

The Return to Title IV (R2T4) policy dictates that students earn federal financial aid in proportion to their attendance. If a student withdraws before the 60% point of the payment period, the financial aid office will calculate unearned aid and the student must return it to the government, often leaving the student responsible for repaying unearned grant funds or loans. Aid that is disbursed or could have been disbursed is used in the calculation and the charges for tuition, fees, and books are used in the calculation.

Aspects of R2T4 Policy:

- **60% Rule:** If a student completes more than 60% of the term, they are considered to have earned 100% of their aid. If they withdraw before this, the "unearned" portion must be returned. (If a student withdraws after the 60% point in the payment period, they are considered to have earned 100% of their aid, and no return is required, but the calculation is required to show the percentage of time attended in the payment period.
- **Calculation:** The amount of aid earned is based on the number of days attended divided by the total days in the term.
- **Order of Return:** Funds are returned to programs in a specific order: 1. Unsubsidized Loans, 2. Subsidized Loans, 3. Parent PLUS loans, 4. Pell Grants, 5. Other Title IV aid.
- **Institutional vs. Student Responsibility:** The school returns unearned aid directly to the Department of Education, often creating a balance the student owes the school. The student is responsible for repaying any unearned grants within 45 days, or they may lose eligibility for future aid.
- **Unearned Funds:** If a student receives more aid than they earned, the institution must return the lesser of the unearned amount or the total unearned institutional charges.

Core Principles of the Policy:

- **The 60% Rule:** Students who complete **more than 60%** of the semester are considered to have earned **100%** of their federal aid. No funds are returned in this case.
- **Earned vs. Unearned Aid:** If a student withdraws at or before the 60% mark, the school calculates the percentage of the term completed. This percentage is applied to the total aid to find the "earned" amount.
 - **Formula:** $(\text{Days Attended}) / (\text{Total Days in Term}) = \% \text{ Earned}$.

- **Post-Withdrawal Disbursement (PWD):** If a student earned more aid than was actually disbursed before they left, the school must offer the remaining funds as a post-withdrawal disbursement within 45 days. A credit balance on the student's account will be disbursed and refunded to the student within fourteen (14) days of the funds being posted on the account.

Withdrawal Types:

- **Official Withdrawal:** The student notifies the school of their intent to withdraw.
- **Unofficial Withdrawal:** The student stops attending classes but does not officially withdraw. Schools must still perform an R2T4 calculation based on the last known date of attendance (often determined by the last day of academic activity).

Reports are generated periodically throughout the semester to identify officially withdrawn students and at the end of the semester to review unofficially withdrawn students or a combination of official and unofficial withdrawals.

Pensacola State College has 30 days to complete the calculation from the date it was determined the student is a withdrawn student (officially or unofficially). Then, an additional 15 days to return the funds to the DoE. The College must return in the following order the percentage of unearned aid to the Title IV programs:

1. Federal Direct Unsubsidized Loans
2. Federal Direct Subsidized Loans
3. Federal Direct Plus Loans
4. Federal Pell Grants
5. Federal Supplemental Educational Opportunity Grant
6. Federal Teach Grant
7. Iraq and Afghanistan Service Grant

Students are notified via PirateMail about fund calculations, award notifications, and billing via the student portal.

Title IV recalculation is the law; there are no appeals.