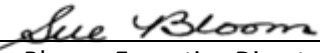




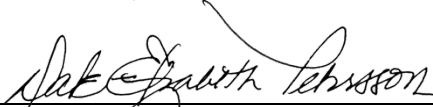
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## Policy SE006: Return of Title IV Funds (R2T4)

Recommended for Approval by:

  
Sue Bloom, Executive Director Financial Aid

Approved by:

  
Dr. Dale-Elizabeth Pehrsson, President

Effective Date: 2/24/2023

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### A. Intent

To establish Pennsylvania Western University's Return to Title IV (R2T4) policy and assure it is regulatory compliant with the U.S. Department of Education's Office of Postsecondary Education requirements.

- [U.S. Code, Title 20—Education Chapter 28—Higher Education Resources and Student Assistance Subchapter IV—Student Assistance > Part F—General Provisions Relating to Student Assistance Programs § 1091\(c\) Student eligibility \[HEA § 484\(c\)\]](#)
- [U.S. Code, Title 20—Education Chapter 28—Higher Education Resources and Student Assistance Subchapter IV—Student Assistance > Part H—Program Integrity, Subpart 3—Eligibility and Certification Procedures § 1099c Eligibility and certification procedures \[HEA § 498\]](#)
  - [34 CFR 668.22](#)

### B. Definition(s)

**The following definitions will help you in understanding the concepts of this policy:**

- **Payment Period** – A school-determined length of time for which financial aid funds are paid to a student.
  - For students enrolled in the 15-week regular session of the fall or spring semester, the payment period is the entire semester.
  - For students enrolled in the winter intersession in addition to the spring semester, the payment period includes both the winter intersession and the spring semester.
  - For students enrolled in modules, the payment period is based on the student's enrollment status that was eventually used to determine the amount of the student's Title IV aid for the payment period. In other words, it is determined by using the student's enrollment/registration and attendance on or after the first day of the period, as well as the types of aid the student is receiving, to determine the number of days the student was scheduled to attend during the period for R2T4 purposes.

- **Modules –**
  - A program is considered to be offered in modules if it uses a standard or nonstandard-term academic calendar, is not a subscription-based program, and a course or courses in the program do not span the entire length of a payment period. This determination is made each payment period.
  - If some courses in the program for a particular payment period span the entire length of the period, but some courses do not, the program is considered to be offered in modules only for those students who are scheduled to attend at least one course that does not span the entire length of the period.
  - Modules are courses that do not span the entire length of the payment period, such as:
    - All Summer Sessions
    - All 7-Week Sessions
    - Winter Intersession
  - If a student is enrolled in a combination of modules and full-term courses, the student is considered to be enrolled in a program offered in modules. In other words, the full-term course(s) are also treated like modules.
- **Title IV Aid Recipient** – A student who has received Title IV grants or loan funds or who meets the requirements for a late disbursement.
- **Return of Title IV Funds (R2T4)** – When a Title IV aid recipient withdraws, an R2T4 calculation must be performed to determine the amount of earned and unearned aid. An R2T4 calculation may:
  - Require that Title IV funds be returned to the Department of Education;
  - Determine that a student has earned more aid than had been previously disbursed, resulting in a possible post-withdrawal disbursement; or
  - Determine that the student is eligible for all Title IV funds that have already disbursed, resulting in no return of Title IV aid.
- **Title IV Aid Subject to R2T4 Requirements:**
  - Federal Pell Grant
  - Iraq and Afghanistan Service Grant (IASG)
  - Federal Teacher Education Assistance for College and Higher Education (TEACH) Grant
  - Federal Supplemental Educational Opportunity Grant (FSEOG)
  - Federal Direct Loans (Subsidized, Unsubsidized, Parent PLUS, Graduate PLUS)
- **Disbursed Aid** – A student’s Title IV aid that was disbursed directly to the student or credited to his or her institutional account.
- **Earned Aid** – The amount of Title IV aid to which a student is entitled to after withdrawing based on the percentage of the payment period the student completed as of the withdrawal date. Earned aid may be disbursed or undisbursed aid.
- **Unearned Aid** – If the amount of Title IV aid earned is less than the amount disbursed as of the date the student withdrew, the difference is the amount of unearned aid that must be returned to the Title IV programs by the school, the student, or both.
- **Last Date of Attendance (LDA)** – The date determined by an institution that the student last participated in an activity defined as academic engagement.
- **Post-Withdrawal Disbursement** – The amount of Title IV funds earned by a student that exceeds the amount disbursed at the time he or she withdrew. The school must disburse, or offer to disburse, a post-withdrawal disbursement.

## C. Policy

Federal regulations require Title IV financial aid funds to be awarded under the assumption that a student will attend the institution for the entire period in which federal assistance was awarded. After beginning attendance, if a student officially or unofficially withdraws from all courses in a term for any reason, he/she may no longer be eligible for the full amount of Title IV funds that he/she was originally scheduled to receive and may need to repay a portion of the aid they received. In accordance with Federal Title IV regulations, if a recipient of Title IV funds withdraws from school after beginning attendance, a portion of the Title IV funds may have to be returned to the U.S. Department of Education. An official or unofficial withdrawal may affect, not only a student's current financial aid, but also a student's future financial aid eligibility, as well as his/her personal finances. A withdrawal can also affect a student academically. Students are strongly encouraged to familiarize themselves with this policy and other policies listed further down to understand all implications before withdrawing. Before withdrawing, students should contact the Financial Aid Office to determine how a withdrawal might affect them.

#### **D. Procedure(s)**

##### **Determining a Withdrawal**

##### **A student is considered withdrawn from the payment period in the following scenarios:**

- The student ceases attendance in all classes for which he or she was registered for a payment period.
- A student who is only enrolled in modules for the payment period does not complete all of the scheduled days in a module for which the coursework for that module was used to determine the student's eligibility for Title IV aid for the payment period, and the conditions are not met for an R2T4 exception.
- A student who is only enrolled in modules (no full-term courses) for the payment period ceases attendance in a module and is not scheduled to begin another course within the payment period for more than 45 calendar days after the end of the module he or she ceased attending. Even if a student provides written confirmation of attendance in a future module within the same payment period, it is considered a withdrawal if that future module doesn't begin within 45 calendar days after the last day of the module the student stopped attending. It is not the student's last date of attendance in that module that is used to calculate the 45-day timeframe; the 45-day timeframe begins after the last day of the module in which the student was enrolled.
- A student is considered withdrawn if he or she does not return to a future module in which the student had provided written confirmation of attendance in that future module.
- If a student is enrolled in a combination of module courses and full-term courses, the 45-day timeframe does not apply. The full-term course is treated like a module, and the student is expected to be enrolled for the entire payment period. Therefore, if the student withdraws from all modules and full-term courses, but provides written confirmation to attend a future module within the payment period, the school will wait to see if the student begins attendance in the future module. If the student does not begin attendance in the future module, then an R2T4 calculation must be performed.

##### **In the following scenarios, a student is NOT considered to have withdrawn from the term for R2T4 purposes:**

- When a student who is enrolled in modules successfully completes one module or a combination of modules with a combined length of at least 49% of the number of countable days in the payment period.
  - Countable days includes all of the days in a payment period less any scheduled breaks of five or more consecutive days and less any days between modules when no coursework is taking

place. This is not based on the modules for which the student was enrolled, but the *entire* payment period.

- The number of days successfully completed in a module or modules is divided by the number of countable days in a payment period to determine the percentage successfully completed. This percentage is not rounded up nor down. Therefore, the percentage must equate to 49.0% or higher.
- Successful completion means the student earned a passing grade in the module. Failing grades (even earned “F” grades) and incomplete grades in modules are not considered successful completion. Partial completion of a module is not considered successful completion.
- The student is considered to have completed the entire payment period for Title IV cash management purposes. Therefore, as long as the student meets all of the other Direct Loan eligibility requirements (ex: half-time enrollment, etc.), the school can originate a loan at any point during the payment period in order to be made as a late disbursement if all other late disbursement conditions under 668.164(j) are also met.
- When a student who is enrolled in modules successfully completes coursework obtaining at least half-time status.
  - Half-time status for undergraduates: 6 credits
  - Half-time status for graduates: 4.5 credits
  - The student is considered to have completed the entire payment period for Title IV cash management purposes. Therefore, as long as the student meets all of the other Direct Loan eligibility requirements, the school can originate a loan at any point during the payment period in order to be made as a late disbursement if all other late disbursement conditions under 668.164(j) are also met.
- When a student who is enrolled in modules provides written confirmation of attendance in a later module within the same payment period that is scheduled to begin within 45 days after the end of the module the student stopped attending.
  - The student must provide this written confirmation close to the date that the student stopped attending and before the school is required to perform an R2T4 calculation.
  - The written confirmation may be in paper or electronic format.
  - A school cannot assume that a student will be returning for a later module, even if the student was already registered to take the class when the student stopped attending.
  - A student is allowed to change the date he or she plans to return to a *different* future module, as long as that module begins no later than 45 calendar days after the last day of the module the student ceased attending. The student also has to provide written confirmation of this change prior to the date of the previously confirmed return date.
- If a student is enrolled in a combination of module courses and full-term courses, the 45-day timeframe does not apply. The full-term course is treated like a module, and the student is expected to be enrolled for the entire payment period. Therefore, if the student withdraws from all modules and full-term courses, but provides written confirmation to attend a future module within the payment period, the school will wait to see if the student begins attendance in the future module. If the student begins attendance in the future module, then the student is not considered withdrawn and no R2T4 calculation must be performed.
- The R2T4 requirements do not apply if a student successfully completes all graduation requirements for his or her degree before completing the days in the payment period he or she was scheduled to complete.

- The student is considered to have completed the entire payment period for Title IV cash management purposes. Therefore, as long as the student meets all of the other Direct Loan eligibility requirements (ex: half-time enrollment, etc.), the school can originate a loan at any point during the payment period in order to be made as a late disbursement if all other late disbursement conditions under 668.164(j) are also met.
- If a student never began attendance in any of the courses for which he or she was registered, or if the school cannot document attendance in at least one class, then the student never established eligibility for aid. Therefore, all aid would need to be returned to their applicable programs.
- The R2T4 requirements do not apply to a student who has no Student Aid Report (SAR) or Institutional Student Information Record (ISIR) with an official Expected Family Contribution (EFC) amount prior to the withdrawal.
- If a student is only enrolled in the regular 15-week term and withdraws from some, but not all, of his or her classes in a term, this is considered a partial withdrawal. This is a class withdrawal, not a term or university withdrawal. As long as the student is still enrolled in other classes in the term, this is not subject to the R2T4 requirements.
  - For example, if a student is taking 12 credits in the fall semester and withdraws from a 3-credit class, this is considered a partial withdrawal and is not subject to the R2T4 requirements.
- If a student drops a class during the drop/add period, but the student doesn't withdraw from the term, then the R2T4 requirements do not apply. The school will review for an enrollment change to see if aid needs to be reduced or cancelled. Information regarding enrollment changes can be found further down in this policy.
- If a student who is enrolled in modules drops courses in a future module while still attending a current module, this student is not considered to be withdrawn. The school will review for an enrollment change to see if aid needs to be reduced or cancelled. Information regarding enrollment changes can be found further down in this policy.

### **Determination of the Withdrawal Date**

It is the school's responsibility to determine the student's withdrawal date and to document both the withdrawal date and the date the school determined the student withdrew. PennWest University is a school that is not required to take attendance. A student's withdrawal date depends on whether the student officially or unofficially withdrew. The Registrar's Office will notify the Department of Education of the student's withdrawal date via the National Student Clearinghouse.

#### **Official Withdrawals:**

- PennWest University pulls reports on a regular basis to determine which students have officially withdrawn.
- An official withdrawal is when a student officially notifies the school of his or her intent to withdraw or when the student begins the school's official withdrawal process.
- PennWest University has two designated offices in which a student can provide official notification of his or her withdrawal:
  - Registrar's Office
  - Financial Aid Office
- Official notification may be completed via the PennWest portal, in writing or verbally:
  - PennWest's preference is for the student to use their PennWest portal to withdraw from their classes.
  - Official notification provided in writing or verbally must be to a designated campus official acting in his or her official capacity in the withdrawal process.

- Written notification may be sent to either designated office by letter, email, fax, or by completing the university withdrawal form.
  - If by letter, then the withdrawal date is the date the designated office receives the letter.
  - If by email, then the withdrawal date is the date the email was sent to either designated office.
  - If by fax, then the withdrawal date is the date the fax was sent to either designated office if there is a time stamp on the incoming fax. If there is no time stamp, then the withdrawal date will be the date the designated office receives the fax.
  - If the student is completing the university withdrawal form, the withdrawal date will depend on the method it was delivered (as stated above). If the form is completed in the office and handed in, then the withdrawal date will be the date it was turned in to the designated office.
- Verbal notification can be in person, over the phone, or during an online face-to-face meeting (ex: Zoom). If the notification is provided verbally, then the school will document the date and conversation with the student. The school may request, but not require, the student to confirm his or her oral notification in writing.
- If a student begins the official withdrawal process and also notifies the school of his or her intent to withdraw, but on different days, the withdrawal date is the earlier of the two dates. For example, if a student notifies the school on Monday that he or she is withdrawing, but doesn't start the withdrawal process until later that week on Thursday, the student's withdrawal date would be Monday, the *earlier* of the two dates.
- If a student provides official notification of his or her withdrawal over the weekend or on a day that the campus is closed (no classes), the date the student provided the notification is the date of the student's intent to withdraw.
  - For example, if the student emailed the Registrar's Office on Saturday while the office was closed, the Registrar's Office wouldn't receive the notification until Monday. Since the official withdrawal date is the *earlier* of the date a student officially notifies the school of his or her intent to withdraw or the date a student begins the official withdrawal process, the official withdrawal date would be Saturday's date. This is due to the fact that R2T4 calculations are based on calendar days, not class days.
- If a student provides official notification of his or her withdrawal during a scheduled break of five or more consecutive days, then the withdrawal date will be the last day before the break began as it was the last day a student participated.
- A school may choose to use a documented last date of academic engagement (LDA) for an official withdrawal. This LDA may be earlier or later than the date the student began the official withdrawal process or stated his or her intent to withdraw. Details on what does and does not constitute academic engagement can be found further down in this policy.
- If a student has been administratively withdrawn due to expulsion, suspension, etc., the last possible withdrawal date will be the date the school administratively withdrew the student.
- If a school administratively withdraws a student because all of the student's instructors report that the student has ceased attendance as of a certain date (ex: a census date), then the last possible date of the withdrawal for that student is that (census) date.

### **Unofficial Withdrawals:**

- An unofficial withdrawal is when a student stops attending without notifying the school.
- For an unofficial withdrawal, the school can choose to use either the midpoint of the payment period or a documented Last Date of Academic Engagement (LDA) which could be earlier or later

than the midpoint date. Details on what does and does not constitute academic engagement can be found further down in this policy.

- The school must determine the student's date of withdrawal within 30 days after the end of the payment period.
- PennWest University pulls a report after grades are submitted for each session and also at the end of each semester. This report details each failing grade and whether the student earned the failing grade or stopped attending the class. Students who never attended a class are also identified.
- A school must treat a student as having unofficially withdrawn if the student fails to earn a passing grade in any course in the payment period and the school cannot document that the student actually completed the course requirements for at least one course spanning the entire payment period the student was scheduled to attend.

#### **Unofficial Withdrawal Scenarios:**

- If a student completed the payment period and earned all failing grades based on performance, then the student is not considered to be withdrawn.
- If a student stopped attending some classes but earned a failing grade based on performance in at least one full-term (regular session) course, the student is not considered to be withdrawn. The student completed the payment period.
- If the student stopped attending all classes, then the school can choose to use either the midpoint date of the payment period or a documented LDA as the withdrawal date.
- If the student stopped attending some classes and never attended some classes, then the student's aid first needs to be reviewed for enrollment changes. The school can choose to use either the midpoint date of the payment period or a documented LDA as the withdrawal date.
- If the student never attended any classes in a payment period, the student never established eligibility for aid and all aid must be returned.

#### **Other Withdrawal Scenarios:**

- When a student does not return to a future module in which the student had provided written confirmation of attendance in that future module, the withdrawal date and the total number of calendar days in the payment period the student was scheduled to attend would be the same as if the student had not provided written confirmation of future attendance.
- When a student is unable to begin the withdrawal process due to extenuating circumstances beyond the student's control, the withdrawal date may be the date that is related to the circumstance that caused the student to stop attending. Some examples of extenuating circumstances could be an accident, illness, hospitalization, etc.
- A student, who has already notified the school of his or her intent to withdraw or who has already begun the withdrawal process, may decide to remain in school and rescind his or her withdrawal notification.
  - The rescission must be in writing (in paper or electronic format), and it must state that the student will participate in activities that are defined as academic engagement and will finish the payment period.
  - If, after rescinding his or her withdrawal, the student subsequently withdraws during the same payment period, then the withdrawal date is the date he or she:

- First provided notification of his or her intent to withdraw or first began the withdrawal process (whichever is earlier); or
- Last participated in an academic engagement activity as documented by the school.

**Academic Engagement:** For an official or unofficial withdrawal, the school can choose to use the student's Last Date of Academic Engagement (LDA), or academic attendance, as documented by the school. A student's self-certification of a last date of attendance must be supported by institutional documentation.

- **Academic engagement includes, but is not limited to the following:**
  - Attending a synchronous class, recitation, lecture, field activity, or laboratory activity, either physically or online, where there is an opportunity for the instructor and students to interact directly;
  - Submitting an academic assignment;
  - Taking an exam or assessment;
  - Participating in an interactive tutorial, webinar, or other interactive computer-assisted instruction;
  - Participating in a school-assigned study group, online discussion, or group project; or
  - Interacting with a faculty member regarding the academic subject studied in the course.
- **Academic engagement does NOT include activities where a student may be present, but not academically engaged, such as:**
  - Living in school housing;
  - Participating in the school's meal plan;
  - Logging into an online class or tutorial without active participation; and
  - Participating in academic counseling or advising. This is overall counseling, not counseling regarding a course's subject matter.

#### **Date of School's Determination that the Student Withdrew:**

- The school will maintain documentation of the student's withdrawal date as of the date of the school's determination that the student withdrew.
- For official withdrawals, where a student provided notification of his or her withdrawal to the school (began the withdrawal process) or where a student notified the school of his or her intention to withdraw, the date of the school's determination that the student withdrew would be the *later* of these two dates.
- For unofficial withdrawals, where the student stopped attending and did not provide notification to the school of his or her withdrawal, the date of the school's determination that the student withdrew is the date the school became aware that the student ceased attendance. Typically, this occurs when grades are due for a session or term.
- If a student rescinds his or her withdrawal notification and then withdraws again later in the payment period, the date of the school's determination is the date the school learned that the student would not be completing, or did not complete, the payment period.

#### **Changes to Enrollment Status**

Changes to enrollment status occur when a student adds to or reduces his or her course schedule and the enrollment status subsequently changes.

#### **Enrollment Statuses:**

- Full-time
- Three-quarter-time
- Half-time
- Less-than-half-time



An enrollment status change may occur due to a student dropping or adding a course during the drop/add period or failing to begin attendance in a scheduled course that was used to determine the student's eligibility for Title IV aid. Changes to a student's enrollment status can have an effect on a student's R2T4 calculation. Therefore, the school will always review a student's enrollment status change to determine its effect on Title IV aid prior to performing an R2T4 calculation.

**Scenarios of enrollment status changes and the subsequent effects on Title IV aid:**

- **Federal Pell Grant:**
  - Federal Pell Grants are reviewed for changes to a student's enrollment status as of the Pell Recalculation Date (PRD). The PRD is the last day of the final drop/add period for a session or term for which the student is enrolled. If a student is enrolled in modules, then the Pell Recalculation Date is the last day of the drop/add period for the last module in which the student is enrolled.
  - If a student drops a class during the drop/add period and is now considered to be at a lower enrollment status, then the Federal Pell Grant will be reduced after the Pell Recalculation Date. For example, if a full-time student drops two classes during the drop/add period and is now half-time, the student's Federal Pell Grant will be reduced from a full-time grant amount down to a half-time grant amount.
  - If a student doesn't begin attendance in a class, the Federal Pell Grant will be reduced to the student's new enrollment status.
- **Federal Teacher Education Assistance for College and Higher Education (TEACH) Grant:** The student had to be enrolled or scheduled to be enrolled in the coursework for which the enrollment status was based and had to begin attendance in at least one class in order for the TEACH Grant not to be affected by an enrollment change.
- **Federal Supplemental Educational Opportunity Grant (FSEOG):** The student had to be enrolled or scheduled to be enrolled in the coursework for which the enrollment status was based and had to begin attendance in at least one class in order for the SEOG Grant not to be affected by an enrollment change.
- **Federal Direct Loans (Subsidized, Unsubsidized, PLUS Loans):**
  - If a student fails to begin attendance in a future module in which he or she was registered, the student's Direct Loan will not be affected by an enrollment change as long as the student began attendance in at least one course and the loan was fully disbursed at the time the student was considered to be half-time.
  - A Direct Loan that was offered to the student, but not accepted by the student, was never originated. If a student drops below half-time status or if the student withdraws, then this loan will be cancelled.
  - A subsequent Direct Loan amount that hasn't yet disbursed must be cancelled if a student drops below half-time during the payment period.

### **Steps of the R2T4 Calculation**

Below, you will find the steps of the Return of Title IV Funds (R2T4) calculation process which is performed by the Financial Aid Office.

**Determine the Student's Title IV Aid Information:**

- Once a school determines that a student has withdrawn per the R2T4 regulations, all aid is frozen for that student until an R2T4 can be calculated. The school cannot disburse any additional aid, rearrange aid, or reduce aid until the R2T4 has been calculated. The school determines what Title IV aid has disbursed and what aid could have been disbursed.
- **Disbursed Aid** – A student's Title IV aid that was disbursed directly to the student or credited to his or her institutional account prior to the student ceasing attendance.

- For Direct Loans, the net amount of the loan is used in the R2T4 calculation. The net loan amount is the gross loan amount less loan fees.
- **Aid That Could Have Been Disbursed** – Undisbursed aid offered to the student for the payment period, for which the student meets all eligibility and late disbursement requirements.
  - For all Title IV programs, the Department of Education must have processed an Institutional Student Information Record (ISIR) or Student Aid Report (SAR) with an official Expected Family Contribution (EFC) before the date the student withdrew.
  - Inadvertent late disbursements that were made before the school was made aware of the student's withdrawal are included as Aid That Could Have Been Disbursed.
  - The Federal Pell Grant does not need to be offered to a student. It is included as Aid That Could Have Been Disbursed as long as the student is eligible for the grant program.
  - The Federal Supplemental Educational Opportunity Grant (FSEOG) must be offered to the student prior to the student's withdrawal in order to be included as Aid That Could Have Been Disbursed.
  - The TEACH Grant must be originated prior to the student's withdrawal in order to be included as Aid That Could Have Been Disbursed.
  - For Direct Loans, the net amount of the loan is used in the R2T4 calculation if the loan was originated prior to the student's withdrawal and a Master Promissory Note (MPN) is signed before the R2T4 calculation is performed. The MPN may be signed *after* a student withdraws, but it must be signed *before* the R2T4 calculation is performed.
  - For Direct Parent PLUS or Graduate PLUS Loans, the net amount of the loan is used in the R2T4 calculation if the loan was originated prior to the student's withdrawal and a Master Promissory Note (MPN) is signed by the parent before the R2T4 calculation is performed. A satisfactory credit check must be on file for the PLUS Loan borrower. PLUS Loans requiring an endorser must have an MPN signed by the endorser prior to the R2T4 calculation being performed.
  - Aid That Could Have Been Disbursed may include aid the school can never disburse to the withdrawn student due to statutory and/or regulatory requirements, such as a second or subsequent Direct Loan disbursement. This would occur if the student's first loan amount was disbursed when the student was considered to be half-time, but then the student never established half-time status by failing to begin attendance in a future module. As long as the loan was originated and an MPN was signed, it is included as Aid That Could Have Been Disbursed. However, the school cannot make a post-withdrawal disbursement of such loan funds, and the subsequent loan would be cancelled after the R2T4 calculation is performed. The loan amount is included in the calculation though in order to increase the amount of Title IV aid earned, which may result in a student being able to keep more grant funds.

**Determine the Percentage of the Period Completed:**

- A student earns Title IV aid based on the length of time he or she remains enrolled during the payment period. Therefore, the percentage of the period a student completes determines how much aid the student has earned.
- Calendar days are used in the R2T4 calculation. Scheduled breaks of five or more consecutive days are excluded from the numerator and the denominator. The days in a scheduled break are determined by counting all calendar days between the last scheduled day of class and the day on which classes resume.
- The percentage of the period completed for a student who is **not** enrolled in modules:
  - Days Attended / Days Scheduled in Period = Percentage Completed
- The percentage of the period completed for students who are enrolled in modules:
  - Numerator: Includes the total number of days the student completed in the payment period.

○ Denominator:

- The Department of Education allows schools to choose whether or not to use an R2T4 Freeze Date (RFD) which is a fixed point in the payment period used in determining the denominator. PennWest University does not use an R2T4 Freeze Date.
  - Therefore, the total number of days the student was scheduled to complete in the payment period is based on the student's enrollment status that was eventually used to determine the amount of the student's Title IV aid for the payment period. In other words, the student's enrollment/registration and attendance on or after the first day of the period, as well as the types of aid the student is receiving, are used to determine the number of days the student was scheduled to attend during the period for R2T4 purposes.
  - For students eligible for (and receiving) a Federal Pell Grant, an Iraq and Afghanistan Service Grant, or a TEACH Grant, if the student attended at least one day in the course/module, then the days of that course/module are included in the denominator.
  - For students eligible for (and receiving) a Direct Loan or Federal Supplemental Educational Opportunity Grant, if the student attended at least one day in the course/module or if the student was enrolled/registered in the course/module for the payment period at *any* time on or after the first day of the period (even if the student never attended the course/module), then the days of that course/module are included in the denominator.
- Rounding rules for the percentage of the period completed:
- The decimal is carried out to the fourth decimal place.
  - If the fourth decimal place is under five, then the fourth decimal place is dropped.
    - Example: 0.4882 would be 0.488 or 48.8%
  - If the fourth decimal place is five or higher, the third decimal place is rounded up.
    - Example: 0.3745 would be 0.375 or 37.5%
  - However, if a student has completed more than 60% (even 0.6001) of the period, then the student is eligible for 100% of his or her Title IV aid.
- If the percentage of the period completed is less than or equal to 60%, then the amount of aid the student has earned is in direct proportion to the percentage of the period completed.
- If the percentage of the period completed is more than 60% (even 60.01%), then the student has earned all of his or her Title IV aid.
- For unofficial withdrawals where the midpoint is used, the percentage of the period completed will be 50%.

**Calculate the Amount of Title IV Aid Earned by the Student**

- Earned Aid: The amount of Title IV aid to which a student is entitled to after withdrawing based on the percentage of the payment period the student completed as of the withdrawal date. Earned aid may be disbursed or undisbursed aid.
- Formula: Total of Disbursed and Undisbursed Aid x Percentage Completed = Earned Aid.
- Rounding rules for the amount of earned aid: Round to the nearest penny. Round the second decimal place up if the third decimal place is five or higher.

**Determine the Amount of Title IV Aid to be Disbursed or Returned**

- If the amount of Title IV funds disbursed is greater than the amount of Title IV funds earned, then the amount of unearned Title IV funds that must be returned needs to be calculated. Unearned Title IV funds may need to be returned to the appropriate Title IV aid programs by the school, the student, or both. (See the "When Title IV Aid Needs to be Returned" section below.)
  - Disbursed Aid – Earned Aid = Unearned Aid.

- If Earned Aid Exceeds Disbursed Aid, then a post-withdrawal disbursement must be reviewed. (See the “When a Post-Withdrawal Disbursement is Necessary” section below.)
- If Disbursed Aid Equals Earned Aid, then no further action is required. No aid needs to be returned nor disbursed.

### **When Title IV Aid Needs to be Returned**

Unearned Title IV funds must be returned to the applicable Title IV programs by the school, and at times, also by the student. The school is responsible for returning unearned funds if the student’s institutional charges equal or exceed the amount of Title IV funds disbursed. If the amount of Title IV funds disbursed to the student exceeds the student’s institutional charges, then both the school and the student will be responsible for returning unearned funds.

#### **Determine the Student’s Institutional Charges:**

- Institutional charges include tuition, fees, records fees, course fees, university-contracted housing, meal plans, flex dollars, and other educational expenses that are paid to the school directly.
- Institutional charges do not include application fees, enrollment deposits, housing application fees, housing damage fees, animal friendly housing fees, parking permits, health center charges, late fees, and library fines.
- Books and Supplies:
  - Institutional charges do not include book vouchers a student uses to buy books at the university book store if the student has a real and reasonable opportunity to purchase his or her books and supplies elsewhere.
  - 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, then the cost of required course materials (books, kits, tools, supplies, etc.) must be considered as institutional charges.
- The institutional charges used in the R2T4 calculation are the charges that were originally assessed to the student or the revised amount of charges due to enrollment status changes that occurred *prior* to the student withdrawing.
- If a student withdrew and received a credit for tuition, fees, room/board, etc. according to the school’s refund policy, these reduced amounts are not included in the R2T4 calculation.
- The school has the option to waive all or a portion of a student’s tuition and fees. If the school chooses to do this, it must treat the waiver the same way for R2T4 purposes as it treated the waiver when calculating the student’s cost of attendance (COA) budget. Under COA requirements, the school may include tuition and fees in the student’s budget only if the charge is actually paid by, or on behalf of, the student.
- If a student completely withdraws from the university during the drop/add period and all of their institutional charges are credited according to the school’s refund policy, the originally assessed charges are used in the R2T4 calculation.
- HEROES Act Provisions:
  - Affected individuals under the HEROES Act may receive a credit of his or her tuition and fees.
    - State System policy entitles all active duty personnel to a full refund of tuition and other charges pending their provision of a copy of their military orders to the Office of the Registrar.
    - Students who are required to withdraw from PennWest University due to the Reserve and National Guard call-up will not be penalized. Students should follow the proper procedures for withdrawal by submitting a copy of their military orders to the Office of the Registrar.

- If a student's withdrawal is due to military reasons, the student may receive a credit of his or her room and board charges.
  - Military withdrawals will be reviewed for a possible credit of meal plan charges and flex dollars.
  - If a student withdraws *before* the start of the semester for military reasons and produces a copy of his or her military orders, the student's housing charges will be fully credited. No housing cancellation fee will be assessed.
  - If a student withdraws *during* the semester for military reasons and produces a copy of his or her military orders, the student's housing charges will be pro-rated based on the time the student lived in campus housing. No housing cancellation fee will be assessed.
- Any credit of institutional charges will appear on the student's account activity.
- The Registrar's Office will notate this type of withdrawal on the student's account as a "Military Withdrawal" for the affected term.
- Before an institution makes a refund of institutional charges, it must perform the required R2T4 calculation based upon the originally assessed institutional charges. After determining the amount that the institution must return to the Title IV aid programs, any reduction of institutional charges may take into account the funds that the institution is required to return. In other words, the institution will not both return funds to the Title IV aid programs and also provide a refund of those same funds to the student.
- PennWest University observes the U.S. Department of Education guidelines directing universities to provide relief from student loan obligations by postponing student loan payments for borrowers during the period of the borrower's active duty service. Please note that student aid recipients who withdraw from school because they are called to active duty will not be required to return financial aid funds they received for books and living expenses.
- Upon request, the Finance and Administration Office will prepare a report of any affected individuals under the HEROES Act who withdrew and had institutional charges excluded.

#### **School's Responsibility and Timeline for Returning Title IV Aid:**

- The school must return its portion of a student's unearned Title IV funds to the applicable Title IV programs within 45 days of the date the school determined the student withdrew.
- The final repayment amount of Title IV aid that needs to be returned is rounded to the nearest whole dollar amount using standard rounding rules. The Federal Pell Grant lifetime eligibility, Direct Loan annual and aggregate loan limits, and the TEACH Grant annual and aggregate loan limits must be taken into consideration so as not to exceed these limits when returning whole dollar amounts.
- The amount of Title IV aid a school is required to return is determined first, using the following method:
  - First, add up all of the student's institutional charges to get Total Institutional Charges.
  - Then subtract the Percentage of Aid Earned from 100% to get the Percentage of Unearned Aid.
    - $100\% - \text{Earned \%} = \text{Unearned \%}$
  - Multiply the Total Institutional Charges by the Percentage of Unearned Aid to determine the Amount of Unearned Charges.
    - $\text{Total Institutional Charges} \times \text{Unearned \%} = \text{Amount of Unearned Charges}$
  - Compare the Unearned Aid Amount to the Amount of Unearned Charges. The lesser of these two amounts is the amount the school is required to return.
- The amount of aid the school must return is returned in the following order:
  - Direct Unsubsidized Loan (net amount)
  - Direct Subsidized Loan (net amount)

- Direct Parent or Graduate PLUS Loan (net amount)
- Federal Pell Grant
- Iraq and Afghanistan Service Grant (IASG)
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Teacher Education Assistance for College and Higher Education (TEACH) Grant
- For inadvertent late disbursements that were included as “Aid That Could Have Been Disbursed”:
  - If the payment could not have been made as a late disbursement under section 668.164(j)(2) of the federal regulations, then the entire amount of the disbursement must be returned to its applicable Title IV program.
  - If the payment could have been made as a late disbursement under section 668.164(j)(2) of the federal regulations, then the unearned portion must be returned to its applicable Title IV program.
- The Financial Aid Office will notify students in writing of any aid that was required to be returned by emailing the student’s PennWest email address, as well as the student’s personal email address on file. If there is no personal email address on file, the information will be mailed to the student’s permanent address on file. This notification will also state the current balance due on the student’s university account that will need to be repaid by the student.

**Student’s Responsibility and Timelines for Returning Title IV Aid:**

- If there is still an amount of aid that needs to be returned after the school returns its portion, then the school must calculate the amount of aid the student is required to return. The school must notify the student of any unearned funds he or she is responsible for repaying within 30 days of the date the school determined the student withdrew.
- The final repayment amount of Title IV aid that needs to be returned by the student is rounded to the nearest whole dollar amount using standard rounding rules. The Federal Pell Grant lifetime eligibility, Direct Loan annual and aggregate loan limits, and the TEACH Grant annual and aggregate loan limits must be taken into consideration so as not to exceed these limits when returning whole dollar amounts.
- The following calculation is used to determine the amount of aid the student is required to return:
  - First, take the amount of unearned aid and reduce it by the amount of aid that the school returned to determine the initial amount of aid that is due from the student.
    - $\text{Unearned Aid Amount} - \text{Aid Returned by School} = \text{Initial Amount of Aid Due from the Student.}$
  - Next, determine the amount of Direct Loans a student is still responsible to repay:
    - $\text{Direct Loans (net amount) Disbursed to the Student} - \text{Direct Loans (net amount) the School Returned} = \text{Direct Loan (net amount) the Student is Still Responsible for Repaying.}$
    - These unearned Title IV loan funds are repaid according to the terms of the Master Promissory Note (MPN).
  - Then, determine the amount of grant funds to be returned by the student:
    - $\text{Initial Amount of Aid Due from the Student} - \text{Direct Loan (net amount) the Student is Still Responsible for Repaying} = \text{Initial Amount of Grants to be Returned by Student.}$
    - $\text{Total Disbursed and Undisbursed Grants Amount} \times 50\% = \text{Grant Protection Amount.}$
    - $\text{Initial Amount of Grants to be Returned by Student} - \text{Grant Protection Amount} = \text{Amount of Grant Funds Student Must Return.}$

- Unearned Title IV grant funds that must be returned by the student:
  - The student is responsible for returning grant funds, up to the amount disbursed from that grant program minus any grant funds the school has to return.
  - If the amount to return to *any* grant program is \$50 or less, then the student is not responsible for returning grant funds to that program. The \$50 de minimis amount is applied to each grant program separately.
    - Grant funds must be returned in the following order:
      - Federal Pell Grant
      - Federal Supplemental Educational Opportunity Grant (FSEOG)
      - Federal Teacher Education Assistance for College and Higher Education (TEACH) Grant
      - Iraq and Afghanistan Service Grant (IASG)
  - The school must notify the student that he or she has 45 days in which to fully repay any unearned grant funds or to enter into an approved repayment agreement with the school or the Department of Education.
    - The school must notify the student of any unearned funds he or she is responsible for repaying within 30 days of the date the school determined the student withdrew. The 45-day period begins on the date the school was required to notify the student of the overpayment.
    - It is the school's option to enter into a repayment agreement with the student.
    - If the school agrees to allow the student to enter into a repayment agreement, the student must agree to the school's repayment agreement and repay the overpayment back to the school within two years of the date the school determined the student withdrew. The school must immediately notify NSLDS of this arrangement.
    - If the school decides not to allow the student to repay the school, then the student's overpayment will be referred to the Department of Education.
    - If the student does not fully repay the overpayment or doesn't enter into a satisfactory repayment agreement with the school or the Department of Education, then the student will lose his or her Title IV eligibility on day 46. The student will also lose his or her Title IV eligibility if the student fails to meet the conditions of his or her repayment agreement. If any of these things occur, the school is required to report the overpayment status to NSLDS and refer the overpayment to the Department of Education's Default Resolution Group.
      - HEROES Act Provisions: For a student who withdraws from an institution because of his or her status as an affected individual in accordance with the HEROES Act, the statutory and regulatory requirements are waived so that a student is not required to return or repay any overpayment of grant funds based on the R2T4 provisions. Therefore, an institution is not required to contact the student, notify NSLDS, or refer the overpayment to the Department of Education. However, the institution must document in the student's file the amount of any overpayment as part of the documentation of the application of this waiver. The student is not required to return or repay an overpayment of grant funds based on the Return of Title IV Funds provision. Therefore, an institution must not apply any Title IV credit balance to the grant overpayment prior to using a credit balance to pay authorized charges, paying any amount of the Title IV credit balance to the student or parent, in the case of a parent PLUS loan, or using the credit balance to reduce the student's Title IV loan debt (with the student's authorization).

### **When a Post-Withdrawal Disbursement is Necessary**

At the time of withdrawal, if the student earned an amount of Title IV funds that was greater than the amount of funds disbursed to the student, then the school must disburse, or offer to disburse, the difference in a post-withdrawal disbursement. The disbursement must be made from undisbursed Title IV grant funds before undisbursed Title IV loan funds.

**Please Note:** Aid That Could Have Been Disbursed may include aid the school can never disburse to the withdrawn student due to statutory and/or regulatory requirements, such as a second or subsequent Direct Loan disbursement. This would occur if the student's first loan amount was disbursed when the student was considered to be half-time, but then the student never established half-time status by failing to begin attendance in a future module. As long as the loan was originated and an MPN was signed, it is included as Aid That Could Have Been Disbursed. However, the school cannot make a post-withdrawal disbursement of such loan funds, and the subsequent loan would be cancelled after the R2T4 calculation is performed.

### **Crediting the Student's Account When the Student Owes Outstanding Charges to the School:**

- Any post-withdrawal disbursement credited to the student's account must be in accordance with the cash management rules regarding authorizations and allowable charges.
  - Charges that can be paid without student or parent PLUS borrower authorization are current award year charges for tuition, fees, room and board, and prior year charges for tuition, fees, room and board up to \$200.
  - Any other current award year educationally-related institutional charges and prior award year educationally-related institutional charges up to \$200 require authorization from the student or parent PLUS borrower before the school can credit a post-withdrawal disbursement.
- **Grants:** If the student still owes outstanding charges to the school, the school will use any post-withdrawal disbursement of grant funds to pay these charges. The school has 45 days from the date of the school's determination that the student withdrew to disburse a student's post-withdrawal disbursement of grant funds.
- **Loans:** Before a school can apply any post-withdrawal disbursement of loan funds, the school must request permission from the student or parent PLUS borrower that it is okay to do so. In the event of a post-withdrawal disbursement of loan funds, the school will notify the student or parent PLUS borrower in writing (paper or electronic format) within 30 days of the school's determination that the student withdrew.
  - **This post-withdrawal disbursement of loan funds notification must:**
    - State the loan type(s) and amount(s) being offered to the student or parent PLUS borrower as a post-withdrawal disbursement.
    - Explain that the borrower may accept all, a portion, or none of these loan funds.
    - Explain that the borrower is obligated to repay any loan funds disbursed.
    - Explain that the borrower must confirm that he or she wants these loan funds. If there is no confirmation, then the school cannot credit these loan funds to the student's account and the borrower cannot receive the proceeds as a direct disbursement.
    - Provide a 14-day response deadline.
    - Explain that if there is no response within 14 days, the school cannot credit these loan funds to the student's account and the borrower cannot receive the proceeds as a direct disbursement. The school has the option to credit a student's account with loan funds in the case of a late response, but this is up to the discretion of the school and will be reviewed on a case-by-case basis and in accordance with regulatory timeframes. The school must inform the borrower of its decision in writing (paper or electronic format).



- The school will retain documentation in the student's file regarding the borrower's confirmation and will post a comment to the student's account on whether confirmation was received from the borrower as well as the school's decision regarding the post-withdrawal disbursement of funds.
- In accordance with the HEROES Act, a 45-day response deadline is allowed for individuals who:
  - Are serving on active duty during a war or other military operation or national emergency;
  - Are performing qualifying National Guard duty during a war or other military operation or national emergency;
  - Are residing or employed in an area that is declared a disaster area by any federal, state, or local official in connection with a national emergency; or
  - Have suffered direct economic hardship as a direct result of a war or other military operation or national emergency, as determined by the Secretary.
  - Please note: These waivers and modifications do not apply to an individual who resides or is employed in an area declared a disaster area by any federal, state, or local official unless that declaration has been made in connection with a national emergency.
- If the student or parent PLUS borrower provides confirmation that he or she wants the post-withdrawal disbursement of loan funds, then the school must disburse these loan funds within 180 days of the date it determined the student withdrew.

**Direct Disbursement of Funds Not Credited to Institutional Charges:**

- **A post-withdrawal disbursement of funds may be directly disbursed to the student or parent PLUS borrower:**
  - When there are no outstanding charges on a student's account; or
  - When there is an excess amount of funds after the post-withdrawal disbursement has paid the remaining charges on a student's account.
- **Grants:** The school has 45 days from the date of the school's determination that the student withdrew to disburse a student's post-withdrawal disbursement of grant funds.
- **Loans:** Before a school can disburse any post-withdrawal disbursement of loan funds, the school must request permission from the student or parent PLUS borrower that it is okay to do so. In the event of a post-withdrawal disbursement of loan funds, the school will notify the student or parent PLUS borrower in writing (paper or electronic format) within 30 days of the school's determination that the student withdrew.
  - **This post-withdrawal disbursement of loan funds notification must:**
    - State the loan type(s) and amount(s) being offered to the student or parent PLUS borrower as a direct disbursement.
    - Explain that the borrower may accept all, a portion, or none of these loan funds.
    - Explain that the borrower is obligated to repay any loan funds disbursed.
    - Explain that the borrower must confirm that he or she wants these loan funds. If there is no confirmation, then the school cannot directly disburse these loan funds to the student or parent PLUS borrower.
    - Provide a 14-day response deadline.
    - Explain that if there is no response within 14 days, the school cannot directly disburse these loan funds to the student or parent PLUS borrower. The school has the option to directly disburse in the case of a late response, but this is up to the discretion of the school and will be reviewed on a case-by-case basis and in accordance with regulatory

timeframes. The school must inform the borrower of its decision in writing (paper or electronic format).

- The school will retain documentation in the student's file regarding the borrower's confirmation and will post a comment to the student's account on whether confirmation was received from the borrower as well as the school's decision regarding the post-withdrawal disbursement of funds.
- In accordance with the HEROES Act, a 45-day response deadline is allowed for individuals who:
  - Are serving on active duty during a war or other military operation or national emergency;
  - Are performing qualifying National Guard duty during a war or other military operation or national emergency;
  - Are residing or employed in an area that is declared a disaster area by any federal, state, or local official in connection with a national emergency; or
  - Have suffered direct economic hardship as a direct result of a war or other military operation or national emergency, as determined by the Secretary.
  - Please note: These waivers and modifications do not apply to an individual who resides or is employed in an area declared a disaster area by any federal, state, or local official unless that declaration has been made in connection with a national emergency.
- If the student or parent PLUS borrower provides confirmation that he or she wants the post-withdrawal disbursement of loan funds, then the school must disburse these loan funds within 180 days of the date it determined the student withdrew.

### **Federal Verification**

At times, the student or the school does not complete the requirements for federal verification in time before the student withdraws from the institution. The student may still be able to complete federal verification in order to be eligible for Title IV aid. If a Direct Unsubsidized Loan, Direct Parent or Graduate PLUS Loan, or a TEACH Grant was originated on the student's account prior to the student withdrawing, then the school will perform the R2T4 calculation using this Title IV aid since it is not subject to verification. A new calculation will need to be performed if the student completes verification and is eligible for additional aid.

The school will refrain from making any interim disbursements of financial aid if a student has not completed verification. However, if the school made any interim disbursements of a Federal Pell Grant, Iraq and Afghanistan Service Grant, or Federal Supplemental Educational Opportunity Grant, the funds must be returned within 45 days of the date the school determined the student withdrew. This aid will not be treated as Aid That Could Have Been Disbursed as the student was not eligible for the aid due to not completing verification requirements.

If the student completes the verification process by the specified deadline, the school can review and complete the verification process, adjust the student's financial aid, if necessary, and complete the R2T4 calculation. The R2T4 calculation may include any Title IV aid for which the student established eligibility as a result of completing verification and for which he or she meets the conditions for a late disbursement as Aid That Could Have Been Disbursed. Remember that direct loans cannot be originated after the student ceases attendance. If the student or parent PLUS borrower qualifies for a post-withdrawal disbursement, the appropriate steps will be taken by the school as outlined above in the "When a Post-Withdrawal Disbursement is Necessary" section. The student forfeits his or her Title IV eligibility if verification is not completed by the deadline.

### Other Effects of Withdrawing

- **The effect on tuition and fees** – The Return of Title IV (R2T4) regulations are completely independent of the university’s refund policy for tuition and fees. In other words, whether a student receives a refund of tuition and fees has no bearing on the amount he or she may be required to repay due to aid being returned. Additional information may be found at the end of this policy for the University Refund of Tuition and Fees Policy.
- **The effect on aid not subject to R2T4 requirements:**
  - **Important:** If a student never begins attendance in any classes, then the student has not established eligibility for aid. All aid will be returned.
  - **Pennsylvania State Grant:**
    - State grant funds are pro-rated according to the percentage of the refund a student receives for tuition and fees. Therefore, if a student withdraws *during* the refund period and receives a credit for tuition and fees, the state grant will also be reduced.
    - If a student withdraws *after* the tuition and fee refund period, no state grant funds must be returned.
    - State grant funds are not disbursed until *after* the drop/add period of the last module in which a student is enrolled. If a student does not begin attendance in all modules, then the state grant is reviewed to determine if a portion or all of it must be returned.
  - **Institutional Scholarships** – Institutional scholarships are pro-rated according to the percentage of the refund a student receives for tuition and fees. Therefore, if a student withdraws *during* the refund period and receives a credit for tuition and fees, the scholarship will also be reduced. If a student withdraws *after* the tuition and fee refund period, no funds must be returned.
  - **Foundation Scholarships** – Adjustments to Foundation scholarships are up to the discretion of the PennWest Universities’ Foundations.
  - **Private Scholarships** – Adjustments to private scholarships are up to the discretion of the scholarship organization or donor.
  - **Federal Work Study (FWS)** – Once a student has dropped below half-time enrollment or withdrawn, the student can no longer work and earn Federal Work Study funds. If it is determined that a student earned FWS funds *after* dropping below half-time enrollment or withdrawing, the FWS funds will be converted to Institutional Work Study funds.
  - **Private Loans** – Private loan adjustments are up to the discretion of the lender.
- **The effect on the ability to register for future courses, receive transcripts, and/or receive a diploma** – Unpaid balances on a student’s account may result in registration holds which prevent future course registration. A student with a past due balance will not be able to request official transcripts or receive his or her diploma. Balances that are left unpaid may be referred to the Attorney General’s Office or a collection agency for repayment. Students should always contact the Financial Aid Office if he or she is unable to pay the account balance in full within a timely manner.
- **The effect on future financial aid eligibility** – Additional information may be found at the end of this policy for the Satisfactory Academic Progress (SAP) Policy.

### Additional Information

#### Treatment of Title IV credit balances:

- A Title IV credit balance (or refund) may be due to the student after the student withdraws. The school must hold the credit balance until it determines the effects of both the R2T4 calculation and any applicable refund policy. After performing the R2T4 calculation, the school must apply any applicable refund policy and allocate the total credit balance (including any credit balance

from a prior payment period) within 14 days of performing the R2T4 calculation. The school must allocate funds to repay any Title IV grant overpayment first. Then any remaining credit balance can be used to pay authorized institutional charges.

- Although not included in an R2T4 calculation, any Title IV credit balance from a prior period that remains on a student's account when the student withdraws is included as Title IV funds when you determine the final amount of any Title IV credit balance when a student withdraws. The school must use the final Title IV credit balance first to satisfy any current student grant overpayment.
- A student may authorize the school to use the funds to reduce the student's loan debt.
- A student may also authorize the school to refund the funds to the student or the parent PLUS borrower.
- If a student or parent PLUS borrower cannot be located, then the school must return the funds to the applicable Title IV aid programs. There is no set order to return credit balances to the Department of Education, but the school is to return the funds in a way that is most beneficial to the student.
- In accordance with the HEROES Act, a 45-day response deadline is allowed for individuals who:
  - Are serving on active duty during a war or other military operation or national emergency;
  - Are performing qualifying National Guard duty during a war or other military operation or national emergency;
  - Are residing or employed in an area that is declared a disaster area by any federal, state, or local official in connection with a national emergency; or
  - Have suffered direct economic hardship as a direct result of a war or other military operation or national emergency, as determined by the Secretary.
  - Please note: These waivers and modifications do not apply to an individual who resides or is employed in an area declared a disaster area by any federal, state, or local official unless that declaration has been made in connection with a national emergency.
  - Based upon the instructions of the student (or parent), the school must promptly return the funds to the Title IV loan programs or pay the credit balance to the student (or parent). If an institution attempts to contact the student (or parent) for authorization to apply the credit balance to reduce the student's Title IV loan debt, it must allow the student (or parent) 45 days to respond. If there is no response within 45 days, the institution must promptly pay the credit balance to the student (or parent) or return the funds to the Title IV programs if the student (or parent) cannot be located. The school may also choose to pay the credit balance to the student (or parent) without first requesting permission to apply the credit balance in order to reduce the student's Title IV loan debt.

**When a student has conflicting documentation of participation in an activity that can be defined as academic engagement** – If a student can provide proof of academic engagement which differs from the school's documented last date of academic engagement, then the school will review this information. If the school determines that it qualifies as academic engagement and if it can be verified with school documentation, then the withdrawal date will be revised and a new R2T4 will be performed. This documentation must be provided to the school within 30 days from the last date of the payment period. Recalculations of aid eligibility will not be performed for documentation received after that time period.

**When a student returns to the payment period for which the student was previously considered to be withdrawn** – If a student returns to the payment period for which he or she was previously considered to be withdrawn, then the student is no longer considered to be withdrawn. The R2T4 calculation will be reversed, and all Title IV aid for which the student was eligible prior to withdrawing will be reinstated.

### **Incomplete grades:**

- Students have to complete a class for which they received an “I” (Incomplete) grade by the end of the following semester.
  - If a student received an incomplete grade in the spring or the summer, the student would have to complete the course requirements by the end of the fall semester.
  - If the student received an incomplete grade in the fall or winter intersession, they would have until the end of the spring term to complete the course requirements.
- If the student completes the course requirements, he or she receives a grade.
- If the student does not complete the course requirements, the incomplete grade is changed to an “F” grade. The Financial Aid Office reviews each incomplete grade which was converted to an “F” grade to determine any impacts on financial aid.

### **Death of a student:**

- If a Title IV aid recipient dies before completing the payment period, the school must perform an R2T4 calculation and return any funds for which the school is responsible.
- The student’s estate is not responsible for returning any funds. Therefore, when a student dies, the school will not report a grant overpayment to the National Student Loan Data System (NSLDS), nor refer a grant overpayment to Debt Resolution Services. If a grant overpayment was previously referred for a student who later dies, the school will notify Debt Resolution Services and NSLDS that it has received notification that the student has died.
- The school cannot make a post-withdrawal disbursement to a deceased student’s estate.
- Any Federal Direct Loan balances the student had are eligible to be discharged. Any Federal Direct PLUS Loans taken out by a parent for a deceased student are also eligible to be discharged.
- After the R2T4 calculation is performed, as well as the institutional calculations, if a Title IV credit balance created from funds disbursed before the death of the student exists, the school must resolve the Title IV credit balance in one of the following three ways:
  1. In accordance with the cash management regulations, pay authorized charges at the institution (including previously paid charges that are now unpaid due to the return of Title IV funds by the institution).
  2. Return any Title IV grant overpayments owed by the student for previous withdrawals from the present school. If the school previously referred grant overpayments to Debt Resolution Services that have not been fully resolved, the school will provide documentation that the student has died so that Debt Resolution Services can delete the overpayment from its records.
  3. Return any remaining credit balance to the Title IV programs.

### **Exit counseling:**

- Exit counseling provides student loan borrowers with helpful information about managing student loans after college. It provides information regarding the following:
  - Student’s rights and responsibilities as a borrower
  - Loan interest rates
  - Repayment
  - How to contact your loan servicer
  - Tips to avoid delinquency and default
  - Loan consolidation
  - Loan forgiveness and discharge
  - Financial planning and debt management

- Federal regulations require that exit counseling be completed by any student who has received Direct Subsidized, Direct Unsubsidized, and/or Direct Graduate PLUS Loans, if the student:
  - Drops below half-time enrollment
  - Withdraws from the current term
  - Withdraws from the university
  - Transfers to a different school
  - Graduates
- Please note that exit counseling is required even if the student plans to return to school or will be enrolling in graduate-level work upon completion of his or her degree.
- The university will notify students in writing within 30 days of the date the school determined the student withdrew if they need to complete exit counseling. The exit counseling notification will be sent to the student's PennWest email address, as well as the student's personal email address on file. If there is no personal email address on file, the information will be mailed to the student's permanent address on file.

**Grace period for Direct Loans** - Anytime a student is enrolled less than half-time, the grace period begins. The student's grace period for loan repayments for Federal Direct Subsidized and Unsubsidized Loans will begin on the day of the student's withdrawal from the school. If the student is not enrolled half-time for more than six months, the loans will go into repayment. The student should contact his or her loan servicer for information regarding his or her grace period and to set up payment arrangements. Loans must be repaid by the loan borrower (student or borrower) as outlined in the terms of the borrower's Master Promissory Note (MPN).

**Leave of Absence** – A Leave of Absence (LOA) is a temporary interruption in a student's studies. PennWest University is not required to establish a LOA policy, and the school does not grant Leaves of Absence. Therefore, if a student takes a Leave of Absence, it is a non-approved LOA. The date the student begins his or her non-approved LOA is the student's withdrawal date. The date the school determined that the student withdrew is the date the school was made aware of the student ceasing attendance.

**Consortium agreements** – All consortium agreements entered into between PennWest University and any other outside entity must state that the institution that disburses Title IV funds is also responsible for returning Title IV funds, if necessary, due to a student's withdrawal.

**Temporary closure of school** - In the event that the school must temporarily close due to weather, natural disaster, or other event outside of the control of the institution, the school will promptly contact its School Participation Division to discuss its situation. The Department will work with the school to review the effects of the temporary interruption and the impact of the temporary closure.

#### **E. Forms**

List and link any associated forms needed.

#### **F. Related policies**

The Withdrawals and Return of Title IV Funds Policy is very encompassing, and this is intended to be an overview of the policies and procedures that govern regulations pertaining to the return of Title IV funds. The information in this policy is subject to change without advance notice based on changes to federal laws, federal regulations, or school policies. If changes are made, students must abide by the most current policy. For further guidance on the implications of withdrawing, please review the following information:

- **Code of Federal Regulations, Title 34, Section 668.22 (34 CFR 668.22) -**  
<https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-668/subpart-B/section-668.22>
- **Federal Student Aid Handbook - Volume 5 Withdrawals and the Return of Title IV Funds – To find the most recent volume, please search online for “FSA Handbook Volume 5.”**
- **The following policies may be found by going to the PennWest Academic Policies webpage at**  
<https://www.pennwest.edu/academics/policies>.
  - Add-Drop Policy
  - Incomplete Grade Policy
  - Course Withdrawal Policy
  - University Withdrawal Policy
- **University Refund of Tuition and Fees Policy –** <https://files.pennwest.edu/policies/fa012-refund.pdf>
- **University Satisfactory Academic Progress (SAP) Policy –** Insert link

## G. Contact Information

### Contact Information for Designated Offices by Campus

- **California Campus:**
  - **Financial Aid Office:**
    - Phone: (724) 938-4415
    - Fax: (724) 938-4551
    - Email: [financialaid@pennwest.edu](mailto:financialaid@pennwest.edu)
    - Mailing Address: Financial Aid Office, 250 University Avenue, California, PA 15419
    - Office Location: Dixon Hall
  - **Registrar’s Office (Office of Academic Records):**
    - Phone: (724) 938-4435
    - Fax: (724) 938-4340
    - Email: [registrar@pennwest.edu](mailto:registrar@pennwest.edu)
    - Mailing Address: Office of Academic Records, 250 University Avenue, Mailbox #93, California, PA 15419
    - Office Location: 122 Dixon Hall
- **Clarion Campus:**
  - **Financial Aid Office:**
    - Phone: (814) 393-2315 or (800) 672-7171 (option 2)
    - Fax: (814) 393-2520
    - Email: [financialaid@pennwest.edu](mailto:financialaid@pennwest.edu)
    - Mailing Address: Financial Aid Office, 840 Wood St., Clarion, PA 16214
    - Office Location: 116 Becht Hall
  - **Registrar’s Office:**
    - Phone: (814) 393-2229 or (800) 672-7171 (option 3)
    - Fax: (814) 393-2039
    - Email: [registrar@pennwest.edu](mailto:registrar@pennwest.edu)
    - Mailing Address: Registrar’s Office, 840 Wood St., Clarion, PA 16214
    - Office Location: 148 Becht Hall
- **Edinboro Campus:**

- **Financial Aid Office:**
  - Phone: (814) 732-3500
  - Fax: (814) 732-2129
  - Email: financialaid@pennwest.edu
  - Mailing Address: Financial Aid Office, Hamilton Hall, 210 Glasgow Road, Edinboro, PA 16444
  - Office Location: Hamilton Hall
- **Registrar's Office (Office of Records and Registration):**
  - Phone: (814) 732-3501
  - Fax: (814) 732-2130
  - Email: registrar@pennwest.edu
  - Mailing Address: Office of Records and Registration, 210 Glasgow Road, Edinboro, PA 16444
  - Office Location: Hamilton Hall

Office/Name	Location	Phone Number
Financial Aid – Sue Bloom	Clarion Campus	814-393-2667
Financial AID – Kelly Vitelli	Edinboro Campus	814-732-1964
Financial Aid – Traci Necciai	California Campus	724- 938-5535

#### **H. Policy Review Schedule**

All policies will be reviewed every two years or on an as needed basis if a change in BOG, PASSHE or Pennsylvania law would create the need for an immediate change.