



## Return of Title IV Funds (R2T4) Policy

Federal student aid (FSA) funds, also referred to as Title IV funds, are awarded to a student under the assumption that the student will attend school for the entire period for which the funds were awarded. When a student withdraws, they may no longer be eligible for the full amount of Title IV funds that they were originally scheduled to receive. The Return of Title IV (R2T4) regulations govern the management of FSA funds disbursed to students who subsequently withdraw from all Title IV eligible courses within a payment period.

### R2T4 GUIDELINES

---

If a Title IV recipient withdraws from a school after beginning attendance, the school must perform an R2T4 calculation to determine the amount of Title IV aid earned by the student.

- If the amount disbursed to the student is greater than the amount the student earned, the unearned funds must be returned.
- If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, they are eligible to receive a post-withdrawal disbursement (PWD) of the earned aid that was not received.

### WITHDRAWAL (FOR R2T4 PURPOSES)

---

A student is considered to have withdrawn from a payment period if the student does not meet one of the withdrawal exemptions (see below) and:

- the student does not complete all the days in the payment period that the student was scheduled to complete.

### R2T4 Withdrawal Exemptions

Under the [September 2, 2020 final regulations](#), the Department established withdrawal exemption criteria which, if met, allows a student who has withdrawn or otherwise ceased attendance to NOT be considered a withdrawn student for Title IV purposes, which means that no R2T4 calculation is required for that student. The withdrawal exemption categories are as follows:

1. Withdrawal exemption for graduates/completers
  - a. A student who completes all the requirements for graduation from his or her program before completing the days or hours in the period that he or she was scheduled to complete is not considered to have withdrawn
  - b. This exemption applies to all types of programs (including those with or without modules)
2. Withdrawal exemptions for programs offered in modules
  - a. A student is not considered to have withdrawn if the student *successfully completes one module that includes 49 percent or more of the number of days in the payment period, excluding scheduled breaks of five or more consecutive days and all days between modules.*

## **Withdrawal Types and Procedures**

Official Withdrawal: For students who withdraw officially, the institution treats the date the student began the prescribed withdrawal process as the withdrawal date. When a student provides official notification of his or her intent to withdraw before beginning the prescribed withdrawal process, the institution treats the date the student provided the notification as the withdrawal date. Ashland University accepts official notifications of withdrawal in writing via the respective [Etrieve form](#). The Registrar's Office is the designated office in which a student may readily contact to provide official notification of withdrawal.

Rescinded Official Notification: If a student rescinds their official notification of withdrawal, the student is required to provide a written statement that they are participating in an activity that meets the definition of academic engagement and intends to complete the payment period. If the student subsequently withdraws before completing the payment period, the institution uses the date of the original withdrawal notification to calculate the return of Title IV funds unless the institution is able to document a later last date of participation in an activity that meets the definition of academic engagement.

Administrative Withdrawal: When the institution expels, suspends, or otherwise withdraws a student, the institution treats the date the institution terminated the student's enrollment as the latest possible withdrawal date for that student.

Failed to Earn a Passing Grade: For a student who fails to earn a passing grade in at least one course for the payment period, the institution treats the student as unofficially withdrawn unless the institution documents the student completed the payment period.

Circumstantial Withdrawal: When the institution determines a student was unable to withdraw officially (including notice provided by an individual acting on the student's behalf) because of illness, an accident, grievous personal loss, or other circumstances beyond the student's control, the institution determines a withdrawal date related to that circumstance.

Leave of Absence: Ashland University does not grant students an official leave of absence.

## **WRITTEN CONFIRMATION OF FUTURE ATTENDANCE**

---

A student is not considered to have withdrawn if the school obtains a written confirmation from the student at the time of the withdrawal that they will attend a module that begins later in the same payment period. This confirmation must be obtained at the time of withdrawal, even if the student has already registered for subsequent courses.

Without confirmation of future attendance, a school must assume a student who has ceased attendance is a withdrawal and begin the R2T4 process. However, if at the time of the withdrawal, the student enrolled in a course in a later module in the same payment period (*that the student was not previously scheduled to attend*), the newly added course would count as positive confirmation of future attendance for Title IV program purposes.

If the student does not return as scheduled, the student will be considered withdrawn. In this scenario, the institution will consider the withdrawal date to be the date that would have applied had the student not provided written confirmation of an acceptable future date of attendance.

## **MODULAR PROGRAMS**

---

A student who withdraws from a modular program (A and B sessions) and later re-enters the same

program prior to the end of the payment period is eligible to receive any Title IV funds for which they were eligible prior to withdrawal, including funds returned under the R2T4 funds provisions, if the student's enrollment status continues to support the full amount of the funds offered.

## **R2T4 CALCULATION**

---

Ashland University utilizes the formula defined in Title IV regulations via the R2T4 calculation tool on the Department of Education's Common Origination Disbursement (COD) website. When determining the percentage of the payment period completed, the institution counts all calendar days the student was scheduled to complete except scheduled breaks of at least five consecutive days.

In accordance to federal regulations, Ashland University considers 100% of the student's aid to be earned when the withdrawal date occurred after completion of more than 60% of the payment period. If a student for whom some Title IV funds remain undisbursed completed more than 60 percent of the payment period, the institution will perform an R2T4 funds calculation to determine if the student is due a PWD.

When applying the earned percentage to disbursed aid to determine earned Title IV aid, the institution includes Title IV funds that could have been disbursed (in accordance with the late disbursement provisions of the Title IV cash management rules) as well as funds disbursed as of the student's withdrawal date. In addition, the institution treats as Title IV aid that could have been disbursed any inadvertent late Title IV disbursement made before discovering the student had withdrawn.

### **Date of Determination**

The date of the institution's determination that the student withdrew varies depending on the type of withdrawal (official or unofficial). Generally, the student's withdrawal date is:

- The date the student began the institution's official withdrawal process or officially notified the institution of intent to withdraw;
- The student's last date of attendance at a documented academically related activity; or
- The midpoint of the term for a student who leaves without notifying the institution.

### **Institutional Charges**

Institutional charges are used to determine the portion of unearned Title IV aid that the school is responsible for returning. Institutional charges do not affect the amount of Title IV aid earned by a student who withdraws; however, students should be aware that if they withdraw, institutional charges that were previously paid by Title IV funds might become a debt that the student would be responsible for paying.

Institutional charges generally are defined as the charges for tuition and fees, food and housing, and other educational expenses that are paid to the school directly. If a fee (like an enrollment, registration or technology fee) is required for all students in a program, is part of an enrollment agreement or an addendum to it, or is a fee for which a school routinely debits a students' ledger, then the fee is considered an institutional charge.

The institutional charges used in the calculation usually are the charges that were initially assessed the student for the entire payment period as applicable. Initial charges may only be adjusted by those changes the institution made prior to the student's withdrawal (for example, for a change in enrollment status unrelated to the withdrawal). If, at the time of the withdrawal or afterward, the school changes the amount of institutional charges it is assessing a student or decides to eliminate all institutional charges, those changes do not affect the charges nor aid earned in the calculation.

Effects of waivers on institution charges: If a waiver acts as a payment of tuition and fees that have actually been charged to a student, then the waiver is considered other financial assistance, and the full amount of the tuition and fees must be included in the R2T4 calculation. On the other hand, if the student is never assessed the full charges, the waiver is not considered to be financial aid, and only the actual charges would be included in the R2T4 calculation.

**Fails to Begin Attendance in All Scheduled Courses**

Anytime a student begins attendance in at least one course but does not begin attendance in all the courses the student was scheduled to attend regardless of whether the student is a withdrawal, the school must determine if it is necessary to recalculate the student’s eligibility for Pell Grant, TEACH Grant and Campus-Based funds based on a revised enrollment status and cost of education. If the student is a withdrawal, this recalculation must be done before performing an R2T4 calculation, and the school must use the recalculated amounts of aid in the R2T4 calculation.

If a student who has withdrawn did not begin attendance in enough courses to establish a half-time enrollment status, the school may not make a first disbursement of a Direct Loan to the student after the withdrawal. However, the funds are included as aid that could have been disbursed in the R2T4 calculation.

**Rounding**

Final repayment amounts that the school and student are each responsible for returning or any Post-Withdrawal Disbursements will be rounded to the nearest dollar, unless such rounding would cause the amount disbursed to exceed the student’s annual or aggregate award limits, including Pell Grant lifetime eligibility.

**RETURN OF FUNDS BY THE SCHOOL**

---

The school must return the unearned aid for which the school is responsible by repaying funds to the following sources, in order, up to the total net amount disbursed from each source:

- Unsubsidized Direct Loan
- Subsidized Direct Loan
- Direct PLUS Loans
- Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- TEACH Grant

**R2T4 EXAMPLE**

---

Tuffy stopped attending classes on January 18<sup>th</sup> and gave an official notification of withdrawal on the same day. The term began on January 8<sup>th</sup> and is 106 days long. Tuffy has attended 11 days and has earned 10.4% of his financial aid ( $11/106 = 10.4\%$ ).

Tuffy’s Aid:

Aid	Amount
Unsubsidized Direct Loan	\$990
Subsidized Direct Loan	\$1,732

Direct Parent PLUS Loan	\$6,396
Federal Pell Grant	\$3,697
FSEO Grant	\$2,000
Total Federal Aid	\$14,815

1. The amount of aid earned is 10.4% multiplied by \$14,815 = \$1,540.76
2. Total federal aid unearned is \$14,815 minus \$1,540.76 = \$13,274.24
3. The second calculation determines percentage of amount unearned based on school charges for tuition and housing. Tuffy was charged \$14,490 in tuition, \$3,250 for housing and \$2,730 for a meal plan. Percentage of unearned aid is 100% - 10.4% = 89.6%. Therefore, based on the charges for the term, \$20,470 multiplied by 89.6% = \$18,341.12.
4. The amount of federal aid Tuffy must return is the lesser of step 2 or 3 (\$13274.24 in our example).
5. Federal guidelines determine the order of aid types to be reduced: Direct Unsubsidized Loan, Direct Subsidized, Parent Plus Loan, Pell Grant, and then FSEOG until \$13,274 has been repaid. Therefore, Tuffy's aid will be reduced to:

Aid	Amount	Returned	Total
Unsubsidized Direct Loan	\$990	- <b>\$990</b>	= \$0
Subsidized Direct Loan	\$1,732	- <b>\$1,732</b>	= \$0
Direct Parent PLUS Loan	\$6,396	- <b>\$6,396</b>	= \$0
Federal Pell Grant	\$3,697	- <b>\$3,697</b>	= \$0
FSEO Grant	\$2,000	- <b>\$459</b>	= \$1,541
Total Returned		<b>\$13,274</b>	

The total returned amount reflects the amount to be billed to Tuffy's student billing account from his financial aid. Any refunds from tuition that are determined and applied to his account may affect the amount that Tuffy owes for the term.

**TITLE IV CREDIT BALANCES**

---

Ashland University halts all Title IV disbursements and holds any Title IV credit balance, for the relevant payment period, upon learning of the student's withdrawal, until it calculates the amount of aid earned by the student and subsequently has applied any applicable refund policy.

Any remaining credit balance will be resolved within 14 days of the date the institution performed the R2T4 funds calculation. The institution will first allocate the credit balance to repay any grant overpayment owed by the student. After satisfying any Title IV grant overpayment owed by the student, the institution will eliminate the remaining Title IV credit balance by:

- Paying authorized institutional charges (including previously paid charges that are unpaid due to the R2T4 funds calculation) in accordance with Title IV cash management regulations;

- Reducing, with the student's authorization, the student's Title IV loan debt;
- Paying the student's parent if a parent PLUS credit balance; or
- Paying the student.

If the institution cannot locate the student or parent, the institution returns the funds to the respective Title IV program(s).

### **POST-WITHDRAWAL DISBURSEMENT**

---

If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, they are eligible to receive a PWD of the earned aid that was not received. Following federal regulations, Ashland University will make the PWD from available Title IV grant funds before Title IV loan funds.

#### **PWD from Title IV grant funds**

No later than 45 days after the institution's determination that the student withdrew, AU will disburse directly to the student any amount of a PWD of grant funds not credited to the student's account.

#### **PWD from Title IV loan funds**

Within 30 days of the date of the institution's determination that the student withdrew, AU will send the borrower a written notification requesting the borrower's confirmation regarding the crediting and/or disbursement of a PWD of Title IV loan funds. This request for confirmation identifies the type(s) and amount(s) of Title IV loan funds to be credited and/or disbursed and explains:

- The borrower may accept or decline all or some of the Title IV loan funds;
- Any PWD of Title IV loan funds must be credited to the student's account and be applied toward outstanding institutional charges prior to receiving any remaining Title IV loan funds as a direct disbursement;
- The borrower's obligation to repay the Title IV loan funds;
- The deadline by which the borrower must respond to the request for confirmation; and
- The consequences of not responding to the confirmation request and of responding after the deadline.

If the borrower does not respond to the institution's request for confirmation for a PWD of Title IV loan funds within the allotted 14-day deadline, the institution refrains from making a PWD of the loan funds. If the borrower's response to a confirmation request for a PWD is received after the deadline and the institution chooses not to make the disbursement, the institution will inform the borrower, in writing, of its decision. Additionally, the institution will document in the student's file the result of any confirmation request regarding the PWD of Title IV loan funds and the final determination made concerning the disbursement.

### **REFUND POLICY FOR WITHDRAWN STUDENTS**

---

- Refunds on all charges including tuition, room and board, and special fees will be prorated on a per-day basis up to the 60% point in the term. There are no refunds after the 60% point in time.
- Title IV, state and institutional aid are earned in a prorated manner on a per-day basis up to the 60% point in the term. Title IV, state, institutional, and other aid is viewed as being 100% earned after completion of more than 60% of the payment period.

## **UNEARNED AID**

---

*Grant 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 disbursed and could have been disbursed. The student does not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less and is not a remaining balance. Arrangement must be made with Ashland University or the Department of Education to return the unearned grant funds. The student will be notified of any grant overpayment within 30 days of the date the school determined the student withdrew. The institution will refer the overpayment to the Department of Education and report it to NSLDS if, within the 45-day period, the student does not repay the overpayment or sign a repayment agreement with the Department of Education.

*Loan funds:* Any Title IV loan funds for which the student (or parent in the case of a parent PLUS) is responsible for returning are required to be repaid under the terms and conditions of the promissory note.

## **NOTIFICATION TO STUDENT**

---

Once the R2T4 funds calculation has occurred, the student will be notified of the calculation via Self-Service. Accordingly, students should review their account for financial aid adjustments and any outstanding balance now due to Ashland University as a result.

## **OTHER INFORMATION**

---

### **Verification**

A student who fails to provide the required documentation in time for a school to complete verification and meet the R2T4 deadlines is responsible for returning any Title IV grant funds subject to verification that were already disbursed prior to being selected for verification.

For a student undergoing verification at the time of withdrawal, the institution includes in the R2T4 funds only funds not subject to verification (Direct PLUS Loans, Direct Unsubsidized Loans and TEACH Grant funds).

If the student provides all required verification documents before the verification deadline but after the institution has performed the R2T4 funds calculation the institution will perform a new R2T4 calculation. The new R2T4 funds calculation includes aid that could have been disbursed only Title IV aid for which the student established eligibility as the result of verification and for which the conditions for a late disbursement are met.

### **Deceased Students**

If a student is deceased prior to completing the payment period, the institution is required to perform an R2T4 funds calculation. When the R2T4 funds calculation indicates the amount of Title IV funds the student received while enrolled during the period was greater than the amount earned, the institutions return only the funds for which it is responsible and not require the student's estate to return any Title IV funds. When the R2T4 funds calculation indicates not all of the Title IV funds the student earned for the period had been disbursed, the institution ensures no post-withdrawal disbursement (PWD) is paid to the student's account or estate.

### **Consortium Agreements**

In the event the student withdraws before completing the payment period, the institution that disburses Title funds returns Title IV funds.

## **APPLICABLE DEADLINES**

---

The date of the institution's determination that the student withdrew is used in the following circumstances:

- The school must offer any amount of a PWD that is not credited to the student's account within 30 days of the date of determination.
- If the student or parent submits a timely response that instructs the school to make all or a portion of a Direct Loan PWD, the school must disburse the funds within 180 days of the date of determination.
- Title IV grant PWDs must be made within 45 days if required to be provided directly to the student and within 180 days if paying for allowable charges on the student's account.
- The school must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of determination.

## **APPEAL PROCESS**

---

Students who contest the billing portion resulting from this policy may submit an appeal to the Director of Student Accounts at [busoff@ashland.edu](mailto:busoff@ashland.edu). Students who contest the financial aid portion resulting from this policy may submit an appeal to the Director of Financial Aid at [financialaid@ashland.edu](mailto:financialaid@ashland.edu).

Changes that aren't corrections are allowed only if the change can be made in time for the institution to meet any applicable R2T4 deadline. A change is not a correction if a calculation (R2T4/PWD) was correct at the time it was processed. An institution is never required to do a recalculation of a change that is not a correction.