

## **Return of Title IV Funds (R2T4) Policy**

U.S. federal aid regulations mandate a Return of Title IV Funds (R2T4) calculation when a student receiving Title IV financial aid (US Direct Loans [subsidized and unsubsidized] or Parent PLUS loans) withdraws from the institution. If a student never attends, ceases enrolment, or withdraws from all courses in the semester and the student received U.S. federal financial aid, the university must determine if these funds are required to be returned to the US government. The return of Title IV funds occurs as soon as possible, and no later than 45 days, after determining the student's withdrawal date.

The R2T4 calculation may result in a reduction of the student's US federal loan(s) if the student attended 60 percent or less of the semester. The R2T4 calculation is based on the following:

- The number of days the student attended
- The number of days in the semester
- The institutional charges assessed
- The total amount of US Direct Loan aid awarded, accepted and/or disbursed.

As a result, the University of Prince Edward Island (UPEI) and the student may be required to return any excess or "unearned" US federal aid received. UPEI may be obligated to return a portion of the excess funds on behalf of a student equal to the lesser of:

- The institutional charges multiplied by the unearned percentage of funds, or
- The entire amount of excess funds

If the amount to be returned exceeds UPEI's portion, the student must return the remaining amount. Any loan funds that the student (or parent for a Direct PLUS loan) must return is to be repaid in accordance with the terms of the promissory note. The student can arrange with UPEI's [Student Accounts](#) office to support the repayment process.

Funds returned to the U.S. Department of Education on behalf of a student are used to repay the current year's loans in the following order:

1. Unsubsidized US Direct Loan
2. Subsidized US Direct Loan
3. Parent PLUS for Undergraduate students

## 1. Disbursement of Funds and Return/Refund Requirements

UPEI students are communicated with regarding the disbursement of their financial aid from the Financial Aid Advisor and the Student Accounts Office. Details of registration dates; disbursement dates; tuition fee due dates; add-drop-discontinue-course deadline and refund dates are routinely shared with students through verbal, written and electronic communication.

Student Accounts Office: [accounting@upei.ca](mailto:accounting@upei.ca), (902) 566-6000,  
<http://www.upei.ca/finance/accounting>

Registrar's Office: [registrar@upei.ca](mailto:registrar@upei.ca), (902) 566-0439, <https://www.upei.ca/registrar>

## 2. UPEI's General Refund Policy

Regulations Governing Payments and Refunds—Academic Fees—Full-time

1. UPEI Tuition and Fees are approved by the University of Prince Edward Island Board of Governors and published in the annual [Academic Calendar](#) along with payment due dates, guidelines, and regulations.
2. While a student is financially indebted to the University, no testimonial, diploma, certificate, or statement of examination record will be issued.
3. Student Loan Considerations

Proceeds from Student Loan and Bursary sources must first be applied against educational debts incurred at the University of Prince Edward Island. Any residual funds will be available to the student after these debts have been paid.

Students financing part of all of their education with funds from a Canada Student Loan and/or a Provincial Student Loan are required to complete the necessary arrangements according to the provincial guidelines to ensure timely processing. Failure to follow this procedure may subject the student to late fees.

Students who intend to finance their education with student loan funds but have not received their Certificate of Eligibility must arrange the necessary temporary financing. Failure to do this will subject the student to a late fee.

Students whose educational costs are paid by an external organization which requires direct billing by the Student Financial Services Office must present proof of such arrangements by the posted deadlines.

4. Late Payment Regulations

If a student registers and subsequently decides not to attend this institution, it is their responsibility to cancel all registrations prior to the payment deadline to avoid any charges.

Payment of fees constitutes part of the registration procedures. Fees not paid in full by the payment deadline (during regular business hours) are subject to late fees and interest. Interest is charged at a rate of 0.75% per month. This rate may change from time to time as market conditions fluctuate.

Students unable to make payment by the payment deadline are asked to complete Permission to Pay Later form and have it approved by the Student Financial Services Office. An approved Permission to Pay Later does not waive applicable late fees or interest but will ensure a student remains enrolled in their courses in the current term. Permission to Pay Later forms will not be approved for students owing a balance in a previous term.

If a student is registered and has not made payment or payment arrangements by the payment deadline, they may be de-registered from their courses and restricted from further registration until payment has been received.

Discretionary powers in exceptional circumstances will remain with the Comptroller in all cases relating to the payment of fees.

When a student is financially indebted to the University, no transcript, official letters, or parchment will be issued.

## 5. Refund Regulations

Students who withdraw from the University or from individual courses, voluntarily or otherwise before October 31st (or last business day in October) in the first term or February 28 (or the last business day in February) in the second term may be permitted a refund on part of their tuition paid, provided the student has followed proper procedure for dropping or discontinuing their course registrations.

After the final day to add/drop courses within the applicable term, students are required to complete a Discontinuation Form in order to discontinue a course and be eligible for any applicable refunds on tuition paid. The date of withdrawal shall be the day the form is received.

Please note that fees other than tuition are not refundable after the payment deadline, and all refunds will be processed through the same payment method and to the same individual from which the original payment was made.

Refunds are based on discontinuation dates as follows:

Fall Term:

September 18th, 2020                      100% Refund

October 30th, 2020                      50% Refund

Winter Term:

January 15th, 2021                      100% Refund

February 26th, 2021                      50% Refund

## 6. International Refund Rules and Procedures

International students requesting a refund are subject to the following rules and procedures:

### Study Permit Denied

- Students who are not successful in obtaining a study permit prior to arrival in Canada, and wish to withdraw their office of admission to UPEI, must make a formal request to do so by emailing [studentsupport@upei.ca](mailto:studentsupport@upei.ca).
- It is the student's responsibility to check the UPEI calendar dates to ensure that they submit their request for withdrawal on time.
- Students must remove themselves from any courses in which they are registered before requesting a refund.
- Students will be refunded the tuition paid to UPEI less a non-refundable \$500 administrative fee.
- Requests received after the start of the academic semester will be charged a non-refundable \$1,000 administrative fee which will be subtracted from the total tuition refund.
- Refunds will be returned to the original sender in the manner in which they were received
- All requests for refunds must be accompanied by the student's visa rejection letter.
- UPEI reserves the right to verify the authenticity of all visa rejection letters
- Refunds will only be processed after verification is obtained from Immigration, Refugees and Citizenship Canada (IRCC) and all of the required banking documentation has been provided to UPEI Financial Services when necessary.
- Students should be aware that this process may take up to eight (8) weeks.

### Withdrawal from UPEI

- Students who decide not to attend UPEI after being granted a study permit to UPEI must email [studentsupport@upei.ca](mailto:studentsupport@upei.ca) and will be charged a non-refundable administrative fee of \$3,000, to be automatically deducted from any applicable tuition refunds.
- Refunds will be returned to the original sender in the manner in which they were received, and will only be processed after the student's acceptance start date and

all of the required banking documentation has been provided to UPEI Financial Services when necessary.

- Please be aware that it may take up to eight (8) weeks to process a request for refund.
7. The UPEI Student Union-administered student medical plan is a supplement to the Canadian Provincial Medicare plans and covers the student (Canadian and International) for certain benefits not provided by Medicare. The term of coverage is from September 1 to August 31 of each registered year for students registering in the fall. All students must pay the specified premium at the time of registration. Those not requiring medical coverage and wishing refunds on the premium paid must present proof of similar coverage to the Student Union Office prior to September 30 of each registered year or during a specific period of time which will be advertised on campus bulletin boards. Full-time students requiring family health and dental insurance can apply for this coverage through the Student Union office.

### **3. Procedure to Officially Withdraw from UPEI**

Students can use the Intention to Withdraw Form and should check the following before completing the final step of filling out the form:

1. Academic deadlines - Withdrawals will be processed following the published timeline to add/drop/discontinue courses with applicable refunds. That is, any refunds will be based on the date of the students' withdrawal form submission.
2. Tuition and Fees - As noted above, tuition and fees will be refunded according to the published dates. If fees include Health & Dental coverage administered by the UPEI Student Union, students may want to contact them to see if they are still covered, depending on the date of withdrawal. If not, students should make sure they have other health and dental insurance coverage.
3. Student Loans and funding
4. Immigration status
5. International loans
6. Accommodations

Returning to studies after a withdrawal:

If students wish to return to UPEI at any point in the future, they will be required to submit a new application and fee, and to meet the entrance requirements for the program of study to which they applied.

After filling out the Intention to Withdraw form, an academic advisor will contact the student within two working days. After this conversation, if the student still wishes to withdraw, they will be directed to the Confirmation of Withdrawal form. Once approved and processed, the withdrawal will be confirmed via an email sent to their UPEI email account and will adhere to the deadlines and dates noted above.

Please contact the Registrar's Office for further details on withdrawing from UPEI: [registrar@upei.ca](mailto:registrar@upei.ca), (902) 566-0439, <https://www.upei.ca/registrar/change-your-plan>

#### **4. Date of Determination and Date of Withdrawal**

UPEI operates with standard term based programs, not on an attendance-taking program basis, so the institution uses the payment period calculation to determine the amount of DL funds earned by the student.

As a non-attendance taking institution, the Date of Determination is the date that the student provides notification to officially withdraw from the university. This aligns with the Date of Withdrawal information outlined above; the Date of Withdrawal is the date that official notice is received from the student.

Unofficial withdrawals occur when a student does not provide notice to the university that they intend to withdraw and have not completed the official withdrawal process. The university will determine the date of withdrawal for unofficial withdrawals within 30 calendar days from the payment period or period of enrollment in collaboration with the Registrar's Office and appropriate Faculty. The unofficial withdrawal date is the last date of attendance or academic activity, or the midpoint of the payment period.

Please contact the Student Accounts office for further details on UPEI's Date of Withdrawal and Refund Policy: [accounting@upei.ca](mailto:accounting@upei.ca), (902) 566-6000, <http://www.upei.ca/finance/accounting>

#### **5. Procedure for taking a Leave of Absence**

A break in studies or temporary interruption in a student's program of study is known as a Leave of Absence (LOA). Undergraduate students with Title IV aid requesting a leave of absence must fill out the Leave of Absence Application (in the "UPEI Forms" section of myUPEI) to advise the university of why and for how long they are requesting the LOA. For Title IV recipients, the LOA request must be approved by UPEI and cannot exceed a total of 180 days in any 12-month period. Furthermore, a leave of more than one academic year (September to August) requires re-application to return to studies at UPEI. If students decide not to return within the approved timeframe, or do not re-apply if they've been out

longer than a year, their record will be updated to “withdrawn” and will remain inactive. Student’s withdrawal date will be effective as of the LOA start date.

Students in graduate or professional programs are required to apply for a Leave of Absence prior to any planned break in their studies and may have this approved by their faculty for periods of up to one academic year. Approval for a leave of absence is not guaranteed. A leave of absence of more than one academic year (September to August) requires re-application to return to studies. If students decide not to return within a year or do not re-apply after being out longer than a year, their record will be updated to “withdrawn” and will remain inactive. Student can always re-apply in the future.

Before making a final decision on taking a leave of absence, students are advised to speak with someone in their department about options, particularly if the student’s program is competitive entry and there are a designated number of seats each year. Additionally, Title IV recipients must work with the UPEI Financial Aid Advisor prior to the LOA approval to learn about the implications of not returning from the leave, including loan repayment terms and grace period expiration.

A leave of absence will not be granted retroactively, so the university will need to be advised in advance. Students who do not have a leave of absence recorded and do not register in two (2) consecutive terms (Fall, Winter, Summer) will be considered to be withdrawn and re-application will be required.

Students taking a leave of absence should confirm with the Accounting Office to ensure their student account is in order before taking leave, and also the Financial Aid Advisor in to confirm there will be no adverse effect on the student’s ability to continue their studies and receive Title IV aid in the future.

Student Accounts Office: [accounting@upei.ca](mailto:accounting@upei.ca), (902) 566-6000,  
<http://www.upei.ca/finance/accounting>

### **Reasons for taking a leave of absence**

The reasons for taking a leave of absence must be included in student’s LOA request. Examples may include, but are not limited to, the following:

- medical illness or injury
- pregnancy
- family emergency
- death or serious illness of a family member
- change in program of study within the same institution, outside a regularly scheduled break date

### **Duration**

Undergraduate and graduate student leaves are granted for a maximum of 180 days in any 12-month period for Title IV recipients. Leaves of more than one year also require re-application.

### **Criteria**

Visit the Academic Calendar to see additional rules for a Leave of Absence:

- [Undergraduate and Professional Programs](#)
- [Graduate Programs](#)

### **Fees**

Students are responsible for tuition and fees still owing for previous terms while on a leave. While on a leave of absence, no fees are required for the term(s) of the leave.

### **Student Visa students**

International students wishing to take a leave of absence should consult with an Immigration Advisor before doing so. The university is required to report leaves for international students to the IRCC twice a year.

### **Return from a leave of absence**

When planning to return from a leave of absence, it is the student's responsibility to let UPEI know prior to the registration date for the term in which they plan to return. This allows time for the university to reactivate the students' registration status allowing them to register when registration opens for that term.

To let UPEI know of a return, students can send an email to [studentsupport@upei.ca](mailto:studentsupport@upei.ca) with the subject "Returning from leave" and their student ID number. In the body of the email, students should include their ID number, name, date of birth, and the planned term returning. The university will then confirm with the student.

## **6. Calculating the Amount of DL Funds Earned by the Student**

The R2T4 calculation is based on the following:

- The number of days the student attended
- The number of days in the semester
- The institutional charges assessed
- The total amount of US Direct Loan aid awarded, accepted and/or disbursed.

The calculation used when determining the amount of Title IV funds earned (programs measured in credit-hours):

$$\frac{\text{\# of days in attendance}}{\text{\# of days in the PP or the POE}} = \% \text{ of Title IV Earned}$$

The R2T4 calculation may result in a reduction of the student's US federal loan(s) if the student attended less than 60 percent of the semester. Possible outcomes when R2T4 is calculated:

- Amount of Title IV funds exceeded amount earned, so funds must be returned
- Amount of Title IV funds less than amount earned, so a post-withdrawal disbursement must be made
- Amount of Title IV funds equals amount earned

### **Earned Funds**

The percentage of Title IV grant and loan assistance equal to the percentage of the payment period or period of enrollment that the student completed (e.g., Student A begins program of study and withdraws after completing 10%. Student A earned 10% of their Title IV funds).

### **Unearned Funds**

The percentages of Title IV grant and loan assistance that has not been earned by the student that is calculated by determining the complement of the percentage earned (e.g., Amount of Student A's unearned funds is the complement of 10% or 90%; therefore, 90% of Student A's Title IV funds were unearned).

### **Credit Balance**

If a withdrawal results in a Title IV credit balance, a R2T4 calculation must be performed prior to returning or releasing any portion of the funds to the student. After performing the R2T4 calculation and applying the university's refund policy, the Title IV credit balance is allocated within 14 days of the R2T4 calculation and funds are paid:

- According to cash management regulations to pay authorized charges (including previously paid charges that now are unpaid due to a return of Title IV funds by the institution);
- To reduce the student's Title IV loan debt (not limited to loan debt for the period of withdrawal), with the student's written permission; or
- To the student (or parent for a Direct PLUS Loan);
- To the Title IV programs if the student (or parent) to whom a Title IV credit balance must be paid cannot be located.

## **7. UPEI's Post-Withdrawal Disbursement Process**

For Return of Title IV Funds purposes, a “Post-Withdrawal Disbursement” (PWD) is the amount of federal student aid funds a student is eligible to receive after withdrawing. It is equal to the amount by which the federal student aid earned by a student exceeds the total federal student aid disbursed to the student. The university will communicate and offer post-withdrawal disbursements of loan funds to students within 30 days of the student’s date of withdrawal, and will return any unearned Title IV funds within 45 days of the student’s date of withdrawal. In the case of a required post-withdrawal disbursement, students will be notified via written notice to their university email address by the Student Accounts Office.

If verification is not complete and the university cannot meet the 30-day deadline, a new R2T4 calculation will be conducted once verification is complete and funds will be offered as soon as possible. Students or parents will be provided a minimum of 14 days as a response period for post-withdrawal disbursements of Direct Loan funds. Students will be able to receive their PWD from AVC Student Affairs or the Student Accounts Office depending on their enrolment and program of study. The process and contact location would be communicated in the written notice to students.

The post-withdrawal disbursement process is coordinated through the Student Accounts Office and the Financial Aid Advisor in order to ensure that the student’s account and standing are efficiently updated through the COD and G5 reporting system.

Student Accounts Office: [accounting@upei.ca](mailto:accounting@upei.ca), (902) 566-6000,  
<http://www.upei.ca/finance/accounting>