

Return of Title IV Financial Aid Funds Policy

Students receiving financial aid who withdraw or stop attending will, in most cases, be required to return a portion of financial aid received. The Higher Education Act, as reauthorized and signed into law on October 7, 1998, established the Return of Title IV Funds Policy.

The concept behind the policy is that the college and the student are allowed to retain only the amount of Title IV (federal) aid that is earned. If a student withdraws or stops attending classes, whether any credits have been earned for the term or not, a portion of the aid received is considered to be unearned and must be returned to the Title IV programs from which it was received. For Title IV purposes, the last date of attendance is one of the following: the date the formal withdrawal process begins, the date the student otherwise gives official notice of intent to withdraw (i.e., letter, phone call, e-mail, in-person), the mid-point of the term, or the last documented date of attendance in an academically-related activity (i.e., documented attendance in a class or lab or submission of an assignment in an online course). If a student attends through 60 percent of the term, all Title IV aid is considered earned.

Definitions

Return to Title IV (R2T4) calculation – A required calculation to determine the amount of aid earned by the student when the student does not attend all days scheduled to complete within a payment period or term.

(Student is considered to be a withdrawal, whether any credits were completed or not.)

Overaward [not the same as Return to Title IV calculation] – A required recalculation of Pell Grant and other aid types due to student dropping or not attending credits required for the status awarded (full-time, three-quarter time, half-time, less than half-time); required at any point information received that changes student status. Reductions in aid will almost always be required for students whose status changes due to dropped classes or classes not attended beyond the course census date.

Clarification of New Regulations

- A student who attends and completes at least one course that spans the entire term will have earned the aid for that term (as adjusted for dropped classes or classes not attended).
- Effective 7-1-2021, a student who withdraws from a program offered in modules is not considered to have withdrawn for R2T4 purposes if the student completes:
 - One module that includes 49% or more of the number of days in the payment period; or
 - A combination of modules that when combined contain 49% or more of the number of days in the payment period.

Scheduled breaks of five or more consecutive days and all days between modules are excluded from the number of days in the payment period used to calculate whether the module(s) completed by the student comprise 49% of the payment period.

- School must be able to demonstrate that the student actually attended each class, including any class with a failing grade. Attendance must be "academic attendance" or attendance at an academically-related activity. Documentation of attendance must be made by the school. A student's self-certification of attendance is NOT acceptable unless supported by school's documentation. Examples of attendance include:

- Physical class attendance where there is direct interaction between instructor and student
- Submission of an academic assignment
- Examination, interactive tutorial, or computer-assisted instruction
- Study group participation activity assigned by school
- Participation in on-line discussion about academic matters
- Initiation of contact with instructor to ask question about academic subject

(Logging in to an on-line class does NOT count as attendance.)

- A student who withdraws from a module or dynamic class within the term without completing a module or combined modules that include 49% or more of the days in the term must still be attending another class or is considered to be a withdrawal, even if registered for future classes starting within the term. In this scenario, the student must—at the time of withdrawal from a module or dynamic class—provide a written statement to the College Financial Aid Office indicating intent to attend (within 45 days) a future class within the term, or the student is considered to be a withdrawal; and a Return to Title IV calculation must be completed. (If the student doesn't actually attend that future class, a Return to Title IV calculation is still required; withdrawal date/last date of attendance dates back to originally confirmed withdrawal date.)

Questions to ask

- Excluding scheduled breaks of five or more consecutive days and all days between modules, has the student completed:
 - One module that includes 49% or more of the number of days in the payment period; or
 - A combination of modules that when combined contain 49% or more of the number of days in the payment period? (If no to both, ask the next question.)
- Did the student cease to attend a course that he/she was scheduled to attend? (If yes, ask the next question.)
- At the time the student stopped attending this course, was he/she continuing to attend other courses? (If no, ask the next question. If yes, the student is not a withdrawal at that point but could be, if the student doesn't finish the period for which he/she was scheduled to attend.)
- At the time of withdrawal, did the student provide written confirmation of anticipated attendance in a later starting,

registered course within the term? (If no, student is considered a withdrawal, and a Return to Title IV calculation must be completed. If yes, no Return to Title IV calculation is required; however, should the student not attend or fail to complete the registered course, a Return to Title IV will be required).

Remember: Recalculation of aid for enrollment status changes due to dropped or never attended classes is required before any Return to Title IV calculation is completed.

Process

Step 1) The first step is a series of formulas to determine the amount of aid which must be returned. Following the determination of the last date of attendance, the school must calculate the number of days attended and the total number of days the student was scheduled to complete within the term; weekends count and any period of no classes which is five days in length or greater is excluded. Days attended are then divided by days in the term the student was scheduled to complete to calculate percentage completed. That percentage is multiplied by total aid for which the student is eligible to determine the amount of aid earned ($\% \text{ completed} \times \text{total aid} = \text{earned aid}$). **Total aid – earned aid = unearned aid (aid to be returned).**

Step 2) The next step is for the school to determine total institutional charges and multiply that figure by the percentage of unearned aid ($100\% - \% \text{ completed} = \% \text{ unearned}$). It makes no difference which type of resource actually paid the school bill; the law assumes that Title IV aid goes first to pay institutional charges. **Institutional charges x % unearned = amount returned by school.**

The school must then return the amount of unearned aid, up to the maximum received, to each of the Title IV programs in the following order:

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

Step 3) The school then calculates the amount for which the student is responsible by subtracting the amount returned by the school from the total amount which is unearned. That remaining amount is the student's share and is allocated in the same order as stated above.

Total amount unearned – amount returned by school = \$\$ for which student is responsible.

Once the school determines dollar amounts and which individual programs must be repaid, the student will be notified of any amounts he or she owes. Funds that must be returned by the student to the loan programs can be paid in full in accordance with normal loan repayment terms. For grant dollars that must be repaid, the amount due from a student is limited to

the amount by which the original grant overpayment amount due from the student exceeds half of the total Title IV grant funds received by the student. A student has 45 days to make repayment and does not have to repay a grant overpayment of \$50 or less. Unpaid balances will be reported on NSLDS, the National Student Loan Data System, and turned over to the Department of Education for collection. Until overpayments are repaid or satisfactory arrangements to repay have been made, students will be ineligible for further Title IV aid at any institution. Commonwealth, VCCS funds and some other aid types must also be returned proportionally based on the percentage of unearned aid used in the Return of Title IV calculations.

This policy is totally separate from the institutional refund policy. Unpaid balances due to NOVA that result from amounts returned to Title IV programs and other sources of aid will be charged back to the student. If a student does not begin attendance in all classes or ceases attendance during the 100% refund period, aid may have to be reduced to reflect appropriate status prior to calculating Return of Title IV Funds.

Before withdrawing or stopping attendance in classes, the student should be aware of the proper procedure for withdrawing from classes and the consequences of either withdrawing or stopping attendance. Official withdrawal is always the responsibility of the student.

Please contact the Financial Aid Office regarding any questions about the Return of Title IV Funds.