

**Part 1. Introduction and Policy:**

All Financial Aid funds are awarded under the assumption that the student will attend their courses for the entire period for which the assistance is awarded. Federal regulations require that the College have a procedure in place to ensure students have attended, at minimum, one class session in each course in which that student has registered if that course was used to determine enrollment status for Federal Pell Grant. (34 CFR 668.21).

RCTC is not required to, and does not, record student attendance. As such, alternative methods are used to meet the Regulation noted above. Students who receive a passing grade are considered to have commenced attendance. RCTC Academic Standards Policy 3.17 is used to address attendance for failed courses. Under this policy, grades of F and FW are assigned for students who have commenced attendance, but have not demonstrated adequate achievement in the course (F) or did not complete the course (FW). The grade of FN is assigned when a student has not commenced attendance and has not officially withdrawn from the course. Courses graded with FN are **not** considered eligible for Title IV Aid and are subject to Pell recalculation.

Students 'earn' financial aid in proportion to the time they are actively enrolled in courses (days completed), up to the 60% point of the term. If a student officially withdraws from all credits or otherwise ceases attendance/participation in all courses prior to the 60% point of the term (unofficial withdraw), financial aid disbursed to the student must be evaluated under the Federal Return to Title IV refund (R2T4) regulations. These regulations include a formula RCTC must use to determine if a repayment is owed to the financial aid programs from which the student was funded.

**Part 2. Procedure:**

An **Official Withdraw** is initiated by the student in eServices and occurs when a student has successfully removed themselves from all courses. Grades for these courses will be recorded as "W" and the transaction date is stored as the Official Withdraw date.

An **Unofficial Withdraw** occurs when a student ceases attendance and/or stops participating in all courses and fails to complete the Official Withdraw process noted above. When assigning a grade of FW, faculty are required to record a student's last date of academically related activity. If a last date of attendance is not available, a midpoint withdraw date will be used.

Students who withdraw (officially or unofficially) are subject to review under the Return to Title IV regulations. These regulations consider the student to have earned all aid if the student's attendance extends beyond the 60% point of the term.

RCTC conducts a bi-weekly review of student records, identifying Official and Unofficial withdraws. In addition, an end-of-term review of all records is conducted no later than 30 days after the conclusion of each term to ensure all official and unofficially withdrawn students are evaluated under this policy. After establishing the student's withdraw date, an R2T4 calculation is conducted as prescribed by regulation. This calculation identifies earned and unearned portions of Title IV aid, using a pro rata schedule. The earned portion of aid is calculated by dividing the number of days attended by the number of days the student was scheduled to attend. Breaks of 5 days or longer are excluded from the calculation. If the student has earned aid that has not yet been disbursed, a Post-Withdraw Disbursement (PWD) may be required.

Once the R2T4 calculation is completed, aid which is unearned must be returned to the funding source. RCTC will immediately return amounts owed to Financial Aid programs and the student is then billed for these amounts. Notification of the R2T4 calculation and amount owed are provided to the student.

If the calculation results in a Post-Withdraw Disbursement (PWD) being owed, notification will be provided to the student. Grant funding will be applied to the student's outstanding balance with any credit balance being released to the student. If the PWD includes student loan funding, RCTC must obtain the student's consent prior to disbursing these funds.

RCTC is required to return unearned funds within 45 days from the date the College determined the student to have withdrawn. In the event an R2T4 candidate has a pending credit balance, these funds will be held until the R2T4 calculation is completed. After the calculation of R2T4, any credit balance is disbursed to the student within 14 days.

As prescribed in regulation, RCTC returns unearned funds to the Financial Aid programs in the following order.

1. Federal Unsubsidized Direct Loan
2. Federal Subsidized Direct Loan

3. Federal PLUS Loan
4. Federal Pell Grant
5. Federal SEOG

Once the Federal Return to Title IV Refund Policy is applied, students who receive financial aid funding from the State of Minnesota are also evaluated based on the Minnesota Office of Higher Education refund policies.

*Date of Implementation: Immediate*

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*Updated: July 2011; 2/24/15; 11/1/17 (no changes); 06/13/22; 10/26/23*