

Return of Title IV Funds (R2T4)-Policy & Recalculation of Aid Policy

The following policy is used to determine how aid may be adjusted for recipients who have officially or unofficially withdrawn from all courses or who have dropped some of their classes but remain enrolled in others. If officially or unofficially withdrawn, the following federal sources of aid will be included in the R2T4 calculations (except FWS which is noted below). The return of funds in the R2T4 calculation will be rounded to the nearest dollar for all federal aid funds.

While state, institutional, and private aid will not be included in the R2T4 calculation, aid may be adjusted based on hours attending as of the census date. Amounts from all sources of aid that are adjusted based on official/unofficial drops and withdrawals will be included in the notification to the student.

For federal and most state funds, aid will be disbursed based on enrollment in coursework meeting an outstanding degree requirement, also referred to as Course Program of Study (CPoS). Unless stated otherwise in this policy, references to “enrollment” or “enrollment status” will be based on CPoS courses.

For Athletic Scholarships, other institutional sources of aid, and private sources of aid, disbursement of aid will be based on total enrollment whether it meets an outstanding degree requirement or not.

Federal Aid:

Loan Eligibility

The policy applies to Title IV recipients who have officially or unofficially withdrawn from all courses or have dropped classes in current or subsequent modules. If a loan is disbursed based on a minimum of half-time enrollment and student has attended at least one day of one class, whether or not their enrollment status changes after being disbursed, establishes eligibility for a Federal Direct Loan. If the loan has been originated but not disbursed and the Master Promissory Note has been completed, the student may qualify for a post-withdrawal disbursement.

Federal PELL and State Aid (ex. TSAA and Lottery) Eligibility

Students are awarded based on the student’s enrollment. Students who drop a class that causes a change in enrollment status before the census date or Pell Recalculation Date (PRD) will have their grant and/or scholarship amount adjusted. Students who drop a class during a modular part of term before it begins will have their grant and/or scholarship amount adjusted.

Federal Work-Study (FWS)

FWS funds are not included in any of the calculations for the return of funds. Students are no longer allowed to work once they officially withdraw.

Supplemental Education Opportunity Grant (SEOG)

Awarded students must be enrolled at least half-time.

The following sources of aid are not included in the R2T4 calculation but aid may be adjusted and the amount returned due to the official/unofficial withdrawal.

State Aid (TSAA, Lottery Scholarship, etc.) Eligibility:

Students are awarded based on the student's enrollment. Students who drop a class that causes a change in enrollment status before the census date will have their grant and/or scholarship amount adjusted. Students who drop a class during a modular part of term before it begins will have their grant and/or scholarship amount adjusted.

Institutional and Private Aid Eligibility:

Institutional Scholarships

An institutional scholarship will be adjusted based on instructions from the donor or the department.

Athletic Scholarships

This policy does not address Athletic Scholarships.

Private Scholarships

A Private Scholarship will be adjusted based on instructions from the private donor.

Steps in the Return to Title IV Funds Calculations (R2T4)

1. Determining the Withdrawal Date

Official Withdrawal

At Tennessee Tech, a student's withdrawal date is the date used by the Financial Aid Office to determine the point in time that the student is considered to have withdrawn. The Financial Aid Office uses this date to determine the percentage of the payment period or period of enrollment completed by the student. The withdrawal date for an Official Withdrawal will be the date the student informs Tennessee Tech the student is withdrawing. The designated office for official withdrawal notification, both written and verbal, is the Office of Records and Registration.

Unofficial Withdrawal

An unofficial withdrawal occurs when the student does not begin the school's withdrawal process, or notify the school of their intent to withdraw, and ceases attendance in all courses in a payment period. In this case, the withdrawal date is the midpoint of the payment period for which Title IV assistance was disbursed unless Tennessee Tech can establish a later last date of attendance in an academically related activity. When a student fails to earn a passing grade in all of the student's classes, Tennessee Tech must assume, for Title IV purposes, that the student has unofficially withdrawn, unless Tennessee Tech can document that the student completed the period. Different rules apply to students who cease attendance in non-term, non-standard term, or modular programs.

Faculty are requested to report academic engagement by the census date of the semester. Faculty are not required to take attendance but can use documented academic activity to determine academic engagement. Tennessee Tech is not a school required to take attendance.

Most unofficial withdrawals are identified when grades are reported at the end of the semester. Faculty members reporting a grade of F are required to report the last date of a documented academic activity. A student with an LDA in all courses for the semester will be considered an unofficial withdrawal.

For an unofficial withdrawal, only the LDA or the midpoint of the semester may be used to determine the withdrawal date.

Return to Title IV and Course Program of Study (CPoS)

In cases where students have withdrawn from all courses, except for course(s) that do not count toward their program of study, they will be considered to be withdrawn for Title IV purposes. Therefore, a Return to Title IV calculation is required and the unearned percentage of aid will be returned according to the calculation.

Modular Withdrawals

New modular rules were early implemented May, 2021. The definition of a module is “Except for subscription-based programs and nonterm programs, a program is “offered in modules” if a course or courses in the program do not span the entire length of the payment period or period of enrollment.”

Tennessee Tech has chosen not to use an *R2T4 Freeze Date (RFD)*.

1. Has the student started attendance in at least one course in the payment period for which the student received Title IV aid?
 - If no, not withdrawn. Cancellation of aid may be required.
 - If yes, move to the next step.
2. Was the student currently attending any other courses in the payment period used to determine the student’s eligibility for Title IV aid?
 - If no, refer to R2T4 modular **exceptions**
 - If yes, not withdrawn check for required recalculation.

Modular Exception Waiver Scenarios

1. Did the student complete all requirements for graduation?
 - If yes, student has not withdrawn.
 - If no, move to next step.
2. Did the student successfully complete 49% of the countable days (excluding breaks and any days between modules – cannot round up to 49%) in payment period. The 49% can be comprised of one or multiple modules.
 - If yes, not withdrawn.
 - If no, move to next step.
3. Did the student successfully complete half-time?
 - If yes, not withdrawn.
 - If no, move to next step.
4. Did the student confirm intent to attend a later module (within 45 days from the end of the module from which they withdrew)? Did the student add another class around the time of dropping?
 - If the student added another course the same or by the point the student's record is reviewed, not withdrawn and track to verify that the student engages. If the course in question was registered prior to the date of the drop, they must complete a letter of intent.
 - If the student needs to confirm intent to attend a future module, not withdrawn if the student returns letter within 5 business days. Recalculate aid if necessary. Track to verify that the student engages.
 - If no proof of intent to attend a future module, student has withdrawn. Complete R2T4 calculation.

Note: successful completion requires that the student passed the course (A, B, C, D, P, S), not simply earned an F

2. Determining Institutional Charges

Institutional charges are used to determine the portion of unearned Title IV aid that the school is responsible for returning. Schools must ensure that all appropriate fees, as well as any other applicable charges are included for coursework that is meeting an outstanding degree requirement (known as Course Program of Study – CPOS). Institutional charges for non- CPOS eligible courses are not included in the R2T4 calculation.

The institutional charges used in the calculation usually are the charges that were initially assessed the student for the entire payment period or period of enrollment as applicable. Initial charges may only be adjusted by those changes the institution made prior to the student's withdrawal (for example, for a change in enrollment status unrelated to the withdrawal). If, at the time of the withdrawal or afterward, the school changes the amount of institutional charges it is assessing a student or decides to eliminate all institutional charges, those changes do not affect the charges nor aid earned in the calculation.

The following educational expenses must be considered institutional charges:

- All charges for tuition, fees, and room and board (if contracted with the school). Note that application fees are excluded from institutional charges because they are not an educational cost. Also, if a school enters into a contract with a third party to provide housing, the school must include the cost of housing as an institutional charge in an R2T4 calculation.
- Expenses for required course materials (books, kits, tools, supplies, etc.) if the student does not have a real and reasonable opportunity to purchase the required course materials from any other unaffiliated source but the school.

Noninstitutional charges (not included in an R2T4 calculation) include the following:

- charges for any required course materials that a school can document a student had a real and reasonable opportunity to purchase elsewhere (see the discussion that follows);
- charges to a student's account for group health insurance fees if the insurance is required for all students and the coverage remains in effect for the entire period for which the student was charged, despite the student's withdrawal, and
- charges to a student's account for discretionary, educationally related expenses (ex. parking or library fines, the cost of athletic or concert tickets, etc.).

3. Percentage of Title IV Funds Earned by Student

The percentage of the payment period or period of enrollment the student completed is used to determine the amount of Title IV funds the student has earned. That percentage is determined by taking the number of days attended before the student withdrew divided by the total number of days in the payment period or period of enrollment (first day of instruction until the last day of finals, excluding breaks of more than five consecutive days and certain leaves of absence).

If the student's withdrawal date occurs when or before the student completed 60% of the payment period or period of enrollment, the percentage earned is equal to the percentage of the payment period or period of enrollment that was completed. If the student's withdrawal date occurs when the student has completed more than 60% of the payment period or period of enrollment, the percentage earned is 100%.

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- (1) If a student never begins attendance, Federal Student Aid will be cancelled completely and all disbursed Title IV funds must be returned to the U.S. Department of Education.

Once the percentage of earned Title IV funds is determined, the next step is to calculate the dollar amount of *unearned* Title IV funds that must be returned. That amount is determined by, first, subtracting the percentage of earned funds from 100%; that number is the unearned Title IV funds percentage. Then, the unearned Title IV funds percentage is multiplied by the total Title IV funds disbursed (or which could have been disbursed) to the student. In other words:
percentage of unearned funds x total Title IV funds disbursed (or could have been) = total unearned aid

4. Timing of Returns & Determination Date

If student receiving Title IV funds withdraws after beginning attendance, Tennessee Tech will return unearned Title IV funds no later than 45 days after determining the student has withdrawn. Where a student officially withdraws, Tennessee Tech makes this determination as of the student's withdrawal date. Where a student unofficially withdraws, Tennessee Tech makes this determination when it becomes aware the student has ceased attendance, and no later than 30 days after the earlier of (a) the payment period or period of enrollment, (b) the academic year, or (c) the student's educational program. Different rules apply to students who cease attendance in non-term, non-standard term, or module programs.

5. Returning Funds

If the amount of Title IV funds disbursed to the student is greater than the amount the student earned, unearned funds must be returned to the U.S. Department of Education within 45 days of Tennessee Tech determining the student has withdrawn. Tennessee Tech will notify a student by a revised award notification through their campus email when funds must be returned. If the obligation is not resolved within 45 days of the notification, the unearned funds will be reported to the National Student Loan Data System (NSLDS) as an overpayment and the student will be ineligible for Title IV funds (such as Pell, FSEOG, Direct Loans and other federal aid) at any institution until this overpayment is resolved.

Order in Which Title IV Funds are Returned (effective 05-10-2021)

If the student receives more Title IV funds than the amount earned, Tennessee Tech, the student, or both must return the unearned funds in a specified order as follows;

- Unsubsidized Direct Stafford loans (other than PLUS loans)
- Subsidized Direct Stafford loans
- Federal Direct GRAD PLUS loans
- Federal Direct PLUS loans
- Federal Pell Grants
- Iraq and Afghanistan Service Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal TEACH Grants
- Other non-TTU aid programs (as applicable)
- Tennessee Tech institutional grants and scholarships (as applicable)

6. Responsibility for Returning Funds, Student Account Balance & Institutional Refunds

When a Return of Title IV funds is due, Tennessee Tech and the student may both have a responsibility for returning funds. Funds that are not the responsibility of Tennessee Tech to return must be returned by the student. Tennessee Tech exercises its option to collect from the student any funds Tennessee Tech is obligated to return, and such funds will become an obligation on the student's account for which the student will be responsible. Tennessee Tech 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. This obligation is not reported to the Department of Education but remains as an obligation on the student's Tennessee Tech account. Services such as registration and transcripts will be prohibited until this obligation is satisfied.

A statement reflecting these charges will be sent to the student by the Bursar's Office, including a notification of a change in the student's aid summary, via email to the student's permanent address referring them to their Eagle Online account.

Tennessee Tech's institutional refund policy operates separately from considerations regarding return of Title IV funds under this policy. Regardless of whether a student is eligible for a refund of fees from Tennessee Tech, the student may still be required to repay all of part of their Title IV funds.

7. Post-Withdrawal Disbursements

When processing an R2T4 calculation, include any federal aid awarded but has not disbursed as "Could Have Been Disbursed". For federal loans that have been originated but not disbursed, include them in the calculation as "Could Have Been Disbursed" whether or not the student is eligible to receive under late disbursement rules as a post- withdrawal disbursement (refer to Late Disbursement Policy). However, do not include these funds as "Could Have Been Disbursed" if the student has not signed their master promissory note.

If the student has received fewer Title IV funds than the amount the student earned, Tennessee Tech offers a post-withdrawal disbursement of the earned Title IV funds that were not received. Title IV grant funds from a post-withdrawal disbursement are credited to a student's account to pay for tuition and fees for the term for which the student is eligible for a post-withdrawal disbursement or are disbursed directly to the student.

Tennessee Tech must obtain a student's authorization to credit a student's account with Title IV funds for charges other than current charges.

Tennessee Tech will notify the student of a post-withdrawal disbursement no later than 30 calendar days after the date that Tennessee Tech determines the student withdrew. Tennessee Tech notifies students by letter that they are eligible for a post-withdrawal disbursement and that the student has a deadline of 14 days to respond to the request for authorization. In the notification, Tennessee Tech states that Tennessee Tech is not required to make the post-withdrawal disbursement if the student does not respond by the deadline

Examples of Return Calculations

(For simplification, the fees used in the examples are not specific to any award year)

Example 1 – Withdrawing from full term with in-state tuition and not living on campus

Student is an undergraduate student. The semester begins January 12 and ends May 3. On February 1 (21 out of 104 days), student withdraws from all classes.

Institutional charges are as follows:

Instate Tuition	\$4,000
Fees	\$ 500
Total	\$4,500

Financial aid package consists of:

Net Unsubsidized Direct Federal Loan	\$3,000
Net Subsidized Direct Federal Loan	\$2,700
Total	\$5,700

Amount refunded to student by Direct Deposit: \$1,200 (\$5,700 - \$4,500)

Student has completed only 21 days of the semester and earned 20.2% of the \$5,700. According to the federally mandated calculation, 79.8% of the total aid equals \$4,549 (which is unearned aid) and 79.8% of institutional charges equals \$3,591 (which is unearned charges).

The university is required to return the lesser of the unearned aid or the unearned charges. Therefore, \$3,591 is returned to the following federal programs:

Net Unsubsidized Direct Federal Loan	\$3,000
Net Subsidized Direct Federal Loan	\$591
Total	\$3,591

Because student withdrew during a 25% tuition refund period, they will receive a credit of \$1,125. Therefore, subtract \$1,125 from the \$3,591 (amount of aid returned), student will owe \$2,466 to the university. The Bursar's Office will place a hold on the student account to prevent them from registering, receiving grades, and receiving academic transcripts. The hold is removed after all charges owed to the university are paid in full.

Example 2 – Withdrawing from full term with in-state tuition and on-campus housing

Student is an undergraduate student. The semester begins January 12 and ends May 3. On March 1 (50 out of 104 days), the student withdraws from all classes.

Institutional charges are as follows:

Instate Tuition	\$4,000
Fees	\$ 500
On Campus Housing	\$3,000
On Campus Meal Plan	\$2,000
Total	\$9,500

Financial aid package consists of:

Net Unsubsidized Direct Federal Loan	\$ 990
Net Subsidized Direct Federal Loan	\$2,700
Federal Pell Grant	\$4,000
Total	\$7,690

Amount paid out-of-pocket by student: \$1,810 (\$9,500 - \$7,690)

Student completed only 50 days of the semester and earned 48.1% of the \$3,699. According to the federally mandated calculation, 51.9% of the total aid equals \$3,991 (which is unearned aid) and 51.9% of institutional charges equals \$4,930 (which is unearned charges).

The university is required to return the lesser of the unearned aid or unearned charges. Therefore, \$3,699 is returned to the following federal programs:

Net Unsubsidized Direct Federal Loan	\$ 990
Net Subsidized Direct Federal Loan	\$2,709
Total	\$3,699

Because the student withdrew after the published tuition refund dates, they will not receive any refunds on their tuition. However, student may contact the Housing and Meal Plan Offices to determine if those charges may be prorated. If the housing or meal plans are not prorated, the student will owe \$3,699 to the university. The Bursar’s Office will place a hold on the student account to prevent them from registering, receiving grades, and receiving academic transcripts. The hold is removed after all charges owed to the university are paid in full.