



## WITHDRAWAL/R2T4 POLICY

### OVERVIEW:

Students who have received financial aid and withdraw from the institution during the academic term or payment period, or were over awarded, or if eligibility changes, may need to return or repay some or all of the funds received, which may result in a debt owed to the institution. Financial aid recipients will be billed for any unearned financial aid and resulting unpaid university charges.

### RETURN OF TITLE IV AID

The law specifies how an institution must determine the amount of Title IV program assistance that a student earns if they withdraw from school. The Title IV programs that are covered by this law are: Federal Pell Grants, Subsidized and Unsubsidized Direct Loans, PLUS Loans, Federal Supplemental Educational Opportunity Grants (FSEOGs), Teacher Education and Assistance for College and Higher Education (TEACH) Grant, and in some cases, certain state grant aid (LEAP/SLEAP), GEAR UP grants, and SSS grants to students.

State aid: Middle Class Scholarship, a California state program, is prorated in the same manner as Title IV aid. Cal Grant and Stat University Grant are tuition paying grants that align with the amount of tuition paid.

When a student withdraws during a payment period, the amount of Title IV program assistance that student has earned up to that point is determined by a specific formula. If they received less assistance than the amount earned, they may be able to receive those additional funds. If they received more assistance than they earned, the excess funds must be returned by the school and may result in a billing to the university.

The amount of assistance that earned is determined on a pro rata basis. Once a student has completed more than 60% of the payment period, they earn all the assistance that they were scheduled to receive for that period.

If they did not receive all of the funds that they earned, they may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student is offered those loans and may choose to decline the loan funds so that they don't incur additional debt.

### UNIVERSITY GRADING:

<https://catalog.humboldt.edu/content.php?catoid=10&navoid=1524>

A, B, C, D, CR – completed successfully

F, NC – Completed but not successfully  
I – Incomplete  
RP/RD – Report delayed/in progress  
W – Official Withdrawal  
WU – Unauthorized withdrawal

## **OFFICIAL WITHDRAWALS**

University withdrawal policy: <https://catalog.humboldt.edu/content.php?catoid=10&navoid=1525>

University withdrawal process: <https://registrar.humboldt.edu/withdrawal-process>

When a student withdraws from all courses, the University has no later than 30 days from the effective date of withdrawal to perform the R2T4 calculation, and no later than 45 days from the effective date of withdrawal to return funds to Federal Student Aid.

The institution determines the date of withdrawal from all courses by several means.

- During the first two weeks of classes (up through the last day to add/drop), students are permitted to simply drop all of their courses via their student center. In this case the effective withdrawal date would be the date they dropped to zero units. The financial aid office receives weekly reports (“all courses dropped”) in order to process R2T4.
- After the first two weeks, students must submit a Petition to Withdraw by submitting a “kbox” ticket and uploading supporting documentation. Regardless of how long it takes to process the withdrawal in the Office of the Registrar, the effective withdrawal date is the date the student initiated the process. Financial Aid staff receive notice of these petitions and track progress.
- On occasion, we receive notice of withdrawal in other ways. Specifically, our Dean of Students office notifies the Financial Aid Office when a student has been suspended or expelled. In this case, the notification provides the effective date.

## **UNOFFICIAL WITHDRAWALS**

Unofficial withdrawals result when a student does not complete any of their courses.

Once grades are final for each term, a process is run to find the population of students who show all W, WU, NC, F, RD/RP, or I (or a combination of those). The date this process is run (the date the institution knew the student withdrew) kicks off the timeline for the calculation and return of funds: no later than 30 days to calculate, and no later than 45 days to return funds. For those that received Title IV aid, we must determine that the student began attendance in at least one course, and determine the Last Date of Attendance (LDA) for R2T4 purposes.

Determining LDA: When an instructor enters a grade of “WU” in the Grading module of PeopleSoft, a prompt asks them to enter a Last Date of Attendance. If they do not, it defaults to the 50% date in the term. When the finaid staff member reviews the file, they select the latest date in the system.

Additionally, there are times we have to reach out to instructors to request information about the student's "attendance or participation in an academically related activity."

- If the student began attendance, but did not reach the 50% date, we are permitted to use the 50% date to calculate return of funds.
- If the student attended past 50%, but not 60%, we use the exact percentage to calculate return of funds.
- If the student attended 60% or more, their aid is considered fully earned and no return of funds is necessary.

### **PERFORMING the R2T4 CALCULATION**

We use the R2T4 database on COD to do our calculations. Each term (payment period) is built in the database including the first class and last class date of the term, and includes any breaks (example, Thanksgiving Break). Each term is 108 days long.

Example: Student's withdrawal date is day 67 of the term.  $108/67 =$  student earned 62% of aid

The calculations are performed in partnership with staff from the office of Student Financial Services (Bursar's office). This partnership acts as internal controls to double check the information submitted and ensure that deadlines are met. (30 days to calculate, 45 days to return funds)

If a student's R2T4 calculation results in a return of funds to FSA, the Bursar's office returns the funds, usually resulting in a debt owing to the university. The student is notified immediately

If the R2T4 calculation results in an amount to be returned that exceeds the school's portion, the student must repay some funds.

If the student's R2T4 calculation results in a credit balance on the student's account, it is disbursed to the student within one week (no later than 14 days after the calculation is performed).

If there is Aid that Could Have Disbursed (ATCHD), that is included in the calculation and may result in a Post-Withdrawal Disbursement to the student. Grant aid is disbursed to the student's account (no later than 45 days after calculation) and pays any charges due. Loans are offered to the student within 30 days, and students are given 14 days to respond.

### **RETURN OF FUNDS:**

Because we use the R2T4 database in COD, the calculations for return of funds are inherent in the product. Funds are returned in the following order:

1. Unsubsidized Direct Loan
2. Subsidized Direct Loan
3. Perkins loan (*sunsetting*)
4. Direct Grad PLUS Loan
5. Direct Parent PLUS Loan

6. Pell Grant
7. FSEOG
8. TEACH Grant
9. Iraq and Afghanistan Service Grant

All withdrawal and R2T4 outcomes are documented in the student's record: comments in PeopleSoft and backup documentation in the Share Drive.