

### **Return of Federal Title IV Funds Policy (R2T4)**

IU Northwest uses the R2T4 software to determine if Title IV funds need to be returned to any Federal program by the school/student due to a complete withdrawal for the intended period of enrollment.

Federal regulations state that if the student has not attended more than 60% of the semester, a percentage of the student's Federal Title IV aid money (excluding Federal Work-Study funds) has not been earned. If already disbursed, the school/student may be required to repay all or a portion of the aid received to the Federal aid program from which it was awarded.

Percentage of payment period completed = Divide the total number of days comprising the payment period for which assistance is awarded into the number of days completed as of the withdrawal date.

Withdrawal date = The day the student withdraws as determined by the school.

### **Return of Title IV Funds Calculation**

The percentage of Title IV aid earned is equal to the percentage of the payment period completed up through the 60% point. This percentage is then applied to the total amount of grant and loan assistance that was disbursed and that could have been disbursed for the payment period for which it was awarded. If the withdrawal date occurs after the 60% point, then the student has earned 100% of the assistance.

Calculated Title IV funds to be returned by school/student = Differences between amount earned and amount received. If the student has received more grant or loan assistance than they earned, the unearned funds are returned by the school, the student, or both. If the student received less grant or loan funds than the amount earned, IU Northwest must determine if the student is entitled to a late-disbursement.

### **Post-Withdrawal Disbursements**

If the R2T4 calculation indicates that a post-withdrawal disbursement can be made, a disbursement will be made to cover institutional charges. The student will be notified of any additional eligibility for a post-withdrawal disbursement.

### **Timeframe for the return of Title IV funds**

IU Northwest has 45 days from the date the institution determines that the student withdrew to return all unearned funds that the school is required to return.

### **Notification to Student**

Students will be notified via US mail of type and dollar amount of aid returned and / or post-withdrawal disbursement eligibility. Copy of notification along with student's R2T4 calculation will remain on file in the Office of Financial Aid.

Aid subject to adjustment based on enrollment below full time status

SSACI - all full-time State grant awards are subject to repayment if full time enrollment\*\* is not maintained.

PELL - decreased enrollment resulting in tuition refund\*\* may/will result in a recalculation of Pell Grant.

\*\*NOTE: Bursar refunds received as a result of any withdrawal(s) are subject to this policy and should be returned to Office of the Bursar unless you have been notification of a post-withdrawal disbursement.