Return of Title IV Funds Policy

Students earn federal aid over the course of a semester. When a student is awarded federal aid, it is under the assumption that the student will attend school for the entire semester or period of enrollment for which aid was awarded. When a student completely withdraws from all classes, a calculation must occur to determine how much federal aid was earned by the student. Aid that is determined to be unearned must be returned to the federal government. A Return of Title IV Funds (R2T4) calculation is a federally mandated formula that must be completed by the Financial Aid Office to determine the percentage of aid a student earned during the time they were enrolled.

The Return of Title IV Funds calculation must be performed regardless of whether the student was charged tuition and/or fees for the attempted coursework.

Please note that this Return of Title IV Funds policy is completely separate from John A. Logan College’s tuition refund policy.

Determining the Last Date of Attendance

Attendance records are used to determine the last date of attendance the student participated in an academically related activity such as attending a class or lab, submitting an assignment, taking an exam, etc.

Calculating the Percentage of Earned/Unearned Aid

- The percent of federal aid earned is determined by the number of days the student attended divided by the total number of days in the semester or payment period.

- Federal regulations require that breaks of five consecutive days or more are excluded from the Return of Title IV Funds calculation and considered periods of non-attendance. When classes end on Friday and do not resume until Monday following a one-week break, both weekends (four days) and the five weekdays would be excluded from the Return of Title IV Funds calculation for a total of nine days. If classes were taught on a weekend, those days would be included rather than excluded and would not be part of the scheduled break.

- The percentage of earned aid is subtracted from 100% to determine the percentage of unearned aid.
• Unearned federal aid must be returned to the federal government within 45 days of the date the school determined the student withdrew. The Financial Aid Office will send notification to the student of the amount of funds to be returned. This may result in the student owing an account balance.

Funds are returned in the following order:
Federal Pell Grant
Federal Supplemental Educational Opportunity Grant

Example of the Return of Title IV Funds Calculation

A student registers for and attends four classes at the beginning of a semester. The Financial Aid Office has determined the amount of federal aid for which the student is eligible. The aid funds have disbursed to the student’s account three weeks after classes began.

During the fourth week of the semester, the student withdraws from all four classes. If the student would have remained enrolled in at least one class, a Return of Title IV Funds calculation would not be required.

The semester consists of a total of 115 days. The student attended classes until day 28, then withdrew. The calculation is as follows:

The student received a total of $3,500 in federal aid which was disbursed to their account and paid their tuition in full.

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\frac{28 \text{ days attended}}{115 \text{ days in the semester}} = 24.3\% \text{ earned financial aid}
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$3,500 total aid received \times 24.3\% \text{ earned aid} = $850 \text{ earned financial aid}

$3,500 total aid received - $850 \text{ earned aid} = $2,650 \text{ unearned aid to be returned to the federal government.}

Once $2,650 financial aid is returned to the federal government, the student will owe a balance for their tuition.