

**LOS ANGELES COUNTY COLLEGE OF NURSING AND ALLIED HEALTH
OFFICE OF FINANCIAL AID
POLICY & PROCEDURE MANUAL**

Subject: RETURN OF TITLE IV FUNDS (R2T4)	Original Issue Date: 1995	Policy #: 800
	Supersedes: January 25, 2018	Effective Date: March 25, 2021
Individuals /Committees Consulted: Director, Office of Educational Services FA Coordinator Expenditure Management	Reviewed & Approved by: Office of Financial Aid College Governance Committee	Approved by: Financial Aid Administrator (signature on file) Provost, College of Nursing & Allied Health (signature on file)

PURPOSE:

To ensure the Office of Financial Aid (OFA):

- Monitors student eligibility for aid and verifies continued eligibility upon change in enrollment status
- Returns any unearned aid in accordance with regulations.

Definition:

Title IV funds include:

- Unsubsidized Direct Loans
- Subsidized Direct Loans
- Pell Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG).

POLICY:

All Title IV financial aid is disbursed directly to students by financial aid checks from the Auditor Controller’s Office.

Financial aid students are responsible for their institutional charges (tuition and fees) after receiving their award.

Student eligibility for financial aid and award amount are based on enrollment status (number of units enrolled).

The Higher Education Amendment of 1998 guides the Return to Title IV (R2T4) Funds policy for students who withdraw from all semester courses or the nursing program.

Unawarded Title IV funds are to be returned to federal accounts by Expenditure Management within 15 days.

Federal regulations state that the amount of a Title IV refund is based on the percentage of Title IV funds earned by the student at the time of withdrawal.

Note: Refunds for tuition and other institutional charges from withdrawing from all courses are different from returning financial aid to federal programs. The College Refund policy

Subject:

RETURN OF TITLE IV FUNDS (R2T4)

determines the amount of tuition paid which is eligible for refund after withdrawing. The College Refund policy does not affect the amount of Title IV aid earned by the student.

Students who begin attending classes and who are recipients of Title IV grant or loan funds upon officially/unofficially withdrawing from the Nursing Program must have a R2T4 calculation performed to determine the amount of such funds that have been earned by the student or if any funds must be returned to federal programs.

During the first 60% of the semester enrollment, a student earns aid in direct proportion to the time of his/her enrollment. The percentage of time the student remains enrolled in a semester is the percentage of aid earned by the student. Once a student passes the 60% enrollment point, all aid has been earned for that enrollment period.

In order to determine whether Title IV funds must be returned, the College must perform the following R2T4 calculation:

- Percentage of the payment period completed: number of days attended in the payment period (semester) divided by total days in the payment period excluding breaks
 - If the percentage is greater than 60%, the student has earned all aid received. No further action is required
 - If the percentage is less than or equal to 60%, the student has unearned funds which must be calculated and returned
- Earned amount of Title IV aid: net amount of Title IV funds disbursed or could have been disbursed for the payment period is multiplied by the percentage of the payment period completed
- The earned aid is subtracted from the aid that was actually disbursed to or on behalf of the student to determine any unearned aid.

If the earned aid is less than the amount of aid disbursed to the student, the student must return the unearned amount of aid to the institution/lender.

The College will return unearned aid to the Title IV Programs in the following order:

1. Unsubsidized, then Subsidized Direct Loans (by reporting via National Student Loan Database System [NSLDS] changes in enrollment status)
Note: Loans received by the student are the student's responsibility and are paid back as per the terms of the borrower's promissory note
2. Pell Grants
3. FSEOG
4. Other assistance awarded under Title IV for which return is required.

If the earned aid is greater than the amount disbursed to the student, for which the student is eligible, the student is eligible to receive a post-withdrawal disbursement of the earned aid that was not received.

Repayments, treatment of Title IV funds, and financial consequences to students are addressed on an individual basis by the OFA.

Subject:

RETURN OF TITLE IV FUNDS (R2T4)

Upon request, the College makes available to any prospective student, information regarding refund policy, impact to earned/unearned eligibility for Title IV funds, and the requirements/procedure for officially withdrawing from the Nursing Program.

Consumer information regarding the Refund policy, Leave of Absence policy, and Withdrawal policy are provided in the College Catalog/Student Handbook and from the Office of Educational Services

Changes in Enrollment Status

Changes in enrollment status require evaluation of whether an R2T4 calculation is required.

- Reduction in units taken during a semester may result in a student receiving more financial aid than they are eligible to retain for that semester
- R2T4 calculations are required when student withdraw from classes in the semester or from the program. SON Withdrawal policy states student must be administratively withdrawn from all courses once they fail or withdraw from a course.
- The additional aid may need to be repaid to the institution and to the Department of Education.

Determination of Withdrawal Dates

Withdrawal dates are determined in accordance with the Academic Failure and Withdrawal policy.

PROCEDURE:

Office of Financial Aid:

- Sets up Federal Student Aid (FSA)-Return to Title IV Funds on the U.S. Department of Education (ED) Web worksheet profiles at beginning of each academic year.

Changes in Enrollment Status/Withdrawal

Financial Aid Coordinator/Designee:

- Determines change in enrollment status/withdrawal from Student Status Report
- Assembles all data for R2T4 calculation
 - Student specific information – last date of attendance, obtained from Dean/Semester Coordinator
 - Nonspecific student information
- Performs R2T4 calculation of FSA-Return of Title IV Funds on the ED Web worksheet calculator
- Notifies student of R2T4 results
- Notifies student if any unearned funds are owed/not owed. If funds owed:
 - Sends written notification documenting amount owed and need for individual counseling to make payment arrangements with OFA
- If funds are due to the student:
 - Notifies Financial Aid Administrator
 - Sends memo to Expenditure Management requesting County Auditor-Controller action for post-withdrawal disbursement

Subject:

RETURN OF TITLE IV FUNDS (R2T4)

- Notifies Expenditure Management of the return of Title IV funds
- Verifies return of Title IV funds with Expenditure Management. If student is non-compliant, ED is informed.

PROCEDURE DOCUMENTATION:

Exit Interview
FSA-Return to Title IV Funds: ED Web worksheet
Financial Aid Ledger
Student Loans Ledger
Student Status Report

REFERENCES:

Higher Education Amendment of 1998
FSA Regulations
Los Angeles County Fiscal Manual: Internal Control Certification Program
College Policy #810: Refunds of Student Charges
School of Nursing Policy #820: Academic Failure and Withdrawal
FA Policy #160: Cash Control: Verification and Disbursement of Student Financial Aid
FA Policy #400: FAFSA Information Verification

REVISION DATES:

May 9, 2013
January 25, 2018
March 25, 2021