



Title: RETURN TO TITLE IV FUNDS (R2T4)	Code: F0307
Authority: 20 U.S.C. 1091; 20 U.S.C. 1091 (note); Wis. Stats. § 38.04(14); Wisconsin Administrative Code, Chapter TCS 6, MATC District Board Minutes, 12/20/93; 04/18/00; 05/26/09; 06/23/15; 05/22/18	Original Adoption: 12/20/93 Revised/Reviewed: 3/08/24 Effective: 4/24/24

The Return of Title IV Federal Funds (R2T4) Policy complies with Code of Federal Regulations policy 34 CFR 668.22 and applies to students who have received federal financial aid and have officially or unofficially withdrawn from Milwaukee Area Technical College. Federal financial aid includes the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Direct loans (subsidized or unsubsidized), Federal Parent PLUS Loan, and the Iraq and Afghanistan Service Grant. The official withdrawal date is defined as the actual date the student begins the College’s withdrawal process. The student’s last date of academically-related activity is used for unofficial withdrawals. Milwaukee Area Technical College does not utilize an R2T4 freeze date.

The amount of the federal financial assistance that a student earns is determined on a pro-rata basis. Once the student has completed over sixty percent (60%) of the term, all financial aid is considered to be earned. Please contact the Financial Aid Office for the 60% refund dates. If a student withdraws from school before completing over 60% of the term or does not officially withdraw and receives all failing grades for the term, the Financial Aid Office will calculate the amount of unearned financial aid and return the funds in the following refund distribution order: Unsubsidized Direct Loan, Subsidized Direct Loan, Direct PLUS Loan, Federal Pell Grant, Iraq and Afghanistan Service Grant, and FSEOG.

If a student receives all “U” and/or a combination of “U” and “Withdrawal” grades for a term, they will be considered an unofficial withdrawal. If a student receives all “U” grades for a term, but attended at least one class the entire term and “earned” the grade of “U”, the student will not be considered an unofficial withdrawal and no aid will be returned. If the student received financial aid and failed to attend classes, they are considered a “no show” and have not established eligibility for any financial aid. No shows must repay in full any funds received.

How Return of Title IV Funds is Calculated for Students Attending at Least One Credit Spanning the Entire Length of the Term

Federal regulations assume that students “earn” federal financial aid in direct proportion to the percentage of the term they complete. 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
- Receives all U’s and W’s (or a combination of both) for all classes in any semester



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Students who received federal financial aid earn the aid they receive by staying enrolled and participating in college. The amount of federal financial aid the student earns is determined on a pro-rated basis. Students who withdraw or do not complete all registered classes during the semester may be required to return some of the financial aid they were awarded.

For example, if you complete 30 percent of the payment period or period of enrollment, you earn 30 percent of the aid you originally were scheduled to receive. This means that 70 percent of your scheduled awards remain unearned and must be returned to the federal government. Once you have completed more than 60 percent of the payment period or period of enrollment, you earn all of your federal financial aid.

The following formula is used to determine the percent of unearned aid that has to be returned to the federal government:

- The percentage 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 (minus any scheduled breaks that are at least 5 days long).
- The percent unearned is equal to 100 percent minus the percent earned.

How Return of Title IV Funds is Calculated for Students Attending Modular Courses

Students enrolled in modular courses (any course that is shorter than the full published length of the term), are considered a withdrawal if any of the following conditions apply:

- The student drops all of their courses in a semester and does not provide written notification to Milwaukee Area Technical College that they will be attending a subsequent module within the term.
- The student fails to successfully complete a minimum of 6 credits in the term.
- The student fails to successfully complete at least one module that includes 49% or more of the number of days in the payment period, excluding scheduled breaks of five or more consecutive days and all days between modules. The term “successfully complete” means the student earned a passing grade in at least one credit that counts toward their program.
- The student did not complete all of the requirements for graduation from their program of study.

The following formula is used to determine the percent of unearned aid that has to be returned to the federal government:

- The percentage earned is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in all modules the student was scheduled to attend at the start of their earliest class (minus any scheduled breaks that are at least 5 days long).



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- The total calendar days for students only eligible to receive Pell Grant, Iraq-Afghanistan Service Grant is the number of days in the module(s) the student began attendance in (excluding any scheduled breaks that are at least 5 days long).
- The percent unearned is equal to 100 percent minus the percent earned.

How Title IV Funds are Returned

Milwaukee Area Technical College must return unearned Title IV funds to the programs from which they received it during the payment period or period of enrollment, as applicable, up to the net amount disbursed from each source.

Any unearned Title IV aid must be returned to the federal government within 45 days of the date of determination of the student's withdrawal. Any funds remaining after the Return of Title IV Aid calculation is complete and processed are then used to repay Milwaukee Area Technical College funds, state funds, other private sources, and the student, in proportion to the amount received from each non-federal source as long as there was no unpaid balance at the time of withdrawal. All aid sources are repaid before any funds are returned to the student.

Milwaukee Area Technical College must return the lesser of 1) the total amount of unearned aid or 2) institutional charges that the student incurred for the term (prior to any tuition proration) multiplied by the unearned percentage. Students are responsible for all unearned aid the school is not required to return. Outstanding loans are repaid by the student according to the terms of the student's promissory note(s).

Grant Overpayments

When the amount of unearned grant funds exceeds the amount of aid the school is required to return, grant overpayments can occur. A grant overpayment occurs when the overpayment amount exceeds 50% of the total grant funds disbursed to or could have been disbursed to the student for the term. In instances where students are required to return additional grant funds, students are not responsible for returning grant funds below \$50.00.

Grant overpayments may be resolved by:

- Making a full and immediate repayment to Milwaukee Area Technical College
- Making satisfactory and agreed upon repayment arrangements with Milwaukee Area Technical College
- Following overpayment collection procedures negotiated with the Default Resolution Group

The student must take action within 45 days of the Return of Title IV notice of an overpayment of a federal grant. If the student does not take action within 45 days of the notice, Milwaukee Area Technical College will report the overpayment to the National Student Loan Data System. If a student does not pay funds due to the College that resulted after the College



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returned their unearned portion of federal funds, the student's record will be placed on hold. The student will not be permitted to register for classes or receive transcripts until the balance is paid in full. Milwaukee Area Technical College will notify the student with instructions on how to proceed if the student owes funds back. The information to the student will include what Return of Title IV is and why the student owes funds back.

When a Balance is Owed to Milwaukee Area Technical College Due to R2T4 Calculation

The student will be billed for the funds that Milwaukee Area Technical College is required to repay which may result in a balance owed to Milwaukee Area Technical College. Milwaukee Area Technical College will notify the student with instructions on how to proceed if a balance is owed to the school. The student must contact the Student Accounts Office to make payment arrangements.

Students are encouraged to consult with the Financial Aid Office prior to any withdrawal to discuss their situation or if they have any questions regarding their financial aid. Students who want to dispute an amount should address all concerns in writing to: Director of Financial Aid, Milwaukee Area Technical College, 700 West State Street, Milwaukee, WI 53233

Post-withdrawal Disbursements

Withdrawals from all classes before aid disbursements could result in a post withdrawal disbursement of aid based on percent earned before aid was disbursed. One hundred percent withdrawals, class cancellations, not attending and complete withdrawals may require adjustments and repayments of federal financial aid funds.

A student may be eligible for a post-withdrawal disbursement if, prior to withdrawing, the student earned more federal financial aid than was disbursed. If a student is eligible for a post-withdrawal disbursement of Title IV funds, it will be processed for the student and a refund will be issued within 14 days of the credit balance.

If the post-withdrawal disbursement includes loan funds, Milwaukee Area Technical

College must get the student's permission before it can disburse the loan. Students may choose to decline some or all of the loan funds so that she/he does not incur additional debt. A notice will be sent to the student, no later than 30 calendar days after the date the school determines the student withdrew. The signed original document must be returned to the school within 30 days.

Milwaukee Area Technical College may automatically use all or a portion of the post-withdrawal disbursement of grant funds for tuition and fees. However, the school needs the student's permission to use the post-withdrawal grant disbursement for all other school charges. If the student does not give her/his permission, the student will be offered the funds.



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However, it may be in the student's best interest to allow the school to keep the funds to reduce the student's debt at the school.

It is also important to understand that accepting a post-withdrawal disbursement of student loan funds will increase a student's overall student loan debt that must be repaid under the terms of the Master Promissory Note. Additionally, accepting the disbursement of grant funds will reduce the remaining amount of grant funds available to the student should the student continue her/his education at a later time.

Office of Responsibility: Financial Aid Department