



Return to Title IV (R2T4) Federal Refund Policy

Purpose and Background: Title IV funds are awarded to a student under the assumption that the student will attend Martin University (MU) for the entire period for which the assistance is awarded. When a student withdraws from the University, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive. If the tuition and fees costs were paid with financial aid dollars, then all or a portion of the student's proceeds might need to be returned to the federal student aid programs from which the money was received. A student who receives a Title IV refund from aid received in excess of institutional charges to assist with living expenses who then has/is withdrawn may be required to repay money to MU or the U.S. Department of Education.

Scope: The FA Office staff, Business Office, Academic Affairs Office and Federal Student Aid recipients are bound by the Withdrawal, Refund and Return to Title IV standards.

I. Policy:

The Federal Return to Title IV compliance requirement is a process involving cooperation and coordination between several University offices. The Federal Return to Title IV calculation process relies on accurate and timely information from various University offices and is not to be confused with the Institutional Refund Policy.

Martin University (MU) adheres to the following policies and procedures to ensure proper accountability of federal financial aid funds when a student withdraws from the institution.

Official Withdrawal

Official Notification

Official notification of a student's intent to withdraw, either from an individual course or completely from the University, including dismissal, has been provided when the student or faculty has provided written notification on the designated form (Formal Withdrawal Form) to the Registrar's Office and followed all established procedures. Official notification of withdrawal or termination will be associated with a specific date. Under certain circumstances, MU may use a documented last date of attendance at an academically related activity as a student's withdrawal date, if this date more accurately reflects the student's last date of attendance. For example, a student officially notifies

MU and follows established procedures, but participates in an academically related event after the date of official notification (i.e. takes a final exam, submits a class project).

A student should be aware of the distinction between withdrawal from a course (“dropping” a class) and complete withdrawal from the University (no longer enrolled at all during that semester). The rules for this R2T4 policy apply only when a student withdraws from the institution (is no longer enrolled at all during that semester); they do not apply when a student drops a course.

Official Withdrawal from a Course or Courses

An official withdrawal from a course occurs when a student withdraws from one or more, but not all, of his or her courses and follows official withdrawal procedures, or via an administrative withdrawal (dismissal) initiated by the University. The timing of an official withdrawal from a course may affect how academic progress is determined for the student, affecting the student’s pace for SAP purposes. The student’s enrollment status and aid eligibility for Title IV aid purposes may also be affected if the student does not remain enrolled in the minimum number of eligible courses attributable to his/her enrolled program of study. When a course withdrawal affects the amount of aid for which the student is/was eligible, the aid is adjusted based on the revised enrollment status (i.e. $\frac{3}{4}$ time). However, this required adjustment is not considered a Return to Title IV calculation.

Official Withdrawal from the University

An official withdrawal from the University occurs when a student withdraws from all courses by following the Official Notification procedures above, or when a student has been dismissed by the University. A Return to Title IV calculation is required for Title IV aid (federal financial aid) recipients to determine the amount of aid earned by the student for his/her attendance under these circumstances.

Financial Aid Office Notification of Official Withdrawal

The Financial Aid Office is notified via a Formal Withdrawal Form received from the Registrar. When a financial aid recipient withdraws from all courses or is dismissed, an R2T4 calculation is required to determine the percentage of Title IV aid earned by the student.

Unofficial Withdrawal from the University

An unofficial withdrawal from the University (i.e. “drop out”) occurs when a student fails to satisfactorily complete all of his/her registered courses and does not follow the Official

Notification policy established by the University. When a faculty member notifies the Registrar of a grade of F or a withdrawal, they must also indicate the last date of participation in an academic related activity. The Financial Aid Office is notified via the Formal Withdrawal Form from the Registrar. The timing of an unofficial withdrawal from the program may affect how progress is determined for the student, affecting the student's pace for SAP purposes. SAP must be evaluated at the point in the future when the student seeks re-entry into the program. A Return to Title IV calculation is required to determine the amount of aid earned by the student for his/her attendance.

Financial Aid Office Notification of Unofficial Withdrawal

The Financial Aid Office is notified of unofficial withdrawal from the Program via the Formal Withdrawal Form, once the Registrar's Office has determined that the student has withdrawn or "disappeared" from the University. When a financial aid recipient is unofficially withdrawn or disappears from the program, an R2T4 calculation is required to determine the percentage of Title IV aid earned by a student.

Withdrawal Without Official Notification

Per federal regulation, there are two circumstances in which a special rule applies that defines a withdrawal date for a student who withdraws due to circumstances beyond the student's control:

1. When a student who would have provided *official notification* to the school was prevented from doing so due to those circumstances;
and
2. When a student withdrew due to circumstances beyond the student's control and a second party provided notification of the student's withdrawal on the student's behalf.

MU may determine the withdrawal date that most accurately reflects when the student ceased academic attendance due to the circumstances beyond the student's control. This date would not necessarily have to be the date of the occurrence of the circumstance.

When MU dismisses a student who has not notified the University of his or her intent to withdraw, the last possible date of withdrawal for the student is the date that MU dismissed the student.

Withdrawal Date When a Student Dies

When MU is informed that a student has died, it must determine the withdrawal date for the student under Federal regulation 34 CFR 668.22(c)(1)(iv). This regulation provides that if MU determines that a student did not begin the withdrawal process or otherwise provide official notification of his or her intent to withdraw because of illness, accident,

grievous personal loss, or other such circumstances beyond the student's control, the withdrawal date is the date that the institution determines is related to that circumstance.

Attendance Requirements and Determining Withdrawal Dates

Martin University strongly encourages students to attend and participate as appropriate in all scheduled classes. While some instructors may take attendance, the University does not have a policy that requires faculty to take attendance.

Time Frame for the Determination of a Withdrawal with Official Notification

For a student that provides official notification of his or her intent to withdraw by following the school's withdrawal process or for whom a dismissal has been submitted, the withdrawal date is ordinarily the date the student began the school's withdrawal process (i.e. provided official notification) or the date of dismissal.

Time Frame for the Determination of a Withdrawal without Official Notification

To ensure that Title IV funds are returned within the required period of time, a school must determine the withdrawal date (for a student who withdrew without providing notification) within 30 calendar days from the earlier of (1) the end of the payment period or period of enrollment, as applicable, (2) the end of the academic year, or (3) the end of the student's educational program.

Earned and Unearned Title IV Funds

If a recipient of Title IV grant or loan funds withdraws from the University after beginning attendance, the amount of Title IV grant and/or loan assistance earned by the student must be determined. 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, he or she may be eligible to receive a post-withdrawal disbursement of the earned aid that was not received.

Students who attend beyond the 60% mark in any period of enrollment have earned 100% of Title IV aid disbursed or scheduled to disburse, to pay for that period of enrollment. Return to Title IV calculations are performed to determine if the student attended beyond the 60% mark of any course or program.

Federal regulations stipulate that for institutions not required to take attendance (Martin University falls into this category), Return to Title IV calculations may be performed using the 50% mark of the semester to determine earned aid for Unofficial Withdrawals,

unless the school has evidence that the student withdrew before or after that time (i.e. documented participation in an academically related activity).

R2T4 Calculation Requirements

The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for students who withdraw from the institution, whether officially, unofficially, or administratively. Federal Title IV financial aid program eligibility must be recalculated in each of these situations to determine the amount of aid earned by the student.

Order of Title IV Fund Adjustments

The Financial Aid Office utilizes the withdrawal date to determine the percentage of aid earned by dividing the number of days in the payment period or period of enrollment, up to and including the withdrawal date utilized, by the total number of days scheduled in the payment period or period of enrollment. A student has earned 100% of eligible aid if they attend *beyond* the 60% point in time of a payment period or period of enrollment.

In the event that funds must be returned, federal regulations require that institutions return funds in a specific order, which happens to be most beneficial to students. Loan funds are returned before grants, and interest-bearing loans are returned before interest-free loans. Federal funds must be returned in the following sequence:

1. Federal Direct Unsubsidized Loan
2. Federal Direct Subsidized Loan
3. Federal Direct PLUS
4. Federal Pell Grant
5. Federal Supplemental Educational Opportunity Grant

II. Procedure:

The Return to Title IV Calculation

Federal regulation requires that the recalculation of earned aid be based on the percentage of earned aid using the following Federal Return of Title IV funds formula:

Percentage of payment period or period of enrollment completed equates to:

the number of calendar days completed up to the withdrawal date
total calendar days in the payment period or period of enrollment

Any scheduled break of five consecutive days is not counted as part of the total days in the payment period or period of enrollment. This percentage is the percentage of earned aid.

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

Unearned Title IV Aid equates to:

100% of scheduled aid (disbursed or that could have been disbursed) - earned aid.

If a student earned less aid than was disbursed, MU and the student if applicable, would be required to return a portion of the funds to the Title IV program of origin. Additionally, when Title IV funds are returned, the student borrower may owe a debit balance to MU, particularly if the student received a refund from the proceeds of aid received in excess of institutional charges.

Post-Withdrawal Disbursement

Title IV Grant Funds:

MU may credit a student's account with a post-withdrawal disbursement of Title IV grant funds without the student's permission for current charges for tuition and fees, up to the amount of outstanding charges. Only tuition, fees or other regulated and allowable charges are considered.

MU must obtain a student's authorization to credit his or her account with Title IV grant funds for charges other than current charges for tuition, fees or other regulated and allowable charges.

MU returns the amount of Title IV funds for which it is responsible no later than 45 days after the Date of Determination of the student's withdrawal. MU credits the student's account with the post-withdrawal disbursement of Title IV Grant funds for current charges within 180 days of the date of determination or withdrawal date.

MU disburses any amount of an eligible post-withdrawal disbursement of grant funds to the student that is not credited to the student's account. Moreover, MU makes the disbursement no later than 45 days after the date of the University's determination that the student withdrew.

Title IV Loan Funds

MU notifies a student, or parent for a Direct Parent PLUS Loan, typically by email, prior to making any post-withdrawal disbursement of loan funds, whether those loan funds are to be credited to the student's account or disbursed directly to the student (or parent). The information provided in this notification includes the information necessary for the student, or parent for a Direct Parent PLUS Loan, to make an informed decision as to whether the student or parent would like to accept any disbursement of loan funds. This notification is provided within 30 days of the date of determination that a student has withdrawn. The notice requests confirmation of any post-withdrawal disbursement that the student or parent, as applicable, wishes MU to make.

The notice also identifies the type and amount of the loan funds it wishes to credit to the student's account or disburse directly to the student or parent, and explains that a student, or parent for a Direct Parent PLUS Loan, may accept or decline all or a portion of the funds. The notice must also explain the obligation to repay the loan funds whether they are disbursed to the student's account or directly to the borrower. If the student, or parent for a Direct Parent PLUS Loan, does not wish to accept some or all of the loan funds that MU indicates are available to credit to the student's account, the funds will not be disbursed.

MU sends all notifications via email to students and/or parents when applicable and documents the result of the notification process and the final determination made concerning the disbursement.

Verification Requirements related to R2T4 Calculations

The Return to Title IV requirements place limits on aid that can be considered in the R2T4 calculation for students who are selected for verification, and have not completed the verification process prior to withdrawal. Only Unsubsidized Federal Loans can be included in the calculation if the verification process has not been completed.

Unless a student subject to verification has provided all required verification documents in time to meet the Return to Title IV deadlines, MU includes as Aid Disbursed or Aid That Could Have Been Disbursed in the Return calculation only those Title IV funds not subject to verification.

If a student who failed to provide all required verification documents in time to meet the Return to Title IV deadline later provides those documents prior to the applicable verification deadlines, MU will perform a new return calculation on all of the aid the student qualified for based on the completed verification documents and make the appropriate adjustments.

Time Frame for Return of Title IV Funds

Federal Title IV aid must be returned within the time frame listed below to remain compliant with the applicable regulations:

- 45 Days from the Date of Determination or Withdrawal Date

Correcting a Return Calculation

Any corrective action taken after the time frame stated above is a violation of the deadline requirement. In addition, if a correction is made and MU fails to notify a student or parent that they are eligible for a Post-Withdrawal Disbursement within 30 days of the date of the University's determination that the student withdrew, MU has violated that deadline.

Changing a Return Calculation

Changes that aren't corrections are allowed only if the change can be made in time for MU to meet any applicable Return of Title IV Funds deadline.

A change is not a correction if a calculation (return/Post-Withdrawal disbursement) was correct at the time it was processed. For example, a Financial Aid Office staff member that used the midpoint as the withdrawal date may want to go back and revise an already processed Return of Title IV Funds calculation to use the last date of attendance at an academically related activity past the midpoint. Such a change is not a correction, because the use of the midpoint was not a mistake – as would be using the wrong amount of a Pell Grant disbursement. Similarly, the signing of a promissory note after a calculation is processed is not a correction because failing to sign a promissory note is not a mistake. A University is never required to do a recalculation of a change that is not a correction.

Performing an R2T4 Calculation

MU utilizes the U.S. Department of Education "R2T4 on the Web" calculation and worksheet. Upon receipt of notification of withdrawal (Formal Withdrawal Form) from the Registrar for a student, the FA Office reviews the academic information, the awarded and disbursed information for the student and proceeds to determine earned and unearned aid amounts based on the calculations as defined above.

Scheduled Break Days

Scheduled break information for credit-hour programs is maintained by the Academic Affairs Office, the Registrar and is posted to the School Calendar. A scheduled break is a time period when classes are not scheduled and the school is not open for normal business. Scheduled breaks of five or more consecutive days are not included in the total number of days in the period of enrollment.

The following forms, documents or systems are used in the MU Return to Title IV Calculation process:

Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program				
Student's Name	<input type="text"/>	Social Security Number	<input type="text"/>	
Date form completed	11/08/2017	Date of school's determination that student withdrew	11/03/2017	
Period used for calculation (check one)	<input checked="" type="checkbox"/> Payment period	<input type="checkbox"/> Period of enrollment		
<i>Monetary amounts should be in dollars and cents (rounded to the nearest penny). When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)</i>				
STEP 1: Student's Title IV Aid Information				
Title IV Grant Programs		Amount Disbursed	Amount that Could Have Been Disbursed	
1. Pell Grant		\$1,938.00		
2. Academic Competitiveness Grant				
3. National SMART Grant				
4. FSEOG				
5. TEACH Grant				
A.	\$1,938.00	C.	\$0.00	
	Subtotal		Subtotal	
Title IV Loan Programs		Net Amount Disbursed	Net Amount that Could Have Been Disbursed	
6. Unsubsidized FFEL/Direct Stafford Loan		\$2,968.00		
7. Subsidized FFEL/Direct Stafford Loan		\$1,732.00		
8. Perkins Loan				
E. Total Title IV aid disbursed for the period.		A.	\$1,938.00	
		+	B.	\$4,700.00
		=	E.	\$6,638.00
F. Total Title IV grant aid disbursed and that could have been disbursed for the period.		A.	\$1,938.00	
		+	C.	\$0.00
		=	F.	\$1,938.00
G. Total Title IV aid disbursed and that could have been disbursed for the period.		A.	\$1,938.00	

CAMS Student Information System Award Update

The screenshot displays the CAMS Student Information System interface. The browser address bar shows the URL: https://sjson.populivweb.com/internal/people/person.php?personID=9681344&view=FINANCIAL_AID. The page title is "Record Payment" and "Apply Financial Lock". The navigation menu includes "Activity Feed", "Info", "Student", "Campus Life", "Admissions", and "Financial". The main content area shows the "Aid Year" set to "2017-2018" and a "Print Award Letter" link. The "Awards" section displays the following information:

Date	Activity	Term	Status	Net Amount
Sep 6, 2017	Disbursement	Fall 2017-2018	Posted	2,585.00
Nov 8, 2017	Refund to source		Posted	(-647.00)
Feb 12, 2018	Disbursement	Spring 2017-2018	Scheduled	0.00

The "Summary" section provides a breakdown of the student's financial aid:

Category	Amount
Cost of Attendance	33,313.24
Expected Family Contribution	704.00
Financial Need	32,609.24
Total Aid	14,670.00
Accepted Aid	14,670.00
Declined Aid	0.00
Setup/Offered Aid	0.00

Responsible Office/Official

The Registrar

- designated as the official point of contact for all students who wish to withdraw. All communications to MU regarding the intent to withdraw must be initiated through this department.
- responsible for the determination of the appropriate withdrawal date and for all communication to other University offices, NSLDS, and required agencies.
- responsible for ensuring that grades and withdrawal dates are posted accurately and in a timely manner.

The Financial Aid Office

- responsible for the calculation of the Return of the Title IV funds, and for ensuring the proper amounts of funds are returned to the appropriate Title IV programs in a timely manner.

The Student Account's Office

- responsible for ensuring that tuition and other charges or adjustments are applied correctly to the student's account.
- responsible for disbursing aid in a compliant and timely fashion.

The Finance Office

- responsible for drawing down and returning funds via the Department of Education's G5 Payment Management System in a compliant and timely manner.