Act 4:
Return of Title IV Funds
Return to Title IV

Presented by:
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Texas A&M University
Quick Poll to Start

- Who has heard of or is familiar with Return to Title IV?
- Does (or will) anyone have this as one of their job responsibilities?
- Does anyone’s school use clock hours (rather than credit hours)?
- Show of hands:
  - School is attendance taking?
  - School is not attendance taking?
R2T4 Terminology

- **R2T4** = Return to Title IV
- **Calc** = result of the information collection and the completion of the R2T4 worksheet
- **Date of determination** = date on which the school was notified that the student was withdrawn
- **LDA** = last date of attendance
- **COD** = Common Origination and Disbursement web site from the US Dept of Education
R2T4 BASICS
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 aid in proportion to the percentage of the term they completed prior to their withdrawal.
- The farther into the term the student goes, the more aid they have earned.
- Once they have completed 60.01% of the total number of days they were scheduled to complete, they are considered to have earned all of their aid.
Basic Principles

If a student was disbursed more aid than they earned, the school and/or the student must return the funds to the Dept of Education.

If the student earned more than was disbursed, then the school may be required to offer the student a post-withdrawal disbursement.
Any school that offers Title IV aid must adhere to the Return to Title IV regulations and do required returns.

However, the regulations are written to allow schools to implement them in a way that makes sense for their programs, calendars, disbursement schedules, etc.

The result of this is that no two schools use exactly the same procedures to get to the same end product.
Impact of R2T4 on Financial Aid Offices

- Very heavily audited area of financial aid
- Very little automation of the process is possible, due to number of variables

Accuracy and documentation are critical!
Basic Steps to Process R2T4

- Identify Students
- Collect Info
- Perform Calc
- Adjust Aid
- Notify Student
Collecting Information

Before a calc can be completed, we must know the:

- Withdrawal date
- Scheduled start and end dates
- Scheduled breaks, if any
- Attendance requirements (if any) for the program
- Type of withdrawal (official, unofficial, etc)
- Date of determination that the std withdrew
- Amts of institutional charges (tuition & fees, housing, food)
- How much aid was disbursed from each Title IV program
Attendance and R2T4

ATTENDANCE TAKING SCHOOLS/PROGRAMS

• Since attendance records are available, the regs specify how the major dates are determined
• Withdrawal date will always be the student’s latest last date of attendance

NON-ATTENDANCE TAKING SCHOOLS/PROGRAMS

• Even though attendance taking is not required, some step must be taken during each payment period/period of enrollment to ensure eligibility has been established
• Each school can decide what mechanism to use to do this
The Role of Attendance Confirmation

Extent of confirmation needed depends on aid type

- For loans, student must have begun attendance in at least one course that counts
- For Pell, TEACH, or IASG, withdrawn student must have begun attendance in all of the courses for which Pell paid
  - If they have not begun in all courses, then Pell must be adjusted down prior to the completion of the calculation
Per the regulations, “a program is offered in modules” if the program:

- Uses a standard-term or nonstandard-term academic calendar
- Is not a subscription-based program
- A course or courses do not span the entire length of the payment period or period of enrollment
A student is not considered to have withdrawn if the student:

- **Completed Program of Study (Graduated)**: Applies to all students.
- **Completed Half-Time Enrollment**: Applies to modules only.
- **Completed Module(s) Spanning 49% of Countable Days**: Applies to modules only.
PERFORMING THE CALC
### Treatment of Title IV Funds When a Student withdraws from a credit-hour program

#### Modules and R2T4

<table>
<thead>
<tr>
<th>Student's Name</th>
<th>Social Security Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Date</td>
</tr>
<tr>
<td>Period used for calculation</td>
<td>Period used for calculation</td>
</tr>
</tbody>
</table>

#### Step 1: Student's Title IV Aid Information

<table>
<thead>
<tr>
<th>Title IV Grant Programs</th>
<th>Amount Disbursed</th>
<th>Amount That Could Have Been Disbursed for the period</th>
<th>Total Title IV Aid Disbursed for the period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pell Grant</td>
<td>$900</td>
<td>$1,000</td>
<td>$1,900</td>
</tr>
<tr>
<td>Perkins Loan</td>
<td>$500</td>
<td>$600</td>
<td>$1,100</td>
</tr>
<tr>
<td>TEACH Grant</td>
<td>$700</td>
<td>$800</td>
<td>$1,500</td>
</tr>
<tr>
<td>Iraq and Afghanistan Service Grant</td>
<td>$300</td>
<td>$400</td>
<td>$700</td>
</tr>
</tbody>
</table>

#### Step 2: Percentage of Title IV Aid Earned

<table>
<thead>
<tr>
<th>Start date</th>
<th>Scheduled date</th>
<th>Date of withdrawal</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/1/2017</td>
<td>9/15/2017</td>
<td>9/18/2017</td>
</tr>
</tbody>
</table>

#### Step 3: Amount of Title IV Aid Earned by the Student

<table>
<thead>
<tr>
<th>Total Title IV Aid Disbursed for the period</th>
<th>Amount That Could Have Been Disbursed for the period</th>
<th>Amount Disbursed</th>
<th>Amount That Could Have Been Disbursed for the period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,900</td>
<td>$1,100</td>
<td>$900</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

#### Step 4: Return of Funds by the School

<table>
<thead>
<tr>
<th>Unsubsidized Direct Loan</th>
<th>Subsidized Direct Loan</th>
<th>Perkins Loan</th>
<th>Direct Grad PLUS Loan</th>
<th>Direct Parent PLUS Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000</td>
<td>$500</td>
<td>$800</td>
<td>$700</td>
<td>$400</td>
</tr>
</tbody>
</table>

#### Step 5: Initial Amount of Unearned Title IV Aid Due to the Student

<table>
<thead>
<tr>
<th>Amount of Unearned Title IV Aid Due to the Student</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,100</td>
<td>$800 - $900</td>
</tr>
</tbody>
</table>

#### Step 6: Return of Grant Funds by the Student

<table>
<thead>
<tr>
<th>Title IV Grant Programs</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pell Grant</td>
<td>$900</td>
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<td>$300</td>
</tr>
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</table>
Modules and R2T4

Each school is allowed to choose how they process R2T4 calculations.

Some develop their own tools, some choose to use features built into their student information system.

Some choose to use the tool in COD.
COD Tool

- **COD tool** simplifies the process of filling out the form itself (similar to using an online tax filing service for completing annual tax returns)
- Calendars can be easily tracked and reused
- Use of tool is not required by any regulation
PRACTICE
Hertfordshire College

- 4-year college
- AY length: 30 weeks
- 2 15-week semesters
- Not required to take attendance

Spring 2021 Term Dates
- Start date: 1/19/21
- End date: 5/7/21
- Spring break (all in-person): 3/13/21-3/21/21 (9 days)
- Spring break (with online courses): 3/15/21-3/19/21 (5 days)
Example #1: Lydia Wickham

**Enrollment Details**
- Enrolled FT
- Began attendance in 3/4T
- All courses meet in person

**Financial Aid Disbursed**
- Scholarship: $1000
- Pell: $3173
- Subsidized loan: $2721
- Unsubsidized loan: $990

**Withdrawal Type**
- Unofficial withdrawal
- Withdrawal date: 2/15/21
- Date of Determination: 2/20/21

**Institutional Charges**
- Tuition & Fees: $6491
Example #2: Lizzie Bennet

Enrollment Details
- Enrolled FT
- Began attendance in all hours
- Some courses meet in person, some meet online

Withdrawal Type
- Unofficial withdrawal
- Withdrawal date: 2/15/21
- Date of Determination: 2/20/21

Financial Aid Disbursed
- Pell: $3173
- Subsidized loan: $2721
- Unsubsidized loan: $990
- Parent PLUS: $4562

Institutional Charges
- Tuition & Fees: $6491
- Housing: $3260
- Food: $1520
Example #3: Jane Bennet

Enrollment Details
- Enrolled FT
- Began attendance in all hours
- All courses meet in person

Withdrawal Type
- Unofficial withdrawal
- Withdrawal date: 3/28/21
- Date of Determination: 3/28/21

Financial Aid Disbursed
- Pell: $3173
- Subsidized loan: $2721
- Unsubsidized loan: $990

Institutional Charges
- Tuition & Fees: $6491
- Housing: $3260
- Food: $1520
Aid Adjustments

- All aid adjustments must be done according to the calc worksheet and within regulatory timeframes
- Refer to your school’s policies and procedures to understand
  - Who does the aid adjustments
  - Who ensures that the adjustments were recorded on the student’s record in COD
Student Notification

- The regulations require that students and/or their parents be notified of any obligations to repay within a certain timeframe after their withdrawal.
- That timeframe depends on the outcome of the calculation for that specific student.
Student Notification

Refer to your school’s policies and procedures to understand who is responsible for reporting R2T4-related data to:

- The student
- Parent Borrower (for PLUS)
- NSLDS
Regulatory Documentation

- Code of Federal Regulations: 34 CFR 668.22
- FSA Handbook, Volume 5 (updated annually)
- Program Integrity Q&As – Return of Title IV Funds

All of this information can be found at http://fsapartners.ed.gov
April 6, 2022 FSA R2T4 Modules Webinar

2019 FSA Conference:
• Session 20: Return of Title IV Funds: Resources and Q&A

2018 FSA Conference:
• Session 18: Return of Title IV (R2T4) Funds: Essential Concepts

2017 FSA Conference:
• Session 22: Return of Title IV (R2T4) Funds: Basic Principles
• Session 23: Return of Title IV (R2T4) Funds: Advanced Concepts
Thank You for Completing our Survey