



## Return of Title IV Funds

The following policy explains how federal financial aid is affected when a student withdraws from Valley College. Information on the withdrawal process, including how to officially withdraw and applicable timelines, is available in the Student Catalog. [Catalog - Valley College](#)

### Withdrawal Date and Timeframes

For both official and unofficial withdrawals, the student's withdrawal date is the last date of attendance or participation in an academically related activity, as documented by institutional records. Examples of academically related activity include attending class, submitting assignments, taking exams, or participating in online learning activities.

The date of determination is the date the institution becomes aware that the student has withdrawn.

If the institution is required to return unearned Title IV funds, those funds will be returned within 45 days of the date of determination.

### Return of Title IV Funds (R2T4) Policy: Withdrawal Financial Consequences & Return of Unearned Aid

- Valley College posts (disburses) a student's federal financial aid at the beginning of each payment period.
- If a student withdraws during a payment period, the amount of Federal Student Aid (FSA) the student earned up to the withdrawal date must be calculated using the federal Return of Title IV Funds (R2T4) formula.
- If the student received (or the school received on the student's behalf) less aid than was earned, the student may be eligible for a post-withdrawal disbursement.
- If the student received more aid than was earned, the excess funds must be returned by the school and/or the student.
- The percentage of aid earned is determined on a pro-rata basis. For example, if a student completes 30% of the payment period, the student earns 30% of the aid they were scheduled to receive. Once a student completes more than 60% of the payment period, the student is considered to have earned 100% of the scheduled aid.

**Aid Earned Calculation:** Number of days completed ÷ Total days in the payment period

### Post-Withdrawal Disbursements

If a student did not receive all the funds earned, a post-withdrawal disbursement may be due.

- If the disbursement includes loan funds, Valley College must obtain the student's (or parent's, for PLUS Loans) permission before disbursing the loan.
- Students may decline loan funds to avoid additional debt.
- Valley College may automatically apply post-withdrawal grant funds to tuition and fees.
- Any excess grant funds must be disbursed to the student within 14 days.
- Permission is required to apply grant funds to non-institutional charges.

Valley College will process an eligible student's post-withdrawal disbursement and issue any resulting credit balance within 14 days.

**Return of Unearned Funds**

If excess Title IV funds must be returned:

- Valley College will return the lesser of:
  - The student's institutional charges multiplied by the unearned percentage, or
  - The total amount of unearned Title IV funds.
- Valley College must return this amount even if the school did not retain that amount of the student's aid.

If the school is not required to return all excess funds, the student must return the remaining amount.

- Loan funds must be repaid according to the terms of the promissory note.
- Grant overpayments must be repaid if the amount exceeds \$50. The maximum grant repayment required is 50% of the total grant funds received.

**Order of Return of Title IV Funds**

Unearned funds returned to the federal government must be allocated in the following order:

- Federal Direct Unsubsidized Loan
- Federal Direct Subsidized Loan
- Federal Direct PLUS Loan
- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)

**Institutional Charges vs. Title IV Requirements**

The federal R2T4 calculation is separate from Valley College's institutional refund policy. A student may still owe a balance to the College after Title IV funds are returned. Valley College may also charge a student for any Title IV funds the school was required to return. Students should review the College's cancellation and refund policy posted on this website.