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St. Francis College (SFC) R2T4 Policy

Any student who receives Federal Title IV financial aid and who completely withdraws or is dismissed from all classes during a semester are subject to the Return of Title IV Funds (R2T4) calculation.

The R2T4 calculation does not apply to a student who withdraws from one or more classes but remains enrolled in at least one course during the enrollment period.

The calculation is based on the number of calendar days in the term compared up to the last day of attendance (Percentage of Title IV aid earned). Based on the percentage of the term completed, the student is allowed to retain a similar percentage of the Federal Title IV financial aid. The remainder of the funds is to be returned to the federal programs. The college will determine how much of the federal funds are to be returned by the institution and how much, if any, is to be returned by the student.

After the 60% point of a semester, any student who withdraws has earned all Title IV Aid disbursed for that semester. Funds will be returned in the following order if the student received funds from that Title IV program:

1. Federal Unsubsidized Direct Loan
2. Federal Subsidized Direct Loan
3. Federal Parent PLUS Loan
4. Federal Grad Plus Loan
5. Federal Pell Grant
6. Federal SEOG
7. Federal TEACH Grant

In the rare circumstance that the R2T4 calculation results in the student being placed in a federal grant overpayment status, the student will be ineligible to receive federal funds, at any institution, until the overpayment is repaid. The maximum amount of a grant overpayment that must be repaid is half of the grant funds received or were scheduled to be received. A grant overpayment does not have to be repaid if the original amount of the overpayment is $50 or less. Loan monies owed will become subject to the conditions of the loan promissory note signed by the student.

The requirements for Title IV program funds when a student withdraw are separate from the SFC's Withdraw and Refund Policy. After all Title IV funds are returned to the appropriate programs, a student may still owe SFC for unpaid institutional charges.

Here is an example of how a R2T4 calculation might work: If there are 100 calendar days in the term (excluding any breaks of five or more days) and the student withdraws on the 25th day, 25 percent of the term has elapsed. This means that 75 percent of the federal funds must be returned. If the student received $1,000 in Federal Title IV aid, then $750 must be returned. If the institution retained all of the funds to pay for institutional expenses, then the institution will return all of the funds that must be returned. If some of the funds were disbursed to the student, then the student may have to repay some of the funds.

It is the responsibility of the College to complete the calculation of Title IV funds to be returned within a 45-day period from the date of determination of notification from the original submission of the withdrawal by the X office. The College will notify the student of any funds that have been returned and encourages the student to review their student account to determine if a balance is owed to the institution. The College will also provide an email to the student about funds that have been returned as well as inform the student of the requirement to complete exit loan counseling in cases where the student was a recipient of a Title IV Direct Loan.

Unofficial Withdrawals

Federal regulations state that an institution must be able to determine the last date of attendance for those students who unofficially withdraw from classes. A refund is then calculated using this date and any unearned Title IV funds are returned. The date of withdraw used for these students is either the last date the student attended an academically-related activity such as an exam, tutorial, study group, or submitted a class assignment as verified by their College.

Formula Calculation

The college performs the calculation of all Title IV Returns. The calculation is performed on the following educational expenses that are considered institutional charges:

- Tuition
- Fees

At the time of the student's withdrawal, the college determines the amount of federal funds that were disbursed as well as the amount of funds that could have been disbursed. It is the total of those amounts that provides the amount of financial aid that is used in the Title IV Return of Funds calculation to determine how much of those funds were earned. It is then determined how much of those unearned funds are the responsibility of the student to return as well as how much of those funds are the responsibility of the institution to return.

Returning Unearned Funds

A student is notified by email if Title IV funds are required to be returned. The portion of the "unearned" funds the College is responsible to pay is returned by the College immediately. The student is then notified of the College's responsibility to return funds to the federal aid program. This reduction of financial aid in combination with the Bursar applying their tuition refund can result in a balance being owed by the student or a refund being produced by the Bursar. A student may not enroll in subsequent terms until all debts have been repaid to the institution. An official hold is placed on the student's account in the Colleague student information system.

Post-Withdrawal Disbursements

In limited cases, a student might be owed a post-withdrawal disbursement of a Pell Grant or a federal student loan. A Pell Grant post-withdrawal disbursement will automatically be applied to the student's account. In the case of a Direct Loan post-withdrawal the College will email the student to determine if they wish to receive this post-withdrawal disbursement or if the student would like those funds returned on their behalf to the federal government. The College is responsible for offering post-withdrawal disbursements of Direct Loans to eligible students within a 30-day period after the student's date of withdrawal determination. Students are given 14 days to respond. If the student does not respond, the post withdrawal disbursement will be returned for the student. Student responses to post-withdrawal disbursements are documented by the College.

Modular Coursework

For all programs offered in modules, a student is considered to have withdrawn for Title IV purposes if the student ceases attendance at any point prior to completing the module, unless the institution obtains written confirmation from the student at the time of the withdrawal that he/she will attend a module that begins later in the same payment period (semester). If the institution obtains a written confirmation of future attendance, but the student does not return as scheduled, the student is considered to be withdrawn from the payment period (semester). A Return of Title IV calculation will be processed at that time using the original withdrawal date the student originally stopped attending. Students are required to return written confirmation within two days of being contacted by the College. If not returned, a withdrawal calculation will be performed.

Impact on Satisfactory Academic Progress

Withdrawing from scheduled classes can affect Satisfactory Academic Progress in addition to a student's scheduled graduation date. Students withdrawing from classes are encouraged to reach out to the College as well as the SFC Financial Aid Office to confirm how future aid could be affected. If a student is not meeting the Satisfactory Academic Progress requirements, federal financial aid could be in jeopardy.

Repaying/Returning Title IV Aid

The responsibility to repay the unearned financial aid is shared by the institution and the student. The institution's share is allocated among the Title IV programs before the student's share, in the following order as indicated above. The student share of remaining unearned aid is collected from the student and allocated in the same order. Failure of the student to repay the federal government could jeopardize the student's eligibility for future financial assistance at College. Failure to repay the institution could jeopardize the student's eligibility to return to the institution and/or receive official academic transcripts. Calculation of return of Federal Title IV funds will be done before calculation of return of institutional funds.

Institutional Aid

The institutional aid a student receives will follow the same guidelines as provided in the federal aid section above, except that institutional aid is limited to the amount of institutional charges after any adjustments are made based on the withdrawal.