

## Policy Title: Return of Title IV Funds (R2T4) (US)

Category:	<input type="checkbox"/> Institutional - Board <input checked="" type="checkbox"/> Academic - Administrative <input type="checkbox"/> Institutional - Administrative <input type="checkbox"/> Employment - Administrative		
Approved by:	<input type="checkbox"/> Board <input checked="" type="checkbox"/> President		
Date approved:	June 26, 2023	Effective date:	June 26, 2023
Policy Sponsor:	Vice President, Administration and Finance	Date last reviewed:	June 26, 2023
Date of Mandatory Review (expiry date):	June 2024	Date of last revision of Procedures:	March 2, 2021

### 1. POLICY

All U.S. students who receive Title IV Federal Student Aid and who withdraw or take a leave of absence from CMCC will have their refunds processed according to the U.S. Department of Education Return of Title IV Funds (R2T4) Policy.

Institutional or other refund policies do not impact the amount of Title IV aid earned under a Return of Title IV Funds (R2T4) calculation.

### 2. PURPOSE

To provide clarification on the processing of refunds (if applicable) to U.S. students receiving Title IV Federal Student Aid.

### 3. SCOPE

All U.S. students registered at CMCC who receive federal financial aid assistance from the U.S. Department of Education Federal Student Aid program.

Title IV Federal Student Aid includes, but is not limited to, U.S. Direct Loans (subsidized and unsubsidized), Parent PLUS loans, or Grad PLUS loans.

### 4. INFORMATION AND COMPLIANCE PLANS (not a comprehensive list)

The Registrar is responsible for processing all withdrawals and student status changes and for notifying the appropriate departments.

The Student Financial Aid and Awards Advisor is responsible for authorizing Title IV loans and performing the R2T4 calculation.

The Director, Business/Finance and Controller is responsible for transferring R2T4 funds to the student and/or to the U.S. Department of Education.

## 5. RELATED POLICIES (not a comprehensive list)

- Academic Standing and Status
- Leave of Absence
- Satisfactory Academic Progress (US)
- Student Promotion
- U.S. Department of Education Return of Title IV Funds (R2T4) Requirements
- Withdrawal and Refund

## 6. DEFINITIONS

See section 7

<b>New Policy Approved (date):</b>	January 25, 2018 for use by Student Services August 30, 2018
<b>Policy Revision History (dates):</b>	January 30, 2020 ****March 2, 2021 ****Minor deviations in format from other CMCC policies are to ensure compliance with USDE requirements February 24, 2023

-----**END OF POLICY**-----

## 7. PROCEDURES

### 1. Eligibility

U.S. Federal Student aid is awarded to eligible U.S. students who are in full-time attendance at CMCC for the entire study period. A student will be deemed to be in academic attendance if they physically attend a class with direct interaction, submit an academic assignment, take an exam, attend a school-assigned study group, participate in an academically-related online discussion, or interact with faculty online about course subject matter. If a student never commences attendance for the period of enrollment, the student is not eligible for Title IV funds; therefore, the Return of Title IV Funds (R2T4) policy does not apply.

### 2. Official Withdrawals

Students who wish to withdraw from the program must notify the Registrar in writing and may no longer be eligible for the full amount of Title IV funds awarded.

An official voluntary withdrawal means that the student followed institutional policies regarding notification and voluntarily withdrew from the program. An administrative withdrawal means that the student was withdrawn by the institution for academic failure, non-attendance, academic offences, or violation of other CMCC policies.

For official (administrative or voluntary) withdrawals, the withdrawal date is the date the institution advised the student that they were being administratively withdrawn or the date the student began the formal voluntary withdrawal process (i.e. date of official written notification to the Registrar).

If a student fails all courses, the institution will determine whether the failing grades were earned (in which case the Satisfactory Academic Progress policy will apply) or were the result of non-attendance.

### 3. Unofficial Withdrawals

An **unofficial withdrawal** means that the student ceases to attend classes but fails to notify the Registrar in writing of their intent to withdraw. This status is only used for the purposes of assessing U.S. loan status and administering Title IV funds. For unofficial withdrawals, the **withdrawal date** is the last known date of attendance. The **date of determination** is the date the student provides notification, or in the absence of written notification, the date the institution becomes aware that the student ceased attending. This date shall be no later than 14 days after the student's last confirmed date of attendance.

The **last confirmed date of attendance** would be the last date that the student physically attended a class with direct interaction, submitted an academic assignment, took an exam, attended a school-assigned study group or lab, participated in an academically-related online discussion, or interacted with faculty online about course subject matter.

### 4. Leave of Absence and Suspension

**Leave of Absence** (LOA) in this policy means that the student is not registered and is on an approved Leave of Absence from the academic program for the purposes of Title IV loan eligibility. An LOA under the R2T4 policy may not exceed 180 days in any calendar month. All requirements for notification must follow CMCC's Leave of Absence policy.

A status of **suspended** indicates that the student has been suspended from the academic program for a designated period for academic/non-academic offences.

### 5. Period of Enrolment

For the purposes of Title IV loan administration, there will be two periods of enrollment per year. The first will begin on the first day of the first module for the academic year and it will end on the last day of the second module of the academic year. The second POE will begin on the first day of the third module and end on the last day of the fourth module of the academic year.

*Attendance of 60% of the POE or less:*

Up to 60% of the period of enrollment, an otherwise eligible student earns Title IV aid on a pro rata basis. A return calculation will be completed.

*Attendance greater than 60% of the POE:*

After a student completes more than 60% of the period of enrollment, the student has earned 100% of the scheduled Title IV funds for that period. A return calculation will be completed in all cases to determine whether a post-withdrawal disbursement (PWD) is required.

## **6. Return of Title IV Funds (R2T4) Calculation**

U.S. federal aid regulations mandate a Return of Title IV Funds (R2T4) calculation when a student withdraws or is withdrawn from CMCC. The percentage of aid that must be returned by the student and CMCC is based on the number of days in attendance and by the number of days remaining in the Period of Enrollment (POE).

*Earned Funds:*

Earned funds refers to the percentage of Title IV loan assistance equal to the percentage of the period of enrollment that the student completed.

Earned funds are calculated based on the number of calendar days the student attended minus unscheduled leaves of five or more days in the POE divided by the number of calendar days in the POE. (\*Note: Institutionally scheduled breaks of five or more consecutive days are excluded from the R2T4 calculation including weekends, bank and statutory holidays, university closure days, and scheduled breaks such as winter holidays and March Break.)

*Unearned Funds:*

Unearned funds refers to the percentage of Title IV loan assistance that has not been earned by the student and that is calculated by determining the complement of the percentage earned (see “earned funds”).

R2T4 calculations will calculate to four decimal places, rounded to the third decimal place and rounded up at five or more. Institutionally scheduled breaks of five or more consecutive days will be excluded from the R2T4 calculation entirely. Breaks of less than five consecutive days will be included in the R2T4 calculation.

## **7. Post-Withdrawal Disbursement**

If the amount of earned Title IV funds exceeds the amount that has been disbursed, the difference is due to the student as a post-withdrawal disbursement. If the R2T4 calculation results in a PWD, the PWD funds may be used to pay outstanding tuition and fees directly to the institution without written confirmation from the student.

## **8. Institution Responsibilities**

The **Registrar** is responsible for processing all withdrawals and notifying the Student Financial Aid and Awards Advisor of all withdrawals including date of determination, withdrawal date and withdrawal type.

If the student receives Title IV loans, the **Student Financial Aid and Awards Administrator** will determine the percentage of Title IV aid earned and notify the Director, Finance and Controller.

The **Director, Finance and Controller** will return the unearned portion (if applicable) to the appropriate aid program on behalf of the student, first to Unsubsidized Direct Loans, then to Subsidized Direct Loans, and finally to Direct PLUS loans.

The **institution** must:

Within 30 days of the date of determination:

- perform the R2T4 calculation
- notify the student of overpayment or PWD status
- explain loan repayment obligations
- advise the student of their right to decline some or all of the loan disbursement
- request confirmation of any loan amount to be credited to the student's account or directly disbursed to the borrower, specifying a deadline of at least 14 days for required response. If no response is received, the institution may decide not to disburse funds, in which case the institution must notify the student in writing.
- return any credit balance to the student within 14 days of the calculation of the R2T4

Within 45 days of the date of determination

- return applicable unearned Title IV funds to the program accounts

Within 180 days of the date of determination

- make the PWD (loan funds) to the student, if applicable and accepted by the student

## **9. Student Responsibilities**

The **student** must:

- Notify the Registrar, in writing, of the intent to withdraw or apply for a Leave of Absence
- Make satisfactory repayment arrangements for unearned Title IV funds that were already disbursed to them
- Repay CMCC for any funds returned to the U.S. including applicable exchange rate differences within 30 days

R2T4 Example

- *A Year I CMCC student is advised that they are eligible for \$5,000 USD in Direct Loans for full-time study for the 2020-2021 academic year from August 24, 2020 to May 28, 2021.*
- *\$2,500 is disbursed for the first period of enrollment in August 2020.*
- *The student notifies the Registrar via email on Saturday, October 31, 2020 that they will be withdrawing from the program effective immediately.*
- *CMCC determines on Monday, November 2, 2020 that the student has withdrawn. The date of determination is November 2, 2020. The withdrawal date is October 31, 2020. By December 2, 2020, CMCC must calculate the earned and unearned funds and notify the student of same.*
- *The total number of days in the first period of enrollment (Aug. 24, 2020 to Jan. 8, 2021) = 138 days.*
- *The total number of days completed by the student (Aug. 24 to Oct. 31, 2020) = 69 days.*
- *Percentage of POE completed (69 days/138 days) = 50%*
  - *US Direct Loan Funds earned (\$2,500 x 50%) = \$1,250*
  - *US Direct Loan Funds unearned (\$2,500 x 50%) = \$1,250*
- *In this scenario, the institution must remit \$1,250 back to the Dept. of Education within 45 days November 2, 2020. Unless there is a credit balance on the student's account, they must return \$1,250 (unearned funds) back to CMCC.*

<b>New Procedure Approved (date):</b>	
<b>Procedure Revision History (dates):</b>	February 21, 2021

## 8. ATTACHMENTS

None.