

RETURN OF TITLE IV FUNDS

POLICY

In accordance with federal regulations, return of Title IV funds apply to students who have received Title IV funding and completely withdraw or leave school before completing the semester in which federal funding was received.

Revised 04/04/2023

Beginning July 1, 2021 the following regulations as outlined in 34 CFR 668.22(a) are in effect for YC students. If any of the following 4 exemptions are in place a student is NOT considered withdrawn for R2T4 purposes. Aid recalculation rules per applicable program regulations and school policies still apply.

- A student completed all requirement for graduation. The student is considered eligible for any second or subsequent loan disbursement as a late disbursement under 668.164(J).
- A student successfully completed coursework applicable to the student's Title IV eligible program of study in one module or a combination of modules that equals 49% or more of the number of countable days in the payment period or period of enrollment. Successful completion means a passing grade. Countable days include the number of days in the payment period, excluding scheduled breaks of five or more consecutive days and all days between modules that are common to all modules during the period. The 49% figure may NOT be rounded up (i.e., 48.7% CANNOT be rounded up to 49%). The 49% figure is based on the number of days in the overall payment period, not 49% of the modules the student was enrolled in for a particular payment period. This is not the same as the calculation of days in a period for the R2T4 denominator. The 49% calculation is only used to determine if the student is considered a withdrawal or is exempt from R2T4. Successful completion of 49% also makes the student eligible for a second or subsequent loan disbursement as a late disbursement under 668.164(j).
- A student successfully completed coursework applicable to the student's Title IV eligible program of study equal to or greater than the courses determined to be half-time (6 credits for undergrad) enrollment for the payment period or period of enrollment. Successful completion of half-time credits also makes the student eligible for second or subsequent loan disbursements as late disbursements under 668.164(j)
- A student provides written confirmation that they will begin another course applicable to the student's Title IV eligible program of study in a later module in the payment period or period of enrollment that begins no later than 45 calendar

days after the end of the module the student ceased attending. If the student fails to begin attendance in the later module, return to Title IV calculation is required and it may be necessary to recalculate aid per applicable program regulations and school policies. If the student confirms their intent to return in a later module, the school may continue to consider them as enrolled and eligible for a second or subsequent loan disbursement.

In addition, YC is following regulation 34 CFR 668.22 (1) and does not use a R2T4 FREEZE Date. Following is information on this regulation.

If a student in modules does not qualify for one of the 4 exemptions and withdraws, their R2T4 denominator (days in the enrollment period) depends upon the types of aid the student received and is based on the days in the modules that determined their received Title IV aid. For example, if a student only received Pell, IASG and/or TEACH only, the days of the module are counted in the R2T4 denominator only if the student attended at least one day in the module. However, if a student received direct loan awards or FSEOG based on enrollment in Module 1 and Module 2, and they complete Module 1 but withdraw during or prior to Module 2, since their Title IV aid was based on both modules the days in both modules will be counted in the days of the enrollment period. The updated regulation regarding the R2T4 Denominator calculation for non R2T4 Freeze schools is this:

- For Pell, IASG, and/or TEACH ONLY - include in the days in the enrollment period only those modules in which the student attended at least one day.
- For Direct Loans and/or FSEOG – include in the days in the enrollment period the modules that the student attended at least one day OR all modules that the student was enrolled in or registered in the module on the first day of the payment period or at any time during the payment period.

The R2T4 Denominator is used in the calculation process to determine whether a student completed more than 60% of the period in order to determine how much Title IV aid the student earned for the period. The number of days used in the R2T4 denominator for the 60% calculation will be student-specific and determined on a student-by-student basis.

Determine the student's withdrawal date.

Official Withdrawals – A student who officially notifies Yavapai College of his or her withdrawal, and proceeds to follow Yavapai College's withdrawal procedures. The withdrawal date or last date of attendance for the student is considered the date the student began the school's official withdrawal process.

Unofficial Withdrawals – A student who stops attending classes and does not go through the official withdrawal process. The withdrawal date or last date of attendance

is determined by the last documented date the student attended class. This is obtained by contacting the student's instructors and requesting documentation on the last date the student was in class. Yavapai College can also use the midpoint or 50% of the semester date, for the last date of attendance if appropriate documentation cannot be obtained.

If the last date of attendance is after 60% of the semester is over, no return of title IV funds is required. R2T4 is performed on all withdrawals.

Determining the student's institutional charges and Title IV funds disbursed

Institutional charges include all charges for tuition, fees, on-campus room and board and bookstore charges on students account.

Title IV funds include all Title IV funds, excluding federal work-study.

Determining if the student and the school will owe a refund

To determine what Title IV funds are required to be returned by the school and the student, Yavapai College uses the Banner R2T4 process (RPRTIVC). This process will calculate the percentage of aid earned by the student and will break down the student and the school's portion of the funds to be returned.

Refund of School's Portion

Adjustments are posted to the student's account receivable record by decreasing the fund in RPAAWRD and contacting the Business Office for them to properly fund the repayment and to then collect the funds from the student.

Notifying the student of an overpayment

If it has been determined that the student owes a fund overpayment (\$50.00 or more), this is detailed in RHACOMM. An email/letter is generated to the student indicating the amount that must be repaid, and a date the payment is due before the debt will be turned over to the Department of Education. Debts are referred after 45 days if the student has not repaid. A second notice is sent to the students when the overpayment is referred to NSLDS.

The business office will receive a copy of the letter and the summary from the R2T4 calculation. If the student does not owe a an overpayment refund, but the school is required to return funds, the business office will receive a copy of the electronic email documentation.

File documentation

Documentation that has been collected to determine the student's withdrawal date will be kept in the students file along with a copy of the letter and the original R2T4 calculation. Reports for the R2T4 calculation are kept on U: > Shr_fa > R2T4 Withdrawals

Reporting overpayments to NSLDS

When a student owes an overpayment, the overpayment is reported to NSLDS as 'School', in the overpayment history screen. If the overpayment is not paid within 45 days, the debt is transferred to the Department of Education on NSLDS as 'Transfer'.

Order of return of title IV funds —

Loans. Unearned funds returned by the institution or the student, will be credited to outstanding balances on title IV loans made to the student or on behalf of the student for the payment period or period of enrollment for which a return of funds is required. Those funds will be credited to outstanding balances for the payment period or period of enrollment for which a return of funds is required in the following order:

- 1) Unsubsidized Federal Direct Stafford loans.
- 2) Subsidized Federal Direct Stafford loans.
- 3) Federal Direct PLUS received on behalf of the student.

Remaining funds. If unearned funds remain to be returned after repayment of all outstanding loan amounts, the remaining excess must be credited to any amount awarded for the payment period or period of enrollment for which a return of funds is required in the following order:

- 4) Federal Pell Grants.
- 5) Iraq and Afghanistan Service Grants.
- 6) FSEOG Program aid.

Timeframe for the return of title IV funds.

Yavapai College will return the amount of title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the our determination that the student withdrew.

Since Yavapai is not required to take attendance, we determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the earlier of the payment period or period of enrollment.

Post Withdrawal Disbursement

If the total amount of title IV grant or loan assistance, or both, that the student earned as calculated is greater than the total amount of title IV grant or loan assistance, or both, that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the date of the institution's determination that the student withdrew, the difference between these amounts will be treated as a post-withdrawal disbursement.

- 1) A post-withdrawal disbursement must be made from available grant funds before available loan funds.
- 2) If outstanding charges exist on the student's account, we may credit the student's account up to the amount of outstanding charges using:
 - Grant funds that make up the post-withdrawal disbursement; and
 - Loan funds that make up the post-withdrawal disbursement only after obtaining confirmation from the student, or parent in the case of a parent PLUS loan, that they still wish to have the loan funds disbursed.

In general, Yavapai college does not hold any credit balance (including those caused by an R2T4 calculation) on a student's account. Any Title IV aid resulting in a credit balance is released to the student as soon as possible or within 14 days of the credit balance occurring.

For post-withdrawal disbursements:

- 1) Yavapai College will disburse directly to a student any amount of a post-withdrawal disbursement of grant funds that is not credited to the student's account.
- 2) Yavapai College will make the disbursement as soon as possible, but no later than 45 days after the date we determine that the student withdrew.
- 3) Yavapai College will offer to disburse directly to a student, or parent in the case of a parent PLUS loan, any amount of a post-withdrawal disbursement of loan funds that is not credited to the student's account that the student earned but was not yet disbursed at the time of withdrawal.

Yavapai College will make a direct disbursement of any loan funds that make up the post-withdrawal disbursement only after obtaining the student's, or parent's in the case of a parent PLUS loan, confirmation that the student or parent still wishes to have the loan funds disbursed.

Yavapai College will provide within 30 days of the date of the institution's determination that the student withdrew a written notification to the student, or parent in the case of parent PLUS loan, that—

- 1) Requests confirmation of any post-withdrawal disbursement of loan funds that the Yavapai College wishes to credit to the student's account identifying the type and amount of those loan funds and explaining that a student, or parent in the case of a parent PLUS loan, may accept or decline some or all of those funds;
- 2) Requests confirmation of any post-withdrawal disbursement of loan funds that the student, or parent in the case of a parent PLUS loan, can receive as a direct disbursement, identifying the type and amount of these title IV funds and explaining that the student, or parent in the case of a parent PLUS loan, may accept or decline some or all of those funds.

Correspondence will be sent to the student:

- 1) Explaining that a student, or parent in the case of a parent PLUS loan, who does not confirm that a post-withdrawal disbursement of loan funds may be credited to the student's account may not receive any of those loan funds as a direct disbursement.
- 2) Explaining the obligation of the student, or parent in the case of a parent PLUS loan, to repay any loan funds he or she chooses to have disbursed; and
- 3) Advises the student, or parent in the case of a parent PLUS loan, that no post-withdrawal disbursement of loan funds will be made, unless Yavapai College chooses to make a post-withdrawal disbursement based on a late response, if the student or parent in the case of a parent PLUS loan, does not respond within 14 days of the date that the Yavapai College sent the notification.
- 4) The deadline for a student, or parent in the case of a parent PLUS loan, to accept a post-withdrawal disbursement is the same (14 days) for both a confirmation of a direct disbursement of the post-withdrawal disbursement of loan funds and a confirmation of a post-withdrawal disbursement of loan funds to be credited to the student's account.

If the student, or parent in the case of a parent PLUS loan, submits a timely response that confirms that they wish to receive all or a portion of a direct disbursement of the post-withdrawal disbursement of loan funds, or confirms that a post-withdrawal disbursement of loan funds may be credited to the student's account, Yavapai College will disburse the funds in the manner specified by the student, or parent in the case of a parent PLUS loan, as soon as possible, but no later than 180 days after the date of the institution's determination that the student withdrew.

If a student, or parent in the case of a parent PLUS loan, submits a late response to the institution's notice requesting confirmation due to extenuating circumstances, Yavapai College may make the post-withdrawal disbursement of loan funds as instructed by the student, or parent in the case of a parent PLUS loan (provided Yavapai College disburses all the funds accepted by the student, or parent in the case of a parent PLUS loan), or decline to do so.

If a student, or parent in the case of a parent PLUS loan, submits a late response to the institution and the Yavapai College does not choose to make the post-withdrawal disbursement of loan funds, Yavapai College will inform the student, or parent in the case of a parent PLUS loan, in writing of the outcome of the post-withdrawal disbursement request.

If the student, or parent in the case of a parent PLUS loan, does not respond to the Yavapai College notice, no portion of the post-withdrawal disbursement of student loan funds or parent PLUS loan, will be disbursed.