

WITHDRAWALS AND RETURN OF FEDERAL FINANCIAL AID

Return to Title IV (R2T4) Procedure

Federal regulations of the Higher Education Act (HEA), Section 484B 34 CFR 668.22 requires Title IV financial aid funds to be awarded under the assumption that a student will attend the classes the student has registered for at Rhodes State College, for the entire period in which federal student aid is awarded. When a student withdraws from a class or classes for any reason, including medical reasons, he/she may no longer be eligible for the full amount of Title IV funds that he/she was originally scheduled to receive.

Students begin "earning" their federal financial aid the first day of their class. Students who do not begin attendance in a class or classes may be required to repay all financial aid disbursed for the term. **When a student drops classes, audits classes, fails all classes, or a combination of all three, a Return of Title IV (R2T4) calculation will be completed.** The R2T4 process calculates how much a student has earned while attending their class/classes.

The student's date of withdraw is used to complete the R2T4 calculation. To determine the date of a student's withdraw and the percentage of aid earned, Rhodes State College will use:

- The date of the official withdraw given to the Registrar's Office
- The date a student dropped his / her classes using his / her STARS Online Account or
- The last date of attendance in a class or classes a student was registered for.

Drop or Withdraws Before/After Disbursement

Drop or Withdraws Before Disbursement

If a calculation is run before disbursement (generally during the 6th week of courses), a student may be eligible for a post-withdraw disbursement. A post-withdrawal disbursement awards financial aid to students who have dropped their classes before the disbursement date (generally the 6th week of the term) and have not yet received a financial aid disbursement. The student will then receive the financial aid they have earned but not yet received. A post-withdrawal disbursement of grant funds will be posted to the student's account to pay current charges for tuition, fees, and bookstore charges without the student's permission within 180 days of determination. A post-withdrawal disbursement of loan funds will not be made without written permission from the student or parent (for PLUS loans). The student or parent will be notified in writing within 30 days of the withdraw determination. The student or parent must authorize the post-withdraw disbursement of loan funds prior to the deadline for the loan funding to be credited to the student's account to pay current charges. If the school does not receive the authorization prior to the deadline date, no loan funds will be credited to the student's account. A post-withdraw disbursement to a student who has no outstanding balance of tuition, fees, and bookstore charges will be posted to the student's account within 45 days of determination. Any credit balance that remains on the student's record will be sent as a mailed paper check or a direct deposit (with authorization from

the student) within 14 business days from the date the post withdraw disbursement has been assessed to the student's record.

Drop or Withdraws After Disbursement

If the calculation is ran after disbursement and the results show that the student did not attend or complete 60% of the term, whatever the student has not earned must be returned and will be removed from the student's account. Any award money students have to return is considered a federal over-payment and the unearned federal financial aid is returned as soon as possible but no later than 45 days from the determination of withdrawal. The removal of the unearned funds may result in the student owing a balance for the returned funds. The student must repay this amount in full or establish a satisfactory repayment plan with the Business Office. A registration hold will be placed on the student's record while the balance remains on the student's account.

In accordance with federal regulations, returned Title IV Funds are allocated in the following order:

1. Direct Unsubsidized Loans
2. Direct Subsidized Loans
3. Direct PLUS Loans (Parent)
4. Federal Pell Grants
5. Federal SEOG
6. Other Federal Sources of aid
7. Other State, Private and Institutional Aid.

Overpayment

Any amount of unearned grant funds that the student must return is called an overpayment. The maximum amount of a grant overpayment the student must repay is half the grant funds that were received or scheduled to receive. The student does not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. The student will be notified of any grant overpayment within 30 days of the date the school determined the student withdrew.

The student will receive a letter explaining the reason for the removal of the federal funds as well as an official repayment letter from the Rhodes State College Business Office. The student is required to pay any returned federal funds to Rhodes State College or the U.S. Department of Education and must make payment arrangements within 45 days of the date of the notification letter of overpayment status, or risk losing eligibility for future federal financial assistance. In addition, students may owe Rhodes State College money for tuition and fees that was originally covered by the returned financial aid funds.

If the calculation shows the student has attended past the 60% of the term, they have earned 100% of their federal financial aid and no funds will be returned.

Please see a financial aid advisor for further assistance.

Withdrawn for Non-Attendance

Per federal law (34 C.F.R 668.21 ©) Rhodes State College must monitor enrollment activity for students who receive Title IV funding. Rhodes State College instructors are mandated to report attendance for their classes before the 15th day of class to verify the students are attending the classes they have scheduled within the term.

Once the students who are withdrawn for non-attendance are determined by the Rhodes State College Records Department (usually during the 6th week of the term), a report of students who are withdrawn for non-

attendance, within that term, is emailed to the financial aid advisor in charge of Pell.

If a student was found to be withdrawn for non-attendance, Rhodes State College will adjust their financial aid hours to reflect the hours the student was on the 15th day of classes and re-calculate their federal aid awards.

Please see a financial aid advisor for further assistance.