



San Bernardino

Valley College

FINANCIAL AID OFFICE

Financial Aid Return to Title IV (R2T4)/Withdrawal Policy

Federal Title IV financial aid funds are awarded under the assumption that a student will remain in attendance for the entire semester for which the funds were awarded. These funds include, Federal Pell Grant and the Federal Supplemental Educational Opportunity Grant (FSEOG). Scholarship funds, Federal Work Study and Cal Grant funds are not subject to Return to Title IV (R2T4) calculations.

Students who withdraw from all courses prior to completing more than 60% of the semester will have their financial aid eligibility recalculated based on the percentage of the semester completed and will be required to pay any unearned financial aid they may have received in accordance with Return to Title IV guidelines as mandated by the U.S. Department of Education. Students who receive all “W’s” or a combination of “W’s” and “F’s” are assumed to have completely withdrawn.

When a student withdraws from all courses, regardless of any reason, he/she may no longer be eligible for the entire amount of Title IV aid originally awarded. The return of funds to the federal government is based on the premise that a student earns financial aid in proportion to the length of time during which he/she remains enrolled. The Return of Title IV (R2T4) calculation process will calculate the prorated amount of financial aid a student has earned based on the percentage of time he/she remained enrolled in class. Once the 60% point of the semester has occurred, a student is considered to have earned all of the financial aid originally awarded and will not be required to repay any funds as a result of withdrawal.

Federal regulations require a recalculation of financial aid eligibility if a student:

- Completely withdraws;
- Stops attending before the end of the semester; or
- Fails to complete courses in which the student was enrolled.

Types of Withdrawals

The calculation for the R2T4 federal financial aid funds are based on whether a withdrawal is classified as official or unofficial.

An **official** withdrawal is initiated by the student and is determined by the student’s withdrawal date, or the date of notification, whichever is later.

An **unofficial** withdrawal occurs when there is no notification or official withdrawal by the student, so the withdrawal date is based on the date that the college becomes aware that the student has ceased attendance. If the student does not officially drop classes and receives a combination of Ws and Fs or NCs for all courses in a term, it will be considered an unofficial withdrawal, even if the student was enrolled in the course for the entire term.

Short-term courses are courses that do not span the entire length of the semester. If a student withdraws and does not attend a subsequent short term class, it is considered a complete withdrawal and a R2T4 calculation must be completed. If at the time of withdrawal the student will attend another short term course within the same semester, than it is not considered a

withdrawal if the student provides written confirmation to the financial aid office that they will be enrolling in a short term course.

Students who **fail to begin attendance** in any class for which he/she was registered in a term will have awarded aid canceled. Any funds received are considered unearned and will be required to be repaid by the student.

A student who **withdraws from a course (and remains in a minimum of one additional course)** are not required to have a R2T4 calculation completed because they have not completely withdrawn. However, when a student changes enrollment status, they will have their aid recalculated based on their enrollment status at the end of each semester. If at any time a student withdraws from courses and as a result of that withdraw changes enrollment status, the student will be responsible for repaying the aid in which they were not eligible. Please refer to the Change of Enrollment Status section reported later in the policy.

R2T4 Calculation of Earned Federal Financial Aid Funds

Financial aid recipients earn the aid originally received by remaining in the courses in which they were paid for. The amount of federal assistance earned is based on a pro-rated system in accordance with federal regulations, CFR 668.22. San Bernardino Valley College is required to perform this calculation within 30 days of the date the school learns that a student has completely withdrawn. The school must return the funds within 45 days of the date of determination. The R2T4 calculation is completed automatically by the Financial Aid Office.

The following explains the formula used to determine the percentage of unearned aid to be returned to the federal government:

- The percent earned is equal to the number of calendar days completed up to the withdrawal date divided by the total number of calendar days in the payment period.
- The percent of unearned funds is equal to 100 percent minus the percent earned.
- Scheduled breaks in course attendance, based on the academic calendar, of 5 days or longer are not included in the total number of days for the payment period.

Institutional scholarship funds, Federal Work Study and Cal Grant funds are not subject to the R2T4 policy.

For **official** withdrawals, the calculation of the percentage of the semester attended is based on the date of the official withdrawal from classes or the student's last date of documented attendance in an academically related activity.

For **unofficial** withdrawals, the calculation of the percentage of the semester attended is based on the student's last date of attendance at an academically-related activity, as reported by the faculty member on the course grade report. If this date is unavailable, San Bernardino Valley College will perform the calculation using the midpoint of the payment period as the student's withdrawal date.

Post Withdrawal Disbursement

If a student did not receive all funds that he/she earned, the student may be due a post withdrawal disbursement after they have completely withdrawn from all courses during a semester. Please note, there may be scheduled Title IV financial aid funds that cannot be disbursed once a student withdraws from all courses due to other eligibility requirements.

For students eligible for a post-withdraw disbursement, the disbursement shall be made via current disbursement method within 45 days. Grant funds shall be disbursed before available loan funds with grant funds disbursed directly to the student. Notification shall be sent to student within 30 days requesting confirmation of any post-withdrawal disbursement of loans that the student can receive as a direct disbursement with loan identification details, and the option to accept or decline. Students shall have 14 days to respond to the notice. No post-withdrawal loan disbursement will occur if a response is not received within the 14-day request period. d

Returning Unearned Funds

After San Bernardino Valley College determines the withdrawal date for a student who completely withdraws an R2T4 calculation will be completed within 30 days. If the student has been overpaid, he/she will be notified of the amount and program of funds that are required to be repaid by the student. The student will be given 45 days to notify the college of intent to repay the debt owed. If notification is not received and no payment has been made within 45 days of the date of notification, a student's information will be referred to the Department of Education for any student portion owed. During the initial 45 days, a hold will be placed on the students account at San Bernardino Valley College which will prohibit registration for subsequent semesters or receiving academic transcripts until the debt is repaid. If unpaid after 45 days, the hold at San Bernardino Valley College will be lifted, however, a student's account information will be referred to the Department of Education and a hold will be placed on the National Student Loan Data System (NSLDS) and the student will lose financial aid eligibility until the funds have been repaid.

Order of return of funds:

The order of the R2T4 federal funds by San Bernardino Valley College are as follows:

1. Federal Pell Grant
2. Federal Supplemental Educational Opportunity Grant (FSEOG)

Refund Policy/Institutional Charges

Students should be aware that while San Bernardino Valley College's school policy determines the charge student will owe after withdrawing, the refund policy will not affect the amount of Title IV aid that the student earns under the federal return calculation. Mandatory fees, which include enrollment fees, health fees, campus center fees and transportation fees are still a student's responsibility to pay to the institution.

You can refer to the Admission and Record's refund policy at:

http://www.valleycollege.edu/admissions-financial-aid/admissions-records/admissions/enroll_fees .

Refund of State Funds

State funds include any source of funding received from the California Student Aid Commission (CSAC). This includes, Cal Grant B, Cal Grant C and CHAFEE Grant.

1. Students who withdraw from courses prior to completing more than 60% of the semester, will have their pending disbursements cancelled and adjusted in the Web Grant system. No further state disbursement will be made when this occurs.
2. Students who withdraw after 60% of the semester will not be required to return any funds to state programs. The students file will be notated of the withdrawal. The Web Grant system will be updated accordingly.

3. The Web Grant System and Colleague will be reconciled. This reconciliation will be documented in Colleague and within the student's financial aid record.
4. In the event of an over award, funds are adjusted in Web Grants and the District will repay the California Student Aid Commission accordingly. If the student owes a balance, the college collects payment from the student. If a balance is owed from the student, a hold will remain on the students account until the debt is repaid in full.

Change of Enrollment Status

Students who change enrollment status after the time of disbursement may also be subject to repayment of financial aid funds. In the event a student changes enrollment status by withdrawing from one or more courses but still remains enrolled in at least one course, a recalculation of their aid will be done.

- Students who have decreased and changed enrollment status after a financial aid disbursement has been made will be identified by the Financial Aid Office by running the FATR report in Colleague.
- If at the time the FATR report is ran and an adjustment to a student's eligibility occurs that results in an overpayment, the student will be billed for the amount owed.
- Notification will be sent to the student informing them of the deadline to repay the debt owed within 30 days of the date of determining the debt is owed from the student.
- Students will have 30 days from the date of the notification to repay the debt to the Campus Business Office.
- The Financial Aid Office will update NSLDS to reflect the overpayment owed and will place a hold on "PERC" which will prevent the student from registering for classes or request academic transcripts.
- If after 30 days the student has not repaid the debt owed, the Financial Aid Office will refer the student to Borrower Services with the Department of Education for further collections.
- The Financial Aid Office will update NSLDS to reflect "TRF-TRANSFER" once the account has been referred to Borrower Services.
- A letter will be mailed to the student informing them of the referral to Borrower Services and will provide the student with Borrower Services contact information.

Overpayment/Over Awards

If a student is paid by more than one institution for the same term or more than their entitlement or exceeds their unmet need then the student is subject to repayment.

- If an overpayment occurs, the student will be notified within 30 days of the college learning of the overpayment on a student's record by their Specialist.
- Once an overpayment is identified, NSLDS will be updated and a hold will be placed on the student's record.
- If the student repays the debt owed within the timeframe specified, NSLDS will be updated, the hold at the college will be removed and funds will be returned to the appropriate financial aid program.
- If the student does not repay the debt owed, within the timeframe specified, the student's information will be forwarded to the Department of Education for collection by referring the student to Borrower Services. NSLDS will be updated to reflect "TRF-TRANSFER" once this has occurred.
- A letter will be mailed to the student informing them of the referral to Borrower Services and will provide the student with Borrower Services contact information.

R2T4 Calculation Processing Procedures

1. The Financial Aid Office will identify all possible R2T4 candidates by running XWDR. This report will list all students who have received all “W’s/F’s” and students who have dropped all courses. This report is ran no later than every 30 days, throughout the semester, to ensure compliance with federal regulations.
2. Once the list is extracted, the financial aid office will determine those students who never started the courses in which they were paid for. Those students will be placed into repayment for the full amount disbursed. The District will repay the debt owed to the Department of Education. However, these students will have a hold placed on their account until the debt is repaid, in full, to the Campus Business Office.
3. For students who attended at least one day of the registered courses, the financial aid office will determine the last date of attendance and complete the R2T4 calculation by using the “ROFC” screen in Colleague. This screen will calculate the amount of Title IV aid a student would be eligible to receive, the amount a student owes as a result of withdrawal, the amount the college owes as a result of the student withdrawing early and the amount owed as a post-withdrawal disbursement which is due to the student.
4. If a **student is in overpayment** and owes a portion of the previously disbursed amount of aid as a result of the R2T4 calculation, the financial aid office will notify the student of the amount owed. Students will be required to make payment to the Campus Business Office by the due date specified. If payment is not paid, the student will be referred to Debt Resolution with the Department of Education.
 - The Financial Aid Office will notify the student of the repayment status no later than 30 days after determining the student’s withdrawal.
 - Students will have 45 days to repay the debt owed from the date of the letter.
 - The Financial Aid Office will update NSLDS to reflect the overpayment owed and will place a hold on “PERC” which will prevent the student from registering for classes or request academic transcripts.
 - If after 45 days the student has not repaid the debt owed the Financial Aid Office will refer the student to Borrower Services with the Department of Education for further collections. Once a student’s account is referred to Borrower Services, the hold with SBVC will be removed.
 - The Financial Aid Office will update NSLDS to reflect “TRF-TRANSFER” once the account has been referred to Borrower Services.
 - A letter will be mailed to the student informing them of the referral to Borrower Services and will provide the student with Borrower Services contact information.
5. If the **school owes funds** back to the Department of Education as a result of the student completely withdrawing, funds will be returned within 45 days of the date of determination. The college will then seek reimbursement of funds through the State Chancellor’s Office instead of referring the student to COTOP for further collections process.
 - The financial aid office will keep a list of all students whom the college owes District Liability as a result of students withdrawing from all courses.
 - This list will be sent to the Director of Financial Aid and then forwarded to the Fiscal Department at the District Office with a ProForma with the total amount owed for that calculation report.
 - The District Liability owed will be returned to the appropriate financial aid program as soon as possible, but no later than 45 days after the date of the school’s determination that the student withdraw. (CFR 668.2(a)(5)(ii)(B)(1))

- Once the District repays the debt to the appropriate financial aid program, the Financial Aid Office will update a student's COD record through Colleague. (This update with COD will then update NSLDS records)
6. If the student is eligible for a post-withdrawal disbursement, disbursement will be made within 45 days from the date of determination.
 - Student records will be checked against COD to ensure the student is not receiving aid at another school during the same period of enrollment. (A student will no longer be eligible for a post withdrawal disbursement if the student is receiving a disbursement at another school during the same payment period.)
 - Notification of a student's eligible post withdrawal disbursement will be sent to the student notifying him/her of the disbursement being processed within 45 days from the date the letter was generated.
 - A student's eligibility will be updated in Colleague on AIDE and reflect on a student's award letter.
 7. Copies of the R2T4 calculation results are maintained in the financial aid database.

Method of Refund/Disbursement

San Bernardino Valley College does not maintain student accounts. All Title IV financial aid funds owed to students resulting from the R2T4 process, post withdraw calculation, or normal eligibility calculation will result in a credit balance and the credit balance will be automatically be transmitted and distributed to BankMobile within 14 days.

Students are encouraged to select a disbursement method (direct deposit or BankMobile Vibe Account) by visiting the BankMobile website at <http://bankmobiledisbursements.com/refundchoices/>

Disbursements of financial aid owed to students will occur according to the published disbursement schedule.

The student is responsible to pay for all charges and federal overpayments resulting from the R2T4 calculation and change of enrollment, regardless of their reason for withdrawal.