



***“To offer quality professional trainings in healthcare, it & business related disciplines”***

## **Policy for Return of Title IV Funds (R2T4)**

### **Purpose**

This policy ensures that federal financial aid is earned in proportion to the amount of time a student remains enrolled. When a student officially or unofficially withdraws, the school must determine the amount of aid earned and return any unearned portion to the U.S. Department of Education.

#### **a. When the R2T4 Policy Applies**

This policy applies to all students who:

- Received Title IV funds (Pell Grant, Direct Loans, etc.),
- And officially or unofficially withdraw, dismissed, or stopped attending before completing more than 60% of the payment period or term.

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#### **b. Calculation of Earned Aid**

The percentage of aid earned is calculated as:

$\% \text{ of term completed} = (\text{Number of days attended}) \div (\text{Total number of days in payment period})$

- If the student completes more than 60%, they are considered to have earned 100% of their Title IV aid.
- If they complete 60% or less, the unearned portion must be returned.

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#### **c. Withdrawal Date Determination**

- For official withdrawals: the date the student notifies the institution in writing.
- For unofficial withdrawals: the last date of attendance or academic activity as documented by instructors.
- For clock-hour programs: the last clock hour attended is used.

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#### **d. Return of Funds Order**

The school returns unearned funds to the Department of Education in this order:

- Direct Unsubsidized Loans
- Direct Subsidized Loans
- Direct PLUS Loans
- Pell Grant

- **Other Title IV Programs**
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**e. School's Responsibility**

**Within 45 days of withdrawal, CTK must:**

- **Perform the R2T4 calculation,**
  - **Return the unearned funds to the appropriate federal program,**
  - **Notify the student of the outcome and any balance owed to the school.**
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**f. Students' Responsibility**

- **If the R2T4 calculation results in a student loan overpayment, the student must repay it by the loan terms.**
  - **If the student owes the school due to returned funds, they are notified and must repay the balance promptly.**
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**g. Post-Withdrawal Disbursement**

- **If a student earned more aid than was disbursed before withdrawal, they may be eligible for a post-withdrawal disbursement (PWD).**
  - **Loan PWDs require written confirmation from the student (or parent for PLUS loans) within 14 days.**
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**h. Recordkeeping**

- **All R2T4 calculations, documentation, and notifications are retained for at least three years, as per 34 CFR § 668.24.**