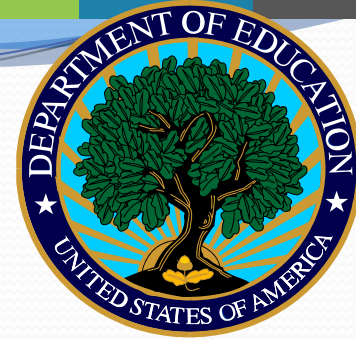


Return of Title IV Funds (R₂T₄)

2017 Fall PASFAA Conference



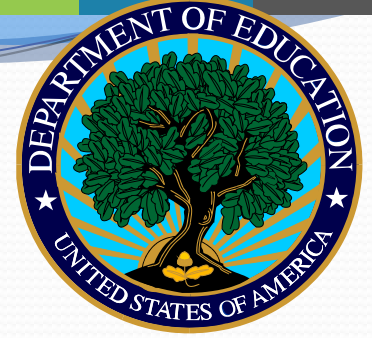
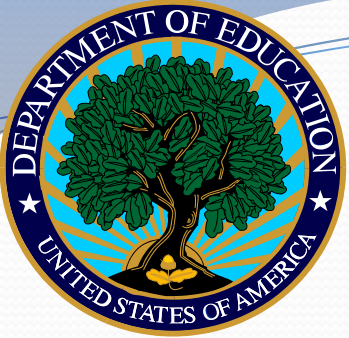
*Craig D. Rorie, Training Officer
Federal Student Aid
U.S. Department of Education*



***Delaware – District of Columbia – Maryland
2016 Neophyte Workshop – October 5, 2016 Ocean City, Maryland***

***Craig D. Rorie, Training Officer
Federal Student Aid
U.S. Department of Education***

Title IV Funds (R2T4):

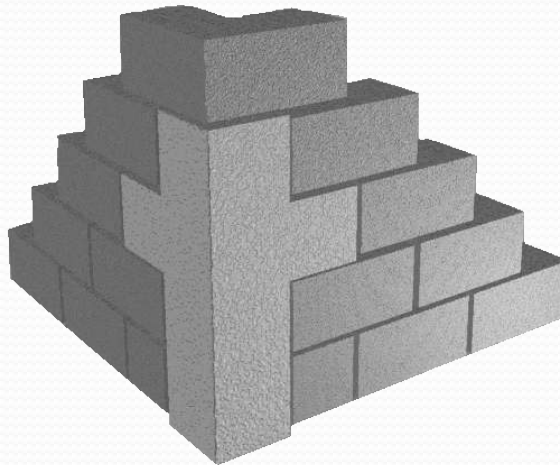


***Delaware – District of Columbia – Maryland
2016 Neophyte Workshop – October 5, 2016 Ocean City, Maryland***

Agenda

- Basic Principles
- How the R2T4 Calculation Works
- Key Payment Terms and Concepts
- Modules: Definitions and Principles
- R2T4 Examples – Clock and Credit
- Resources

R2T4: Basic Principles



Basic Principles

To R2T4 or to not R2T4, that *is* the question?

- Title IV eligible student who withdraws, or ceases attendance, or fails to meet the conditions for continued enrollment
- If student enrolls again within 60 days (34 CFR 668.21)
 - Student did not receive Title IV funds
 - All Title IV funds must be returned



and completely

or met the
bursement)

s (34 CFR

Basic Principles

Importance of R2T4

- R2T4 has been in the “Top 10 Audit and Program Review Findings” list for at least the last 10 years
- Findings generally fall into two main areas
 - Calculation Errors
 - Returns of Funds Made Late

Basic Principles

Causes of R2T4 Calculation Errors

- Actual clock hours used instead of scheduled hours
- Incorrect aid used as “aid that could have been disbursed”
- Incorrect withdrawal date
- Mathematical and/or rounding errors

Regulation: 34 CFR 668.22(e) and (f)



Basic Principles

- Students receive Title IV funds for entire period of enrollment
- Students who cease enrollment before scheduled end date are not eligible for full amount of Title IV
- Student earn Title IV aid by Payment Period (PP) or Period of Enrollment (POE)

Basic Principles

- Percentage of aid earned = Percentage of period completed
- Title IV aid must be returned when more is disbursed than earned
- Title IV aid must be offered when less is disbursed than earned

Basic Principles

- All Title IV aid is earned if student completes more than 60% of the PP or POE
- Non-Title IV refund policies have no impact on amount of Title IV aid earned under the R2T4 calculation
- Schools should use the best information available to determine the withdrawal date

Basic Principles

A school MUST

- Determine date of student's withdrawal
- Calculate percentage of period completed
- Determine amount earned by applying percent completed to total of amounts disbursed and amounts that could have been disbursed
- Return unearned funds to Title IV programs, or pay student post-withdrawal disbursement (PWD)
- Determine Title IV overpayment, if any

Basic Principals

Consumer Information

- Any refund policy with which the school must comply, as specified by the State/accrediting agency
- School's refund policy
- Requirements for the treatment of Title IV funds after withdrawal
- School policy on official withdrawal, including naming the administrative offices that handle the official withdrawal process

Basic Principals

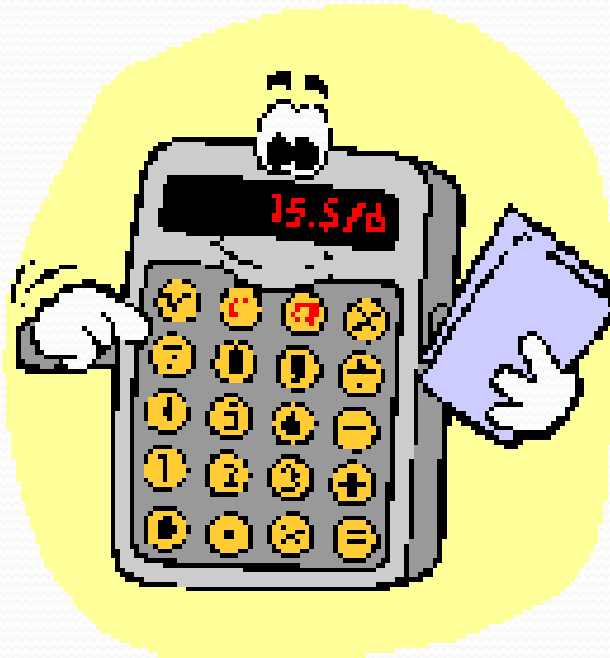
Failure to Begin Attendance

If a student never begins attendance for the PP or POE, the student is not an eligible student for Title IV funds for that period

- R2T4 does not apply
- Provisions in 34 CFR 668.21 apply

R2T4:

How the Calculation Works



How the R2T4 Calculation Works

- Step One: The school determines the precise net amounts of Title IV aid for which a student was eligible at the time of the withdrawal, including amounts disbursed and amounts that could have been disbursed

Title IV Grant Programs		Amount Disbursed	Amount that Could Have Been Disbursed		E. Total Title IV aid disbursed for the period.
1. Pell Grant					A.
2. Academic Competitiveness Grant					+ B.
3. National SMART Grant					= E. \$.
4. FSEOG					
5. TEACH Grant					
		A.	C.		
	Subtotal		Subtotal		+ C.
					= F. \$.
Title IV Loan Programs		Net Amount Disbursed	Net Amount that Could Have Been Disbursed		G. Total Title IV aid disbursed and that could have been disbursed for the period.
6. Unsubsidized FFEL/Direct Stafford Loan					A.
7. Subsidized FFEL/Direct Stafford Loan					B.
8. Perkins Loan					C.
9. FFEL/Direct PLUS (Graduate Student)					+ D.
10. FFEL/Direct PLUS (Parent)					= G. \$.
	B.		D.		
	Subtotal		Subtotal		

How the R2T4 Calculation Works

- Step Two: The school calculates the percentage of the period that was completed
 - **NOTE**: If greater than 60%, the student earned 100% for the period
- Numerator: Number of days attended (completed) in the period
- Denominator: Total number of days in the period

H. Percentage of payment period or period of enrollment 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 **AND** days that the student was on an approved leave of absence).

$$\boxed{} \div \boxed{} = \boxed{} . \%$$

Completed days Total days

► If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.

► If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H. . %

How the R2T4 Calculation Works

- Steps Three and Four: The percentage completed is multiplied by the total amount of Title IV aid for which the student was eligible
 - If the amount earned is less than the amount disbursed, a return to the Department is required
 - If the amount earned is greater than the amount disbursed, a PWD is required

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).

$$\boxed{\text{Box H}} \% \times \boxed{\text{Box G}} = \boxed{\text{I. \$}} \boxed{\text{.}}$$

How the R2T4 Calculation Works

- Step Five: If a return is required, the school determines the amount of unearned Title IV funds that it is required to return
- The amount of funds due from the school is calculated by adding all the institutional charges incurred by the withdrawal date, then multiplying that total by the percentage of the period the student did not complete

L. Institutional charges for the period	
Tuition	
Room	
Board	
Other	
Other	
Other	
Total Institutional Charges = L.\$	
<small>(Add all the charges together)</small>	
M. Percentage of unearned Title IV aid	
100% - % = M. %	
<small>Box H</small>	
N. Amount of unearned charges	
<small>Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).</small>	
Box L X Box M % = N.\$	
O. Amount for school to return	
<small>Compare the amount of Title IV aid to be returned (Box K) to amount of unearned charges (Box N), and enter the lesser amount.</small>	
O.\$	

How the R2T4 Calculation Works

- Step Six: Once the school determines the total amount of unearned Title IV aid that must be returned to the Department, the school must return funds in the statutory order (i.e. loans, then grants)

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

Title IV Programs	Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan	
2. Subsidized FFEL/Direct Stafford Loan	
3. Perkins Loan	
4. FFEL/Direct PLUS (Graduate Student)	
5. FFEL/Direct PLUS (Parent)	
Total loans the school must return	P.\$.
6. Pell Grant	
7. Academic Competitiveness Grant	
8. National SMART Grant	
9. FSEOG	
10. TEACH Grant	

How the R2T4 Calculation Works

Remaining Steps: Once the school has determined the amounts of each type of unearned Title IV aid that it must return, any remaining unearned funds that were disbursed are the responsibility of the student

- Remaining unearned Title IV loan funds (e.g. Direct or Perkins Loans) must be repaid by the student in accordance with the terms of the loans; no further action by the school is required for these unearned funds
- Remaining unearned Title IV grant funds, if greater than 50% of the total grant assistance disbursed for the period, are considered grant overpayments; the school must notify the student within 45 days of his/her obligation to repay those funds

R2T4:

Key Terms and Concepts



Rounding Rules and the R2T4 Calculation

- Calculate to four decimal places - $9 \text{ days} / 103 \text{ days} = .0873$
- Round to the third decimal place - $.0873 = .087 = 8.7 \%$
- Remember to round up at five or more - $.2445 = .245 = 24.5\%$
- Round dollar amounts to the nearest dollar - $\$1234.56 = \1235

$$\$5432.21 = \$5432$$

Payment Period or Period of Enrollment

The total number of days in a school's payment period or period of enrollment constitutes the denominator of the R2T4 calculation

- "Total days" excludes scheduled breaks of five days or more
- "Total days" also excludes leaves of absence

H. Percentage of payment period or period of enrollment 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 **AND** days that the student was on an approved leave of absence).

<input type="text"/>	÷	<input type="text"/>	=	<input type="text"/>	%
Completed days		Total days			

► If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.

► If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H.	.	%
----	---	---

Payment Period or Period of Enrollment

- For a standard term-based program, the school must use the payment period
- For a non-term or nonstandard term program, the school may use either the payment period or period of enrollment
 - Must use consistently for all students in a program

Payment Period or Period of Enrollment

- Payment Period



- Period of Enrollment



Payment Period or Period of Enrollment

Example #1: Student leaves after 23 days in the first term of a two-term academic year.

PAYMENT PERIOD

Total # of Days: 100
of Days Completed 23

% Earned 0.23

Total R2T4 Aid Disb'd or
Could Have Been Disb'd 2000

Amt Earned 460

Amt Unearned 1540

PERIOD OF ENROLLMENT

Total # of Days: 200
of Days Completed 23

% Earned 0.115

Total R2T4 Aid Disb'd or
Could Have Been Disb'd 4000

Amt Earned 460

Amt Unearned 3540

Payment Period or Period of Enrollment

Example #2: Student leaves after 21 days in the second term of a two-term academic year.

PAYMENT PERIOD

Total # of Days:	100
# of Days Completed	21

Calculate %	0.21
% Earned (If > 60%, earned = 100%)	0.21

Total R2T4 Aid Disb'd or Could Have Been Disb'd	2000
--	------

Amt Earned	420
Amt Unearned	1580

PERIOD OF ENROLLMENT

Total # of Days:	200
# of Days Completed	121

% Earned (If > 60%, earned = 100%)	0.605
	100%

Total R2T4 Aid Disb'd or Could Have Been Disb'd	4000
--	------

Amt Earned	4000
Amt Unearned	0

Payment Period or Period of Enrollment

- Institutionally scheduled breaks of five or more consecutive days are excluded from both the numerator and the denominator of the R2T4 calculation

Example: A school has a vacation break beginning Wednesday, November 26 and ending Friday, November 28. The school does not offer classes on the weekend. Therefore, the five days extending from Wednesday, November 26 through Sunday, November 30 would be excluded from the R2T4 calculation

Leave of Absence

- A leave of absence (LOA) is a temporary interruption in a program of study, not a withdrawal
- Conditions for an ED-approved LOA
 - Formal written policy
 - Student followed the formal policy in requesting the LOA
 - There must be a reasonable expectation that the student will return from the LOA
 - The school must approve the requested LOA in accordance with its policy
 - The student may not be charged additional institutional charges
 - The days of an approved LOA cannot exceed 180 days within a 12-month period
 - Loan recipients must be told about the effects on their grace period if they do not return

Leave of Absence

- For standard term or nonstandard term programs – the student must resume training at the same point the student began the LOA
- For non-term credit hour programs – the student does not have to resume training at the same point the student began the LOA

Withdrawal Date

A student's withdrawal date determines the number of days the student is considered to have completed, and helps determine the numerator of the R2T4 calculation

- “Completed days” excludes scheduled breaks of five days or more
- “Completed days” also

H. Percentage of payment period or period of enrollment 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 **AND** days that the student was on an approved leave of absence).

<input type="text"/>	÷	<input type="text"/>	=	<input type="text"/>	%
Completed days		Total days			

▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.

▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H. %

Required to Take Attendance?

For the purposes of determining a student's withdrawal date, there are two types of schools

- schools required to take attendance
- schools NOT required to take attendance

Required to Take Attendance?

A school is “Required to Take Attendance” if

- Outside entity requires that attendance be taken
- School has its own requirement that instructors take attendance
 - School level – all faculty required to take attendance
 - Departmental level – specific academic departments have an attendance taking requirement
 - Program level – a specific program requires attendance taking
- Outside entity or the school has a requirement that can only be met by taking attendance

Required to Take Attendance?

A school required to take attendance must use its official attendance records to determine a student's withdrawal date (WD)

is -A census date (sometimes called the “add/drop” date)
of a single date where the school takes a snapshot
attendance

Withdrawal Defined

- Student does not complete all days scheduled to complete within the payment period/term (whether official or unofficial withdrawal)
 - School must document that the student completed all courses with a passing grade
 - If no passing grade in last scheduled course, school must demonstrate student completed period

Withdrawal Date

For a school required to take attendance, a student's withdrawal date is the Last Date of Attendance

- Based on the attendance records the school is required to maintain
- The school must have a process in place to make determinations of when a student has ceased attendance

Required to Take Attendance?

A school NOT required to take attendance is any school that does not fall into one of the categories for schools required to take attendance

Withdrawal Date

For a school NOT required to take attendance, a student's withdrawal date is

- Date student began the formal withdrawal process or provided official notification
- Midpoint, if no notification
- Date of illness, accident, etc.
- Beginning of an LOA if student does not return
- Last date of an academically-related activity

Academic Attendance

“Academic attendance” and “attendance at an academically-related activity” include, but are not limited to

- Physically attending a class with direct interaction
- Academic assignment submission
- Taking an exam, interactive tutorial, or a computer-based instruction
- Attending a school-assigned study group
- Participating in an online discussion that is academically-related
- Interacting online with faculty about subject matter or to ask course-related questions

An academically-related activity DOES NOT include:



Academic Attendance

An academically-related activity DOES NOT include

- Living in institutionally provided housing or participating in the meal plan
- Logging into an online course without active participation
- Participating in academic counseling or advisement

Withdrawal Date

- A school must have a process for determining if student completed the period
- When a student fails to return from an LOA, the student's withdrawal date is
 - the last date of attendance at an school required to take attendance (LDA)
 - the date the LOA began at an school not required to take attendance

Date of Determination

For a school required to take attendance

- The date the student provides notification that he or she is ceasing enrollment
- The last date of attendance (LDA)
 - The school must have a process in place that will determine when a student's absence is a withdrawal; That process must insure that the school's determination that the student withdrew no later than 14 days after the LDA

Date of Determination

For a school NOT required to take attendance

- The date the student provides notification; or
- The date the school becomes aware that the student ceased attendance
- A determination must be made no later than 30 days after the end of the earlier of:
 - The payment period or the period of enrollment
 - The academic year or
 - The student's educational program

Unofficial Withdraws

Date of Determination

Attendance Required

- Cannot be more than 14 calendar days after withdrawal date

Attendance Not Required

- Within 30 calendar days from earlier of
 - End of payment period or period of enrollment
 - End of the academic year
 - End of student's educational program

Deadlines Related to Date of Determination

- Within **30 days**, the school **must**
Perform the R2T4 calculation; Notify the student of any grant overpayment; Notify the student of eligibility for a PWD of loan funds
- Within **45 days** the school **must**
 - *return the Title IV funds it has responsibility to return*
 - *make a PWD of grant funds to a student's account, or directly to the student*
 - *school must make a PWD of grant funds directly to the student and/or parent (in the case of a PLUS loan), after a PWD offer is accepted within 180 days*

Amount of Title IV Earned

A school must determine the total amount of Title IV aid for which a student was eligible as of his/her withdrawal date. This includes

- Title IV disbursed to the student's account or directly to the student
- Title IV that could have been disbursed

STEP 1: Student's Title IV Aid Information			
Title IV Grant Programs		Amount Disbursed	Amount that Could Have Been Disbursed
1. Pell Grant			
2. Academic Competitiveness Grant			
3. National SMART Grant			
4. FSEOG			
5. TEACH Grant			
A.			
Subtotal			
C.			
Subtotal			
E. Total Title IV aid disbursed for the period.			
A.			
+ B.			
= E. \$			
F. Total Title IV grant aid disbursed and that could have been disbursed for the period.			
A.			
+ C.			
= F. \$			
Title IV Loan Programs		Net Amount Disbursed	Net Amount that Could Have Been Disbursed
6. Unsubsidized FFEL/Direct Stafford Loan			
7. Subsidized FFEL/Direct Stafford Loan			
8. Perkins Loan			
9. FFEL/Direct PLUS (Graduate Student)			
10. FFEL/Direct PLUS (Parent)			
B.			
Subtotal			
D.			
Subtotal			
G. Total Title IV aid disbursed and that could have been disbursed for the period.			
A.			
B.			
C.			
+ D.			
= G. \$			

Aid that Could Have Been Disbursed

In addition to the Title IV aid that was disbursed, include aid that could have been disbursed if –

Conditions for late disbursements in 34 CFR 668.164(g)(2) were met prior to the withdrawal date

- All Title IV – ED processed the ISIR/SAR with an official EFC
- Perkins/FSEOG – school made the award
- Direct Loan – school originated loan
- TEACH Grant – school originated grant

Amount of Title IV 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
- Example: Student A begins program of study and withdraws after completing 10%; Student A earned 10% of his or her Title IV funds

Unearned funds

- The percentage of Title IV grant and loan assistance that has not been earned by the student, calculated by determining the complement of the percentage earned
- Example: The 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

Amount of Title IV Earned

Possible outcomes after an R2T4 calculation

- 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

Verification

- If Verification not completed when R2T4 calculated
 - Return any Interim Disbursements of aid subject to verification and do not include them in R2T4
 - Include only Unsubsidized and PLUS loans in R2T4
- If Verification completed later, but within Verification deadlines
 - School must perform new R2T4 calculation using additional eligible aid as aid that could have been disbursed

FSEOG

Three matching types

1. Individual recipient match – 75% of FSEOG funds are matched with 25% of qualified nonfederal funds.
 2. Aggregate match – the school ensures that the sum of all FSEOG disbursed consists of 75% federal dollars and 25% of qualified nonfederal dollars on the aggregate basis, rather than by the individual.
 3. Fund-specific match – the school establishes an account and deposits the FSEOG allocation at the same time the qualified nonfederal funds are deposited. Once comingled the differentiation cannot be determined, instead it is a “mixed fund.”
- Type A = only the 75% Federal portion of the award goes into the R2T4 calculation
 - Individual recipient match
 - Aggregate match
 - Type B = 100% of the FSEOG award is used in the R2T4 calculation
Fund-specific match

Post-withdrawal Disbursements

- Must meet late disbursement requirements in 668.164(g)
- The PWD must be made from grant funds before loan funds
- A PWD comprised of grant funds may be used to pay the following current charges
 - Tuition
 - Fees
 - Room and board, if contracted with the school

Post-withdrawal Disbursements

For post-withdrawal disbursements of Title IV grant funds

- No student confirmation required to pay current outstanding charges for tuition, fees, room and board listed on previous slide or for prior-year charges up to \$200
- Written confirmation is required for all other current charges
- If disbursed to the student's account for outstanding charges, must be disbursed within 180 days of the date of determination
- If disbursed directly to the student, must be disbursed as soon as possible but within 45 days of the date of determination

Post-withdrawal Disbursements

For post-withdrawal disbursements of Title IV loan funds

- PWDs must be made within 180 days of the date of determination
- PWD cannot be a second or subsequent disbursement of a Direct Loan (DL)
- PWD of DL cannot be made if the student was a first year, first-time borrower unless the student completed the first 30 days of the program or was not under that restriction
- school must offer the student (or parent in the case of a PLUS) the loan PWD within 30 days of the date of determination and request confirmation that the PWD is accepted
- School must obtain authorization to pay for other than current charges

Post-withdrawal Disbursements

Required notifications for PWDs of Title IV loan funds

- **Notify** the student and parent, and explain option to decline or accept loan disbursement, **within 30 days** of the date of determination
- **Request confirmation** of any amount to be credited to the student's account or directly disbursed to the borrower
- **Explain the obligation to repay the loan**
- **Specify deadline** of at least **14 days** for required response/confirmation

Returning Unearned Funds

- If funds to be returned are the school's responsibility, the school MUST return funds within 45 days of the date of determination
- Return is considered to have been made when the school
 - Deposits or transfers the funds into the school's federal funds bank account, and then awards and disburses the funds to another eligible student; or
 - Returns the funds to the Department electronically using the "Refund" function in G5

R2T4 and Title IV Credit Balances

- Hold all Title IV credit balances until R2T4 calculated
- Credit balance is “Aid/Amount Disbursed” in the calculation
- Determine if credit balance changes because of a State, accreditor, or school refund policy
- After the R2T4 calculation - use any remaining credit balance to first repay a grant on behalf of student
- **Release** credit balance **within 14 days** from date it was created

Refer Overpayment to ED

- If student does not repay in full or make payment arrangements with school within 45 days, school must refer overpayment to Department for collection
- Referral form in Participant Guide
 - Further explanation in *FSA Handbook*, Volume 4, Chapter 3

Report Overpayment to NSLDS

Overpayments not paid in full within 45 days of the institution's determination of the withdrawal must be reported to NSLDS

- Reported via online process

Report Overpayment to NSLDS

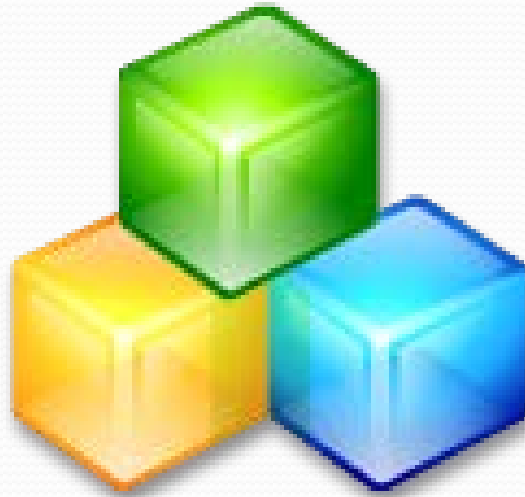
Overpayments not paid in full within 45 days of the institution's determination of the withdrawal must be reported to NSLDS

- Reported via online process

Submit Corrected COD Records

Must submit corrected COD records to reflect the final amount of aid the student received after all returns and post withdrawal disbursements were made.

Modules: Definitions and Principles



Modules Defined

- 668.22(l)(6)
 - “when a course or courses in a program do not span the entire length of the payment period or period of enrollment”
- Doesn't matter what modules are called at the institution
 - e.g., mini-terms, J-terms, mini-mesters, mini-sessions, modules....

Modules: Changing Patterns in Education

- Short term and sequential course enrollment
 - Courses are often offered in modules, usually 1-8 weeks in length
- Programs with modules may
 - compose an entire program; or
 - be offered in conjunction with courses that span the full term
- Used in Standard Term, Non-Standard Term and Non-Term Settings
- May have two or more modules within a term
- May be sequential
- May overlap

Modules - Operating Principles

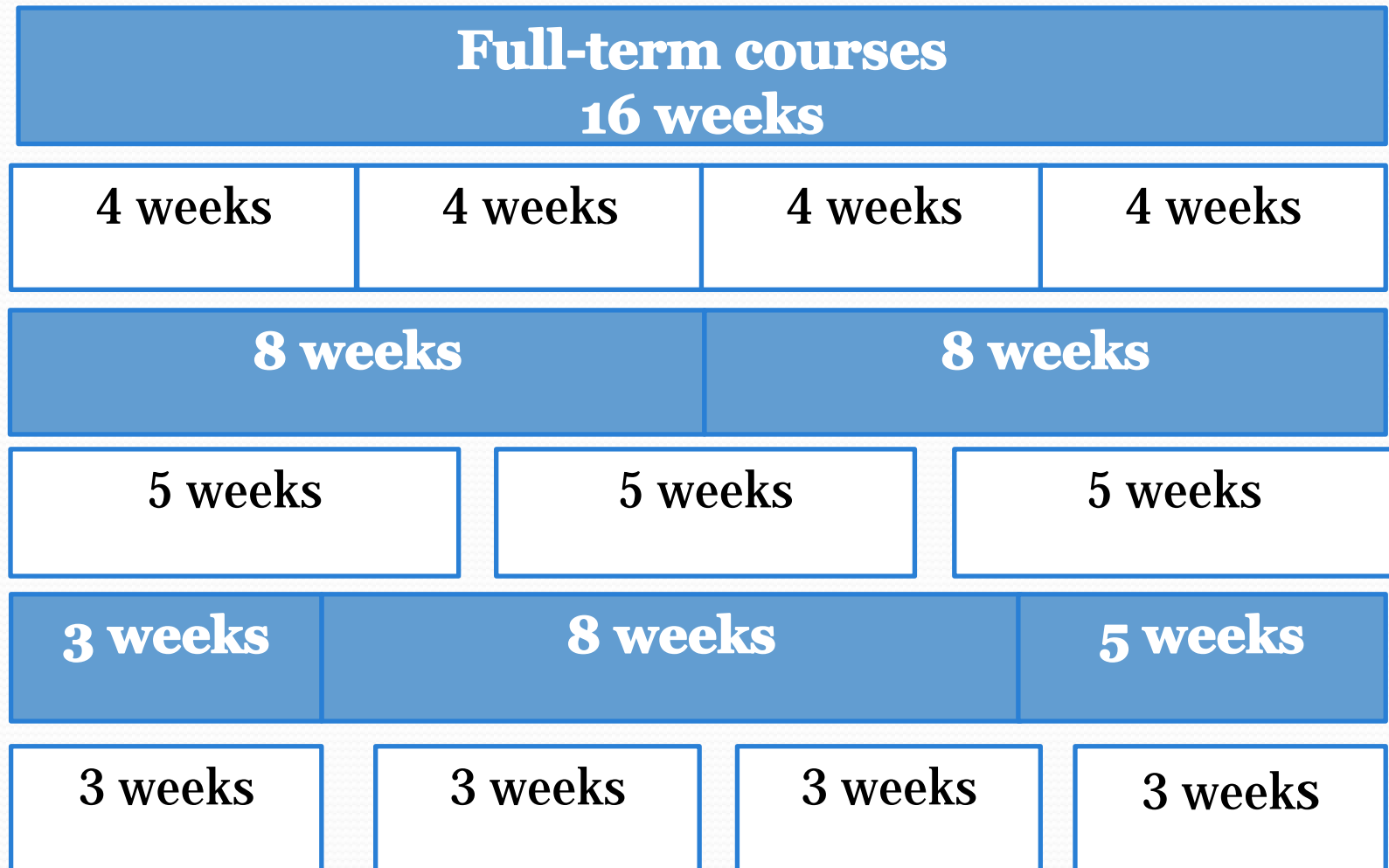
- Schools may combine a series of modules into a single term
- Enrollment can begin at beginning of any module
- Students may skip one or more modules within a term
- Loan period includes entire term
- Up-front enrollment should support aid eligibility
- Cost of attendance excludes periods of non-attendance
- Student must begin attendance or is ineligible for the entire payment period
- Student must begin attendance in all credits used to establish enrollment status or Pell recalculation required

Modules - Operating Principles

- No disbursement can be scheduled during a period of non-enrollment
- Earliest attendance dictates first disbursement: payment period begins with module that includes first date of attendance
- Change in enrollment status to less-than-half-time results in cancellation of subsequent loan disbursements



Different Modules in a 16-week Term



Other Module Configurations

Full-term courses
16 weeks / 12 credits

Module 1
6 weeks
5 credits

Module 2
4 weeks
3 credits

Module 3
6 weeks
4 credits

2
weeks

Module 4
4 weeks
3 credits

Module 5
4 weeks
3 credits

In a standard-term program, modules may overlap other modules, or extend up to 2 weeks outside of the term IN TOTAL, but may not overlap other terms.

Recalculation

If student begins attendance in at least one course but does not begin attendance in all courses he or she was scheduled to attend

- Regardless of whether student is a withdrawal, school must check to see if it is necessary to recalculate student's eligibility for Pell Grant and Campus-Based funds based on revised enrollment status and cost of attendance
- If student is a withdrawal, this recalculation must be done before performing an R2T4 calculation and school must use recalculated amounts of aid in that calculation

Recalculation

- If student who has withdrawn did not begin attendance in enough courses to establish a half-time enrollment status, the school may not make a first disbursement of a Direct Loan to the student after the student withdraws
- However, funds are included as aid that could have been disbursed in the Return calculation

Recalculation

When determining Pell eligibility a school must use enrollment status established on earliest date of a withdrawal or census date

- If student withdraws prior to arrival of census date, school must use the enrollment status the student established through attendance prior to the withdrawal when calculating Pell eligibility
- If student adds a course after census date and subsequently withdraws, school must use the enrollment status established by the student at the time of the census date when calculating Pell eligibility

Written Confirmation Of Return

- Student in modular program not considered withdrawal if
 - Provides written confirmation of intent
 - Must be provided at time of withdrawal
 - Can be paper or electronic process
 - Subsequent registration for future modules does constitute written confirmation
 - Student may change return date in writing
 - Must provide change prior to original return date

Written Confirmation Of Return

- Nonstandard term and non-term programs
 - Student considered to be withdrawal if not scheduled to begin another course in period of enrollment for more than 45 calendar days
 - 45 days measured from end of module ceased attending

Written Confirmation Of Return

- Student considered to be withdrawal if does not return as scheduled
- Withdrawal date is retroactive to when written confirmation was originally provided
 - Determine withdrawal date and days of attendance as if written confirmation was never provided
 - Date student was scheduled to return is date of school's determination of withdrawal

Impact of Enrollment Status Changes

Adjustments to student's enrollment status made after student has ceased attendance have no bearing on R2T4 calculations

- If student enrolled in three modules, completes one, and then drops remaining two after ceasing attendance, all days in all three modules will be included in R2T4 calculation
- This can apply to situations where student drops all future modules during break between modules

Impact of Enrollment Status Changes

- If student drops all future courses on same day they withdraw from current module (or complete a module – last day of module), it is considered a withdrawal and all days in all modules student was scheduled to attend must be included in R2T4 calculation

Return After Withdrawal

- If returning in same payment period, student is treated as if did not cease attendance
 - School must “undo” the R2T4 calculation
- Restore student’s original amounts with no adjustment for partial attendance of a module
 - Except if student never began all courses
 - Adjustments may need to be made to original Title IV award amounts, such as Pell Grant recalculations

Reminder about Deadlines

30 days from date of determination to

- Perform the R2T4 calculation
- Notify the student of a grant overpayment
- Notify the student of eligibility for a post-withdrawal disbursement (PWD) of a Title IV loan and request confirmation

Reminder about Deadlines

45 days from the date of determination to

- Return Title IV, HEA student aid funds (ASAP, but no later than)
- Make a PWD of Title IV Grant funds (ASAP, but no later than)

Reminder about Deadlines

- 180 days from the date of determination t0
 - Make a PWD of Title IV Loan funds (ASAP, but no later than)
 - Must receive confirmation from student/parent before making the disbursement

Questions?



R2T4

Clock and Credit Examples



R2T4 : Clock - Hour



R2T4 Clock-Hour

Treatment Of Title IV Funds When A Student Withdraws From A Clock-Hour Program

Student's Name	Max Student	Social Security Number	966-06-0022
Date form completed	2 / 15 / 17	Date of school's determination that student withdrew	1 / 19 / 17
Period used for calculation (check one)	<input checked="" type="checkbox"/> Payment period	<input type="checkbox"/> Period of enrollment	

Clock-Hour Step 1

Monetary amounts should be in dollars and cents (rounded to the nearest penny).
When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)

STEP 1: Student's Title IV Aid Information

Title IV Grant Programs

1. Pell Grant
2. Academic Competitiveness Grant
3. National SMART Grant
4. FSEOG
5. TEACH Grant
6. Iraq Afghanistan Service Grant

Amount Disbursed

1633

Amount that Could Have Been Disbursed

A. 1633

Subtotal

C.

Subtotal

E. Total Title IV aid disbursed for the period.

A. 1633

B. 2722

E. \$ 4355.00

F. Total Title IV grant aid disbursed and that could have been disbursed for the period.

A. 1633

C. 0

F. \$ 1633.

G. Total Title IV aid disbursed and that could have been disbursed for the period.

A. 1633

B. 2722

C. 0

D. 0

G. \$ 4355.00

Title IV Loan Programs

7. Unsubsidized FFEL/Direct Stafford Loan
8. Subsidized FFEL/Direct Stafford Loan
9. Perkins Loan
10. FFEL/Direct PLUS (Graduate Student)
11. FFEL/Direct PLUS (Parent)

Net Amount Disbursed

990

1732

Net Amount that Could Have Been Disbursed

B. 2722

Subtotal

D.

Subtotal

Clock-Hour Steps 2 & 3

STEP 2: Percentage of Title IV Aid Earned

Withdrawal date

1 / 19 / 17

H. Determine the percentage of the period completed:

Divide the clock hours scheduled to have been completed as of the withdrawal date in the period by the total clock hours in the period.

196

÷

450

=

43.6 %

Hours scheduled
to complete

Total hours in
period

- ▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.
- ▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H. 43.6 %

STEP 3: Amount of Title IV Aid Earned by the Student

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).

43.6 %

x

4355.00

=

I.\$

1898.78

Box H

Box G

Clock-Hour Step 4

STEP 4: Title IV Aid to be Disbursed or Returned

- ▶ If the amount in Box I is greater than the amount in Box E, go to Item J (Post-withdrawal disbursement).
- ▶ If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).
- ▶ If the amounts in Box I and Box E are equal, **STOP**. No further action is necessary.

J. Post-withdrawal disbursement

From the Amount of Title IV aid earned by the student (Box I) subtract the Total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

	—		=	J.\$.
Box I		Box E			

If there's an entry for "J," **Stop here**, and enter the amount in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet).

K. Title IV aid to be returned

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.

4355.00	—	1898.78	=	K.\$	2456.22
Box E		Box I			

Clock-Hour Step 5

STEP 5: Amount of Unearned Title IV Aid Due from the School

L. Institutional charges for the period

Tuition	4500
Room	
Board	
Other	
Other	
Other	

Total Institutional Charges
(Add all the charges together)

= L.\$ 4500.

M. Percentage of unearned Title IV aid

100% - 43.6 % = M. 56.4 %

Box H

N. Amount of unearned charges

Multiply institutional charges for the period (Box L) by the Percentage of unearned Title IV aid (Box M).

4500 X 56.4 % = N.\$ 2538.00

Box L

Box M

O. Amount for school to return

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

O.\$ 2456.22

Clock-Hour Steps 6 & 7

STEP 6: Return of Funds by the School

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

Title IV Programs

Amount for School
to Return

1. Unsubsidized FFEL/Direct Stafford Loan	990
2. Subsidized FFEL/Direct Stafford Loan	1466.22
3. Perkins Loan	
4. FFEL/Direct PLUS (Graduate Student)	
5. FFEL/Direct PLUS (Parent)	

Total loans the school must return = P.\$ 2456.22

6. Pell Grant	
7. Academic Competitiveness Grant	
8. National SMART Grant	
9. FSEOG	
10. TEACH Grant	
11. Iraq Afghanistan Service Grant	

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

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

2456.22 - 2456.22 = Q.\$ 0

Box K

Box O

If Box Q is ≤ zero, **STOP**. If greater than zero, go to Step 8.

Title IV Grant Protection (Step 9)

- Regulations limit the amount a student must repay to the amount by which the original overpayment amount exceeds 50% of the total grant funds disbursed or could have been disbursed
- Applies to repayment of grant funds the student is responsible to repay, regardless of who actually returns the funds (student or school)
- 668.22(h)(3)(ii)

Example—50% Grant Protection

- Initial amount of grants to be returned: \$1,440
- Total Title IV grants aid x 50% = \$1,300
- Subtract 50% grant protection from \$1,440 to determine the amount student is responsible to repay.

STEP 9: Grant Funds to be Returned				
S. Initial amount of Title IV grants for student to return From the initial amount of unearned Title IV aid due from the student (Box Q) subtract the amount of loans to be repaid by the student (Box R).				
1,440.00	–	00.00	=	S.\$ 1,440.00
Box Q		Box R		
T. Amount of Title IV grant protection Multiply the total of Title IV grant aid that was disbursed and that could have been disbursed for the period (Box F) by 50%.				
2,600.00	x	50%	=	T.\$ 1,300.00
Box F				
U. Title IV grant funds for student to return From the Initial amount of Title IV grants for student to return (Box S) subtract the Amount of Title IV grant protection (Box T).				
1,440.00	–	1,300.00	=	U.\$ 140.00
Box S		Box T		
▶ If Box U is less than or equal to zero, STOP . If not, go to Step 10.				

R2T4 : Credit Hour



R2T4 Credit-Hour

Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program

Student's Name

Max Student

Social Security Number

966-06-0022

Date form
completed

03 / 14 / 2017

Date of school's determination
that student withdrew

02 / 29 / 17

Period used for calculation (check one)

☒

Payment period

☐

Period of enrollment

Credit-Hour Step 1

Monetary amounts should be in dollars and cents (rounded to the nearest penny).
When calculating percentages, round to three decimal places. (For example, .4486 = .449, or 44.9%)

STEP 1: Student's Title IV Aid Information

Title IV Grant Programs	Amount Disbursed	Amount that Could Have Been Disbursed	
1. Pell Grant	1,633		
2. Academic Competitiveness Grant			
3. National SMART Grant			
4. FSEOG			
5. TEACH Grant			
6. Iraq Afghanistan Service Grant			
	A. 1,633	C.	
	Subtotal	Subtotal	

Title IV Loan Programs	Net Amount Disbursed	Net Amount that Could Have Been Disbursed	
7. Unsubsidized FFEL/Direct Stafford Loan	990		
8. Subsidized FFEL/Direct Stafford Loan	1,732		
9. Perkins Loan			
10. FFEL/Direct PLUS (Graduate Student)			
11. FFEL/Direct PLUS (Parent)			
	B. 2,722	D.	
	Subtotal	Subtotal	

E. Total Title IV aid disbursed for the period.	A. 1,633
+	B. 2,722
=	E. \$ 4,355 .

F. Total Title IV grant aid disbursed and that could have been disbursed for the period.	A. 1,633
+	C. 0
=	F. \$ 1,633 .

G. Total Title IV aid disbursed and that could have been disbursed for the period.	A. 1,633
	B. 2,722
	C. 0
+	D. 0
=	G. \$ 4,355 .

Credit-Hour Step 2

STEP 2: Percentage of Title IV Aid Earned

01 / 16 / 17

Start date

05 / 12 / 17

Scheduled end date

02 / 27 / 17

Date of withdrawal

A school that is not required to take attendance may, for a student who withdraws without notification, enter 50% in Box H and proceed to Step 3. Or, the school may enter the last date of attendance at an academically related activity for the "withdrawal date," and proceed with the calculation as instructed. For a student who officially withdraws, enter the withdrawal date.

H. Percentage of payment period or period of enrollment 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 **AND** days that the student was on an approved leave of absence).

43

Completed days

÷

108

Total days

=

39.8 %

- ▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.
- ▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H. 39.8 %

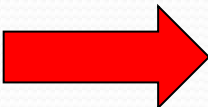
Credit-Hour Steps 3 & 4

STEP 3: Amount of Title IV Aid Earned by the Student

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).

$$\begin{array}{|c|c|c|c|c|c|} \hline 39.8 & \% & \times & 4,355 & = & \text{I. \$ } 1,733.29 \\ \hline \text{Box H} & & & \text{Box G} & & \\ \hline \end{array}$$

STEP 4: Title IV Aid to be Disbursed or Returned

- 
- ▶ *If the amount in Box I is greater than the amount in Box E, go to Item J (Post-withdrawal disbursement).*
 - ▶ *If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).*
 - ▶ *If the amounts in Box I and Box E are equal, **STOP**. No further action is necessary.*

J. Post-withdrawal disbursement

From the Amount of Title IV aid earned by the student (Box I) subtract the Total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

$$\begin{array}{|c|c|c|c|c|c|} \hline & - & & = & \text{J. \$ } & . \\ \hline \text{Box I} & & \text{Box E} & & & \\ \hline \end{array}$$

Stop here, and enter the amount in "J" in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet).

Step 4 continued ▶

Credit-Hour Steps 4 & 5

STEP 4: Aid to be Disbursed or Returned CONTINUED	
K. Title IV aid to be returned	
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.	
4,355 Box E	<div> <div>—</div> <div>1,733.29 Box I</div> <div>=</div> <div>K.\$</div> <div>2,621.71</div> </div>
STEP 5: Amount of Unearned Title IV Aid Due from the School	
L. Institutional charges for the period	
Tuition	3,000
Room	
Board	
Other	100
Other	
Other	
Total Institutional Charges = L.\$ 3,100. <i>(Add all the charges together)</i>	
M. Percentage of unearned Title IV aid	
100% — <div>39.8 % Box H</div> = M. 60.2 %	
N. Amount of unearned charges	
Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).	
3,100 Box L	<div> <div>X</div> <div>60.2 % Box M</div> <div>=</div> <div>N.\$</div> <div>1,866.20</div> </div>
O. Amount for school to return	
Compare the amount of Title IV aid to be returned (Box K) to amount of unearned charges (Box N), and enter the lesser amount.	
O.\$ 1,866.20	

Credit-Hour Step 6

STEP 6: Return of Funds by the School

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

Title IV Programs

Amount for School
to Return

1. Unsubsidized FFEL/Direct Stafford Loan	990
2. Subsidized FFEL/Direct Stafford Loan	876.20
3. Perkins Loan	
4. FFEL/Direct PLUS (Graduate Student)	
5. FFEL/Direct PLUS (Parent)	

Total loans the school must return = P.\$ 1,866.20

6. Pell Grant	
7. Academic Competitiveness Grant	
8. National SMART Grant	
9. FSEOG	
10. TEACH Grant	
11. Iraq Afghanistan Service Grant	

Credit-Hour Steps 7 & 8

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

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

$$\boxed{2,621.71} - \boxed{1,866.20} = \boxed{Q.} \quad 755.51$$

Box K

Box O

► If Box Q is \leq zero, **STOP**. If greater than zero, go to Step 8

STEP 8: Repayment of the Student's loans

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

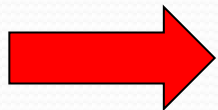
These loans consist of loans the student has earned, or unearned loan funds the school is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower's promissory note.

$$\boxed{2,722} - \boxed{1,866.20} = \boxed{R.\$} \quad 855.80$$

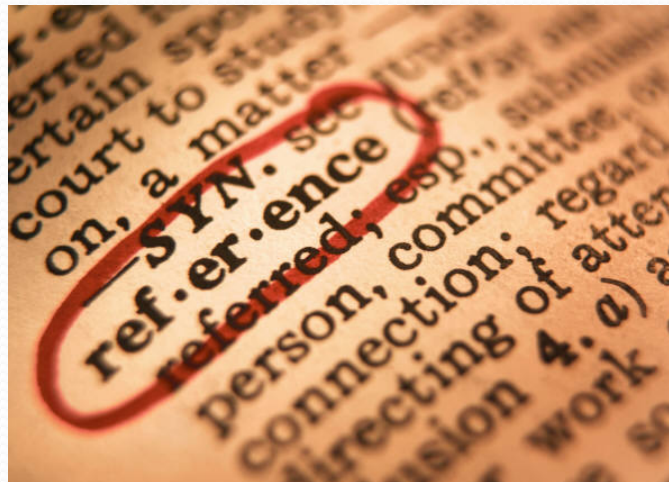
Box B

Box P

- If Box Q is less than or equal to Box R, **STOP**.
The only action a school must take is to notify the holders of the loans of the student's withdrawal date.
- If Box Q is greater than Box R, proceed to Step 9.



References & Resources



R2T4 References

- FSA Handbook, Volume 5
- Program Integrity Q & A website
 - <http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/integrity-qa.html>
- R2T4 website available through FAA Access to CPS Online
 - <http://www.faaaccess.ed.gov/>
- Dear Colleague Letter GEN-11-14 (July, 2011)
- 34 CFR 668.22 (R2T4); Federal Register – October 29, 2010
- 34 CFR 690.80 (Pell recalculation)
- FSA Assessments
 - <http://www.ifap.ed.gov/qahome/qaassessments/returntivfunds.html>

Other Resources

- Section 484B of the HEA
 - Enacted October 7, 1998, as part of the Higher Education Amendments of 1998
- Final Regulation published November 1, 1999
- Dear Colleague Letter GEN-00-24
- Final Regulation published November 1, 2002
- Dear Colleague Letter GEN-04-03
- Dear Colleague Letter GEN-04-12
- Dear Colleague Letter GEN-05-16
- Final Regulation published October 29, 2010
- Dear Colleague Letter GEN-11-14
- IFAP – Program Integrity Q's & A's – Return of Title IV Funds
- R2T4 Online Training – <http://fsatraining.info>

Department of Education

Contacts

Research and Customer Care Center

800.433.7327

fsa.customer.support@ed.gov



Reach FSA

855.FSA.4FAA -- 1 number to reach 10 contact centers!

<i>Campus Based Call Center</i>	<i>eZ-Audit</i>
<i>COD</i>	<i>School Eligibility Service Group</i>
<i>CPS/SAIG</i>	<i>Foreign Schools Participation Division</i>
<i>NSLDS</i>	<i>Research and Customer Care Center</i>
<i>G5</i>	<i>Nelnet Total & Permanent Disability Team</i>

Region III Contacts - School Participation

- *School Participation Main Number*

215-656-

6442

- *Region III Institutional Improvement Specialist (IIS)*

Joe Kern

215 656-

8566

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- ***Amber Johnson***

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- ***Craig Rorie***

215-656-5916

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Feedback

To ensure quality training, we ask all participants to complete an online session evaluation.

- Go to <https://www.surveymonkey.com/r/RegionalDriveInWorkshopSeries>
- Additional feedback about training can be directed to joann.borel@ed.gov



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