

**Kankakee Community College**  
**Financial Aid Total Withdrawal and Return of Title IV Funds (R2T4) Policy**

OFFICE OF FINANCIAL AID  
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**How a Total 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 you stop attending all courses for any reason, you may no longer be eligible for the full amount of Title IV funds you were scheduled to receive. The return of funds is based on the premise that you earn financial aid in proportion to the amount of time in which you are enrolled and actively participating. A pro-rated schedule determines the amount of federal aid funds you will have earned at the time of the withdrawal. If you have not earned enough Title IV aid to cover all institutional charges, or received aid in excess of what you earned, you may end up owing a balance to KCC.

**Types of Withdrawals affecting the R2T4 Calculation:**

**Official:** You officially withdraw from KCC resulting in all course grades of D (Drop) and/or W (withdrawal).

**Unofficial:** You stop attending at some point resulting in all course grades of WX (institutional withdrawal) or F (failure).

**Combination:** Any combination of the above resulting in all course grades of W, WX or F.

**How Earned Financial Aid is Calculated:**

If you do not complete at least one course during the semester, KCC must determine the percentage of Title IV aid that you earned and, if applicable, return the unearned portion to the appropriate federal aid programs.

KCC will determine if you have completed the term by reviewing the last date of attendance or academic activity as reported through instructor attendance reporting for program required to take attendance. For programs not required to take attendance, we will use the withdrawal date or the midpoint of the payment period. If a student drops all their classes before the refund date, we will determine if an R2T4 calculation is needed based on exemption criteria. See calculation equation below. Per regulations, KCC must perform this calculation within 30 days of the date we determined that you completely withdrew and must return unearned funds within 45 days of this date of determination.

Title IV funds will be returned in this order: Unsubsidized, Subsidized and PLUS loans first, followed by grants, such as Pell, Iraq and Afghanistan Service Grants, and SEOG.

$$\text{No. of Calendar Days Completed} \div \text{No. of Calendar Days in Payment Period} = \% \text{ of Earned Aid}$$
$$100\% - \% \text{ of Earned Aid} = \% \text{ of Unearned Aid}$$

Example: If you complete 30% of the payment period or semester, you earn 30% of the aid you were originally scheduled to receive. So, 70% of the awards are unearned and must be returned to the federal government. Note: Once 60% of the semester is complete, you are considered to have earned your financial aid and will not be required to return any funds.

If a student ceases attendance (drops or withdraws) in all their Title IV-eligible courses but remains enrolled only in non-Title IV-eligible courses, the student must be considered a withdrawal for Title IV purposes.

A mandatory Pell recalculation will be performed before all R2T4 calculations to determine eligible enrollment status. If a student never attends or receives an F attendance grade for a class, those credit hours will not count towards the student's enrollment status before an R2T4 calculation is performed.

If the R2T4 calculation results in an amount to be returned that exceeds the school's portion, the student is required to repay some funds (i.e. Outstanding loans are repaid by the student according to the terms of the student's promissory note(s). Title IV Grant funds are repaid if the amount by which the original overpayment exceeds 50% of the total Title IV grant funds disbursed or could have been disbursed to the student for the semester. If the amount is less than \$50.00, the student is not responsible for returning funds to Title IV grant programs).

### **Credit Balances:**

When a student withdraws with an outstanding Title IV credit balance, KCC is first required to perform an R2T4 calculation to determine, among other things, whether adjustments to the credit balance will occur. For this reason, the existing 14-day payment requirement is placed on hold to determine the final amount of any Title IV credit balance. KCC does not need to obtain a student's or parent's authorization to hold a Title IV credit balance that existed prior to the return calculation and goes beyond the original 14-day deadline while it determines the final amount of the credit balance. Any Title IV credit balance will be disbursed as soon as possible and no later than 14 days after the calculation of a R2T4.

### **Post-Withdrawal Disbursement:**

If the aid already disbursed is less than the aid earned, you are eligible for a post-withdrawal disbursement. If the disbursement includes loan funds, KCC will request your written authorization to process and award you any loan funds. If you decline or fail to respond to the loan authorization within 30 days, your Direct Loan will not be included as aid that could have been disbursed. Grant funds will be posted directly to your student account within 45 days of the date we determined you withdrew, and any accepted loan funds will be disbursed to you within 180 days of the date we determined you withdrew. KCC will automatically apply any post-withdrawal disbursements to outstanding tuition, fee and bookstore charges. Any excess funds will be disbursed directly to you.

### **Verification:**

If you failed to provide all required verification documents in time for KCC to meet the R2T4 30-day deadline later provide those documents prior to the applicable verification deadline (no later than 120 days after your last day of attendance or by the deadline established each year by the Department (typically mid-September), whichever is earlier), KCC must perform a new R2T4 calculation based on all of the aid you qualified for based on the completed verification documents and make the appropriate adjustments. If, as a result of verification, your eligibility for Federal Pell Grant, Iraq and Afghanistan Service Grant, and SEOG funds has been reduced, only the reduced amount is included in the new R2T4 calculation.

If you do not provide the required documents in time for us to complete the verification process and meet the R2T4 deadlines noted previously, KCC includes in the R2T4 calculation only the Title IV aid that was not subject to the verification process. This includes only Direct PLUS Loan funds and Direct Unsubsidized Loan funds (verification is not required for receipt of these funds) for which the conditions of a late disbursement were met prior to your loss of eligibility due to withdrawal.

### **Exemptions (as of July 1, 2021):**

**Graduates:** You are not considered to have withdrawn if you successfully complete all the requirements for graduation of your program before completing the term.

**Modules-49% completion:** You are not considered to have withdrawn if you successfully complete one module or a combination of modules that includes 49% or more of the number of days in the payment period. When calculating whether you have completed 49%, if a day is included in multiple overlapping modules, the day is only counted once. You may still be subject to a mandatory Pell recalculation for any classes you did not yet begin in that payment period. For example, if you successfully complete an 8-week module and then withdraw from your 16-week courses, you are not considered to have withdrawn, and we will not perform an R2T4 calculation.

**Modules-Half-time completion:** You are not considered to have withdrawn if you successfully complete coursework equaling at least half-time status during that term. You may still be subject to a mandatory Pell recalculation for any classes you did not yet begin in that payment period. For example, if you successfully complete a module or a combination of modules that equals at least 6 credit hours (or 3 credit hours in the summer) and then withdraw from the rest of your courses, you are not considered to have withdrawn, and we will not perform an R2T4 calculation.

**Dropping before the refund date (as of 7/1/2025):** A student is not considered to have withdrawn and will not have an R2T4 calculation performed if they meet the following criteria:

- The student drops all their courses before the posted refund dates
- KCC returns all Title IV grant and/or loans that may have been disbursed for that term
- KCC refunds all institutional charges to the student
- The student does not owe any balance to KCC

**Additional Impact due to Withdrawals:**

**Account Hold:** If the R2T4 calculation results in you owing a balance to KCC, you will be billed by the Accounting Office. An unpaid balance will result in a hold on your student account. This hold will prevent you from registering for classes until the balance is paid.

**Satisfactory Academic Progress (SAP):** Withdrawals and failed courses will adversely affect your completion rate and/or GPA. Refer to the Financial Aid Handbook SAP policy prior to withdrawing from courses.

**Loan Repayment:** As soon as you drop below half-time enrollment, your 6-month grace period begins. After 6 months of not being enrolled half-time, your grace period ends. At that time, loans must be repaid as outlined in the terms of your master promissory note. Contact your lender to discuss your grace period, repayment status, or to make payment arrangements.