Federal regulations require Title IV aid, which includes Federal Pell Grant, TEACH Grant, Federal Supplemental Educational Opportunity Grant (SEOG), Federal Work Study (FWS), and Federal Direct Stafford Loan (Subsidized, Unsubsidized, and Parent) programs, to be awarded under the assumption that a student will attend the College for the entire period in which federal financial assistance is awarded. However, in the event a student withdraws or stops attending class, the College is required to determine if the student has fully earned the awarded Title IV aid. As required by federal regulations, the College uses a pro-rated schedule to determine the amount of federal financial aid that the student "earned" and return the "unearned" disbursed funds to the appropriate federal program. Once 60% of the semester is completed, the student is considered to have earned all the federal financial aid and will not be required to return any funds.

Policy

When a student receiving Federal Title IV aid officially withdraws or unofficially withdraws (drops out, stops attending, is expelled, takes an unapproved leave of absence, or fails to return from an approved leave of absence) on or before completing 60% of the semester, the College must apply the Return of Title IV Funds (R2T4) calculation and determine the amount of funds to return to the appropriate federal programs. At Stillman College, the Office of Financial Aid is responsible for the R2T4 calculation and return of federal funds processes.

When a student officially withdraws from the College, the student’s official withdrawal date will be used in the R2T4 calculation. When a student unofficially withdraws, the student’s last date of attendance or the 50% midpoint of the term, whichever is later, is used in the R2T4 calculation. Federal financial aid regulations consider a student to be an unofficial withdrawal if the student receives all failing or incomplete grades, or a combination of withdrawal, failing, or incomplete grades (F, U, I, W), for the term.

R2T4 Calculation

Upon determination that a student has withdrawn, whether officially or unofficially, the Office of Financial Aid will process the R2T4 calculation and notify the student (if needed) within 30 days from the date the withdrawal is determination. The following steps are used to calculate the amount of aid a student has earned and how much must be returned (if any) to the federal programs:

1. **Determination of the withdrawal date**: For official withdrawals, this is the date the withdrawal form is received by the Office of the Registrar. For unofficial withdrawals, this is the mid-point of the term or the last documented date of attendance in an academically-related activity (e.g., documented attendance in a class or lab or submission of an assignment in an on-line course), whichever is later. Federal financial regulations require the school to determine if the student actually earned these grades by completing the payment period or if the student stopped attending. For all students awarded a non-passing grade, instructors that assign grades of an F must report a last attend date (last date that a student participated in class assignments, class activities, tests, etc.). If one instructor reports that the student attended through the end of the period, then the student is not a withdrawal.
2. **Determination of the amount of aid the student earned:** The percentage of aid the student has earned is equal to the percentage of the semester or accelerated part of term (payment period) the student has completed.
   a. The percentage of the payment period completed is calculated by dividing the total number of calendar days completed by the total number of calendar days in the semester. Scheduled breaks of five or more days are excluded.
   b. The amount of aid the student has earned is calculated by multiplying this percentage by the total amount of Title IV aid disbursed (and that which could have been disbursed) to the student.
   c. A student who did not receive all the funds earned may be due a post-withdrawal disbursement.
   d. Once 60% of the payment period is completed, the student is considered to have earned all federal aid and return of federal funds is not necessary.

3. **Determination of the amount of aid the student did not earn:** The amount of Title IV aid which must be returned is based on the percentage of unearned aid. That percentage is computed by subtracting the earned aid percentage from 100%.

4. **Determination of the amount of aid the College must return:** The College will remit the percentage of the unearned Title IV funds that were disbursed or that could have been disbursed to the federal programs. The funds will be returned no more than 45 days from the date the College determined the student withdrew. The College will return the lesser of the total of unearned aid or an amount equal to institutional charges multiplied by the percentage of unearned aid. Unearned aid will be returned to the federal programs in the following order:
   - Unsubsidized Federal Direct Loans
   - Subsidized Federal Direct Loans
   - Federal PLUS Loans
   - Federal Pell Grant
   - Federal SEOG Grant
   - Federal TEACH Grant

   The College will bill the student for any account balance created when Title IV aid is returned.

5. **Determination of the amount of aid the student must return:** The student will be responsible for repaying any remaining unearned portion that was disbursed to them. If a student’s portion of unearned Title IV funds is a loan, no action by the school is necessary. Regular loan terms and conditions apply. If a student’s portion of unearned Title IV funds is a federal grant, the student will be required to return no more than 50% of the amount received for the payment period.

**Overpayments and Loss of Eligibility for Federal Title IV Aid**

If it is determined that the student owes Title IV funds, the student will be sent a notification indicating such. The student has 45 days from the date of the notification to pay the overpayment or make satisfactory repayment arrangements. If no payment is received, the College will place registration and transcript holds on the student’s account. The student will lose eligibility for Title IV aid unless the overpayment is paid in full or satisfactory repayment arrangements are made.