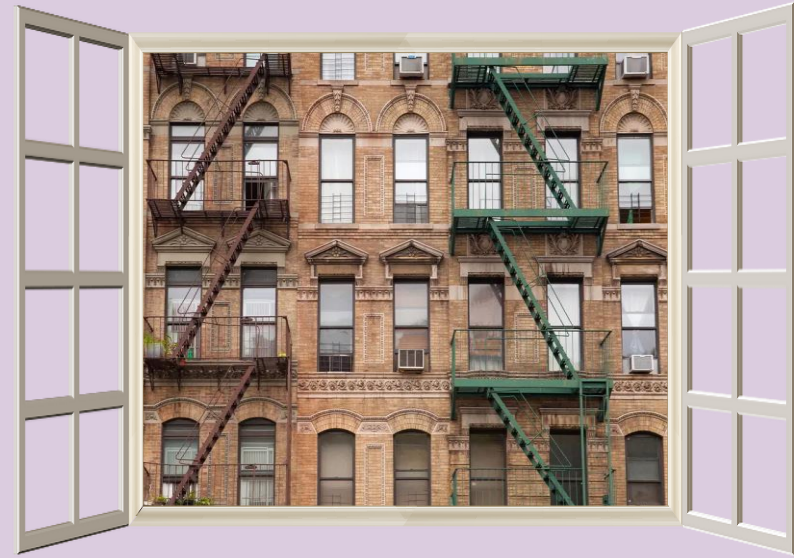


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Return To Title IV



Texas • Association • of • Student • Financial • Aid • Administrators



Sarah Gordon
Texas A&M University



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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- Date of determination=date on which the school was notified that the student was withdrawn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

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R2T4 Basics



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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



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Basic Principles

- 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



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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



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Basic Principles

- If a student was disbursed more aid than they earned, the school and/or the student must return the funds to the Department 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




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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



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Identifying Students

- Multiple types of withdrawals
 - Official-student follows university procedure for separating from the school prior to the end of a term
 - Unofficial-student stops attending/participating during the term, so does not complete the courses on their schedule
 - Circumstances beyond the student's control - i.e., when a student passes away
- Because there are multiple types, your school probably has multiple channels they use to identify withdrawn students that need an R2T4 calc



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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
- Amt of institutional charges (tuition & fees, room, board)
- How much aid was disbursed from each Title IV program



What Does NOT Affect the Calc:

- The reason for the withdrawal
 - There are almost no exceptions to the requirement to calc (beyond current COVID flexibilities)
- Institutional refund policies
- Academic remedies, such as no-record drops or drop deletes, so the student's academic record is not adversely affected
- Retroactive action
 - If a student withdraws from a previous term, a calc is still required in most cases





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Attendance and R2T4

Attendance Taking Schools/Programs

- Withdrawal date for student is always going to be the last date of attendance
- More strict definitions of withdrawal date and date of determination since records are available



Attendance and R2T4

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 that eligibility has been established
- Each school can decide what mechanism to use to do this



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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



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Modules and R2T4

- Definition of module from the regulations:

“A program is “offered in modules” if the program:

- 1) Uses a standard-term or nonstandard-term academic calendar
- 2) Is not a subscription-based program,
- 3) A course or courses in the program do not span the entire length of the payment period or period of enrollment.”



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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

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Performing the Calc



Options for Processing 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



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"/>	
Subtotal A. <input type="text"/>		Subtotal C. <input type="text"/>	
F. Total Title IV grant aid disbursed and that could have been disbursed for the period.		F. Total Title IV aid disbursed and that could have been disbursed for the period.	
+ <input type="text"/>		+ <input type="text"/>	
= F. \$ <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"/>	= G. \$ <input type="text"/>
Subtotal B. <input type="text"/>		Subtotal D. <input type="text"/>	
= G. \$ <input type="text"/>		= 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. . %

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 (Add all the charges together) = L. \$

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. \$

Title IV Programs	Amount To Return
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 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

▶ 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

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

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"/>

The R2T4 Worksheet

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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 web-based courses): 3/15/21-3/19/21 (5 days)



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Example #1: Lydia Wickham

- Enrolled in FT hours
- Began attendance in three-quarter time hours
- All in-person courses
- Official withdrawal on 2/15/21
- Date of determination: 2/20/21
- Financial Aid Disbursed
 - Scholarship: \$1000
 - Pell: \$3173
 - Subsidized loan: \$2721
 - Unsubsidized loan: \$990
- Institutional Charges
 - Tuition & Fees: \$6491



Example #2: Lizzie Bennet

- Enrolled in FT hours
- Some in person, some web courses
- Official withdrawal date: 3/28/21
- Date of determination: 3/30/21
- Financial Aid Disbursed
 - Pell: \$3173
 - Subsidized loan: \$2721
 - Unsubsidized loan: \$990
 - Parent PLUS: \$4562
- Institutional Charges
 - Tuition & Fees: \$6491
 - Room: \$3260
 - Board: 1520



Example #3: Jane Bennet

- Enrolled in FT hours
- All in-person courses
- Official withdrawal date:
3/28/21
- Date of determination: 3/30/21
- Financial Aid Disbursed
 - Pell: \$3173
 - Subsidized loan: \$2721
 - Unsubsidized loan: \$990
- Institutional Charges
 - Tuition & Fees: \$6491
 - Room: \$3260
 - Board: 1520



Aid Adjustments and Student Notification



Aid Adjustments

- All aid adjustments must be done according to the calc worksheet and in the regulatory timeframe
- 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



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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
- Refer to your school's policies and procedures to understand who is responsible for reporting R2T4 related data to :
 - The student
 - The parent (for parent PLUS loans)
 - NSLDS

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Resources



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Regulatory Documentation

- Code of Federal Regulations: 34 CFR 668.22
- FSA Handbook, Volume 5 (updated annually)
- IFAP –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



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Thank you very much!