Current R2T4 policy | November 2026 School Catalog, printed pp. 65-67

7. Return of Title IV Funds (Federal Financial Aid Recipients)

Purpose and applicability

RACE administers the return of federal Title IV grant and loan assistance in accordance with 34 CFR 668.22 and the applicable U.S. Department of Education Federal Student Aid Handbook. This policy applies when a student who began attendance in a Title IV-eligible program withdraws, ceases attendance, or otherwise must be treated as withdrawn during a payment period, and received or could have received applicable Title IV funds. RACE consistently determines earned and unearned Title IV funds on a PAYMENT-PERIOD basis for its nonterm clock-hour programs. It applies only to Title IV-eligible programs and eligible students. Nail Technology and Lash & Brow Technology are not Federal Student Aid-eligible programs. The federal R2T4 calculation is separate from RACE's institutional refund and cancellation policy.

1. Withdrawal determination and attendance records

RACE is a clock-hour institution and uses its attendance records to establish a student's last date of academic attendance (LDA), including documented qualifying academic attendance. Students may notify the school of withdrawal through the Compliance or Financial Aid Office. RACE also monitors attendance to identify unofficial withdrawals. At an institution required to take attendance, the date RACE determines a student withdrew generally must be no later than 14 calendar days after the last date of attendance (unless the school's shorter published administrative-withdrawal period applies), subject to the limited exceptions allowed by federal guidance. The withdrawal date used to measure earned aid is the documented LDA; the date RACE determines the withdrawal is used to measure federal return and notification deadlines. For an approved leave of absence (LOA), RACE follows its separate LOA policy and 34 CFR 668.22(d). A student who fails to return from an approved LOA is treated as withdrawn using the required withdrawal-date and date-of-determination rules.

2. Determine whether an R2T4 calculation is required

Before calculating, RACE determines whether the student began attendance, received or could have received Title IV aid, and meets any applicable mandatory withdrawal exemption under federal regulations. As a nonterm clock-hour institution, RACE does not apply exemptions limited to programs offered in modules. RACE does not elect the optional Full Refund Withdrawal Exemption (treating a student as never having attended the payment period). RACE performs the normal R2T4 determination whenever required, even if an institutional refund is provided. RACE documents the withdrawal circumstances and the basis for any applicable federal exemption.

3. Period and Title IV aid included

RACE uses the PAYMENT PERIOD as the basis of each R2T4 calculation for its nonterm clock-hour programs. The Financial Aid Office identifies the applicable payment period, Title IV grants and loans actually disbursed, and Title IV aid that could have been disbursed under federal late-disbursement requirements. Institutional charges are attributed to the payment period according to federal rules, including appropriate proration when program charges were assessed for a longer enrollment period. Only eligible aid and relevant institutional charges are included. Verification restrictions and federal eligibility conditions are applied. Federal Work-Study earnings are not part of an R2T4 calculation.

4. Percentage of period completed and aid earned

For clock-hour programs, the percentage completed is determined by dividing the number of clock hours the student was scheduled to complete from the start of the applicable PAYMENT PERIOD through the withdrawal date by the total number of clock hours in that payment period. The scheduled hours must reflect the documented schedule established before the applicable period began or a permissible pre-withdrawal change unrelated to the withdrawal, consistent with state, accreditor, and published program requirements. RACE does not add unscheduled make-up hours or scheduled hours occurring during an approved LOA. If the resulting percentage is 60% or less, the earned aid percentage is that percentage. If the student was scheduled to complete more than 60%, 100% of the applicable Title IV aid is earned. RACE uses the Department of Education’s R2T4 calculation tools or an equivalently compliant calculation method and retains the worksheet.

5. Calculate unearned aid and institution responsibility

RACE compares earned Title IV aid with the total eligible aid disbursed for the PAYMENT PERIOD to determine whether funds must be returned or a post-withdrawal disbursement (PWD) may be due. If disbursed aid exceeds earned aid, the difference is unearned aid. RACE calculates the institution’s share as required by the federal worksheet, including the amount based on institutional charges for the payment period, and determines any remaining student responsibility. Institutional charges and the calculation method follow the federal rules, even when a different amount may be due under the separate RACE refund policy.

6. Return amounts, order, and deadline

RACE returns its share of unearned Title IV funds as soon as possible and no later than 45 calendar days after the date RACE determined the student withdrew. Funds are returned up to the applicable disbursed amounts in the federally prescribed order: (1) Direct Unsubsidized Loans, (2) Direct Subsidized Loans, (3) Direct PLUS Loans, (4) Federal Pell Grants, and then (5) other applicable Title IV grants in the order required by federal regulations, if RACE participates in those programs. RACE gives applicable borrower notices and maintains confirmation of returns, corrections, and reconciliation. The school does not defer a required return because a student may later re-enroll.

7. Post-withdrawal disbursements

If earned Title IV aid exceeds the amount disbursed and all late-disbursement eligibility conditions are satisfied, RACE determines the available PWD. Any eligible grant PWD not applied to allowable current charges is paid to the student as soon as possible, no later than 45 days after the date RACE determined the student withdrew; a grant PWD credited to the student's account for allowable charges follows the separate federal deadline (generally no later than 180 days). For an available loan PWD, RACE sends the required written notice offering the student (or parent borrower for Parent PLUS) the opportunity to accept all or part of the loan funds within 30 days after the date of determination. The recipient is allowed at least 14 days to respond. No loan PWD is made without the required confirmation, and accepted funds are disbursed as soon as possible, no later than 180 days after the date of determination. RACE follows federal authorization rules for account charges and records the notice, response, disbursement, or decision not to disburse.

8. Student grant overpayments and student responsibilities

If an R2T4 calculation results in a Title IV grant overpayment for which the student is responsible, RACE applies the federal grant-overpayment protection and de minimis rules, notifies the student within 30 days after the date of determination when required, and explains repayment options and consequences. Any referral to the U.S. Department of Education is handled under applicable federal rules. Unearned loan funds for which the student or parent is responsible are repaid under the terms of the applicable promissory note and loan program. RACE's separate refund calculation may also create a student balance or refund.

9. Re-entry, approved LOA, and records

For a student who returns to the same clock-hour program within 180 days of withdrawal, RACE evaluates the federal reinstatement and payment-period rules, including any restoration of Title IV funds previously returned, and documents the action. Students returning after 180 days or entering a different program are evaluated under the applicable federal rules. For each withdrawal, RACE retains the attendance record, period determination, schedule, exemption review, calculation, applicable institutional charges, aid records, student/parent notifications and responses, proof of returns or PWDs, and relevant student-account adjustments.

10. Timing and consumer information

RACE completes the withdrawal calculation within the federal timeframe and follows the relevant dates of determination. The school is generally expected to complete the R2T4 calculation no later than 30 days after determining withdrawal; required school returns are due no later than 45 days. RACE provides students with information about the implications of withdrawing, including the possible obligation to repay unearned aid, changes to loan repayment, outstanding institutional charges, and access to Financial Aid staff for individualized questions. The institutional refund policy is applied separately after required federal aid determinations and returns.

Federal reference

This policy is to be administered in accordance with 34 CFR 668.22 and the current 2026-2027 Federal Student Aid Handbook, Volume 5, Chapters 1 and 2, including changes effective July 1, 2026.
https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2026-2027/vol5