Return to Title IV (R2T4) Policy

This policy establishes reasonable standards for returning federal funds for students who completely withdraw from the University. Students who withdraw from all courses and received Title IV Funds must have a Return of Title IV Funds (R2T4) calculation performed to determine the percentage of aid earned based on the amount of time the student was enrolled.

This policy is subject to change in order to comply with administrative and regulatory requirements. Questions regarding this policy should be addressed to the Director of Financial Aid.

General Requirements

Federal aid is disbursed based on the assumption that a student will attend courses for the entire term and is therefore eligible for the entire amount of the disbursement. When you discontinue enrollment, the Financial Aid Office must calculate the amount of financial aid you have earned prior to the date the action was filed. Any aid received in excess of the earned amount is considered unearned. The unearned financial aid must be returned to the respective federal programs. If the student has not earned enough Title IV funds to cover all institutional charges, then the student may owe a balance directly to Adler University. The R2T4 calculation is completed by the Financial Aid Office.

An R2T4 calculation is not required in the following situations:

- The student never actually began attendance for the payment period
- The student continues to attend at least one course
- The student began attendance but was not eligible to receive a Title IV grant or loan funds prior to withdrawal (the student is not considered an eligible Title IV recipient)

Adler University has its own institutional refund policies, as set forth in the University Catalog under “Tuition Refund Policy”, which determine the charges that a student will owe after withdrawing; however, these policies are separate from and will not affect the amount of Title IV aid the student has earned under the Return of Title IV funds calculation.

Calculating Return of Title IV Aid Amount

Financial aid recipients “earn” the aid they originally received by remaining in classes. The amount of federal assistance earned is based on a pro-rated system. Students who withdraw may be required to return some of the aid originally awarded. Adler is required to determine the percentage of Title IV aid “earned” by the student and return the “unearned” portion to the appropriate federal aid programs. Adler is required to perform this calculation within 30 days of the date the school determines that a student has completely withdrawn. Adler must return the funds within 45 days of the calculation.

The percentage of the payment period completed is calculated by dividing the total number of calendar days in the payment period into the number of calendar days completed as of the student’s withdrawal.
date. The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance earned by the student from the amount of Title IV aid that was disbursed to the student or on behalf of the student.

For example, if a student completes 30 percent of the payment period, they earn 30 percent of the aid they were originally scheduled to receive. This means that 70 percent of the scheduled awards remain “unearned” and must be returned to the federal government. Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any federal funds.

If you receive (or your school or parent receives on your behalf) excess Title IV program funds that must be returned, your school must return a portion of the excess equal to the lesser of:

- Your institutional charges multiplied by the unearned percentage of your funds, or
- The entire amount of excess funds

**Order of Returned Funds**

When a student receives more federal student aid than the amount earned for the payment period or period of enrollment, the University, the student, or both, will be required to return the unearned funds up to the net amount disbursed to the programs from which the student received aid in the following order:

- Unsubsidized Direct Loans (other than Direct PLUS Loans)
- Direct PLUS Loans

**Post Withdrawal Disbursement**

When the R2T4 calculation results in students being eligible to receive either Federal Loan proceeds, they will be contacted by the Financial Aid Office. Written authorization from the student will be requested and is required before loan proceeds can be processed and awarded to the student.

**Withdrawal Date**

The official date of the drop is the date the student drops their program via WebAdvisor. Notifying the instructor or ceasing class attendance does not constitute an official withdrawal. The official date of the withdrawal is the date the student sends the e-mail request to withdraw to their Advisor or Program Director.