

Return of Title IV Funds Policy (R2T4)

The Tuskegee University Office of Student Financial Assistance encourages all financial aid applicants to read this policy carefully. Any student thinking about withdrawing from all classes in one semester should contact the OSFA to determine how withdrawing will affect their financial aid for that semester and what the impact will be for future eligibility.

The Higher Education Act of 1965, as amended on October 29, 2010 governs the treatment of Title IV funds, HEA grant and loan funds when a student withdraws **ALL** courses from an institution. It is the school's responsibility to comply with these regulations and enforce them accurately and consistently. Each semester or term, Tuskegee University is required to determine the earned and unearned portion of Title IV aid when a student ceases enrollment prior to the completion of their course(s). These amounts are calculated by a formula created by the Department of Higher Education which factors in the percent of the term that was completed by the student, the institutional charges for that specific semester, and the amount of financial aid that was awarded, disbursed, or that could have been disbursed.

1. This policy shall apply to all students who withdraw, drop out or are expelled from Tuskegee University and are eligible for financial aid from Title IV funds. Students who do not officially withdraw from the school and their grades result in all Fs, Us, or Incompletes will also be subject to the R2T4 calculation and categorized as unofficially withdrawn.
 - a. The term "Title IV funds" refers to the Federal Financial Aid programs authorized under the Higher Education Act of 1965 (as amended) and includes the following programs:

Unsubsidized & Subsidized Direct Loans, Federal Pell Grants, Federal SEOG and Other Title IV Programs

- b. A student's withdrawal date is:
 - i) the date the student began the institution's withdrawal process (as described in the Tuskegee University Catalog and Class Schedule) or officially notified the institution of intent to withdraw; or
 - ii) the student's last date of attendance as documented by an academically-related activity (provided by the instructor)
2. Refunds on all institutional charges, including tuition and fees, will be calculated using the refund policy published in the Tuskegee University Catalog and Class Schedule and will be calculated and determined by the Tuskegee University Business Office.
3. Title IV aid is earned in a prorated manner up to and including the 60% point in the semester; approximately 9.6 weeks of a 16 week semester or 4.8 weeks of an 8 week summer session. After that point in time, Title IV aid is viewed as 100% earned.
 - a. The percentage of Title IV aid earned shall be calculated as follows:
$$\frac{\text{\# of days completed}}{\text{Total \# of days in term}^*} = \frac{\text{Earned}}{\text{Aid}}$$

*The total number of calendar days in a term of enrollment shall exclude any scheduled breaks of more than five days.

b. The percentage of unearned Title IV aid shall be 100% minus the percent earned.

c. Unearned aid shall be returned first by Tuskegee University from the student's account calculated as follows:

Total institutional charges X percent of unearned aid = amount to be returned to program(s) by the school

This amount is the school's responsibility to return to the appropriate Title IV fund(s), however because the student did not earn these funds, the amount will be billed to their student account.

Unearned Title IV aid shall be returned to the following programs in the below order:

1. Unsubsidized Federal Stafford Loan**
2. Subsidized Federal Stafford Loan**
3. Federal Pell Grant
4. Federal SEOG Grant
5. Other Title IV Grant Programs

Note: A program cannot receive a refund if the student did not receive aid from that program.

**Any amount of loan funds that are not returned remain subject to the terms of the promissory note signed by the student.

d. When the total amount of unearned aid is greater than the amount to be returned to programs by the school, this is known as an **overpayment**. The student is responsible for returning any overpayment of aid to the appropriate program(s) as follows:

1. Federal Pell Grant**
2. Federal SEOG Grant**
3. Other Title IV Grant Programs**

**A student shall only be required to return grant assistance when the unearned amount minus the amount returned by the school exceeds 50 percent of the total grant assistance received for the payment period or period of enrollment.

The student may make arrangements to pay an overpayment directly to Tuskegee University within the first 30 days after the student has been notified of the overpayment. After that, the overpayment will be forwarded to Debt Resolution Services (an outside collection agency for the Department of Higher Education) and the student must make payment arrangements with them. The student will not be eligible for future financial aid at any institution until satisfactory arrangements have been made.

4. Refunds and adjusted student statement bills will be sent by the Fiscal Office to the student's home address on file in the Registrar's Office following withdrawal. Students are responsible for any portion of their institutional charges that are left outstanding after Title IV funds are returned.

5. Institutional and student responsibilities in regard to the Return of Title IV Funds:

- a. Tuskegee University's responsibilities in regard to the Return of Title IV Funds include:
 - i) providing each student with the information given in this policy;
 - ii) identifying students who are affected by this policy and completing the R2T4 calculation for those students;
 - iii) returning any Title IV Funds that are due to the Title IV Programs within the established timeframes; and
 - iv) contacting student borrowers if conditions for a late or post-withdrawal disbursement are met.
- b. The student's responsibilities in regard to the Return of Title IV Funds include:
 - i) reviewing the R2T4 Policy and understanding how a complete withdrawal affects eligibility for Title IV aid; and
 - ii) returning to the Title IV Programs any funds that were disbursed to the student that were determined to be unearned by the Return of Title IV Funds calculation.

6. Failing to begin attendance

Anytime a student begins attendance in at least one course, but does not begin attendance in all the courses he or she was scheduled to attend, the school will recalculate the student's eligibility for Pell Grant and Campus-Based funds based on the revised enrollment status and cost of attendance. If the student is a withdrawal, this recalculation must be done before performing a Return of Title IV Funds calculation, and the school will use the recalculated amounts of aid in the Return calculation. The charges used in the Return calculation are always the charges on the student's account prior to withdrawal. However, if a student's enrollment status changed prior to and unrelated to the withdrawal, the effect of that change on institutional charges appropriately should be reflected in any Return calculation. If the student fails to begin attendance in **ALL** courses he or she was scheduled to attend and received Title IV aid for those courses, **ALL** aid disbursed to the student will be reversed. A Return of Title IV Funds calculation is not required because the student was never eligible to receive these funds. **Attendance is required for aid eligibility.**

7. Reversal of Return of Title IV Funds calculations

If a student, who was previously determined to be subject to the Return of Title IV Funds calculation, has a change in status, such as a grade change, a recalculation may be completed, reversing the initial Return of Title IV funds. The circumstances for a reversal or an "undo" include:

- 1.) Grade change from F or I to a D or better within the same academic year; or
- 2.) If a withdrawn student returns to the school within the same payment period or period of enrollment for a term-based program offered in modules.

The fees, procedures, and policies listed above supersede those published previously and are subject to change at any time.

Please see the Student Catalog under the "Changes in Enrollment Policy" for the complete procedures for school withdrawal and cancelled courses.