

Procedure Manual



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GENERAL STATEMENT

The Higher Education Amendments of 1998 required schools to implement a return of Title IV (R2T4) refund policy to be applied when a student withdraws from an institution prior to the end of a payment period. The R2T4 regulations (34 C.F.R. § 668.22) do not dictate an institutional refund policy. Instead, a school is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the amount of time the student spent in attendance or, in the case of a clock-hour program, was scheduled to be in attendance. A Title IV recipient is defined as a student who has received federal student aid funds (excluding federal work-study) including:

- Federal Pell Grant
- Federal Supplemental Opportunity Grant
- TEACH Grant
- Subsidized Federal Direct Student Loan
- Unsubsidized Federal Direct Student Loan
- Parent PLUS Federal Direct Loan

If the student has not received federal student aid funds but was eligible to do so, the student must meet the conditions of a late disbursement and then be reviewed for a post-withdrawal disbursement.

New Rules Effective July 1, 2021

The final rules published in the Federal Register – Distance Education and Innovation, Final Rule on September 2, 2020, were effective July 1, 2021, and apply only to students with withdrawal dates that occur on or after July 1, 2021.

The implementation of the new rules applies to student's whose withdrawal date or the date the student otherwise ceases attendance or graduates is on or after July 1, 2021, and not based on the date of the institution's determination that the student withdrew.

If a calendar midpoint is assigned for unofficial withdrawals, that midpoint date will determine which R2T4 rules apply. (If the midpoint date is on or after July 1, 2021, then the new R2T4 rules will apply.)

PROCESS

Determining If A Student Has Withdrawn

Effective July 1, 2021, the new rules require a school to first determine if a student has withdrawn in order to further determine if an R2T4 is required. If the student is not deemed to have withdrawn, then no R2T4 is required. In a program offered in modules, a student is not considered withdrawn if:

1. The institution obtains written confirmation that the student will attend a later module in the same payment period or period of enrollment;
2. The student completes the requirements for graduation;

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3. The student successfully completes one or more modules that comprise at least 49% 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; or
4. The student successfully completes coursework equal to or greater than the coursework required for half time enrollment.

Official Withdrawal

Broward College is a nonattendance taking institution. A student is to be considered an official withdrawal from the institution when a student's schedule reflects all combinations of Withdrawn (W, WN, XW, WF) for a term/payment period. The Institution will apply the Withdrawal date as the date the student withdraws from the last course on the schedule or the last date of attendance at an academically related activity as determined by the Institution, whichever is later. Broward College will use as the Date of Determination the date when the student withdrew from the last course in the term/payment period, or the date of notification that the student has withdrawn from all courses in the term/payment period, whichever is later. If the student re-enrolls in any session within the same term/payment period, the student is no longer considered withdrawn. The college will run a report multiple times during the term to identify those students who have received a W for all courses in a term/payment period or who have re-enrolled in later sessions within the term/payment period.

Unofficial Withdrawal

If a student receives a combination of W, F, U, or WI for their entire schedule during the payment period or period of enrollment, the College will consider the student to have unofficially withdrawn. The College will perform an R2T4 calculation. Unless the student provides documented proof of academically-related activity, the College will use the midpoint of the payment period or period of enrollment.

The student will receive communication with the results of the calculation and will have 14 days from the date of the communication to provide evidence of any academically-related activities that shows participation in the course beyond the 50% point.

Upon receipt of any documentation that supports a new withdrawal date, a new R2T4 calculation will be done by the College and adjustments will be made accordingly. The College must complete all calculations within 45 days from the end of the payment period or period of enrollment for all unofficial withdrawals.

Broward College uses the R2T4 calculation [worksheet provided by Department of Education on the FSA partner website \(https://fsapartners.ed.gov\)](https://fsapartners.ed.gov).

Payment period versus a period of enrollment – Broward must use payment period for credit hour programs

- For credit hour programs
 - Beginning and ending dates for each period
 - Whether the period includes a scheduled break of five or more days, and if so, how many days is the break

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- Allowable institutional charges
Attendance taking or not? For credit hour programs, Broward is not an attendance taking institution.

The following determinations are made for each student who is subject to an R2T4 calculation:

- Type of withdrawal – official or unofficial
- Date of withdrawal
- Date Broward College determined the student withdrew
- Amounts and types of financial aid disbursed
- Amounts and types of financial aid that could have been disbursed

Using the R2T4 Worksheet

Once this information has been determined, it can be input into the student information section of R2T4 worksheet.

1. To begin the R2T4 calculation, determine the student's session and select corresponding tab; and enter the student's name and student ID number. The Date Calculated is the date the R2T4 is being completed. The Date of Determination is the school's date of determination. Period of Calculation and Full Term Dates are determined by the session being reviewed.
2. Continue to Step 1 on the worksheet and enter information related to the student's aid that was disbursed and aid that could have been disbursed.
3. Box H indicates the percentage of aid the student earned and Box L indicates the Total Institutional Charges. Box J identifies any post-withdrawal disbursement amount. Box O identifies the Amount for Institution to Return, and Box P identifies the loan amount to be returned by the school.
4. Box U identifies the amount of grant funds to be returned by the student. If the student is to return grant funds (see Box U) Broward College will return the funds on behalf of the student and then bill the student for those funds. Additionally, the student will be billed for any unpaid institutional charges remaining as a result of the loans returned.

Determination of the amount of aid the student earned:

The percentage of aid the student has earned is equal to the percentage of the semester or summer term (payment period) the student has completed.

- a. The percentage of the payment period completed is calculated by dividing the total number of calendar days completed by the total number of calendar days in the term. Scheduled breaks of five or more days are excluded.

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- b. The amount of aid the student has earned is calculated by multiplying this percentage by the total amount of Title IV aid disbursed (and that which could have been disbursed) to the student.
- c. For example, in an official withdrawal, if a student completes 35 days of a 118-day term, the percentage completed is 29.7% (35 completed days / 118 total days). If \$2000 has been disbursed, the student is entitled to only \$594, or 29.7% of that aid. In the case of an unofficial withdrawal, the 50% midpoint is used to determine the number of days completed.
- d. A student who did not receive all of the funds earned may be due a post-withdrawal disbursement.
- e. Once 60% of the payment period is completed, the student is considered to have earned all federal aid and return of federal funds is not necessary.

Determination of the amount of aid the student did not earn:

The amount of Title IV aid which must be returned is based on the percentage of unearned aid. That percentage is computed by subtracting the earned aid percentage from 100%.

For example, if the earned aid percentage is 29.7%, the unearned aid percentage is 70.3% (100% – 29.7% earned = 70.3% unearned).

Returning Unearned Aid

Unearned Title IV aid will be returned to the following programs in the following order:

1. Federal Unsubsidized Direct Loan
2. Federal Subsidized Direct Loan
3. Federal Parent PLUS Direct Loan
4. Federal Pell Grant
5. Federal SEOG

Any loan funds that must be returned by the student (see Box R) will be subject to established repayment guidance as outlined in the borrower’s rights and responsibility as indicated on the Master Promissory Note (MPN).

Once the R2T4 has been calculated, if there is a post-withdrawal disbursement (Box J), the financial aid team member will determine the amount of grant versus loan funds. The student will then be notified through their Broward College Email account regarding these funds and the student will have 14 days to respond as to whether they want the funds or not. Broward College will retain the student’s communication as proof of their response. If verification documents are pending for a student eligible for a post-withdrawal disbursement, the student will receive an email notification. Verification documents must be submitted within 5 business days, or the award will be canceled.

If the student indicates they want some or all of the funds, the financial aid team member will post the award to the student’s record and request that the funds be disbursed to the student.

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If there is no post-withdrawal disbursement and there are grant and/or loan funds to be returned by the student, the financial aid team member will adjust the student's awards to reflect the decrease in awards and process the student's record to return the funds to their source.

If the student borrowed student loans during their enrollment at Broward College, financial aid will notify the student of exit counseling requirements via their Broward College email account.

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