

R2T4 - Credit Hour Programs

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Agenda

- Basic Principles
- Consumer Information
- Failure to Begin Attendance
- How the R2T4 Calculation Works
- Payment Period or Period of Enrollment
- Withdrawal Date and Date of Determination
- Amount of Title IV Funds Earned
- Post-Withdrawal Disbursements
- Returning Unearned Funds
- Case Studies

Basic Principles

- Title IV funds are awarded to a student with the assumption that the student will attend school for the entire period for which the assistance is awarded
- When a student ceases attendance prior to the planned ending date, the student may not be eligible for the full amount of Title IV funds the student was scheduled to receive

Basic Principles

- Student earns Title IV aid equal to the amount of attendance in a payment period (PP) or period of enrollment (POE)
- Percentage of aid earned is equal to the percentage of the period completed
- If a school has disbursed more aid than the student has earned, Title IV aid must be returned to the programs
- If a school has disbursed less Title IV aid than the student has earned, a post-withdrawal disbursement (PWD) will be calculated and must be offered

Basic Principles

- After the student completes more than 60% of the PP or POE, the student has earned 100% of the scheduled Title IV funds
- Institutional or other refund policies (State, accrediting agency) do not impact the amount of Title IV aid earned under a Return to Title IV funds (R2T4) calculation
- Schools should use the best information available to determine the withdrawal date

Basic Principles

- An institution **MUST**:
 - Determine date of student's withdrawal
 - Calculate percent 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
 - Determine Title IV overpayment, if any

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 institutional policy on official withdrawal including naming the administrative offices that handle the official withdrawal process for your campus

Failure to Begin Attendance

- If a student never commences attendance for the PP or POE, the student is not an eligible student for Title IV funds for that period
- Therefore:
 - R2T4 does not apply
 - Instead, the provisions of 34 CFR 668.21 apply:
 - All Pell, FSEOG, Federal Perkins, Iraq Afghanistan Service Grant and TEACH funds must be returned
 - DL funds credited to the student's account must be returned
 - The DL loan servicer must be notified when funds were disbursed directly to the student

How the R2T4 Calculation Works

- Step One: The institution determines the precise 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			
Title IV Loan Programs		Net Amount Disbursed	Net Amount that Could Have Been Disbursed	F. Total Title IV grant 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				= F. \$	
9. FFEL/Direct PLUS (Graduate Student)					
10. FFEL/Direct PLUS (Parent)					
	B.	D.			
	Subtotal	Subtotal			
				G. Total Title IV aid disbursed and that could have been disbursed for the period.	
				A.	
				B.	
				C.	
				+ D.	
				= G. \$	

How the R2T4 Calculation Works

- Step Two: The institution 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).

<input type="text"/>	÷	<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. . %

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 institution determines the amount of unearned Title IV funds that it is required to return.
- The amount of funds due from the institution 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	<input type="text"/>
	Room	<input type="text"/>
	Board	<input type="text"/>
	Other	<input type="text"/>
	Other	<input type="text"/>
	Other	<input type="text"/>
Total Institutional Charges <i>(Add all the charges together)</i>		= L.\$ <input type="text"/>
M. Percentage of unearned Title IV aid	100% - <input type="text"/> %	= M. <input type="text"/> %
	<small>Box H</small>	
N. Amount of unearned charges	Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).	
<input type="text"/>	x <input type="text"/> %	= N.\$ <input type="text"/>
<small>Box L</small>	<small>Box M</small>	
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.\$ <input type="text"/>

How the R2T4 Calculation Works

- Step Six: Once the institution determines the total amount of unearned Title IV aid that must be returned to the Department, the institution 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.

	Amount for School to Return
Title IV Programs	
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 institution 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 institution 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 institution must notify the student within 45 days of his/her obligation to repay those funds.

How the R2T4 Calculation Works

- Rounding Rules:
 - 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 5 or more
 - $.2445 = .245 = 24.5\%$

Payment Period or Period of Enrollment

- The total number of days in an institution's payment period or period of enrollment constitutes the denominator of the R2T4 calculation
 - "Total days" excludes scheduled breaks of 5 days or more
 - "Total days" also excludes leaves of absence and periods in which the student was not enrolled in any modules

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"/>	.	<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.

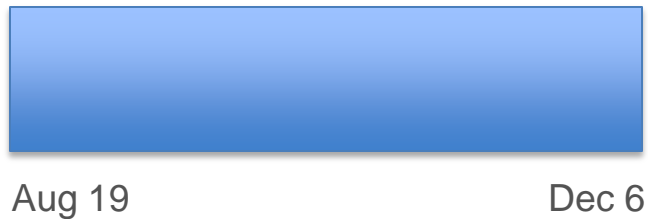
H. . %

Payment Period or Period of Enrollment

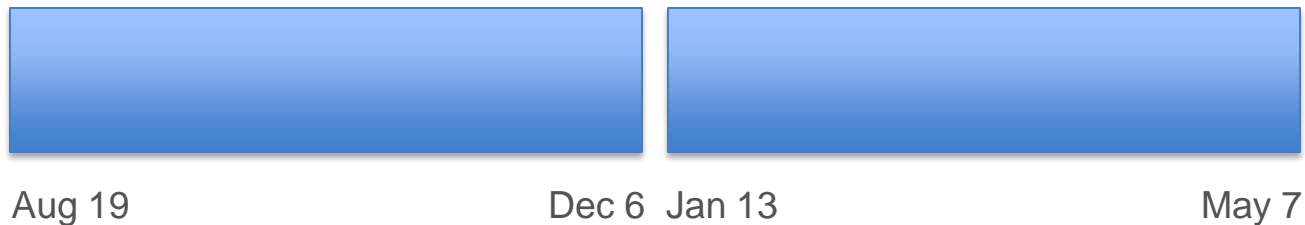
- For a standard term based program, the institution must use the payment period
- For a non-term or non-standard term program, the institution may use either the payment period or period of enrollment
 - Must use consistently for all students in a program

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		PERIOD OF ENROLLMENT	
Total # of Days:	100	Total # of Days:	200
# of Days Completed	23	# of Days Completed	23
	-----		-----
% Earned	0.23	% Earned	0.115
 Total TIV AID Disb'd or Could Have Been Disb'd	 2000	 Total TIV AID Disb'd or Could Have Been Disb'd	 4000
	-----		-----
Amt Earned	460	Amt Earned	460
Amt Unearned	1540	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		PERIOD OF ENROLLMENT	
Total # of Days:	100	Total # of Days:	200
# of Days Completed	21	# of Days Completed	121
	-----		-----
Calculate %	0.21	% Earned (If > 60%, earned = 100%)	0.605
% Earned (If > 60%, earned = 100%)	0.21		100%
Total TIV AID Disb'd or Could Have Been Disb'd	2000	Total TIV AID Disb'd or Could Have Been Disb'd	4000
	-----		-----
Amt Earned	420	Amt Earned	4000
Amt Unearned	1580	Amt Unearned	0

Payment Period or Period of Enrollment

- Institutionally scheduled breaks of 5 or more consecutive days are excluded from both the numerator and the denominator of the R2T4 calculation
- Breaks of less than 5 consecutive days are not excluded, rather included in the R2T4 calculation
- Example: An institution has a vacation break beginning Wednesday, November 26 and ending Friday, November 28. The institution 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 instead of a WD
- Conditions for an 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 number of days on 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 non-standard 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 5 days or more
 - "Completed days" also excludes leaves of absence and periods in which the student was not enrolled in any modules

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).

÷ = . %

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 institutions:
- Institutions required to take attendance
- Institutions NOT required to take attendance

Required to Take Attendance?

- Institution is an “Institution Required to Take Attendance” if:
 - Outside entity requires that attendance be taken
 - Institution has its own requirement that instructors take attendance
 - Institutional 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
 - NOTE: If a faculty member independently chooses to take attendance, that alone does not meet the definition of “An Institution Required to Take Attendance”
 - Outside entity or the institution has a requirement that can only be met by taking attendance

Required to Take Attendance?

- An institution could be considered “Required to Take Attendance” for a subset of students
 - Example: Outside agency provides a scholarship for 10 students and attendance is required
 - If one of these students withdraws, then the “Required to Take Attendance” rules apply
- An institution could be considered “Required to Take Attendance” for a short period of time
 - Example: State requires continuous attendance taking for the first 10 days of class for a State grant
 - If a resident withdraws within the first 10 days, then the “Required to Take Attendance” rules apply

Required to Take Attendance?

- A census date (sometimes called the “add/drop” date) is a single date where the institution takes a snapshot of attendance
- Having a census date does not cause an institution to be required to take attendance.
- If you have a program taught in modules, you can have up to one census date in each module without being considered an institution required to take attendance.

Required to Take Attendance?

- An institution required to take attendance must use its official attendance records to determine a student's withdrawal date (WD)
 - This includes instances when attendance is taken by the institution only for a limited period
 - If an institution takes attendance for a limited period, then a student who attends on the last day of that period is treated as a student for whom the institution was not required to take attendance, as long as the institution can demonstrate that the student attended after the limited period (such as through a test or submitting a project for a grade after the limited period)

Required to Take Attendance?

- An institution NOT required to take attendance is any institution that does not fall into one of the categories for institutions required to take attendance
 - Most institutions fall into this category
 - Institutions NOT required to take attendance have more options for determining when a student has withdrawn

Withdrawal Date

- For an institution required to take attendance, a student's withdrawal date is:
 - Last date of Attendance
 - Based on the attendance records the institution is required to maintain
 - The institution must have a process in place to make determinations of when a student has ceased attendance
- See GEN-04-12

Withdrawal Date

- For an institution NOT required to take attendance, a student's withdrawal date is:
 - Date student began the formal withdrawal process or provided official notification;
 - Mid-point, if no notification;
 - Date of illness, accident, etc.;
 - Beginning of an LOA if student does not return; or
 - Last date of an academically-related activity

Withdrawal Date

- An institution must have a process for determining if student completed the period:
 - A student with at least one passing grade may be considered to have completed the period
 - If no passing grade, institution must document completion of period
 - Grading policy that differentiates between “Failing,” “Completed and Failing,” and “Did Not Complete”

Withdrawal Date

- When a student fails to return from an LOA, the student's withdrawal date is -
 - At an institution not required to take attendance: the date the LOA began
 - At an institution required to take attendance: the last date of attendance (LDA)
- Remember – for a student on an approved LOA, Title IV loan remain in-school status for the period of the LOA. When a student does not return from a LOA part or all of the grace period could be used impacting when a student will go into repayment

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

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

Academic Attendance

- An institution NOT required to take attendance may always use the last date of an academically-related activity as the withdrawal date
- The school, not the student, must document:
 - That the activity is academically-related; and
 - The student's attendance at the activity

Date of Determination

- For an Institution Required to Take Attendance:
 - The date the student provides notification that he or she is ceasing enrollment
 - The last date of attendance (LDA)
 - The institution must have a process in place that will determine when a student's absence is a withdrawal. That process must insure that the institution's determination that the student withdrew no later than 14 days after the LDA
 - See GEN-04-12, 11/17/04

Date of Determination

- For an Institution NOT Required to Take Attendance
 - The date the student provides notification; or
 - The date the institution 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.

Deadlines Related to Date of Determination

- Within 30 days, the institution must:
 - Perform the R2T4 calculation
 - Notify the student of any grant overpayment
 - Notify the student of eligibility for a post-withdrawal disbursement (PWD) of loan funds
- Institution must return the Title IV funds it has responsibility to return within 45 days
- Institution must make a PWD of grant funds directly to the student and/or parent (in the case of a PLUS loan) within 45 days
- Institution must make a PWD of grant funds to a student's account, or any PWD of loan funds, within 180 days

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 – school originated grant

Aid that Could Have Been Disbursed

- If a student's total aid ("Aid That Could Have Been Disbursed" plus "Aid Disbursed") is greater, the amount earned will also be greater
- More funds in the "Could Have Been Disbursed" category results in a smaller amount to be returned, or in a larger post-withdrawal disbursement
- Remember: Aid must correspond to the period for which you are doing the R2T4 calculation (Apples to Apples)

Aid that Could Have Been Disbursed

- Example A: First-time, first-year student starts class on Sept. 1 and withdraws on Sept. 28 and Stafford loan for \$1,000 that has been originated has not been disbursed because of the 30-day delay rule
- Include the \$1,000 loan as funds that “Could Have Been Disbursed”
- BUT: these funds cannot be disbursed because the student was not eligible due to the fact that the first time, first year student has not been in attendance for at least 30 days

Aid that Could Have Been Disbursed

- Example B: Second-year student starts class on Sept. 1 and withdraws on Sept. 28 and Stafford loan for \$1,000 that has been originated has not been disbursed because of a processing delay or the school's decision to disburse later in the period based upon the borrower's request.
- Include the \$1,000 loan as funds that "Could Have Been Disbursed"
- A portion of these funds could be disbursed under a post-withdrawal disbursement because the student is not covered by the 30-day delay rule

Aid that Could Have Been Disbursed

- Example C: Student in a 32 semester hour program that uses period of enrollment for R2T4 withdraws after completing only 12 hours. First \$1,312 of loan has been disbursed
- Include the \$1,312 that has been disbursed AND the remaining \$1,313 as “Aid That Could Have Been Disbursed”
- BUT: no additional loan funds can be disbursed because subsequent loan disbursements cannot be made for students who do not complete the period of enrollment

Amount of Title IV Earned

- An institution is required to determine the earned and unearned portion of Title IV aid when a student ceases enrollment prior to the planned completion date of the payment period or period of enrollment
- **NOTE:** Up through 60% of the Payment Period (PP) or Period of Enrollment (POE) an otherwise eligible student earns Title IV aid on a pro rata basis. After the 60% point - student has earned 100% of TIV aid
- **ALSO:** Even if the student has earned 100%, the institution is required to determine whether a post-withdrawal disbursement is due

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 that is 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

Post-withdrawal Disbursements

- Must meet the 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:
 - For tuition
 - For fees
 - For room and board, if contracted with the institution

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
 - Institution 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
 - Institution must obtain authorization to pay for other than current charges

Post-withdrawal Disbursements

- Required notifications for PWDs of Title IV loan funds:
- Within 30 days of the date of determination, the institution must notify the student (and parent in the case of a PLUS loan) and explain borrower may decline all or a portion of the loan disbursement
- Institution must request confirmation of any amount to be credited to the student's account or directly disbursed to the borrower
- The institution must explain the obligation to repay the loan
- The institution must specify a deadline of at least 14 days for required response/confirmation
 - If the response is late, the school may decide to not disburse
 - If the school decides to not disburse, must notify the borrower in writing
 - If no response from the borrower, no disbursement of the PWD – loan amount

Returning Unearned Funds

- If funds to be returned are the institution's responsibility, the institution **MUST** return funds within 45 days of the date of determination
- Return is considered to have been made when the institution:
 - 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 institutional 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

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. As a result, Student A with a large amount of qualified nonfederal dollars may be the match for several other FSEOG recipients
 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”

FSEOG

- 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

Case Study – Richard Sherman

- School Profile: Academic Yr. = 30 weeks and 24 credit hours

- Payment Period = 15 weeks Withdrawal type = Unofficial WD
- Period Start Date: September 1 WD date = 50%
- Institutionally Schedule Breaks = none Date of determination = Dec 16th
- Attendance taking = Not required
- Method for matching FSEOG = Fund specific
- Period used in the Return calculation = Payment Period

COA Profile:

- Tuition & Fees: \$4,000/semester
- Room: \$1,000/semester
- Board: \$1,000/semester
- Books & supplies \$ 500/semester

Title IV Award Profile:

- Pell Grant: \$2,750/semester
- FSEOG \$2,000/semester
- Net Unsub DL \$1,930/semester

Case Study – Richard Sherman

- Other information
 - Richard is brilliant and is offered a high paying job by a computer company and never officially withdraws.
 - At the end of the term, the institution discovers that he failed all of his courses
 - On Dec 16th after faculty are consulted the office responsible for R2T4 determined that the last time Richard was at an academically-related event was Oct 10th
 - Payment period start date = September 1
 - Payment period end date = December 9
 - 50% point = October 20
 - Date of determination = Dec. 16th

Case Study – Step 1

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

Student's Name	Richard Sherman	Social Security Number	Example 3
Date form completed	/ /	Date of school's determination that student withdrew	12 / 16 /
Period used for calculation (check one)	<input checked="" type="checkbox"/> Payment period	<input type="checkbox"/> Period of enrollment	

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	2,750.00		E. Total Title IV aid disbursed for the period. <table border="1"> <tr><td>A.</td><td>4,750.00</td></tr> <tr><td>+ B.</td><td>1,930.00</td></tr> <tr><td>E. \$</td><td>6,680.00</td></tr> </table>	A.	4,750.00	+ B.	1,930.00	E. \$	6,680.00				
A.	4,750.00												
+ B.	1,930.00												
E. \$	6,680.00												
2. Academic Competitiveness Grant													
3. National SMART Grant													
4. FSEOG	2,000.00												
5. TEACH Grant													
6. Iraq Afghanistan Service Grant													
A.	4,750.00	C.	0.00										
	Subtotal		Subtotal										
Title IV Loan Programs	Net Amount Disbursed	Net Amount that Could Have Been Disbursed											
7. Unsubsidized FFEL/Direct Stafford Loan	1,930.00		F. Total Title IV grant aid disbursed and that could have been disbursed for the period. <table border="1"> <tr><td>A.</td><td>4,750.00</td></tr> <tr><td>+ C.</td><td>0.00</td></tr> <tr><td>F. \$</td><td>4,750.00</td></tr> </table>	A.	4,750.00	+ C.	0.00	F. \$	4,750.00				
A.	4,750.00												
+ C.	0.00												
F. \$	4,750.00												
8. Subsidized FFEL/Direct Stafford Loan													
9. Perkins Loan													
10. FFEL/Direct PLUS (Graduate Student)													
11. FFEL/Direct PLUS (Parent)													
B.	1,930.00	D.	0.00										
	Subtotal		Subtotal										
			G. Total Title IV aid disbursed and that could have been disbursed for the period. <table border="1"> <tr><td>A.</td><td>4,750.00</td></tr> <tr><td>B.</td><td>1,930.00</td></tr> <tr><td>C.</td><td>0.00</td></tr> <tr><td>+ D.</td><td>0.00</td></tr> <tr><td>G. \$</td><td>6,680.00</td></tr> </table>	A.	4,750.00	B.	1,930.00	C.	0.00	+ D.	0.00	G. \$	6,680.00
A.	4,750.00												
B.	1,930.00												
C.	0.00												
+ D.	0.00												
G. \$	6,680.00												

Case Study – Steps 2 & 3

STEP 2: Percentage of Title IV Aid Earned

09/01 /	12/09 /	10/20
Start date	Scheduled end date	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).

50	÷	100	=	50.0	%
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.	50.0	%
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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).

50.0%	X	6,680.00	=	I. \$	3,340.00
Box H		Box G			

STEP 4: Total 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. \$	NA
Box I		Box E			

Stop here, and enter the amount in "J" in Box 1 on Page 3 (Post-withdrawal Disbursement Tracking Sheet).

Step 4 continued ▶

Case Study – Steps 4 & 5

Student's Name

STEP 4: Aid to be Disbursed or Returned CONTINUED

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.

$$\begin{array}{r} \boxed{6,680.00} - \boxed{3,340.00} = \mathbf{K.\$} \quad \boxed{3,340.00} \\ \text{Box E} \qquad \qquad \text{Box I} \end{array}$$

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

L. Institutional charges for the period	Tuition	4,000.00
	Room	1,000.00
	Board	1,000.00
	(Books) Other	500.00
	Other	
	Other	

Total Institutional Charges = **L.\$**
(Add all the charges together)

M. Percentage of unearned Title IV aid

$$100\% - \boxed{50.0} = \mathbf{M.} \quad \boxed{50.0} \quad \mathbf{\%}$$

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).

$$\boxed{6,500.00} \times \boxed{50.0 \ \%} = \mathbf{N.\$} \quad \boxed{3,250.00}$$

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),

$$\mathbf{O.\$} \quad \boxed{3,250.00}$$

Case Study– 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	1,930.00
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. \$	
	1,930.00
6. Pell Grant	1,320.00
7. Academic Competitiveness Grant	
8. National SMART Grant	
9. FSEOG	
10. TEACH Grant	
11. Iraq Afghanistan Service Grant	

Case Study – Steps 7 & 8

Social Security Number Example 3

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).

$$\begin{array}{|c|} \hline 3,340.00 \\ \hline \text{Box K} \end{array} - \begin{array}{|c|} \hline 3,250.00 \\ \hline \text{Box O} \end{array} = \text{Q.} \$ \quad 90.00$$

▶ 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.

$$\begin{array}{|c|} \hline 1,930.00 \\ \hline \text{Box B} \end{array} - \begin{array}{|c|} \hline 1,930.00 \\ \hline \text{Box P} \end{array} = \text{R.} \$ \quad 00.00$$

▶ 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.

Case Study – Steps 9 & 10

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) .

90.00	–	0.00	=	S. \$	90.00
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%.

4,750.00	x	50%	=	T. \$	2,375.00
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).

90.00	–	2,375.00	=	U. \$	NA
Box S		Box T			

▶ If Box U is less than or equal to zero, **STOP**. If not, go to Step 10.

STEP 10: Return of Grant Funds by the Student

Except as noted below, the student must return the unearned grant funds for which he or she is responsible (Box U). The grant funds returned by the student are applied in order as indicated, up to the amount disbursed from that grant program minus any grant funds the school is responsible for returning to that program in Step 6.

Note that the student is not responsible for returning funds to any program to which the student owes \$50.00 or less.

Title IV Grant Programs	Amount To Return
1. Pell Grant	
2. Academic Competitiveness Grant	
3. National SMART Grant	
4. FSEOG	
5. TEACH Grant	
6. Iraq Afghanistan Service Grant	

R2T4 on the Web (R2T4 OTW)

FAA Access to CPS Online

NEED HELP?

Welcome to the FAA Main Menu

Select an option from the following menu. It will be necessary to provide the TG# for your Destination Point and your Federal School Code:

- [Student Inquiry](#)
View a student's Student Aid Report (SAR) information, including the Expected Family Contribution (EFC), NSLDS information, and SAR Comments. Compare two ISIR transactions for the same student using **ISIR Compare**. Submit a signature flag for an application in a signature hold status using the **Standalone FAA Signature** feature.
- **Application Entry**
Enter a student's FAFSA/Renewal Application or Correction data and submit it to the CPS for processing.
 - [FAFSA/Renewal Application](#)
 - [Corrections](#)
- **Restore a Saved Application**
Restore a partially completed and saved FAFSA/Renewal Application or Correction and submit it to the CPS for processing.
 - [FAFSA/Renewal Application](#)
 - [Corrections](#)
- [Identity Verification Results](#)
Provide the required results of identity and high school completion status verification efforts.
- [ISIR Request](#)
Request ISIR data.
- [ISIR Analysis Tool](#)
Analyze FAFSA information reported on the ISIR. Data is used to determine what impact changes to student-reported information had on EFC and Pell eligibility.
- [Return of Title IV Funds on the Web](#)
~~Calculate and manage the return of Title IV funds.~~ Data is collected, and the Return of Title IV Funds is calculated according to ED's Student Assistance General Provisions.
- [High School FAFSA Completion \(Pilot Participants Only\)](#)
Request and view High School FAFSA Completion data. Access to this new feature is limited to participating state agencies, local educational agencies and secondary schools enrolled in the High School FAFSA Completion Pilot Initiative.

NEED HELP?

EXIT

R2T4 on the Web (R2T4 OTW)

Sign up for R2T4 OTW:

- Signup via SAIG Enrollment website
 - <https://fsawebenroll.ed.gov/PMEnroll/index.jsp>
- The R2T4 Web Application will be available via FAA Access
 - <https://faaaccess.ed.gov/FOTWWebApp/faa/faa.jsp>
- Set up a simple school profile one or two popular programs and academic calendar; do not try to build costs for each program
- Track post-withdrawal disbursement notification

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

QUESTIONS?



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