

Return of Federal Title IV Funds

I. PURPOSE

Federal law specifies how an institution must determine the amount of Federal Title IV program assistance that students earn if they withdraw from school. A Return of Title IV (**R2T4**) calculation must be completed for students who withdraw. The following questions and answers outline the policies and procedures of R2T4.

II. SCOPE

This policy applies to graduate and undergraduate students.

III. STATEMENT

The R2T4 calculation must be completed for Goucher Students who have begun attendance in a Title IV eligible program in an eligible period of enrollment and have disbursed federal funding or could have accepted federal funding at the time of withdrawal in the eligible period of enrollment.

IV. QUESTIONS AND ANSWERS

A. What Federal Title IV AID programs are covered by this regulation?

Federal Pell Grants, Iraq and Afghanistan Service Grants, Federal TEACH Grants, Federal Direct Loans, Federal Direct PLUS Loans, Federal Supplemental Educational Opportunity Grants, and Federal Perkins Loans.

A. As a Goucher student what would constitute a withdrawal status for R2T4 purposes?

1. A withdrawal can be official or unofficial.
2. An official withdraw is completed by following the procedures outlined on the [Leave of Absence & Withdrawal From the College](#) page.

B. Official notification of the student's intention to withdraw does not occur until the Official Withdrawal from the College Form is returned to the Office of the Registrar or the student otherwise informs the Office of the Dean of Students of their intention to withdraw. Attending a closing interview does not constitute notice of intent to withdraw or official withdrawal by the student. The last day of attendance and the date of determination will be used for the official withdrawal date.

C. For those students who receive all F grades, contact will be made with each professor to determine when the student stopped attending or otherwise discontinued participation in an academically related

activity. These dates will be recorded as the last day of attendance and the latest date out of the student schedule will be used for the last day of attendance. The college will report 14 days from the last day of attendance as the date of determination.

D. How does a student earn Title IV funds?

Though financial aid is posted to accounts at the start of the semester (or period of enrollment), students earn the funds as they complete the period of enrollment. If a student withdraws during the period of enrollment, the amount of Title IV program assistance that they have earned up to that point is determined by a specific formula.

E. What is the R2T4 formula?

The amount of assistance that a student earned is determined on a pro rata basis.

For example, if a student completed 30% of their period of enrollment, they earned 30% of the assistance originally scheduled.

Once more than 60% of the period of enrollment has been completed, the student has earned all aid for that period. The percentage of Title IV aid to be returned is equal to the number of calendar days the student was enrolled (minus scheduled breaks) divided by the number of calendar days in the period of enrollment.

F. What is the time frame in which a return to Title IV is completed?

Return to Title IV calculations are completed as soon as possible but no later than 45 days after determining the student has withdrawn.

G. In what order do Title IV funds return?

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Direct PLUS Loans
4. Federal Pell Grant
5. Iraq and Afghanistan Service Grants
6. FSEOG
7. Teach Grants

H. What happens if a student did not receive all the funds they earned?

1. If a student did not receive all of the Federal funds that have been earned, they may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, Goucher must get the student's written permission within 14 days of receipt of notification before disbursing them. Students will receive these post-withdrawal disbursement notifications within 30 days. A student may choose to decline some or all of the loan funds in order to reduce additional debt.

2. Goucher may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition, fees, and room and board charges. Goucher requires the student's written permission to use the post-withdrawal grant disbursement for all other school charges within 45 days. If the student does not grant permission, the funds will still be offered.

I. What if a student received excess funds?

1. If a student (or parent on the student's behalf) received excess Federal Title IV program funds that must be returned, Goucher must return a portion of the excess equal to the lesser of:
 - the student's institutional charges multiplied by the unearned percentage of your funds, or
 - the entire amount of excess funds.
2. Goucher is required to return this amount even if it didn't keep this amount of a student's Title IV program funds. If Goucher is not required to return all of the excess funds, the student must return the remaining amount to the Department of Education. Any loan funds that the student must return, the student (or parent for a Direct PLUS Loan) must repay in accordance with the terms of the promissory note.
3. If a credit balance is present on the student's account, they are returned or sent to the student as soon as possible but no later than 14 days after the calculation of R2T4. The return or disbursement of funds is based on the R2T4 calculation.

J. What is an overpayment?

Any amount of unearned grant funds returned is called an overpayment. The maximum amount of a grant overpayment that the student must repay is half of the grant funds received or were scheduled to receive. Students do not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. The student must make arrangements with Goucher or the Department of Education to return the unearned grant funds.

K. Is the R2T4 policy the same as Goucher's Refund Policy?

The requirements for Title IV program funds when a student withdraws are separate from the refund policy that Goucher has. Therefore, a student may still owe funds to Goucher to cover unpaid institutional charges. Goucher may also charge a student for any Title IV program funds that the school was required to return. Please refer to [Goucher's refund policy](#) for more information.

V. RESOURCES/FAQ

[Leave of Absence & Withdrawal from the College | Goucher College](#)

VI. RESPONSIBLE OFFICE

For more information or if you have questions about this policy, please contact the Department of Financial Aid at finaid@goucher.edu.

VII. HISTORY

Updated: June 2024.