. If the student has been overpaid, he/she will be notified via email of the amount and program of funds that are required to be returned. The student will be given a period of time to return the funds in full to the institution and, if payment is not received, will then be referred to the Department of Education for any student portion due. If unpaid after 45 days, a hold will be placed on the student's Department of Education record and he/she will lose federal financial aid eligibility until the funds have been repaid. Students who owe College of the Canyons as a result of an R2T4 calculation will have a hold placed on their record, prohibiting registering for subsequent semesters or receiving academic transcripts until the balance is paid.

Federal Direct Loans - Any student loan funds to be returned must be repaid in accordance with the terms of the promissory note, making scheduled payments to the lender or holder of the loan over a period of time.

Order of return of funds

Federal funds are returned by College of the Canyons as follows:

1. Federal Direct Loan Program, Unsubsidized
2. Federal Direct Loan Program, Subsidized
3. Federal Pell Grants
4. Federal Supplemental Educational Opportunity Grants (FSEOG)

Institutional scholarship funds and Federal Work Study are not subject to R2T4.

Refund Policy/Institutional Charges

Students should be aware that while College of the Canyons school policy determines the charge students will owe after withdrawing, the refund policy will not affect the amount of Title IV aid the student earns under the federal return calculation. Mandatory fees, which include Tuition Fees, Enrollment Fees, Student Center Fees and Health Fees, are required to be included in any Title IV calculation.

College of the Canyon's refund policy is available online at: <http://www.canyons.edu/Offices/SBO/Pages/refundPolicy.aspx>

R2T4 Processing Procedure

- The Financial Aid Office identifies possible R2T4 candidates by running a utility report via the Colleague Financial Aid Management System (FAMS). Reports are run bi-weekly to ensure the timely calculation and return of R2T4 funds in accordance with Title IV regulations.
- The Financial Aid Office determines the amount of Title IV aid originally awarded and whether it is “disbursed” or “could have been disbursed.”
- The Financial Aid Office determines enrollment status by census date. If a student has not reached census for any courses then the enrollment status is based on the amount of units enrolled in on the last date of attendance.
- An Institutional R2T4/Overpayment worksheet is completed using the above data.
- The Financial Aid Office posts the recalculated amount of aid for which the student is eligible (as per the results of the R2T4/Overpayment worksheet) to his/her student record.
- R2T4/Overpayment worksheets and requisitions are sent to College of the Canyons Fiscal Services Office for processing payment and copies of all worksheets and requisitions are maintained in the Financial Aid Office and electronically scanned and made part of the student’s record.
- The Finance Office returns institutional liability funds to the appropriate federal programs on the student’s behalf and then bills the student.
- If a student owes a federal grant repayment in excess of the amount College of the Canyons has returned to the federal programs, the student is notified via email and given the opportunity to repay the funds directly to the institution. If the student does not repay within the given period of time, the amount is reported by the Financial Aid Office as an overpayment to Debt Resolution.
- The student is responsible for all College of the Canyons charges and federal overpayments resulting from the R2T4 calculation.

Questions about Title IV Financial Aid program funds can be addressed to the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at <http://www.studentaid.ed.gov>