The image depicts a stage setting. At the top, there is a dark blue valance with a white scalloped edge. Below it, red curtains are drawn back to reveal a bright yellow spotlight that illuminates the text in the center. The text is arranged in two lines: "Act 4:" in red and "Return of Title IV Funds" in dark blue.

Act 4:

Return of
Title IV Funds



COME ONE
COME ALL

Return to Title IV



Presented by:
Sarah Gordon
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- Date of determination=date on which the school was notified that the student was withdrawn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



Lots of Regulation, Lots of Flexibility

- 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



Modules and R2T4

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

R2T4 Exemptions

- A student is not considered to have withdrawn if the student:

Completed Program of Study
(Graduated)

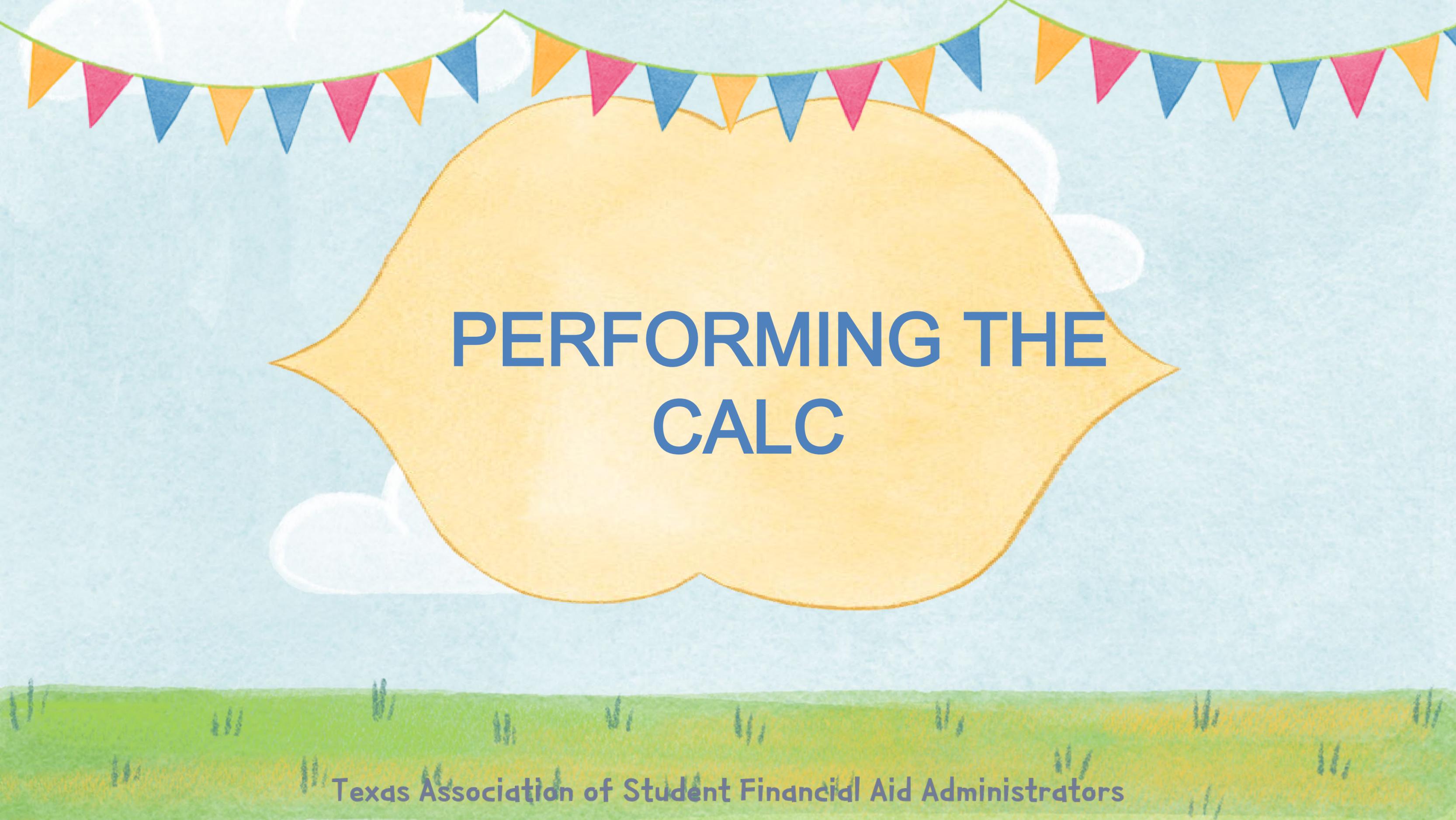
Applies to all students

Completed Half-Time Enrollment

Applies to modules only

Completed Module(s) Spanning 49% of Countable Days

Applies to modules only



PERFORMING THE CALC

Texas Association of Student Financial Aid Administrators

Modules and R2T4

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

Student's Name Social Security Number

Date form completed / / Date of school's determination that student withdrew / /

Period used for calculation (check one) Payment period 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	E. Total Title IV aid disbursed for the period.
1. Pell Grant	<input type="text"/>	<input type="text"/>	A. <input type="text"/>
2. FSEOG	<input type="text"/>	<input type="text"/>	+ B. <input type="text"/>
3. TEACH Grant	<input type="text"/>	<input type="text"/>	E. \$ <input type="text"/>
4. Iraq and Afghanistan Service Grant	<input type="text"/>	<input type="text"/>	
A. Subtotal	C. Subtotal		F. Total Title IV grant aid disbursed and that could have been disbursed for the period.
			+ A. <input type="text"/>
			+ C. <input type="text"/>
			F. \$ <input type="text"/>

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.
5. Unsubsidized Direct Loan	<input type="text"/>	<input type="text"/>	A. <input type="text"/>
6. Subsidized Direct Loan	<input type="text"/>	<input type="text"/>	B. <input type="text"/>
7. Perkins Loan	<input type="text"/>	<input type="text"/>	C. <input type="text"/>
8. Direct Grad PLUS Loan	<input type="text"/>	<input type="text"/>	D. <input type="text"/>
9. Direct Parent PLUS Loan	<input type="text"/>	<input type="text"/>	+ D. <input type="text"/>
B. Subtotal	D. Subtotal		G. \$ <input type="text"/>

STEP 2: Percentage of Title IV Aid Earned

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).

÷ = %

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. %**

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).

% x = **I. \$**

Box H Box G

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

Stop here, and enter the amount in "J" in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet). *Step 4 continued* ►

You should use this format when the withdrawal date is on or after 7/1/2017. p. 1 of 3

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

Student's Name Social Security Number

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.

- = **K. \$**

Box E Box I

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

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 = **L. \$**

(Add all the charges together)

M. Percentage of unearned Title IV aid

100% - % = **M. %**

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).

x % = **N. \$**

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. \$**

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 Direct Loan	<input type="text"/>
2. Subsidized Direct Staff Loan	<input type="text"/>
3. Perkins Loan	<input type="text"/>
4. Direct Grad PLUS Loan	<input type="text"/>
5. Direct Parent PLUS Loan	<input type="text"/>
Total loans the school must return = P. \$ <input type="text"/>	
6. Pell Grant	<input type="text"/>
7. FSEOG	<input type="text"/>
8. TEACH Grant	<input type="text"/>
9. Iraq and Afghanistan Service Grant	<input type="text"/>

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).

- = **Q. \$**

Box K Box O

► If Box Q is ≤ 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.

- = **R. \$**

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.

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).

- = **S. \$**

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%.

x 50% = **T. \$**

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).

- = **U. \$**

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	<input type="text"/>
2. FSEOG	<input type="text"/>
3. TEACH Grant	<input type="text"/>
4. Iraq and Afghanistan Service Grant	<input type="text"/>

You should use this format when the withdrawal date is on or after 7/1/2017 p. 2 of 3

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
- 
- A vertical line of five colorful balloons with red and yellow patterns, floating upwards. The background features a light blue sky with soft white clouds and a green field at the bottom.
- 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

Financial Aid Disbursed

- Pell: \$3173
- Subsidized loan: \$2721
- Unsubsidized loan: \$990
- Parent PLUS: \$4562

Withdrawal Type

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

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

Financial Aid Disbursed

- Pell: \$3173
- Subsidized loan: \$2721
- Unsubsidized loan: \$990

Withdrawal Type

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

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>



Federal Student Aid (FSA) Training Presentations

April 6, 2022 FSA R2T4 Modules Webinar

2019 FSA Conference:

- Session 20: Return of *Title IV* Funds: Resources and Q&A

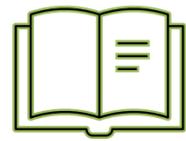
2018 FSA Conference:

- 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

NASFAA Resources



Self Study Guide



AskRegs



Credential Exam

Thank You for
Completing our
Survey



R2T4