

## **RETURN TO TITLE IV (R2T4)**

### **Process Overview & Applicability**

The return of Title IV funds requirement is a complex process involving a great deal of interoffice cooperation and coordination. The school director is designated as the contact point for students who wish to withdraw. Inter-Office email or written memoranda may be used to communicate that information to faculty, bookkeeping, and the office of financial aid. The school's director determines the withdrawal date and reports it to other institutional offices and the Department of Education. The Office of Financial Aid calculates the return of Title IV funds using federal formulas, notifies FAS, Genesis in writing to complete recovery of Title IV funds to specific program funds, notifies the student of his or her obligation to repay funds if applicable, tracks the repayment, and refers overpayments to ED. It also offers the student any earned post-withdrawal disbursement and follow procedures and policies pertaining to this indicated in the award notification part of the manual. For students whose status changes from full-time to part-time during the payment period, the award package must be revised based on the revised enrollment status and student must be notified about the changed award amounts and status. *FSA Handbook*, Vol. 2, Ch. 6 provides details on R2T4 calculations and regulations.

The date of Texas Beauty College determination that a student withdrew is identified through faculty input, student's failure to return from an approved leave of absence, student's verbal or written notification to any office such as Office of Academic Affairs, Office of Financial Aid, etc.

In the event of any unofficial withdrawals, R2T4 refund must be done within 45 days from the date of determination of such withdrawal. The date of determination must occur within two weeks from the last day of attendance.

All enrolled students are notified through Texas Beauty College catalog about the withdrawal process and the student's rights and responsibilities including how a student reports the intent to withdraw and how the student begins the withdrawal process.

### **Withdrawal Date**

The faculty is required to take attendance and notify the school director if a student has stopped attending class without any notice for 3 (three) consecutive scheduled class days. The school director monitors attendance of all enrolled students. He will contact students via email, phone call and letter. If no response is received within 14 days, the school will assume the student has unofficially withdrawn. The school director will determine the withdrawal date, which would be no later than two weeks from the last day of attendance. However, if the student responds, the official withdrawal date will be the date on which student notifies school via any means of communication. Students who have been absent for 30 consecutive days will automatically be terminated. However all refunds due will be paid within 45 days of the student's 14th consecutive day of absence. A student who wishes to withdraw from school for compelling personal reasons should notify the Director in writing stating the reasons for withdrawal and whether or not the student intends to return at a later date to pursue a program of study. For all clock hours programs attendance roster is mandatory. All documentation for a withdrawn student will be kept in the student's file in the office of financial aid.

Texas Beauty College grants Leaves of Absence (LOA) as per regulation of Higher Education Reconciliation Act (HERA) 2006. Students who require a leave of absence from the program must do so in writing and be approved by the Director prior to leaving school. If a student does not return from his/her LOA, the student will be dropped the day following the expiration of the leave of absence, and the financial aid office will be notified. This begins the withdrawal process. The office of Financial Aid will complete the R2T4 (Return to Title IV) process as per regulations as described in the manual.



### Formula Calculation

**Texas Beauty College** is required by federal statute to recalculate federal financial aid eligibility for students who withdraw, drop out, are dismissed, or take a leave of absence prior to completing 60% of a payment period or term. The federal Title IV financial aid programs must be recalculated in these situations.

If a student leaves the institution prior to completing 60% of a payment period or term, the financial aid office recalculates eligibility for Title IV funds. Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula:

Percentage of aid earned = the number of scheduled hours in the payment period completed up to the student's last date of attendance as per the school's attendance records, divided by the total clock hours in the payment period.

If this percentage is greater than 60%, the student earns 100% of the disbursed Title IV funds or aid that could have been disbursed.

If this percentage is less than 60%, then the percentage earned is equal to the calculated value. Funds are returned to the appropriate federal program based on the percent of Percentage of aid earned = the number of scheduled hours in the payment period completed unearned aid using the following formula:

Aid to be returned = (100% minus the percent earned) multiplied by the amount of aid disbursed toward institutional charges. If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student may be required to return a portion of the funds. All Title IV funds that the institution must return will be made no later than 45 calendar days after the date the school determines that the student withdrew.

When Title IV funds are returned, the student may owe a balance to the institution.

If a student earned more aid than was disbursed to him/her, the institution must send written notification to the student (or parent for PLUS loan funds) to offer a post-withdrawal disbursement for any amount not credited to the student's account no later than 30 calendar days after the date that the school determines that the student withdrew. The institution is required to make a post-withdrawal disbursement within 45 days of the student's date of determination that they withdrew for grants and 180 days of the student's date of determination that they withdrew for loans.

Refunds are allocated in the following order:

Unsubsidized Federal Stafford Loan

Subsidized Federal Stafford Loan

Federal Parent (PLUS) Loan

Federal Pell Grant

Federal Supplemental Opportunity Grant

Other Title IV assistance

State Tuition Assistance Grants (if applicable)

Private and institutional aid

The student

The following is a step-by-step process that is followed in all R2T4 calculations on clock hour formula

- Step 1:** Determine the percentage of aid earned by calculating the percentage of the scheduled hours that the student completed.
- Step 2:** Determine the amount of earned aid by applying the percentage to the total Title IV aid that was or could have been disbursed.
- Step 3:** Determine the amount of unearned aid by subtracting earned aid from disbursed aid **or** determine the amount of a post-withdrawal disbursement by subtracting disbursed aid from earned aid.



- Step 4:** If unearned funds must be returned, determine the schools and the student's shares; **or** if a post-withdrawal disbursement is due, determine the sources from which it will be funded.
- Step 5:** If unearned funds must be returned, allocate unearned aid to programs from which student was funded; **or** if a post-withdrawal disbursement is due, send student applicable notification.
- Step 6:** Return the institution's share and any funds repaid by the student or refer the student to ED; **or** make the post-withdrawal disbursement.

The Department of Education provides return of Title IV funds worksheets in Volume 2, Chapter 6 of the FSA Handbook. It has also developed software that automates the calculation. This software can be downloaded via <http://www.sfadownload.ed.gov/ReturnT4Funds.htm>. These are used to calculate all R2T4 calculations. A copy of the worksheet in the event of manual calculation and a computer printout in the event of automated calculation is placed in student's file for records. The office of financial aid performs all R2T4 calculations as it has all Title IV award and institutional charges information, which are required in the calculations.

#### **Post-Withdrawal Disbursements**

In the event a student is eligible for a post-withdrawal disbursement based on student's budget, awarded financial aid and Title IV funds and R2T4 calculations, a post-withdrawal disbursement must be made only after the following conditions are met.

1. The Office of Financial Aid in most cases verbally notified student and parents of the availability of post-withdrawal disbursements within one week from the date of R2T4 calculation was performed.
2. Student and parents in most cases verbally notified the Office of Financial Aid within a reasonable time indicating their acceptance of available post-withdrawal disbursement amounts. The reasonable time refers to allowing sufficient time to school to process a post-withdrawal disbursement within the deadlines set by the Department of Education. Student has outstanding institutional charges that are due and wants to pay off those charges by applying his/her post-withdrawal disbursement. Student/Parents completed all necessary paperwork related to such post-withdrawal disbursement within a reasonable time. The Office of Financial Aid must track the notification and authorization to make the disbursement and meet deadlines as prescribed by ED. A school must process Title IV aid within 120 days from the last day of the enrollment period.
3. The post-withdrawal disbursement must be applied to outstanding institutional charges before being paid directly to student. See sections 668.22(a)(4) of HEA 1965 and GEN-04-03 for details on Post-Withdrawal Disbursement regulations.

#### **4. Frequently Requested Information**

FASFA Information Center .....1800-433-3243  
 FAFSA website .....[www.studentaid.ed.gov](http://www.studentaid.ed.gov)  
 Catalog additions made on previous update of January 1, 2016  
 AddInfringements Policy on page 5  
 Added ISBN number on Kit List page 7  
 Added Constitutional day holiday on page 14  
 Revised Job Placement Statement on Catalog page 20  
 Added on Consumer Information to Catalog page 26-43  
 Added Student Body Diversity on page 27  
 Added policy regarding The Family Education Right and Act (FERPA) page 37  
 Update Campus Security Act Disclosure on page 28-31

Added Voters Registration on page 31  
Added Drug & Alcohol Abuse Prevention Program Policy & Procedure page 32  
Added Drug & alcohol addiction treatment center Page 32  
Added Emergency Procedure 33  
Added Financial Aid Policies & Procedures pages 37-44  
Added Return to Title IV Policies & Procedures (T2T4) on page 41-44  
Added TT Requirement from TDLR page 24  
Update School rule & Regulation Page 16  
Update COA page 17  
Updated Non-Discrimination page 5  
Updated NACCAS address page 19  
Clarified start dates page 13  
Clarified ownership page 1  
Clarified records policy page 11  
Updated NACCAS address pages 1 and 19