

Lesson 1: Introduction to Return of Title IV Funds

Learning Objectives

After completing this lesson, you will:

- Recognize the general requirements for the return of Title IV funds;
- Understand when the return of Title IV funds requirements apply;
- Distinguish when the return of Title IV funds requirements do not apply; and
- Understand when a student is considered to have withdrawn from different types of academic programs.

Key Concepts

The key concepts you will learn in this lesson:

- Withdrawal;
- Title IV recipient;
- Return of Title IV funds formula;
- Earned aid;
- Post-withdrawal disbursement;
- Unearned aid; and
- Institutional refund policy.

Resources for This Lesson

- Glossary

Introduction to Return of Title IV Funds

Introduction

This self-study guide explains how to handle a student's Title IV funds when he withdraws from school before completing the payment period or period of enrollment he was scheduled to attend. This lesson will discuss the basic requirements for the return of Title IV funds and illustrate when you should apply the requirements as well as when the requirements do not apply.

Financial aid administrators often refer to the return of Title IV funds requirements as R2T4. You will see this acronym throughout the self-study guide.



You will find the definitions of payment period and period of enrollment in the Glossary.

Return of Title IV Funds Requirements

Overarching Key Concepts

There are a couple of overarching key concepts you need to understand before you learn about the formula associated with the return of Title IV funds.



Withdrawal. You must apply the R2T4 requirements when certain students cease attendance in all classes for which Title IV aid was offered during a payment period or period of enrollment. This is also known as a withdrawal. You will learn more about withdrawals in Lesson 2.



Title IV Recipient. The R2T4 requirements do not apply to all students who withdraw from their classes. You must apply the requirements **only** to withdrawn students who are Title IV recipients. A Title IV recipient is a student who has received Title IV grant or loan funds or who meets the requirements to receive a late disbursement.

A student meets the requirements for a late disbursement if he, before ceasing attendance, has a processed Free Application for Federal Student Aid (FAFSA®) with an official expected family contribution (EFC), and for whom you have originated a Federal Direct Student Loan (Direct Loan) or Teacher Education Assistance for College and Higher Education (TEACH) Grant, or offered a Federal Pell Grant, Iraq-Afghanistan Service