

WITHDRAWAL AND RETURN OF TITLE IV FUNDS (R2T4) POLICY

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PROCESSING OF FEDERAL FINANCIAL AID (TITLE IV) FOR STUDENTS THAT OFFICIALLY AND UNOFFICIALLY WITHDRAW FROM DAYTONA COLLEGE.

How a Withdrawal Affects Financial Aid

Federal Student Aid (FSA), also known as Title IV funding, is awarded under the assumption that a student will complete course(s) for the entire quarter, semester and/or payment period for which the funds were awarded. When a student ceases attendance, officially and/or unofficially, in a course, regardless of the reason, the student may no longer be eligible for the full amount of Title IV funds originally awarded.

The return of funds to the federal government is based on the premise that financial aid is earned in proportion to the length of time during which the student attended. A pro-rated schedule determines the amount of federal aid a student has earned while attending. For example, a student who withdraws in the second week of the semester has earned less of his/her financial aid than a student who withdraws in the fifth week. Once the 60% point in the quarter, semester/payment period is reached, a student is considered to have earned all of the financial aid originally awarded and will not be required to return any funds.

Financial aid that is processed for a student who never begins attendance in any class will be canceled.

If a recipient of Title IV funds stops attending Daytona College after beginning attendance, the amount of Title IV 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 to the federal program(s). 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 is eligible to receive a post-withdrawal disbursement of the earned aid that was not received.

How Earned Financial Aid is Calculated

If a student officially or unofficially withdraws, stops attending, or is administratively withdrawn from Daytona College, federal regulations require Daytona College to calculate the amount of Federal Title IV funds earned during the term from which the student withdrew.

The percent earned is equal to the number of calendar days completed up to the withdrawal (officially or unofficially) date divided by the total number of calendar days in the quarter/semester/payment period. Breaks of 5 days or longer are not included in the count of total days in the payment period.

$$\text{Earned Percent} = \text{Number of Days Completed} \div \text{Total Days in Payment Period}$$

For Clock Hour Programs, percent earned is equal to the number of clock hours scheduled to have been completed as of the withdrawal date in the period divided by the total clock hours in the period.

$$\text{Earned percent} = \text{Number of clock hours scheduled} / \text{Total clock hours in payment period}$$

$$\text{Unearned Percent} = 100\% - \text{Earned Percent}$$

As a result of a withdrawal, students who received federal funds will be required to repay unearned aid. The repayment calculation is performed utilizing the federal government's repayment worksheet see link below for access to the federal worksheets for clock and credit hours:

<https://ifap.ed.gov/aidworksheets/attachments/CreditHourWorksheets2017.pdf>

<https://ifap.ed.gov/aidworksheets/attachments/ClockHourWorksheets2017.pdf>

Post-Withdrawal Disbursements

When the total amount of the Title IV assistance earned as of the withdrawal date is more than the amount that was disbursed to the student, the difference between the two amounts will be treated as a post-withdrawal disbursement.

Post-Withdrawal Disbursement of Federal Grant Funds

Daytona College will automatically credit the student's account with a late disbursement of Pell Grant and FSEOG funds for current institutional charges (tuition, and fees). Excess funds will be refunded to the student.

Post-Withdrawal Disbursement of Federal Loan Funds

If the R2T4 calculation results in the student's being eligible to receive either Federal Direct Stafford Subsidized, Unsubsidized, or parent plus Loan proceeds; student and or parent will be notified via e-mail and/or US Mail by the Financial Aid Office within 30 days of the date of determination of withdrawal with the opportunity to accept all or part of the post withdrawal disbursement. The student and/or parent has 14 days from the date of notification to respond. Written authorization from the student and or parent will be requested and confirmation is required and documented before loan proceeds can be processed and awarded to the student.

Determination of Withdrawal Date

The return of TIV funds process begins when the student officially and/or unofficially withdraws from or stops attending courses. The withdrawal date used in the return calculation of a student's federal financial aid is the date the student began the official withdrawal process and/or the date of the student's notification that they wish to withdraw. If a student stops attending classes without notifying Daytona College, the withdrawal date will be the midpoint of the quarter / semester or the last date of academic activity as documented by the student's instructor. For students attending clock hour programs, the recorded last date of attendance will be used as the official withdrawal date. If the student ceases attendance without notifying the school, the school will determine the withdrawal date 14 days from the student's last date of attendance.

When a Student Fails to Begin Attendance

If financial aid is processed for a student who never begins attendance in any class for which s/he registered in a term, all aid will be canceled.

Order of Return to Federal Aid Programs

In accordance with federal regulations, unearned aid will be returned to the federal programs in the following order:

- Federal Direct Unsubsidized Loan
- Federal Direct Subsidized Loan
- Federal Direct Parent Loan for Undergraduate Students (PLUS)
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant
- Iraq and Afghanistan Service Grant, for which a return of Title IV funds is required.

Student Notification of Repayment

The student and the school are both responsible for returning unearned federal financial aid to the federal government. Daytona College will return funds on the student's behalf to the appropriate federal programs and subsequently will bill the student for any balances owed back to Daytona College as a result of the return of Title IV funds. An email reflecting the adjustment(s) to the student's Title IV funds and the remaining student account balance will be sent to the student. The student is responsible for any outstanding balance resulting from a Return of Title IV calculation. Students are encouraged to contact the Financial Aid Office to make payment arrangements.

If the student is not enrolled at least half-time for more than 6 months, their loans will go into repayment. More specifically the student's six (6) month grace period begins the day their enrollment status drops below half-time. The student must complete Exit Loan Counseling at www.studentloans.gov and contact their loan servicer to make payment arrangements. Loans must be repaid by the loan borrower (student/parent) as outlined in the terms of the borrower's Master Promissory Note. The student should contact the loan servicer if they have questions regarding their grace period or repayment status.

Consequences of Non-Repayment

Students who owe the US Department of Education for an overpayment (unearned due to not attending for more than 60% of the payment period) of Title IV funds are not eligible for any additional federal financial aid until the overpayment is paid in full or payment arrangements are made with the US Department of Education.

How a Withdrawal Affects Future Financial Aid Eligibility

Refer to the Financial Aid Office Satisfactory Academic Progress Policy to determine how a withdrawal impacts aid eligibility.