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## 2PTCC.100 Financial Aid Return to Title IV Policy & Procedure

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*Adoption: 10/26/2009*

*Last Reviewed: 4/09/2024*

*Next Review Date: 01/01/2029 (5 year from last review to next review)*

*Department: Student Success*

*Custodian of Policy: Financial Aid Director*

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### **Part 1: Purpose**

#### Responsibilities

The Return of Title IV calculation process is shared by the Records/Registration Office, the Financial Aid Office, and the Business Office. The Records/Registration Office works with faculty to obtain last date of attendance information and grade clarification. The Financial Aid Office performs the calculation based on the grade and LDA information entered into ISRS. The Financial Aid Office returns the funds on the student's behalf. The Financial Aid Office and Business Office work together to notify the student of the amounts returned, the calculation of this amount, and the amount the student owes.

Reasons for a Return of Title IV Calculation: Student financial aid funds are awarded to a student based on the assumption that the student will attend school the entire period for which the financial aid was awarded. A student who stops attending course(s) must immediately withdraw from courses, and is responsible for understanding the impact of such action on their student account.

Federal regulations require that any financial aid recipient who completely withdraws or stops attending courses prior to the 60% point of the semester may be required to repay a portion of any financial aid the student has received. PTCC uses the federal return of Title IV funds rules and calculation tools for any federal aid not earned. Faculty record in ISRS the last date a student participated in an academically-related activity. This date is used to determine the amount of financial aid funds the student is able to retain. Students "earn" financial aid in proportion to the time they are attending courses up to the 60% point of the term. If there is an outstanding balance after Title IV and/or state funds are returned and the student's institutional charges are adjusted, the student would then be liable for paying this amount.

Federal regulations require the college to return the unearned share of financial aid in the following order:

1. Unsubsidized Direct Loan
2. Subsidized Direct Loan
3. Direct PLUS Loans
4. Federal PELL Grants
5. Iraq and Afghanistan Service Grants
6. Federal Supplemental Educational Opportunity Grant (FSEOG)
7. TEACH Grants

### Refund and Repayment of non-Federal (non-Title IV) Financial Aid

When a student's enrollment changes or a student completely withdraws, the college determines if the student is eligible for a refund based on the college's refunds and withdrawal policy. All or a portion of any non-Federal refunds may be required to be returned to the program from which the refund was originally paid. The Minnesota Office of Higher Education Refund Calculation Worksheet will be used to determine refunds for Minnesota State Grant, SELF, institutional grants, and other non-Federal financial aid programs that require a refund. The non-Federal refunds are pro-rated between the Minnesota financial aid programs and other non-Federal financial aid programs that require a refund.

The College returns the College share of loans and both the student and College share of grants. The College then bills the student for these amounts.

### **Part 2: Definitions**

#### 1) Withdrawal Date or Last Date of Attendance

- a) Faculty record through eServices the last date a student participated in an academically-related activity. This date, or the student's official withdrawal date if the student formally withdrew, is used to determine the amount of financial aid funds the student is able to retain. Withdrawal dates and the last date a student participated in an academically-related activity are recorded in ISRS, which is the official record of this activity. Students "earn" financial aid in proportion to the time they are attending courses up to the 60% point of the semester. Scheduled breaks of more than four consecutive days are excluded from the calculation.
- b) If the College is unable to obtain from the faculty the last date of attendance, the College will assume a midpoint withdrawal and calculate the return of funds accordingly.

### **Part 3: Procedure**

#### Return to Title IV (R2T4) Calculation:

- No calculation will be performed when a student earns at least one passing grade during the semester, even if the course in which the student earned the passing grade ended before the 60% point in the semester. The student progressed during meeting the certificate, diploma or degree requirements.
- An R2T4 calculation will be performed when a student has no passing grades and earned a failing grade (i.e. attended until the end of the course) in a course that ended before the 60% point in the semester. In other words, there were no passing grades and no attendance after the 60% point in the semester.
- An R2T4 calculation will be performed when a student stopped attending (i.e. formally or informally withdrew) all courses before the 60% point in the semester.
- The percentage of earned aid is determined by dividing the number of completed calendar days by the number of calendar days in the semester, including weekends and holidays and excluding any scheduled breaks longer than five days.

- If the Return to Title IV calculation indicates the student has unearned aid previously disbursed, the college will return the unearned aid to the Department of Education on the student's behalf which will create a balance due to the college. The student is responsible for repaying any unearned aid as a result and will be billed to inform them and initiate repayment. If any unearned aid was determined to be, all or in part a loan disbursement, the institution-initiated return of these Title IV funds will reduce the overall loan debt accordingly with the Department of Education. If the return does not completely reduce the student's loan balance with the Department of Education, then the outstanding loan debt will be repaid to the Department of Education based on the terms of the student's master promissory note.

#### Timeframe for the Determination and Calculation:

- At least monthly, the Financial Aid Office runs a report to determine students who officially withdrew from all courses. The Financial Aid Office then performs an R2T4 calculation for students who received financial aid.
- During the semester, the College may obtain knowledge that a student dropped out (i.e. unofficially withdrew). In these cases, the Financial Aid Office will be notified so an R2T4 calculation can be performed.
- The College will determine the withdrawal date or last date of attendance for students who stopped attending (i.e. unofficially withdrew) within 30 calendar days from the earlier of (1) the end of the payment period (i.e. defined as "semester" at Pine Technical & Community College), (2) the end of the academic year, or (3) the end of the student's educational program.
- Federal regulation requires the college to calculate the Return to Title IV refunds within 45 days of determining an official or unofficial withdrawal date.

Credit Balances After Withdrawal: Title IV credit balances due to the student that are calculated as a result of R2T4 calculations will be disbursed to the student account within 14 days of the R2T4 calculation.

#### Post-Withdrawal Disbursements:

- In some cases, a student may withdraw from all courses before aid has disbursed. A post withdrawal disbursement is done when a student shows they have withdrawn from all of their classes prior to financial aid disbursement but began attendance in all courses and are qualified for some (earned) aid.
- For Pell grant eligibility only, the earned portion of the grant is disbursed to the student account and a letter is sent to student to notify them of their eligibility and right to return funds within 45 days on the date letter was issued.
- For loan eligibility, a notice is sent to the student within 30 days of the date of the school's determination that the student has withdrawn - before any funding will be processed. The student will be granted at least 14 days to respond to accept or decline the funds. If no response is received, the college will not release any loan funding. Post

Withdrawal disbursements of Federal Direct Loans will be made within 180 days after the determination of the withdrawal. All PWD disbursements are applied to a student's account balance first, and the resulting credit balance will be disbursed to the student within 14 days from the date of disbursement.

**Notifying Students:** The Financial Aid Office reviews and calculates any Returns of Title IV aid. The Financial Aid Office then returns the funds and runs Aid Applied. The Financial Aid Office prepares a letter to the student, and sends the letter and calculation worksheets to the Business Office to review for accuracy. The Business Office runs Funds Applied and ensures that the activity on the student's account is correct. The Business Office then generates a student account summary to show the amount the student is responsible for repaying. The Financial Aid Office mails the student the summary, calculation worksheet and letter.

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**Related Documents: (if applicable; such as MinnState policies/procedures, MN statutes, local policy, etc. (examples here)**

[Minnesota Statute 136A.121 STATE GRANT PROGRAM](#)  
[2023-20245 Federal Student Aid Handbook](#)

**Procedure History:**

Date and Subject of Revisions and Amendments:

April 2024, Required FSA policy amendments