

## **Financial Aid and Formal Withdrawal from Academic Enrollment – Federal R2T4 Policy**

When a student withdraws from all course work during an academic term, the student's eligibility for financial assistance may be affected. Withdrawing from academic course work leads to a review of the student's eligibility for receiving financial aid. A portion of federal Title IV loan and/or grant must be returned to Title IV programs when an aid recipient has formally withdrawn from the term of enrollment. The process of a formal withdraw from an academic term and its impact of the receipt of federal, state and/or institutional aid is explained below.

### **Adjustment in Student Aid Credited – Federal Title IV:**

The day in which a student formally initiates a withdrawal from all coursework within an academic term, constitutes the date of withdraw for determining what amount of federal student aid must be returned to federal Title IV programs. The date of withdrawal is recorded by the University's Registrar and is used as the formal date of withdrawal of the student. For a student that doesn't initiate a formal withdrawal through the Registrar, the student's official date of withdrawal is based upon the student's last date of attendance. The University determines this date based upon discussion with the student and/or the student's instructors.

The time in which the student has been formally enrolled in an academic term, constitutes the period of time in which the student has "earned" credited aid. The portion of time of an academic term in which the student is no longer enrolled, constitutes the time period in which any student aid that has been credited, has not been "earned".

For example: In an academic term in which there are 112 days of enrollment, a student formally withdrawing from the enrollment term on the 28<sup>th</sup> day of the term, means that 28/112 or 25% of the term, the student is considered to have "earned" credited aid. This also means that for the remaining 75% of the term that follows a formal withdraw, the student has not earned any credited student aid that has been posted to the student's account.

The proportion of credited federal student aid that has not been earned is then returned to Title IV programs. The portion of credited aid that has been "earned" is allowed to remain credited with the student's account.

Title IV aid that has not been credited before a student has formally withdrawn, e.g., a federal student loan which was not been applied for by the student, is excluded from the calculation of credited aid. Only aid that has been credited to a student's account is counted and used in the calculation of funds to be returned to Title IV sources.

Any federal work-study assistance that has been earned by the student, is also exempt from being a part of a refund calculation.

### **Calculation of Title IV Refund (R2T4):**

An adjustment in federal aid being credited due to a formal withdrawal occurs through 60% of the length of the academic term. For example, an enrollment period that consists of 110 days, the 66<sup>th</sup> day of the term marks the 60% point of the enrollment term. Any formal withdrawal preceding the 67<sup>th</sup> is subject to a review for return of federal aid. Any withdraw occurring after the 66<sup>th</sup> day of this enrollment term, no adjustment is made to the receipt of federal student aid.

Upon formal withdrawal from the enrollment term, the Financial Aid Office conducts a R2T4 Review in determining the correct amount of federal and/or state financial aid that the student is entitled to receive. This action is generated within 30 days of the time that a formal withdrawal date has been determined by the Registrar. Federal student aid that the student is no longer entitled to receive is returned to the appropriate Federal, Title IV programs within 45 days of the date of the official withdrawal date.

As a result of the R2T4 refund process conducted by the FAO, the appropriate adjustment to Title IV aid credits are made to the student's billing record with the University. The student's billing record with the University will then reflect what, if any, remaining Title IV aid credits that the student can receive, representing the "earned" amount of Title IV student aid for the period of enrollment in which the student was formally enrolled. The "unearned" amount of Title IV student aid are returned by the FAO to the appropriate Title IV funds.

### **Order of Title IV Student Aid:**

Federal student aid that has not been "earned" by the student, as defined above, is returned to Title IV programs using the following, descending order of Title IV Programs from which to meet the total amount of funds to be returned:

- Federal Unsubsidized Stafford Student Loan
- Federal Subsidized Stafford Student Loan
- Federal Perkins Loan
- Federal PLUS Loan
- Federal Pell Grant
- Federal SEOG Grant
- Federal Teach Grant

For example, the "un-earned" amount of federal funds required to be returned are first drawn from the Unsubsidized Stafford Loan Program. If there is a remaining amount of funds still to be returned, then the Subsidized Stafford Loan Program would be the next source of assistance to have funds reduced. This continues until the exact amount of refund required has been met. If a source of federal assistance has not been credited, it is skipped and the next source of

federal student aid funds is used in meeting the amount of student aid assistance to be refunded to federal programs.

The federal R2T4 refund calculation outlined here, on the return of federal Title IV funds, also applies to the receipt by the student of any State of Ohio grants. Therefore, if it was determined that 25% of credited federal aid is to be returned under the R2T4 process, this also means that 25% of any credited State assistance would need to be returned to State sources of funds.

### **Adjustment in Student Aid Credited - Institutional Funds:**

Contingent on the date of withdrawal from all course work, as described above, the Bursar's Office reviews the student's tuition charge and makes an adjustment in accordance with the University's Schedule of Refunds for withdrawing. For each academic term of the academic year, the Bursar University's schedule of refunds is made available on-line for students to see. A percentage of the student's tuition is then reduced following this Schedule (See [www.bw.edu](http://www.bw.edu); click on "Offices". Find "Cashier" and click on this office link, and under "Tuition and Payment Information" click on the wording "Billing and Refund Policy").

While the Bursar's office makes a refund adjustment to tuition, no adjustments are made to either a student's room charge or to any remaining amount on the student's Jacket Express Board Card.

Generally, the earlier a student decides to withdrawal from the beginning of the start of the academic term, the higher the percentage of tuition refund is received by the student. Thus, withdrawing early is more advantageous (less costly) to the student than withdrawing at a later date of the enrollment term. Under the University Schedule of Refunds, beyond the eighth week of the Semester, no refund is made to a student's tuition. Questions about the amount of tuition refund or about the University's Refund Schedule should be directed to the Bursar.

When a student formally withdraws from all of their academic course work, as described above, in addition to an adjustment in their BW charges for tuition, the student's financial aid record is also reviewed for adjustments in institutional aid eligibility. Such withdrawals are brought to the attention of the FAO from edit reports provided by the Registrar.

### **Institutional Aid Adjustment:**

The percentage of refund applied by the BW Cashier's Office, applies to any gift aid resources that are from institutional funds and/or from any non-governmental external organization. Thus, for example, if a 25% reduction is made to tuition by the Bursar, using their Schedule of Refund Policy, then the same percentage is used against any institutional or non-governmental source of aid assistance that was received by the student for the academic term in which the withdrawal occurred.

### An Example:

John Buford is enrolled for the Fall Semester as an undergraduate. He lives on campus and has been charged full-time tuition and room and board charges:

- Tuition           \$15,000
- Room             \$ 3,000
- Board            \$ 2,500
- Total             \$20,500

John has received the following assistance through his financial aid application towards his Fall Semester charges:

- BW Scholarship       \$5,000
- BW Grant             \$2,000
- Pell Grant            \$1,000
- State Grant           \$ 500
- Sub Stafford Loan    \$2,000 received
- UnSub Stafford       \$1,000 received
- PLUS Loan            \$4,000 received
- CWS eligibility       \$1,200

In this example, the amounts shown above are transmitted amounts of assistance and don't include the gross student loan amount which would be slightly higher than the transmitted loan amounts. And, for this example, of the CWS eligibility, John has earned \$350.

John starts the formal process of withdrawal from all of his academic work on October 1<sup>st</sup>, which in counting all the days between the start of classes – August 22<sup>nd</sup> and the end of the exam period, December 10<sup>th</sup> – represents the 41<sup>st</sup> day of the enrollment term consisting then, of 111 days. As a proportion this represents 36.9% of the Fall Semester. October 1<sup>st</sup>, the date of beginning the formal withdrawal process, also represents the 5<sup>th</sup> week of the semester and is in the University's 25% refund period. The following calculations would be done in John's case:

- Tuition reduced from \$15,000 by 25% to \$11,250
- Room Charge of \$3,000 is not altered
- Board Plan of \$2,500 is changed to \$1,600, as this represent the amount of available funds spent and \$900 had remained on John's Jacket Express Card, at the time of his withdrawal. John receives the \$900 that was still on his Jacket Express Card.
- Thus, total charges are reduced from \$20,500 to \$15,850.

With respect to changes in aid, let's first look at BW aid changes which mirror the percentage of refund that the University applies to John's tuition reduction, i.e., 25%

- BW Scholarship is reduced from \$5,000 to \$3,750 or 25%
- BW Grant is reduced from \$2,000 to \$1,500, or again 25%

In terms of federal and state assistance, with John's withdrawal date being October 1<sup>st</sup>, this represents that John has 41 "earned" days of federal and/or state aid eligibility. This date of withdrawal represents 36.9% of "earned" days in the semester. Under the R2T4 refund formula 63.1% of John's federal and/or state aid is required to be returned. John has received the following amounts of federal student assistance:

- Pell Grant                    \$1,000 received
- Sub Stafford Loan        \$2,000 received
- UnSub Stafford Loan    \$1,000 received
- PLUS Loan                 \$4,000 received
- CWS                         \$     0 The \$350 earned does not apply to the refund calculation
  
- Total federal aid         \$8,000 x 63.1 (refund) = \$5,048

Of the \$5,048 of required federal aid to be returned, following the order of funds to be returned, the following federal aid is reduced:

- UnSub Loan                \$1,000 to zero
- Sub Loan                  \$2,000 to zero
- PLUS Loan                \$4,000 to \$1,952
- Pell Grant                 no change

Similarly, for John's state award, the state grant of \$500 is reduced by 63.1% or by \$316.

For John, his withdraw as of October 1<sup>st</sup>, occurred on the 41<sup>st</sup> day of the Fall Semester. This represented the 25% refund period of the University's policy and the 63.1% refund percentage under the federal and state refund policy. His new charges and credited aid are as follows:

- Tuition                     \$11,250
- Room                      \$ 3,000
- Board                      \$ 1,600
- Total                        \$15,850
- BW Scholarship         \$ 3,750
- BW Grant                 \$ 1,500
- Pell Grant                 \$ 1,000
- State Grant                \$ 184
- Sub Stafford Loan       \$     0
- UnSub Stafford Loan    \$     0
- PLUS Loan                \$ 1,952
- Earned CWS              \$ 300

Each withdrawal case is unique, in that the date of withdrawal and the amounts and types of financial aid awarded and transmitted vary from student to student. And, changing the date of withdrawal by one day, also changes the exact amount that must be recalculated for refund purposes.

In general though, the earlier the date in the enrollment period in which the withdrawal occurs, the closer the refund percentage mirrors the percentage of reduction that is applied to tuition. Because room is a fixed charge and the board plan is based on what has not been expended by the student, these charges and any reduction because of the withdrawal from classes, may differ widely among students and affect the final amount owed the University in non-uniformed ways.

### **Part-Time Withdrawals from Course Work:**

The above information pertains to complete withdrawals from the enrollment period and is considerably more involved than what occurs for a student who withdraws from only some course work, but remains enrolled for other academic coursework during the enrollment period.

Briefly, when a part-time withdrawal occurs, again through the Registrar Office, the change in enrollment status triggers an edit report that is reviewed by both the Bursar for any tuition adjustments based on the Refund Schedule, and by Financial Aid for changes in aid eligibility.

The appropriate adjustments within financial aid are made in relation to whether the student after making the credit hour partial withdrawal of course work, impacts the student's eligibility status as being full-time, three-quarter-time, half-time, or less than half-time enrollment status. Changes from one status to another can affect the student's student aid eligibility for institutional, federal, and state student assistance.

In cases where a change is necessary, the appropriate aid adjustment for the changed enrollment status is made by the Financial Aid Office and the student is informed of the change in aid status and the reason for the change. Appropriate and timely updates are also provided to the federal and state providers of assistance in compliance with regulatory policies.

Any questions about withdrawal and the impact on financial aid eligibility should be address to the Financial Aid Office. We advise students to always meet with a financial aid representative to understand more about the implications of withdrawing from their course work during an academic period of enrollment.