

U.S. DEPARTMENT OF EDUCATION'S (USDE) RETURN OF TITLE IV (R2T4) POLICY & PROCEDURES

requires MTECH to administer the return of federal funding back to the USDE, in a precise and accurate manner. *This policy applies to students who complete 60% or less of the payment period (i.e., winter, fall or summer sessions) for which they received Federal Title IV aid. The amount of assistance that you have earned is determined on a pro rata basis.* A student who drops a class but still attends one or more classes does not qualify for the Return of Title IV Funds policy. The term "Title IV aid" refers to the following Federal financial aid programs: Federal Pell Grants, and Federal SEOG (Supplemental Educational Opportunity Grant). And although MTECH does not disburse Federal Direct Loan funds, the term "Title IV aid" also refers to the following Federal financial aid programs: Federal Direct Unsubsidized Loans, Federal Direct Subsidized Loans, Federal Perkins Loans, and Federal Direct PLUS (Parent) Loans.

1. To adhere to the R2T4 policy, MTECH must first determine the student's last date and the withdrawal date (date of determination) by reviewing the following information:
 - A. The date the student began the *withdrawal process or officially notified* MTECH of their intent to withdraw; or when the student submits a "Course Withdrawal" form signed by the program/course instructor to the MTECH Student Services offices available on our college campus locations. Effective date of the withdrawal is the day the withdrawal form is submitted (date of determination) to Student Services;
 - B. The student is absent from class for 10 consecutive days, effective date of the *unofficial withdrawal* is the first day of class if the student never attended, or the 10th consecutive absence if the 10-day period began after the first day of class; or
 - C. The student is dismissed under disciplinary or academic performance policies; effective date of the withdrawal *is the last day of attendance*.
 - D. The Financial Aid Office determines the student's last date of attendance, the number of clock hours a student was enrolled in as of the last date of attendance, and the number of clock hours expected to have been completed as of the last date of attendance. These data elements are used by the Financial Aid Office in completing the R2T4 worksheet.
2. If a student has completed more than 60% of the payment period, all of the assistance that was scheduled to be received for that payment period is 100% earned. If all of the program charges are paid for and there are funds remaining on the account in the form of a federal credit balance, those funds must be provided to the student. A Title IV credit balance occurs when a school credits Title IV program funds to a student's account and those funds exceed allowable charges. A credit balance must be refunded to the student no later than 14 days after the credit occurs or 14 days from the first day of classes or from the date determined that the student withdrew.
3. The calculation required determines a student's earned and unearned Title IV aid and is based on the scheduled hours as of the student's last date of attendance divided by the number of hours in the payment period.
4. A post withdrawal disbursement will be applied to current institutional charges. It may also be applied to other current non-institutional charges (such as additional books and supplies purchased in the MTECH Bookstore) and any prior year balance which may exist on the student's ledger account (up to a maximum of \$200.00). MTECH must disburse a PWD of federal financial aid funds within 180 days of the last date of the student's attendance. A notification of the receipt of an eligible post withdrawal disbursement is mailed out via regular U.S. Postal Service at the time the disbursement is posted to the student's account.
5. Until a student has passed the 60% point of a payment period, only a portion of the student's aid has been earned. A student who remains enrolled beyond the 60% point is considered to have earned all awarded aid for the payment period.

6. When a student ceases attendance prior to the planned ending date, the student may not be eligible for the full amount of Title IV funds the student was scheduled to receive. If more assistance was received than was earned, the excess funds must be returned by the school and/or you. This is referred to as a return of title four funds (R2T4) in which a withdrawal calculation is mandatory to determine the amount of unearned aid.
7. Receipt of excess Title IV program funds that must be returned, the school must return a portion of the excess equal to the lesser of:
 1. Your institutional charges multiplied by the unearned percentage of your funds, or
 2. The entire amount of excess funds.
8. Earned aid is not related in any way to institutional charges. In addition, the College's refund policy and Return of Title IV Fund Policy are independent of one another. A student who withdraws from a program may be required to return unearned aid and still owe the college for the course. For more information on the MTECH withdrawal and institutional charges' policies, please consult the College Policies (Section 600, Student Support Policies; Items 600.615 and 600.615A) on our college website.
9. The responsibility to repay unearned Title IV aid is shared by MTECH and the student. For example, the calculation may require MTECH to return a portion of Federal funds to the Federal Title IV programs. In addition, the student may also be required to return funds based on the calculation. A student returns funds to the Federal Stafford loan programs based on the terms and conditions of the promissory note of the loan. A student who receives a Federal Pell Grant may be required to repay 50% of the funds received. The return of Federal aid is in the following order: Unsubsidized Federal Stafford loans, Subsidized Federal Stafford loans, Federal Perkins loans, Federal PLUS (Parent) loans, Federal Pell Grants, and Federal SEOG (Supplemental Educational Opportunity Grant).

R2T4 Post Withdrawal Example: As of the student's last date of attendance (LDA) the student was scheduled to have completed 45 hours in the payment period. That *number* divided by the total hours in the payment period results in the percentage of financial aid earned.

Payment Period

Total # of Hours:	450	Total TIV AID that Could	
# of Scheduled Hours	<u>45</u>	Have Been Disb'd	<u>\$2000.00</u>
% Earned	10%	= Amount Earned	\$ 200.00

The post withdrawal Pell Grant award that will be requested is \$200.00 in the example above.

RETURN OF FUNDS Withdrawal Example:

- School Profile: Academic Yr. = 900 clock-hours/30 weeks
 - Payment Period = 450 scheduled clock-hours
 - Period State Date = April 1
 - Period End Date = October 25
 - Institutionally Scheduled Breaks = None
 - Attendance Taking = Required
 - Period Used in the Return Calculation = Payment Period
- COA Profile:

Tuition & fees:	\$4,500/PP	Title IV Award Profile:	
Room & Board:	Non-residential	Pell Grant:	\$2,000/PP
Books & supplies:	\$ 250/PP	Subsidized DL	\$1,930/PP

STEP 1: Student's Title IV Aid Information

Title IV Grant Programs	Amount Disbursed	Amount that Could Have Been Disbursed	E. Total Title IV aid disbursed for the period.
1. Pell Grant	2,000.00	0.00	A. 2,000.00
2. Academic Competitiveness Grant			+ B. 1,930.00
3. National SMART Grant			= E. \$ 3,930.00
4. FSEOG			
5. TEACH Grant			
6. Iraq Afghanistan Service Grant			
A. Subtotal	2,000.00	C. Subtotal 0.00	F. Total Title IV grant aid disbursed and that could have been disbursed for the period.
			A. 2,000.00
			+ C. 0.00
			= F. \$ 2,000.00

Title IV Loan Programs	Net Amount Disbursed	Net Amount that Could Have Been Disbursed	G. Total Title IV aid disbursed and that could
7. Unsubsidized FFEL/Direct Stafford Loan	1,930.00	0.00	A. 2,000.00
8. Subsidized FFEL/Direct Stafford Loan			B. 1,930.00
9. Perkins Loan			C. 0.00
10. FFEL/Direct PLUS (Graduate Student)			+ D. 0.00
11. FFEL/Direct PLUS (Parent)			= G. \$ 3,930.00
B. Subtotal	1,930.00	D. Subtotal 0.00	

STEP 2: Percentage of Title IV Aid Earned

Withdrawal date: 4 / 20 /

H. Determine the percentage of the period completed:
Divide the clock hours scheduled to have been completed as of the withdrawal date in the period by the total clock hours in the period.

90 ÷ 450 = 20.0 %

Hours scheduled to complete: 90
Total hours in period: 450

► If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.
► If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H. 20.0 %

STEP 3: Amount of Title IV Aid Earned by the Student

Multiply the percentage of Title IV aid earned (Box H) by the Total Title IV aid disbursed and that could have been disbursed for the period (Box G).

20.0 % × 3,930.00 = **I. \$ 786.00**

Box H: 20.0 % Box G: 3,930.00

STEP 5: Amount of Unearned Title IV Aid Due from the School

L. Institutional charges for the period

Tuition	4,500.00
Room	
Board	
Other (Books & Supplies)	500.00
Other	
Other	

Total Institutional Charges (Add all the charges together) = 5,000.00

M. Percentage of unearned Title IV aid

100% - 20.0 % = **M. 80.0 %**

Box H: 20.0 %

N. Amount of unearned charges

Multiply institutional charges for the period (Box L) by the Percentage of unearned Title IV aid (Box M).

\$5,000.00 × 80.0 % = **N. \$ 4,000.00**

O. Amount for school to return

Compare the amount of Title IV aid to be returned (Box K) to Amount of unearned charges (Box N), and enter the lesser amount.

O. \$ 3,144.00

STEP 4: Title IV Aid to be Disbursed or Returned

- If the amount in Box I is greater than the amount in Box E, go to Item J (Post-withdrawal disbursement).
- If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).
- If the amounts in Box I and Box E are equal, STOP. No further action is necessary.

J. Post-withdrawal disbursement

From the Amount of Title IV aid earned by the student (Box I) subtract the Total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

Box I: 786.00 - Box E: 3,930.00 = **J. \$ NA**

If there's an entry for "J," Stop here, and enter the amount in Box 1 on Page 3 (Post-withdrawal Disbursement Tracking Sheet).

K. Title IV aid to be returned

From the Total Title IV aid disbursed for the period (Box E) subtract the Amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned.

3,930.00 - 786.00 = 3,144.00

Box E: 3,930.00 Box I: 786.00

STEP 6: Return of Funds by the School

The school must return the unearned aid for which the school is responsible (Box O) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

Title IV Programs

1. Unsubsidized FFEL/Direct Stafford Loan	1,930.00
2. Subsidized FFEL/Direct Stafford Loan	
3. Perkins Loan	
4. FFEL/Direct PLUS (Graduate Student)	
5. FFEL/Direct PLUS (Parent)	
Total loans the school must return = P. \$ 1,930.00	
6. Pell Grant	1,214.00
7. Academic Competitiveness Grant	
8. National SMART Grant	
9. FSEOG	
10. TEACH Grant	
11. Iraq Afghanistan Service Grant	

STEP 7: Initial Amount of Unearned Title IV Aid Due from the Student

From the amount of Title IV aid to be returned (Box K) subtract the Amount for the school to return (Box O).

3,144.00 - 3,144.00 = **Q. \$ 0.00**

Box K: 3,144.00 Box O: 3,144.00

► If Box Q is ≤ zero, STOP. If greater than zero, go to Step 8.

STEP 8: Repayment of the Student's loans

From the Net loans disbursed to the student (Box B) subtract the Total loans the school must return (Box P) to find the amount of Title IV loans the student is still responsible for repaying (Box R).

These loans consist of loans the student has earned, or unearned loan funds the school is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower's promissory note.

1,930.00 - 1,930.00 = **R. \$ 0.00**

Box B: 1,930.00 Box P: 1,930.00

- If Box Q is less than or equal to Box R, **STOP**. The only action a school must take is to notify the holders of the loans of the student's withdrawal date.
- If Box Q is greater than Box R, proceed to Step 9.

The school has 45 days to return to the Title IV programs any unearned Title IV funds for which it is responsible.

10. **How to Handle an Overpayment:** 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. During the 45 day period students will remain eligible for Title IV funds. If no positive action is taken by the student within 45 days of being notified, MTECH will notify the U.S. Department of Education of the student's overpayment situation. The student will no longer be eligible for Title IV funds until they enter into a satisfactory repayment agreement with the U.S. Department of Education.
11. During the 45-day period, the student can make full payment to MTECH of the overpayment. The college will forward the payment to the U.S. Department of Education *electronically* and the student will remain eligible for Title IV funds. Please make check payable to MTECH, Attn: Director of Financial Operations. Please reference your account number and/or social security number to assure proper credit.
12. If a student is unable to pay their overpayment in full, they can set up a repayment plan with the U.S. Department of Education. Before doing this please contact the MTECH Financial Aid Office @ 801.753.4107. You will need to make sure we have referred your situation to the U.S. Department of Education before any repayment plan can be set up.
13. If you want to contact the U.S. Department of Education, their address is listed below.

U.S. Department of Education
Student Financial Assistance Programs
P.O. Box 4222
Iowa City, IA 52245
Phone: 1-800-621-3115
E-Mail: DCS_HELP@ed.gov

For examples of the Return of Title IV Funds calculations or questions regarding the overpayment policy, please contact the Financial Aid Office @ 801.753.4107 or by e-mail at lhawker@mlatc.edu