

WITHDRAWAL AND RETURN TO TITLE IV FUNDS (R2T4) POLICY

Note: If you received financial aid an official or unofficial withdrawal will affect your current financial aid, your future financial aid eligibility, and your personal finances.

HOW A WITHDRAWAL AFFECTS FINANCIAL AID

Federal regulations require Title IV financial aid funds to be awarded under the assumption that a student will attend the institution for the entire period in which federal assistance was awarded. When a student withdraws from all courses for any reason, including medical withdrawals and leave of absences, he/she may no longer be eligible for the full amount of Title IV funds that he/she was originally scheduled to receive. The return of funds is based upon the premise that students earn their financial aid in proportion to the amount of time in which they are enrolled. A pro-rated schedule is used to determine the amount of federal student aid funds he/she will have earned at the time of the withdrawal. 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 funds. Institutional fund eligibility will be coordinated with the institutional refund policy.

Federal law requires schools to calculate how much federal financial aid a student has earned if that student:

- completely withdraws, or
- stops attending before completing the semester, or
- does not complete all modules (courses which are not scheduled for the entire semester or payment period for which he/she has registered at the time those modules began.), or
- fails to earn a passing grade in all classes
- The order in which aid is returned is as follows:
 - Direct Unsubsidized Loans
 - Direct Subsidized Loans
 - Direct PLUS Loans (Graduate student)
 - Direct PLUS Loans (Parent)
 - Federal Pell Grants
 - Federal Supplemental Educational Opportunity Grant (SEOG)
 - TEACH Grant
 - Iraq Afghanistan Service Grant
 - Other Federal sources of aid

OTHER AID

The Return of Title IV funds policy does not apply to State Grants such as the Cal Grant, or institutional grants and scholarships. These types of aid are returned based on the Vanguard University Office of Accounting Operations refund percentage calendar. Contact the Financial Aid Office for more information. Student loan borrowers are responsible for loan funds that did not get returned to the lender as a part of the Return of

Title IV Funds; repayment begins according to the terms and conditions of the promissory note. Once the return is calculated and aid is sent back to the Department of Education, in some cases students may still owe money to the school. Students who receive federal financial aid and do not complete their classes during a semester or term could be responsible for repaying a portion of the aid they received. Students that do not begin attendance must repay all financial aid disbursed for the term. It is the responsibility of the student to make payment arrangement with the Office of Accounting Operations to pay any balance. The University's tuition/fee refund policy is separate from the federal regulations to repay unearned aid. Whether or not a student receives a tuition/fee refund has no bearing on the amount he/she must repay to the federal aid programs.

HOW THE EARNED FINANCIAL AID IS CALCULATED

Vanguard is required to determine the percentage of Title IV aid "earned" by the student and to return the unearned portion to the appropriate aid programs. Regulations require the Financial Aid Office to perform R2T4 calculations within 30 days from the date the school determines a student's withdrawal. The Financial Aid Office must then return the funds within 45 days of the calculation. The following formula is used to determine the percentage of unearned aid that must be returned to the federal government:

The percent earned is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in the payment period (less any scheduled breaks that are at least 5 days long).

The payment period for most students is the entire semester. However, for students enrolled in modules (courses which are not scheduled for the entire semester or term), the payment period only includes those days for the module(s) in which the student is registered. The percent unearned is equal to 100 percent minus the percent earned.

For students enrolled in modules: A student is considered withdrawn if the student does not complete all of the days in the payment period that the student was scheduled to complete. VU will track enrollment in each module (a group of courses in a program that do not span the entire length of the payment period combined to form a term) to determine if a student began enrollment in all scheduled courses. If a student officially drops courses in a later module while still attending a current module, the student is not considered as withdrawn based on not attending the later module. However, a recalculation of aid based on a change in enrollment status may still be required.

Students who provide written confirmation to the Financial Aid Office at the time of ceasing attendance that they plan to attend another course later in the same payment period (semester) are not considered to have withdrawn from the term. If the student does not provide written confirmation of plans to return to school later in the same payment period or term, VU considers the student to have withdrawn and begins the R2T4 process immediately. However, if the student does return to VU in the same term, even if they did not provide written confirmation of plans to do so, the student is not considered to have withdrawn after all and is eligible to receive the Title IV funds for which the student was eligible before ceasing attendance. The Financial Aid Office will then

reverse the R2T4 process and provide additional funds that the student is eligible to receive at the time of return.

TYPES OF WITHDRAWALS

For financial aid purposes, there are two types of withdrawals: Official and Unofficial. An "official" withdrawal is one in which the student notifies the Registrar of their desire to withdraw from VU. An "unofficial" withdrawal is one in which a student leaves without notifying the Registrar's Office.

Students who do not officially withdraw and pass no units (receive all grades of 'F') in a semester, are presumed to have unofficially withdrawn, unless the student provides the Financial Aid Office with documentation showing attendance through the end of the semester. Such documentation must be presented within 30 days of the end of the semester being evaluated. The return of aid for an unofficial withdrawal is calculated at the midpoint of the semester.

DETERMINATION OF THE WITHDRAWAL DATE

The withdrawal date used in the return calculation of a student's federal financial aid is the actual date indicated on the official withdrawal form as determined by the Office of the Registrar. If a student stops attending classes without notifying VU, the withdrawal date will be the midpoint of the semester or the last date of academic activity determined by VU. Additional documentation supporting the last date of academic activity may be provided by the student if they verify a later date of attendance than determined by VU.

WHEN A STUDENT FAILS TO BEGIN ATTENDANCE

If a student receives financial aid, but never attends classes, the Financial Aid Office will return all disbursed funds to the respective federal and institutional aid programs.

WHEN A STUDENT FAILS TO EARN A PASSING GRADE IN ANY CLASS

If the student has not completely withdrawn but has failed to earn a passing grade in at least one class for the term, federal regulations require the school to determine whether the student established eligibility for financial aid. Eligibility is based on the student attending at least one class or participating in any VU academic-related activity. If Vanguard University cannot verify that the student attended, all financial aid must be repaid to the federal and institutional programs. The student's account will be charged and the student will be responsible for any balance due.

Students who can verify attendance beyond VU's records may submit supporting documentation to the Office of the Registrar. The student must submit supporting documentation within 30 days from the last date of the term. Recalculations for aid eligibility will not be performed for documentation received after that date.

DEFINITION OF AN ACADEMIC RELATED ACTIVITY

Examples of VU's academic-related activities include but are not limited to physically attending a class where there is an opportunity for direct interaction between the instructor and students. Proof of participation:

- Exams or quizzes
- Tutorials
- Completion of an academic assignment, paper or project
- Participating in an online discussion about academic matters
- Initiating contact with a faculty member to ask a question about the academic subject studied in the course
- VU required study group where attendance is taken

For more information, please visit the "*Withdrawals and Leave of Absence*" section of the department's website (<https://www.vanguard.edu/admissions/financial-aid/>).