RETURN OF TITLE IV FUNDS (R2T4) POLICY
(FOR ACADEMIC YEAR 2019/20)

Regulations
Your Direct Loan(s) is awarded under the assumption that you will attend University for the entire period for which the funding was granted. If you withdraw during a payment period*, the amount of Title IV funding that you have earned up to that point is calculated in accordance with the US Department of Education's regulations. If you received (or the University or your parent received on your behalf) less financial assistance than you earned, you may be able to receive the additional funds. If you received more financial assistance than you had earned, the excess funds must be returned by the University and / or you.

You must comply with the US Department of Education’s requirements for returning funds: https://ifap.ed.gov/fsahandbook/attachments/1819FSAHbkVol5Ch1.pdf. In addition, you will need to follow the University’s financial withdrawal regulations and Fee Liability for the Academic Year 2019/20 policy: http://www.sussex.ac.uk/finance/services/feesandincome/studentaccounts/refunds http://www.sussex.ac.uk/finance/services/feesandincome/studentaccounts/withdrawals

Withdrawal Procedure
If you want to withdraw temporarily or permanently from your program you must follow the University's withdrawal procedures. If you are an undergraduate or postgraduate taught student you will need to contact the Student Life Centre (http://www.sussex.ac.uk/studentlifecentre/issues/withdrawal).

If you are a postgraduate research student you should contact your supervisor and School Research Enterprise Coordinator in the first instance. You will also need to contact the Student Research Administration Office (http://www.sussex.ac.uk/rsao/). They will take you through the withdrawal process and establish your last date of academic attendance in accordance with federal regulations (https://ifap.ed.gov/fsahandbook/attachments/1819FSAHbkVol5Ch2.pdf) (Page 5-62). Your last date of academic attendance will be your withdrawal date for funding purposes.

If you are an undergraduate or postgraduate taught student the date that the University determined you withdrew will be the date that you signed your 'Notification of Temporary Withdrawal' / 'Notification of Permanent Withdrawal' form.

If you are a postgraduate research student the date that the University determined you withdrew will be the date that you signed your 'Intermission Request' form / 'Permanent Withdrawal' form.

Temporary Withdrawal / Intermission
Please note that if you do take temporary withdrawal / intermission from your course you will be classed as withdrawn for funding purposes. The amount of Title IV funding that you have earned will be calculated in accordance with the US
Department of Education's regulations and any excess funds received by you (or the University) must be returned.

**Unofficial Withdrawal**

An unofficial withdrawal occurs if you cease to attend University without following the University's withdrawal procedure and without providing notice.

If you withdraw unofficially your last date of academic attendance will be your withdrawal date for funding purposes. This will be determined in accordance with federal regulations (https://ifap.ed.gov/fsahandbook/attachments/1819FSAHbkVol5Ch2.pdf) (Page 5-62).

The date that the University determined you withdrew will be the date that the School Student Progress Committee (SSPC) / the Chair of the Doctoral Studies Committee approved your withdrawal in accordance with the University's Attendance, Engagement and Absence Policy:

http://www.sussex.ac.uk/adqe/qualityguide
http://www.sussex.ac.uk/academicregistry/academic-registrars-office/compliance/attendanceandengagement

**Withdrawal by the University on Academic Grounds**

If you are withdrawn by the University on academic grounds the date that the University determined you withdrew will be the date that the School Student Progress Committee (SSPC) / the Chair of the Doctoral Studies Committee approved your withdrawal.

**Enrollment Status**

You must be enrolled at least half-time to receive Title IV funding. If you drop to below half-time status the Financial Aid Office will calculate the amount of funding you have earned during your payment period and any unearned funds will be returned to the US Department of Education.

Please Note: Once you have submitted your thesis you will drop to below half-time status at the University until your viva and will not be eligible to receive Title IV funding.

**Calculation**

The amount of funding that you have earned is determined on a pro rata basis as even though your funding is posted to your University student account at the start of each payment period, you earn your funds as you complete your payment period. For example, if you completed 30% of your payment period, you have earned 30% of the funding you were originally scheduled to receive. Once you have completed more than 60% of your payment period, you have earned all the funding you were scheduled to receive for that period.

If you did not receive all of the funds that you earned during the payment period, you may be due a post-withdrawal disbursement. If you are eligible for a post-withdrawal disbursement you will receive notification from the Financial Aid Office. A post-withdrawal disbursement of loan funds cannot proceed unless you (or your parent for a Direct Parent PLUS Loan) give your permission. You may choose to decline some or all of the loan funds to keep your loan debt to a minimum.
Return of Funds
All excess funds received by you (or the University or your parent on your behalf) must be returned. The University must return a portion of the excess equal to the lesser of:

1. Your institutional (University) charges multiplied by the unearned percentage of your funds, or
2. The entire amount of excess funds.

The University has up to 45 days after the date it determined you withdrew to return any unearned funds for which the University is responsible. The University is required to repay funds in the following order, up to the total net amount disbursed from each source:

1. Unsubsidized Direct Loan
2. Subsidized Direct Loan
3. Direct Graduate / Parent PLUS Loan

The University will update your enrollment status to ‘withdrawn’ in the National Student Loan Data System (NSLDS); unearned funds will be returned to the US Department of Education via G5; and your loan details will be updated in the US Department of Education’s Common Origination & Disbursement (COD) system.

You will simultaneously receive an email to your University and any known personal email account detailing the funds the University has returned on your (or your parent’s) behalf.

If the University is not required to return all of the excess funds, you must return the remaining amount. You will be advised by email to your University and any known personal email account of any repayments that you (or your parent for a Direct Parent PLUS Loan) will be required to make in accordance with the terms of your promissory note.

Exit Counseling
You will need to complete exit counseling online through StudentLoans.gov (https://studentloans.gov/myDirectLoan/index.action). Exit counseling provides important information you need to prepare to repay your Direct Loan(s).

University Student Account ***
Federal regulations governing Title IV funding and withdrawal are separate from the University’s financial regulations and policies. (http://www.sussex.ac.uk/finance/services/feesandincome/studentaccounts)

You are able to access the University’s Fee Liability for the Academic Year 2019/20 policy at:
http://www.sussex.ac.uk/finance/services/feesandincome/studentaccounts/withdrawals
http://www.sussex.ac.uk/finance/services/feesandincome/studentaccounts/refunds

As a result of excess funds being returned you may have an outstanding balance to repay to the University as soon as possible. You can view any balance, and pay with a debit or credit card, online via your Sussex Direct account. If you need to discuss your account, or arrange payment of your balance, please contact the University’s Accounts Receivable team on +44 (0)1273 678076 (http://www.sussex.ac.uk/finance/services/feesandincome/creditcontrol)
*Payment Periods*
For the 2019/20 academic year the standard payment periods are:

**Undergraduates:**

<table>
<thead>
<tr>
<th>Payment Period 1</th>
<th>Start Date</th>
<th>End Date</th>
<th>Disbursement Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30th September 2019</td>
<td>26th January 2020</td>
<td>10th October 2019</td>
</tr>
<tr>
<td>Payment Period 2</td>
<td>27th January 2020</td>
<td>6th June 2020</td>
<td>27th January 2020</td>
</tr>
</tbody>
</table>

**Graduates (Taught and Research Students):**

<table>
<thead>
<tr>
<th>Payment Period 1</th>
<th>Start Date</th>
<th>End Date</th>
<th>Disbursement Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30th September 2019</td>
<td>26th January 2020</td>
<td>10th October 2019</td>
</tr>
<tr>
<td>Payment Period 2</td>
<td>27th January 2020</td>
<td>7th June 2020</td>
<td>27th January 2020</td>
</tr>
<tr>
<td>Payment Period 3</td>
<td>8th June 2020</td>
<td>25th September 2020</td>
<td>8th June 2020</td>
</tr>
</tbody>
</table>

If your disbursement dates differ from the above your payment period dates can be confirmed by the Financial Aid Office.

**Case Study in Withdrawal and Return of Title IV Funds**

Case Study: Harry Smith

- Payment Period Start Date: 27th January 2020
- Payment Period End Date: 6th June 2020
- University Scheduled Break During Payment Period:
  - Spring Vacation: 28th March 2020 to 19th April 2020

On 27th January 2020 Harry receives the following disbursements to his University student account:

- Direct Subsidized Loan: $1,732
- Direct Unsubsidized Loan: $990
- Direct PLUS (Parent) Loan: $18,669

Due to a change in his family's circumstances Harry needs to quit his program and return to the United States. On 10th March 2020 he visits the Student Life Centre and signs a ‘Notification of Permanent Withdrawal’ form.

Harry’s withdrawal date is his last day of attendance at an academically related activity. The University’s records show that on 9th March 2020 Harry attended a lecture and this will be Harry’s withdrawal date.

The Financial Aid Office perform the required Return of Title IV Funds (R2T4) calculation by completing the Federal Student Aid (Credit-Hour Program) calculation sheet: https://ifap.ed.gov/fsahandbook/attachments/1819FSAHbkVol5Appendix.pdf (After Page 5-209).
### Step 1: Student’s Title IV Aid Information

**Box A.** Title IV Grant Programs (Amount Disbursed)
- N/A

**Box B.** Title IV Loan Programs (Net Amount Disbursed)
- Unsubsidized Direct Loan: $990.00 (Net Amount Disbursed)
- Subsidized Direct Loan: $1,732.00 (Net Amount Disbursed)
- Direct Parent PLUS Loan: $18,669 (Net Amount Disbursed)
- Box B (Subtotal): $21,391.00

**Box C.** Amount that Could Have Been Disbursed
- N/A

**Box D.** Net Amount that Could Have Been Disbursed
- N/A

**Box E.** Total Title IV aid disbursed for the period
- Box A + Box B = Box E: $21,391.00

**Box F.** Total Title IV grant aid disbursed and that could have been disbursed for the period
- Box A + Box C = Box F: N/A

**Box G.** Total Title IV aid disbursed and that could have been disbursed for the period
- Box A + Box B + Box C + Box D = Box G: $21,391.00

### Step 2: Percentage of Title IV Aid Earned

- **Payment period start date:** 27th January 2020
- **Payment period scheduled end date:** 6th June 2020
- **Date of withdrawal:** 9th March 2020

**Box H.** Percentage of payment period completed. Divide the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of five days or more)

- **Completed days:** 43
- **Total days:** 109

Percentage of payment period completed = 39.4%

### Step 3: Amount of Title IV Aid Earned by the Student

**Box I.**
Multiply the percentage of Title IV aid earned (Box H) by the Total Title IV aid disbursed and that could have been disbursed for the period (Box G)

$$39.4\% \times \$21,391.00 = \$8,428.05$$
Step 4: Title IV Aid to be Disbursed or Returned

Box J.
Because the total Title IV aid earned (Box I) is less than the total Title IV aid disbursed (Box E), no post-withdrawal disbursement is due and we proceed to Box K

Box J = N/A

Box K.
From the Total Title IV aid disbursed for the period (Box E) subtract the amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned.

$21,391.00 (Box E) - $8,428.05 (Box I) = Box K: $12,962.95

Step 5: Amount of Unearned Title IV Aid Due from the University

Box L.

Institutional charges for the payment period:

- Tuition: $14,400.00
- Room: $3,481.00
- Box L (Total): $17,881.00

Box M.
Subtract the percentage of Title IV aid earned (Box H: 39.4%) from 100%

100% - 39.4% = 60.6%

Percentage of unearned Title IV aid = Box M: 60.6%

Box N.
Calculate the amount of unearned charges

$17,881.00 (Institutional charges from Box L) x 60.6% (Percentage of unearned Title IV aid Box M) = $10,835.89

Box N (Amount of unearned charges): $10,835.89

Box O.
Amount for University to return. Compare the amount of Title IV aid to be returned (Box K) to the amount of unearned charges (Box N) and enter the lesser amount

Box K: $12,962.95
Box N: $10,835.89

Box O (Amount for University to return): $10,835.89

Step 6: Return of Funds by the University

Box P.
The University must return the unearned aid for which the University is responsible (Box O) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source:

<table>
<thead>
<tr>
<th>Title IV Programs:</th>
<th>Amount for University to Return:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Unsubsidized Direct Loan</td>
<td>$990.00</td>
</tr>
<tr>
<td>2. Subsidized Direct Loan</td>
<td>$1,732.00</td>
</tr>
<tr>
<td>3. Perkins Loan</td>
<td>N/A</td>
</tr>
<tr>
<td>4. Direct Grad PLUS Loan</td>
<td>N/A</td>
</tr>
<tr>
<td>5. Direct Parent PLUS Loan</td>
<td>$8,113.89</td>
</tr>
<tr>
<td><strong>Box P (Total):</strong></td>
<td><strong>$10,835.89</strong></td>
</tr>
</tbody>
</table>

Total loans the University must return = Box P: $10,835.89

The University must return the unearned funds within 45 days from the date of the institution's determination that Harry withdrew (10th March 2020)

(NB: Before returning funds, the University is required to round them to the nearest dollar, as the US systems do not accept cents)

**Step 7: Initial Amount of Unearned Title IV Aid Due from the Student**

**Box Q.**

From the amount of Title IV aid to be returned (Box K) subtract the amount for the University to return (Box O)

$12,962.95 (Box K) – $10,835.89 (Box O) = Box Q: $2,127.06

**Step 8: Repayment of the Student’s Loans**

**Box R.**

From the Net loans disbursed to the student (Box B) subtract the Total loans the University must return (Box P) to find the amount of Title IV loans the student is still responsible for repaying (Box R)

These loans consist of loans the student has earned, or unearned loan funds the University is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower’s promissory note.

$21,391.00 (Box B) - $10,835.89 (Box P) = Box R: $10,555.11

Since the amount in Box Q ($2,127.06) is less than Box R ($10,555.11) the calculation ends here

The University must update the National Student Loan Data System (NSLDS) to notify the loan holders that Harry has withdrawn from University and to notify them of his withdrawal date.
Further Case Studies in Withdrawal and Return of Title IV Funds can be found in Volume 5, Chapter 3 of the Federal Student Aid Handbook: https://ifap.ed.gov/fsahandbook/attachments/1819FSAHbkVol5Ch3.pdf

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*** How the University’s Fee Liability for the Academic Year 2019/20 Policy Works

If you intermit or withdraw you will be charged tuition fees in line with the University’s Withdrawal Policy which can be viewed at: http://www.sussex.ac.uk/finance/services/feesandincome/studentaccounts/withdrawals

Your tuition fees will be calculated based on your last date of attendance and your level of study (undergraduate or postgraduate taught or postgraduate research) and your liability point which is explained in the policy.

Example:
Julia Brown is an overseas postgraduate research student studying for a PhD in Environmental Science. As she is a postgraduate research student, in the event of withdrawal or intermission her fees will be charged on a monthly basis with October as the first chargeable month.

When Julia registers in September 2019 her tuition fee of £20,750.00 is split into three instalments on her University student account, two instalments of £6,917.00 and one of £6,916.00. These instalments are aligned with her Direct Loan which is paid in three disbursements in October 2019, January 2020 and June 2020.

The first disbursement of Julia’s loan is allocated to her University student account in October 2019. Her first disbursement of £8,700.00 pays her first tuition fee instalment of £6,917.00 and the balance of the disbursement, £1,783.00, is given to Julia in the form of a GBP refund cheque.

Julia commences her study in September 2019 and intermits at the end of December 2019; she is not due to return to her studies again until the following academic year 2020/21. She is therefore charged for three months for the 2019/20 academic year, for her attendance in October, November and December 2019. Julia’s tuition fee for the full 2019/20 academic year is £20,750.00, so this is reduced to three twelfths at £5,187.50.

As Julia has paid £6,917.00 towards her tuition fee from her loan, her University student account goes into credit by £1,729.50 (£6,917.00 minus £5,187.50).

When Julia intermits the University performs the required Return of Title IV Funds (R2T4) calculation to determine the amount of Title IV funding she has earned. The calculation shows that there are no unearned funds to be returned by the University to the US Department of Education via G5. Julia’s credit balance is therefore retained.
on her University student account to go towards any future tuition fees that are due (in accordance with the University’s Fee Liability for the Academic Year policy). [http://www.sussex.ac.uk/finance/services/feesandincome/studentaccounts/withdrawals](http://www.sussex.ac.uk/finance/services/feesandincome/studentaccounts/withdrawals)

As Julia is intermitting, her second disbursement originally due in January 2020 is cancelled.