

UNIVERSITY *of* NORTH CAROLINA
PEMBROKE

RETURN OF TITLE IV POLICY (R2T4)

Title IV (Federal financial aid) is awarded to a student to attend an entire semester and the funds are intended to cover the student's educational expenses for the entire semester. A student who officially withdraws from all classes, unofficially stops attending, or receives F's in all classes due to non-attendance may have not "earned" his/her entire financial aid award and could be overpaid.

The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for Title IV grant or loan recipients who withdraw, drop out, or are dismissed prior to completing a payment period or period of enrollment. This requirement includes "unofficial withdrawals," which are defined as students who stop attending their classes but do not follow university policy and officially withdraw from class(es). The law requires that the student's federal aid eligibility be recalculated in these situations and any federal Title IV aid not earned by the student be returned to the U.S. Department of Education.

The university is required to recalculate eligibility based on the percentage of aid earned using the required federal formula that determines the return to Title IV amount (R2T4). The percentage of the payment period equals the number of days completed up to the withdrawal date divided by the total number of days in the payment period the student was scheduled to attend. Any break of five or more calendar days is excluded. The percentage completed by the student is the percentage of federal aid earned. If less aid was earned than the amount of aid disbursed, the university must return the unearned amount. Returning the unearned funds to the U.S. Department of Education (ED) may result in the student owing money back to UNCP. If the student earned more aid than has disbursed and meets eligibility requirements for the funds, the university will make a post-withdrawal disbursement within 180 days of the student's withdrawal.

The federal R2T4 calculation will be performed within 30 days after determining the date of withdrawal. Any required return of funds will be completed within 45 days.

We recommend that a student who is unable to complete his/her classes, officially withdraw rather than risk receiving all F grades. Grades of F will negatively affect both academic and financial aid standings.

When a student has a combination of F's and W's grades, UNCP will consider the student as an unofficial withdrawal unless university documentation substantiates the student attend for the full payment period.

The Return of Title IV funds policy (R2T4) applies only if the student ceases enrollment either officially or unofficially before completing 60% of the semester. Any student receiving federal financial aid including grants and/or loans is subject to this policy.

The University's official refund policy is independent of the Return to Title IV policy.

DEFINITIONS

The amount of federal aid that a student must repay is determined by a formula as specified in 34 CFR 668.22 of the Higher Education Act of 1965, as amended.

A calculation will be performed by the Financial Aid Office based upon the following definitions:

1. Unofficial withdrawal – If a student does not complete the published official withdrawal process but ceases attendance in a scheduled payment period, the student is considered an unofficial withdrawal.
2. Official withdrawal – The university has a defined process for students to drop and/or withdraw from all classes during a payment period.
3. Withdrawal Date/Last date of attendance – For official withdrawals, the date the student began the withdrawal process or officially notified UNCP of his/her intent to withdraw, whichever is later, will be considered the last date of attendance or withdrawal date. For an unofficial withdrawal, this is the date of the last day a student participated in an academically related activity. For example, a professor reports the last date of attendance for a student who earns an F for non-attendance but failed to officially withdraw. It is possible for a student to earn a passing grade in a module early in the payment period and then become an unofficial withdrawal if they cease attendance in scheduled courses after establishing at least one day of attendance. The university must determine that the student established attendance and stopped attending. By documenting the last date of attendance with F grades, the university can distinguish between students who earned the failing grade and those who failed to attend the scheduled period.
4. Date of Determination – This is the effective date or when the university learned of the student's withdrawal. For official withdrawals, this is the date the student began the withdrawal process. For unofficial withdrawals, this is the date the university learned the student was no longer attending. For example, when grades are submitted at the end of the term, failing grades may inform with the last date of attendance that a student ceased attendance earlier than scheduled and an R2T4 calculation is required.
5. Institutional charges - The original institutional charges for tuition, fees, room and board that were assessed at the time of enrollment.
6. Payment period – The payment period is the semester for which the student is scheduled to attend. For example, UNCP offers a fall semester and a spring semester which are each a payment period. The Maymester and intra sessions are modules added to the spring semester to total one payment period.
7. Module – A module is any class that doesn't span the entire length of the payment period. Any class that doesn't begin within one week of the published start date and end within one week of the published end date is a module for R2T4 purposes. All courses in the Maymester and intra sessions are modules. Effective 7/1/2021, students who completed a module that comprises at least 49% of the payment period and earned passing grades in Title IV eligibility courses that total at least half-time enrollment do not require an R2T4 calculation. If a student ceases attendance but is scheduled to attend a future module within the payment period, the student must provide active confirmation in writing to the Financial Aid Office that he/she plans to return within 45 days and continue attendance in the same payment period or an R2T4 calculation must be completed.

8. Days in the numerator – Used in the R2T4 calculation as the percentage of days attended in the payment period. For a full semester course, count the days from the published start date to the last date of attendance, excluding any break of five or more calendar days. For a module, count the days from the earliest Title IV course start date to the last date of attendance, excluding any break of five or more calendar days.
9. Days in the denominator – Used in the R2T4 calculation as the percentage of days scheduled to attend in the payment period. For a full semester course, count the days from the published start date to the published end date, excluding any break of five or more calendar days. For a module, count the days from the earliest Title IV course start date to the published end date of the latest Title IV course, excluding any break of five or more calendar days.

Some aid applicants are not subject to an R2T4 calculation. Examples include:

- Title IV grant and loan eligible students who drop or withdraw before establishing attendance
- Students who drop or withdraw from some courses but remain enrolled in Title IV eligible courses
- Federal Work Study recipients who are not Title IV grant or loan recipients
- Recipients of other aid who are not receiving a Title IV grant or loan

OVERPAYMENTS AND RETURN OF FUNDS

The portion of a student's financial aid he/she did not earn as a result of withdrawing from classes is an overpayment and must be returned to the federal program from which they were awarded. Federal law specifies the order in which the federal funds must be returned:

- Unsubsidized Direct Loans (other than Direct PLUS Loans)
- Subsidized Direct Loan
- Direct PLUS loans (parent or graduate)
- Federal Pell Grants for which a return of Title IV funds is required
- FSEOG for which a return of Title IV funds is required
- TEACH Grants for which a return of Title IV funds is required
- Iraq and Afghanistan Service Grant, for which a return of Title IV funds is required

After the Financial Aid Office performs the R2T4 calculation, the return of funds will automatically charge to the student account. This return of funds charge can be viewed by the student on his/her Braveweb student account. The Financial Aid Office will email the student to inform him/her that a calculation has been performed and a return has been made on his/her behalf. UNCP will return any grant overpayment owed by a student, per the calculation, on their behalf. In most cases, the student will owe an outstanding balance to UNCP as a result of the return. A student must repay this balance before registering for a future term.

All university R2T4 calculations will be made within the 45 days of the date of determination. The Finance Office manages the required returns and monitors the university's reconciliation process to return unearned funds within three days.

VERIFICATION

If a student withdraws or stops attending before completing verification, the student may qualify for a post-withdrawal disbursement and will be notified in writing.

POST-WITHDRAWAL DISBURSEMENTS

Post-Withdrawal Disbursements (PWD) are calculated within the R2T4 formula and represent the amount of aid earned for the payment period that has not disbursed.

If a student establishes attendance in at least one course within the payment period and ceases enrollment, an R2T4 calculation will be performed.

If it is determined that a student is eligible for federal aid funds that have not been disbursed, a student may receive grant funds to cover any outstanding charges. If the student is eligible for a loan, UNCP will notify the student of his/her eligibility for the loan. The student must respond within 14 days of the date of the letter to accept or decline the loan. Eligibility for aid may include

- The student has an ISIR with an official EFC.
- Undisbursed FSEOG must have been awarded by the student's withdrawal date.
- Undisbursed Direct Loans must have been awarded and originated by the student's withdrawal date.
- Undisbursed PLUS loan approved credit check must have been received by the student's withdrawal date.
- Students eligible to receive a loan must be enrolled at least half-time on the withdrawal date.

Even though the R2T4 calculation identifies aid that could have been disbursed, the aid may not be disbursed if:

- The Direct Loan was originated but the Master Promissory Note (MPN) was not signed.
- A first loan disbursement to a first-time, first year borrower withdrew prior to day 30 of the payment period.
- The student does not respond within 14 days of the letter date affirming desire to receive otherwise eligible loan.

Students enrolled in two modules during one semester

A student who attends two modules during one semester and officially or unofficially withdraws from the first module must provide written confirmation that he/she will enroll in the second module. Written confirmation must be submitted to the Financial Aid Office at the time of withdrawal from the first module. If the student successfully completes at least one class in the second module, no return to Title IV calculation is required. However, if a student officially or unofficially withdraws from the second module, an R2T4 calculation may be required. If the student fails to provide written confirmation to the Financial Aid Office, an R2T4 calculation must be performed.

NOTE: We recommend that a student who is having difficulties in maintaining enrollment, seek academic help rather than withdrawing from all classes.

EXAMPLES OF R2T4 CALCULATIONS

1. A student receives the following financial aid:

Subsidized Stafford Loan	\$1275.00
Federal Pell Grant	\$325.00
Total	\$1600.00
Institutional Charges	\$1177.00
Student's Refund Check	\$423.00

2. The student withdraws from UNCP after completing 10.4 % of the total semester.

- > The semester began on August 19th and ended on December 7th.
- > The student officially withdraws on August 29th.
- > This is the 11th day of a semester that is 106 days long (or 10.4%).

3. Federal law states that this student has "earned" 10.4% of federal aid disbursed:

100% of aid disbursed	\$1600.00
10.4% of aid earned	\$166.40
89.6% unearned aid	\$1433.60

4. UNCP and the student will share the 89.6 % of unearned aid to be returned. UNCP's portion is determined by multiplying the total charges (\$1177.00) by the unearned percentage (89.6 %) which will be \$1054.59. This will be returned to the Subsidized Loan Program.

5. The student will be responsible for the remaining balance.

Unearned aid	\$1433.60
Institutional Share	-\$1054.59
Student Share	\$379.01

6. The balance of the subsidized Stafford loan, \$220.41 will be returned by the student in accordance with terms of the promissory note.

The remaining \$158.60 would be returned at a 50% rate to the Federal Pell grant program.

Pell Grant Overpayment	\$158.60
Multiply the total amount by	.50
Amount the student owes Pell	\$79.30

7. This student must make arrangements with the UNCP Bursar' Office to repay \$79.30 to the Federal Pell Grant program within 45 days of the withdrawal determination.

Students who owe funds to a grant program are required to make payment of those funds within 45 days of being notified that they owe this overpayment.