

## **Return of Title IV Funds (R2t4) Policy**

If a student who is eligible for federal financial aid, stops attending classes before completion of the training program, federal law requires Toledo Public Schools Adult & Continuing Education (TPS-ACE) to calculate, within 14 days of the last day of attendance (LDA), the amount of financial aid the student has earned. The amount of aid earned is based on the portion of the scheduled hours in the payment period that the student completed as of the student's last day of attendance.

For purposes of this policy, TPS-ACE defines a student's LDA as the date at which the student signs the Withdrawal form. If the student is physically unable to sign the form, the LDA shall be the last day the student attended

A student, who stops attending without completing the official Withdrawal form, will be unofficially withdrawn after 14 days of non-attendance. This is considered an unofficial withdrawal.

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 payment period may be required to return some of the financial aid they were awarded based on the Return of Title IV (R2T4) Calculation. Once 60% of the hours are 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 hours completed up to the withdrawal date, divided by the total hours in the payment period (less any scheduled breaks that are at least 5 days long)
- The percent unearned is equal to 100 percent minus the percent earned

Students who stop attending the program before completing 60% of the hours in the period could be responsible to repay a portion of the aid. The calculation for the return of Title IV funds can result in the student owing money to TPS-ACE.

As mandated by the federal government, TPS-ACE is required to return the unearned portion of Title IV funding to the U.S. Department of Education within 45 days of determining the LDA.

TPS-ACE will use the LDA when calculating the need to return funds. If all Title IV funds have not been disbursed at the time of withdrawal, the student may be eligible for a post withdrawal disbursement. A post withdrawal disbursement of Federal Grants may be applied to a student's account to cover eligible charges without the student's consent. However, a student (or parent) eligible for a post withdrawal disbursement of Federal Direct Loan funds, must be notified in writing within 30 days of the LDA of the eligibility for the disbursement. If the student (or parent) accepts the post withdrawal disbursement they must notify the school in writing within 14 days of the date the school determined the LDA. If no response is received within 14 days of the notification, the award will be canceled.

The school returns unearned aid which the school is responsible by repaying funds to the following sources, in order, up to the total net amount disbursed from each source:

- 1) Unsubsidized Loans
- 2) Subsidized Loans
- 3) Direct PLUS (Parent PLUS)
- 4) Pell Grant