

Withdrawal and Return of Title IV Funds (R2T4) Policy

Note: If you received financial aid an official or unofficial withdrawal from school will affect your current financial aid, your future financial aid eligibility, and your personal finances.

How a withdrawal affects financial aid

Federal regulations require Title IV (PELL) financial aid funds to be awarded under the assumption that a student will attend the institution for the entire period in which federal assistance was awarded. When a student withdraws from all courses for any reason, including medical withdrawals, he/she may no longer be eligible for the full amount of PELL funds that he/she was originally scheduled to receive. The return of funds is based upon the premise that students earn their financial aid in proportion to the amount of time in which they are enrolled. A pro-rated schedule is used to determine the amount of federal student aid funds he/she will have earned at the time of the withdrawal. Thus, a student who withdraws in the second week of classes has earned less of his/her financial aid than a student who withdraws in the seventh week. Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any funds.

Federal law requires schools to calculate how much federal financial aid a student has earned if that student:

- completely withdraws, or
- stops attending before completing the semester, or
- does not complete all modules (courses which are not scheduled for the entire semester or payment period for which he/she has registered at the time those modules began.)

Based on this calculation, Ranger College (RC) students who receive federal financial aid and do not complete their classes during a semester or term could be responsible for repaying a portion of the aid they received. Students who do not begin attendance must repay all financial aid disbursed for the term.

The following policies will help you to understand that a withdrawal potentially affects students academically as well as financially. We encourage students to read all the information below prior to making a final decision.

How the earned financial aid is calculated

Students who receive federal financial aid must “earn” the aid they receive by staying enrolled in classes. The amount of federal financial aid assistance the student earns is on a pro-rated basis. Students who withdraw or do not complete all registered classes during the semester may be required to return some of the financial aid they were awarded.

Institutions are required to determine the percentage of PELL grant “earned” by the student and to return the unearned portion to the appropriate aid programs. Regulations require schools to perform calculations within 30 days from the date the school determines a student’s complete withdrawal. The school must return the funds within 45 days of the calculation. The R2T4 calculation process and return of funds is completed by the Financial Aid office (FA).

For example, if a student completes 30 percent of the payment period, they earn 30 percent of the aid they were originally scheduled to receive. This means that 70 percent of the scheduled awards remain “unearned” and must be returned to the federal government. Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any federal funds.

The following formula is used to determine the percentage of unearned aid that has to be returned to the federal government:

- The **percent earned** is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in the payment period (less any scheduled breaks that are at least 5 days long).
- The **payment period** for most students is the entire semester. However, for students enrolled in modules (courses which are not scheduled for the entire semester or term), the payment period only includes those days for the module(s) in which the student is registered.
- The **percent unearned** is equal to 100 percent minus the percent earned.

Calculation of the return of PELL funds

Total Disbursed Aid – Earned Aid = Unearned Aid to be Returned

Types of withdrawals

For financial aid purposes there are two types of withdrawals: Complete and Unofficial.

Complete

- Official withdrawal from RC by the student. The current academic year’s policy for a Complete Withdrawal can be found in The Ranger College’s General Catalog – Withdrawal from College.

Unofficial

- Federal financial aid regulations consider a student to be an unofficial withdrawal if the student receives all fail (I/F) grades or a combination of all fail (I/F) and withdraw (Q/W) grades for the term.

Determination of the withdrawal date

The withdrawal date used in the return calculation of a student’s federal financial aid is the last date of attendance indicated by the instructor. If a student stops attending classes without notifying RC, the last date of academic activity determined by RC. Additional documentation supporting the last date of academic activity may be provided by the student if they verify a later date of attendance than determined by RC.

Withdrawing prior to completing 60 percent of a term

Unless a student completes 60 percent of the term (attends classes) in which federal aid was disbursed, the student will be required to return all or part of the financial aid disbursed in the term. This applies to students who have officially (including medical), or unofficially withdrawn.

When a student fails to begin attendance

If a student receives financial aid, but never attends classes, the Financial Aid office must return all disbursed funds to the respective federal and institutional aid programs.

When a student fails to earn a passing grade in any class

If the student has not completely withdrawn but has failed to earn a passing grade in at least one class for the term, federal regulations require the school to determine whether the student established eligibility for financial aid.

Eligibility is based on if the student attended at least one class or participated in any RC academic-related activity. All disbursed funds must be returned to the respective federal and institutional aid programs if the student cannot prove that he/she began attendance. For more information regarding this topic see the section Students who receive all failing grades at the end of the term.

Students who receive all failing grades at the end of the term

Financial aid is awarded under the assumption that the student will attend The Ranger College (RC) for the entire term for which federal assistance was disbursed. When the student has failed to earn a passing grade in at least one class for the term, federal regulations require the school to determine whether the student established eligibility for funds disbursed by attending at least one class or participating in any RC academic-related activity. If the school cannot verify that the student attended RC, all financial aid must be repaid to the federal and institutional programs. The student's bursar account will be charged and the student will be responsible for any balance due.

If the student can prove to have participated in a RC class or academic-related activity past the 60% date, the student will not be required to return any disbursed financial aid. The student's bursar account will be updated and the student will be responsible for any other charges that may have been applied to their account.

Students who are able to verify attendance beyond RC's records may submit supporting documentation to the Financial Aid office. The student must submit supporting documentation within 30 days from the last date of the term. Recalculations for aid eligibility will not be performed for documentation received after that date.

Repayment calculation process

Once grades are posted for the student who receives all failing grades, Financial Aid will return all unearned aid back to the federal and institutional programs and the student's bursar account will be charged. Financial Aid will mail a notification letter with the repayment amount(s) to the student's permanent address. The student's bursar account will be updated, and the student will be responsible for any balance due. A statement reflecting these charges will be sent to the student by the Bursar's Office.

Definition of an academic related activity

Examples of Ranger College (RC) academic-related activities include but are not limited to physically attending a class where there is an opportunity for direct interaction between the instructor and students.

Proof of participation:

- Exams or quizzes
- Tutorials
- Computer-assisted instruction
- Completion of an academic assignment, paper or project
- Participating in an online discussion about academic matters
- Initiating contact with a faculty member to ask a question about the academic subject studied in the course
- RC required study group where attendance is taken

Documentation not acceptable as proof of participation:

- Student's self-certification of attendance that is not supported by school documentation
- Verification of Enrollment form issued by the Registrar's Office
- Living in RC housing
- Participating in the school's meal plan
- Participating in academic counseling or advising

Student notification of repayment

A notification letter outlining the amount returned to the federal program(s) will be mailed to the student's permanent address. RC will return funds on the student's behalf to the appropriate federal and institutional aid program(s) and subsequently will bill the student's bursar account. A statement reflecting these charges will be sent to the student. The student is responsible for all charges and overpayments resulting from a Return of PELL calculation.

Overpayment of federal grant funds

Federal regulations provide that 50% of the unearned amount of all federal grants is protected by federal calculation. Any grant amount subject to repayment will be billed to the student's bursar account as an overpayment. Upon receipt of payment from the student, RC will return the funds to the appropriate grant program(s)

School and student responsibility for return of unearned federal funds

The student and the school are both responsible for returning unearned federal financial aid to the federal government. The student will be billed for any amount due as a result of the return of federal aid funds (R2T4) calculation.

Repayment of unearned funds

The Financial Aid office will notify students if they owe federal funds back to the U.S. Department of Education (ED). Amounts that must be returned by the student. Any grant overpayment the student has to return to the federal

government must be repaid within 45 days after the student receives notification from Financial Aid. If the grant overpayment cannot be paid in full, a repayment plan may be arranged with the U.S. Department of Education.

Students will also receive notice from Financial Aid regarding repayment of institutional funds. If the student owes any money to the RC resulting from the return of federal or institutional funds, the student will be billed by the RC Bursar's Office.

Consequences of non-repayment

If a student does not repay the grant funds that are owed to the government within 45 days, the account will be turned over to the U.S. Department of Education (ED) as an overpayment of federal funds. Students who owe an overpayment of PELL funds are ineligible for further disbursements from federal financial aid programs at any institution until the overpayment is paid in full or payment arrangements are made with the U.S. Department of Education.

If a student does not pay funds due to RC to cover their Bursar balance, the student's records will be placed on financial hold. This means he/she will not be permitted to register for classes or receive transcripts until the balance is paid.

School and Student responsibilities in regard to the R2T4 policy & process

Ranger College's responsibilities in regard to the Return of PELL funds

1. Providing each student with the information given in this policy;
2. Identifying students affected by this policy and completing the Return of PELL Funds (R2T4) calculation;
3. Informing the student of the result of the R2T4 calculation and any balance owed to RC as a result of a required return of funds;
4. Returning any unearned PELL aid that is due to the PELL program.

Student's responsibilities in regard to the Return of PELL funds

1. Becoming familiar with the Return of PELL Funds (R2T4) policy and how withdrawing from all courses effects eligibility for PELL aid;
2. Resolving any outstanding balance owed to the RC resulting from a required return of unearned PELL aid;
3. Resolving any repayment to the U.S. Department of Education as a result of an overpayment of PELL grant funds.

How institutional aid is affected by a withdrawal

All institutional aid provided by the Ranger College is based on need and academic achievement. Any change in enrollment status may cause the amount of the award to be recalculated. A drop in enrollment to 0 units requires the funds to be repaid up to 100% of the disbursed amount. Credit balances will not be released to a student until institutional aid has been repaid.

How a withdrawal affects future financial aid eligibility

Refer to the Financial Aid Satisfactory Academic Progress Policy to determine how a withdrawal will impact future financial aid eligibility.

Important:

- *Academic policies on leaving RC are available in the General Catalog.*
- *The Ranger College's tuition/fee refund policy is separate from the federal regulations to repay unearned aid. Whether or not a student receives a tuition/fee refund has no bearing on the amount he/she must repay to the federal aid programs. Contact the Bursar's Office for further inquiries regarding tuition/fee refunds.*

Note: The procedures and policies listed above are subject to change without advance notice based on changes to federal laws, federal regulations, or school policies. If changes are made, students must abide by the most current policy. The Federal Refund Policy (R2T4) is very encompassing and this is intended to be an overview of the policies and procedures that govern regulations pertaining to PELL Refund (R2T4). For further guidance on R2T4 policies and procedures please see the reference material found in Volume 5 of the Federal Student Aid Handbook under Withdrawals. You may access a copy in the RC Financial Aid Office.