



NASFAA

AUTHORIZED EVENTS

2021-22



RETURN OF TITLE IV FUNDS

Slide Handout



NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

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February 2022



NASFAA Authorized Event Return of Title IV Funds

National Association of Student
Financial Aid Administrators

**Return of
Title IV Funds**
A NASFAA Authorized Event

2021-22

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Lesson 1

**Introduction to Return of
Title IV Funds**

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Key Concepts

Withdrawal	Title IV Recipient	Title IV Aid
<ul style="list-style-type: none"> Student ceased attendance in all classes during payment period/period of enrollment 	<ul style="list-style-type: none"> Received federal grant or loan funds Meets the requirements to receive a late disbursement of federal grant or loan funds 	<ul style="list-style-type: none"> Only certain federal financial aid programs are subject to R2T4 Non-Title IV aid is exempt

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Key Concepts

Earned Aid


- Disbursed or undisbursed federal funds the withdrawn student may keep

Post-Withdrawal Disbursement

- Undisbursed federal funds the withdrawn student earned and could receive


Unearned Aid

- Disbursed federal funds for which the withdrawn student doesn't qualify

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Institutional Refund Policies

- Amount of unearned Title IV aid to return is independent of school's refund policy
- Title IV regulations do not govern school's refund policy

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When R2T4 Requirements Apply


Credit hour

Clock hour

Standard term and
Nonstandard term,
excluding
subscription based

Nonterm and
Subscription
based

Module

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When R2T4 Requirements Apply

Credit hour


Student does not complete all scheduled days in the payment period or period of enrollment

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When R2T4 Requirements Apply

Clock hour


Student does not complete all scheduled clock hours and weeks of instructional time in the payment period or period of enrollment

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When R2T4 Requirements Apply

Student is not scheduled to begin another course within 45 days after the withdrawn module ends, unless the student is on an approved Title IV leave of absence

Standard term and Nonstandard term, excluding subscription based

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When R2T4 Requirements Apply

Student is unable to resume attendance in the payment period or period of enrollment within 60 calendar days, unless the student is on an approved Title IV leave of absence

Nonterm and
Subscription
based



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When R2T4 Requirements Apply

Student does not complete all the scheduled days on which Title IV aid was based in the payment period or period of enrollment **and** does not:

- Complete graduation requirements;
- Successfully complete a module or combination of modules that include at least 49 percent of the countable days in the payment period or period of enrollment;
- Successfully complete at least half-time coursework; or
- Provide written confirmation of future attendance within required timeframe.

Module



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When R2T4 Requirements Apply

- Written confirmation of future attendance in a program offered in modules
 - Student not considered withdrawn if provided at the time he ceases attending an earlier module
 - Date of return may change
 - Same payment period or period of enrollment
 - Written notice prior to previously confirmed date; or
 - Return no more than 45 days after the end of the module he ceased attending for standard-term and nonstandard-term programs



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When R2T4 Requirements Do Not Apply

Situation	Perform R2T4 Calculation	School Returns Funds	Student Returns Funds
Partial withdrawal	No	No	No
Completes graduation requirements	No	No	No
Did not establish Title IV eligibility	No	No	No
Deceased student	Yes	Yes	No



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Quick Quiz:

1. Define "Title IV recipient."
2. Which Title IV programs are not subject to the return of Title IV funds requirements?
3. Define "unearned aid."
4. When is a student considered to have withdrawn from a credit-hour program?
5. List when the return of Title IV funds requirements do not apply to a student?
6. When determining if a student who is enrolled in modules qualifies for an R2T4 exemption, what is the rounding rule when calculating the percentage completed?

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Learning Activity

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Learning Activity: Do the R2T4 Requirements Apply?

1. Marco is enrolled for four classes at Roman University. His financial aid for the term consists of a Federal Pell Grant, FSEOG, and a Direct Subsidized Loan. During the third week of the term, he drops all of his classes because he wants to transfer to a school closer to home.
 Yes No

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Learning Activity: Do the R2T4 Requirements Apply?

2. Kyle is enrolled at Acclamatory College in the Wildlife Studies Program. She is registered for four classes for the spring term, one class spanning the entire payment period and one class in each of the three five-week modules. The three modules do not overlap and begin every five weeks throughout the payment period. Her financial aid for the term consists of a Direct Unsubsidized Loan. After she completed the first module with a C, she received an email from the Registrar indicating that she has completed all requirements to graduate.

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Learning Activity: Do the R2T4 Requirements Apply?

2. (*continued*) After she met with her advisor, she decided to withdraw from her remaining classes.
 Yes No

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Learning Activity: Do the R2T4 Requirements Apply?

3. Natalie is registered for five classes at Zion State University. Her financial aid for the term consists of a Direct Subsidized Loan and Federal Work-Study (FWS). She drops her calculus class after the first exam because the class is much harder than she expected.

- Yes No

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Learning Activity: Do the R2T4 Requirements Apply?

4. Lorelei is a full-time student for the winter quarter at Cotton Cove University (CCU). CCU offers courses that span the entire length of the winter quarter and two modules. Module 1 spans the first five weeks and Module 2 spans the last five weeks. Lorelei is registered for one six-credit hour course in Module 1 and one six-credit hour course in Module 2. Her financial aid consists of a Federal Pell Grant and FWS.

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Learning Activity: Do the R2T4 Requirements Apply?

4. (continued) She completes the course in Module 1 but fails to achieve the course goals and earns an "F" grade. Lorelei starts her Module 2 course but stops attending and receives an unearned "F" grade.

- Yes No

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Learning Activity: Do the R2T4 Requirements Apply?

5. Kai is enrolled in a 900-clock hour program at Seaboard College offered in 26 weeks of instruction. Each payment period consists of 450 clock hours and 13 weeks. His financial aid consists of a Federal Pell Grant. He successfully completes the first payment period. During the second payment period, Kai completed all his hours ahead of schedule, graduating after completing a total of 900 clock hours in 23 weeks.

- Yes No

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Learning Activity: Do the R2T4 Requirements Apply?

6. Fina is studying sculpting at the Fine Arts Institute. She is registered for three classes for the fall semester. Her financial aid for the term consists of a state grant and a scholarship from the Sculptors Benevolence Fund. She drops all her classes the second week because she broke her right arm and won't be able to participate in her classes while her arm is in a cast.

- Yes No

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Learning Activity: Do the R2T4 Requirements Apply?

7. Avery is registered for three three-credit hour classes at Prosperous College. Prosperous College's spring semester consists of three modules. Module A spans the first five weeks of the payment period. Module B spans the second five weeks. Module C spans the last five weeks. Avery is registered for one three-credit hour class in each module and is considered to be enrolled as a three-quarter-time student. Avery's financial aid consists of a Rising Student Scholarship, FWS, and a Direct Unsubsidized Loan.

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Learning Activity: Do the R2T4 Requirements Apply?

7. (continued) Avery receives a B grade for the classes in Module A and Module B and withdrew from Module C due to personal reasons.

- Yes No

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Learning Activity: Do the R2T4 Requirements Apply?

8. Scout is a full-time student at High Peak University enrolled in five modules during the fall semester. In Modules A & C, ze enrolls in one three-hour class and in Modules B, D and E, one two-hour class. Each module consists of 20 days, minus scheduled breaks of five or more consecutive days and all days between modules. The total days Scout is scheduled to complete is 100. Ze's financial aid consists of a Direct Loan.

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Learning Activity: Do the R2T4 Requirements Apply?

8. (continued) After earning an "A" in Module A and a "C" in Module B, Scout withdrew from the fall semester.

- Yes No

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Lesson 2


**Determining the
Withdrawal Date**

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Required to Take Attendance

- A school is required to take attendance if:
 - Requirement imposed by outside entity
 - Voluntarily takes attendance, including limited periods in excess of a single day
 - Requirement that can only be met by taking attendance
- Includes taking attendance for:
 - A limited period of time
 - Certain populations

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Required to Take Attendance


- School takes attendance for a limited time period longer than a single day

Taking attendance

"required" →

Not taking attendance

→ "not required"

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Required to Take Attendance

- School takes attendance only for a one-day census activity

Census date

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Required to Take Attendance

- School is not taking attendance, except for some students

School required to verify self-certification of attendance

"required"

Certain student(s) self-certify attendance

"not required"

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Required to Take Attendance

- Whenever a school is required to take attendance, the withdrawal date is always the documented last date of the student's academic engagement

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Academic Engagement

Includes


- Attending a synchronous class, lecture, field activity, or laboratory activity, either physically or online, where there is an opportunity for direct interaction between the instructor and students
- Submitting an academic assignment
- Taking an exam or assessment
- Participating in an interactive tutorial, webinar, or other interactive computer-assisted instruction
- Participating in a school-assigned study group, online discussion, or group project
- Interacting with a faculty member regarding the academic subject studied in the course

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Academic Engagement


Does not include

- Living in institutional housing
- Using school's meal plan
- Logging into an online class or tutorial without active participation
- Participating in academic counseling or advising

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Not Required to Take Attendance

- Withdrawal date depends on whether the student is an:
 - Official withdrawal
 - Unofficial withdrawal

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Official Withdrawals

- Occurs when a student uses the school's official withdrawal process or officially notifies the school of intent to withdraw
- School designates an office or website
- Notification may be:
 - Written: date received by the school
 - Verbal: documented date of conversation



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Official Withdrawals

- Date of withdrawal
 - If student begins official process *and* provides notification, school uses the earliest date
 - When not required to take attendance, school may use documented last date of academic engagement instead
 - May be earlier or later than the date student began the official process or provides notification



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Unofficial Withdrawals

- Occurs when a student drops out without notifying the school
- Schools have a choice:
 - Midpoint of the payment period or period of enrollment
 - Last date of academic engagement, whether earlier or later than the midpoint



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Unofficial Withdrawals

- School must determine the student's date of withdrawal within 30 days after the **end** of the following periods, whichever is **earliest**:
 - Payment period (standard-term program)
 - Payment period or period of enrollment (nonterm or nonstandard-term program)
 - Academic year in which student withdrew
 - Educational program from which student withdrew



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Quick Quiz 1:

1. Kate withdrew from the university to participate in a nationwide talent show. Which of the following was her official withdrawal date?

- Wednesday, when she visited the designated campus office and stated her intent to withdraw, after being counseled about the school's official withdrawal process
- Later that week on Friday, when she took the first step to begin that withdrawal process
- The following Monday, when the school received Kate's withdrawal notification letter in the mail

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Quick Quiz 1:

2. Check the box under the appropriate category.

Activity	Academic Engagement?	
	Yes	No
Participating in a student-organized study group		
Submitting an academic assignment		
Logging in to an online class without active participation		
Participating in the institution's meal plan		
Taking an exam or assessment		
Participating in an interactive tutorial, webinar, or computer-assisted instruction		
Participating in a school-assigned study group, online discussion, or group project		

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Quick Quiz 1:

2. Check the box under the appropriate category.

Activity	Academic Engagement?	
	Yes	No
Participating in academic counseling or advisement		
Physically attending a class where there is an opportunity for direct interaction between the instructor and students		
Living in institutional housing		
Interacting with a faculty member regarding the academic subject studied in the course		

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Quick Quiz 1:

3. What are the three conditions under which a school is considered to be required to take attendance for R2T4 purposes?

4. For an unofficial withdrawal, instead of using the documented last date of academic engagement, a school that is not required to take attendance can use the _____ of the payment period or period of enrollment as the withdrawal date.

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Quick Quiz 1:

5. A school that takes attendance only on the census date is not considered to be required to take attendance.
 True
 False

6. A school that is not required to take attendance must determine the student's unofficial withdrawal date within _____ days after the end of the earliest of the payment period (in a standard-term program), the payment period or period of enrollment (in a nonterm or nonstandard-term program), the academic year during which he withdrew, or the educational program from which he withdrew.

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Withdrawal from Programs Offered in Modules

- Program uses a standard- or nonstandard-term academic calendar, and is not a subscription-based program
- Course that does not span the entire payment period or period of enrollment
- Nonterm programs do not have modules for Title IV purposes



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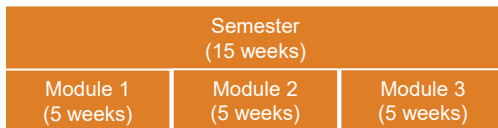
Withdrawal from Programs Offered in Modules

- Withdrawal occurs when student does not:
 - Complete all the scheduled days upon which Title IV aid is awarded in the payment period or period of enrollment; and does not
 - > Complete all the requirements for graduation from program of study;
 - > Successfully complete a module or combination of modules that include at least 49 percent of the countable days in the payment period or period of enrollment;
 - > Successfully complete at least half-time coursework; or
 - > Provide written confirmation of future attendance.



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Example: Mitch and Brandy



Mitch
<ul style="list-style-type: none"> • Enrolled in: <ul style="list-style-type: none"> – 15-week semester – Modules 1, 2, and 3 • Considered enrolled in a program with modules

Brandy
<ul style="list-style-type: none"> • Enrolled in: <ul style="list-style-type: none"> – 15-week semester (four courses) • Not considered enrolled in a program with modules



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Determining Whether a Student Has Withdrawn

- Student ceases attendance prior to completing the payment period or period of enrollment, as scheduled

Quarter (12 weeks)

Module 1 (4 weeks) Module 2 (4 weeks) Module 3 (4 weeks)

Scheduled attendance

Ceases attendance and does not meet an R2T4 exemption = withdrawal

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Determining Whether a Student Has Withdrawn

- Exceptions for standard-term or nonstandard-term programs offered in modules:
 - Completes program’s graduation requirements
 - Successfully completes one or more modules which include at least 49 percent of the countable days in the payment period or period of enrollment
 - Successfully completes half-time coursework
 - School obtains written confirmation at the time of withdrawal of attendance in a later module within the same payment period or period of enrollment, scheduled to begin within 45 days of the end of the module the student ceased attending

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Determining Module Completion Percentage

- Not a withdrawal if successfully completed a module or combination of modules that include 49 percent or more of the number of countable days in payment period

Module % Successfully Completed*
$\frac{\text{Days in module successfully completed}}{\text{Countable days in period}}$

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*Percent is not rounded up or down

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Determining Module Completion Percentage

- Countable days includes all days in payment period, excluding
 - Scheduled breaks of 5 or more consecutive days
 - Days between modules when no coursework occurs

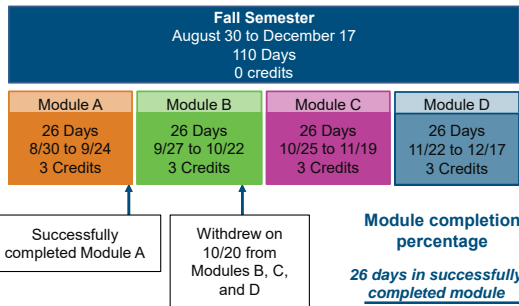
$$\frac{\text{Module \% Successfully Completed}^*}{\frac{\text{Days in module successfully completed}}{\text{Countable days in period}}}$$



*Percent is not rounded up or down

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Example: Rory



Module completion percentage

26 days in successfully completed module
 $\frac{26}{104 \text{ countable days}}$
 = 0.25 or 25%



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Confirmation of Future Attendance

- Paper or electronic format
- Required even if registered for future course
- Date of return may change*
- If student does not return, use the initial date of withdrawal

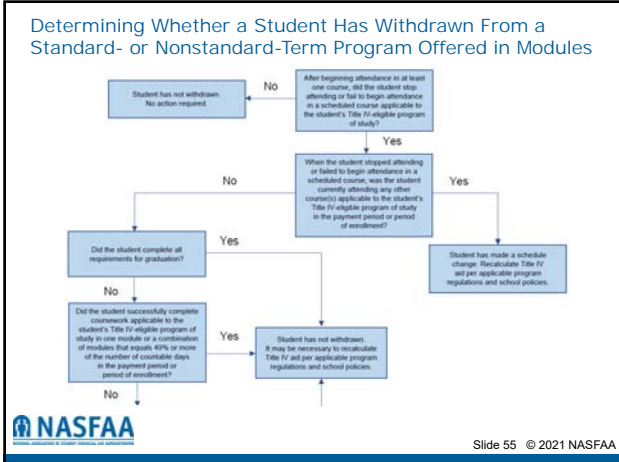
*For standard- and nonstandard-term programs, the future module must begin no later than 45 calendar days after the end of the module the student ceased attending. For nonterm and subscription-based programs, the student must resume attendance within 60 calendar days after the student ceased attendance.

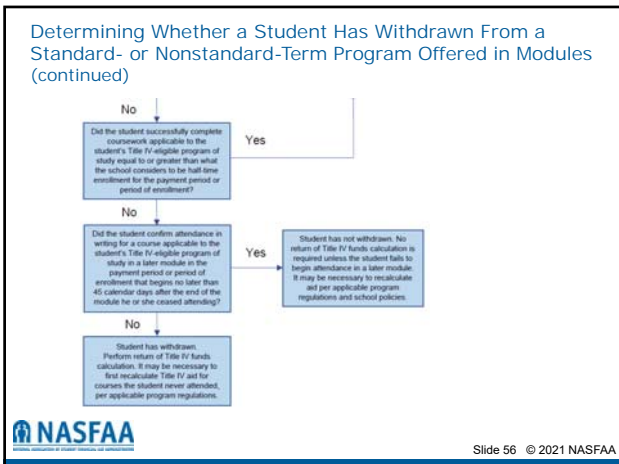


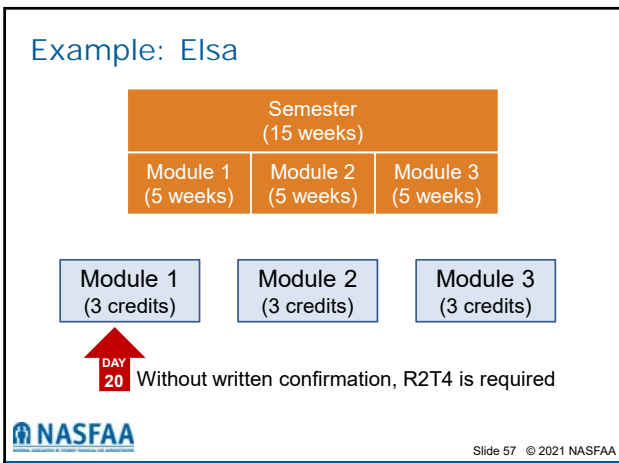
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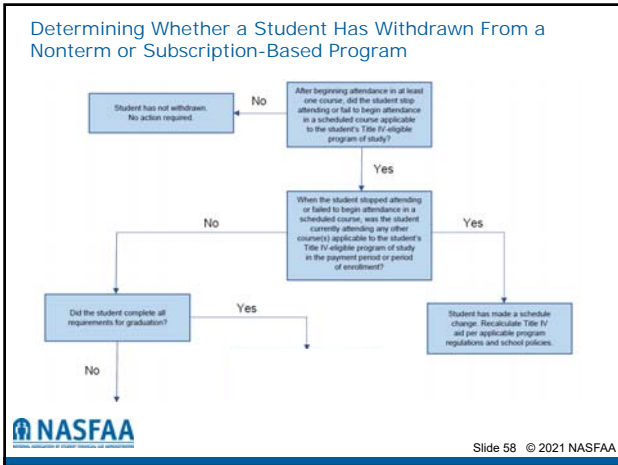


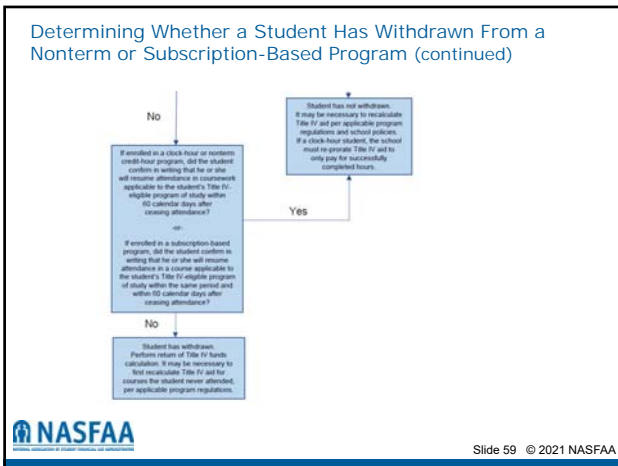






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Quick Quiz: 2

- Harry is enrolled in a program that offers courses in a modular format, as well as courses that span the entire term. Each one of Harry's courses covers the 18-week trimester. Is his program offered in modules?
 - Yes, the program is offered in modules
 - No, the program is not offered in modules
- What are the six questions a financial aid administrator should ask when determining if a student has withdrawn from a program offered in modules?


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Learning Activity
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Learning Activity: Exercise—Ineda Goodwon

Ineda is a Title IV recipient who is enrolled at the local college as a full-time student in a program with three 12-week quarters. The college defines full-time as 12 credit hours. Within each quarter, there are four 3-week modules. Each module is 21 days in length and there is a 3-day break between each. Ineda enrolls in one 3-credit course in Module 1, a 4-credit course in Module 2, and one 3-credit course in each of Modules 3 and 4, as illustrated here.

Quarter 1

Module 1 (3 credits) 21 days	Module 2 (4 credits) 21 days	Module 3 (3 credits) 21 days	Module 4 (3 credits) 21 days
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Learning Activity: Exercise—Ineda Goodwon

Scenario A: *Ineda successfully completes Module 1 and then ceases attending Module 2 after completing just three days. She does not confirm attendance in a later module, and she does not attend Modules 3 and 4.*

Is Ineda enrolled in a program offered in modules?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Did she meet the 49 percent exception?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Did she successfully complete half-time coursework?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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Learning Activity: Exercise—Ineda Goodwon

Scenario A: (continued)

Did she meet the requirements to graduate from her program of study?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did she provide written confirmation of attendance in a Title IV-eligible course in a later module that begins no later than 45 calendar days after the end of the module she ceased attending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is she considered a withdrawal in this scenario?	<input type="checkbox"/> Yes <input type="checkbox"/> No

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Learning Activity: Exercise—Ineda Goodwon

Scenario A: (continued)

Is the school required to perform a R2T4 calculation?	<input type="checkbox"/> Yes <input type="checkbox"/> No
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Learning Activity: Exercise—Ineda Goodwon

Scenario B: Ineda successfully completes Module 1 and then ceases attending Module 2 after completing just three days. At that time, she provides written confirmation that she still intends to attend Modules 3 and 4, as originally planned.

Did Ineda meet the 49 percent exception?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did she successfully complete half-time coursework?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did she meet the requirements to graduate from her program of study?	<input type="checkbox"/> Yes <input type="checkbox"/> No

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Learning Activity: Exercise—Ineda Goodwon

Scenario B: (continued)

Did she provide written confirmation of attendance in a Title IV-eligible course in a later module that begins no later than 45 calendar days after the end of the module she ceased attending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is she considered a withdrawal in this scenario?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the school required to perform a R2T4 calculation?	<input type="checkbox"/> Yes <input type="checkbox"/> No

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Learning Activity: Exercise—Ineda Goodwon

Scenario B: (continued)

Is the school required to perform a R2T4 calculation if Ineda provides confirmation, but does not begin attendance in the third and fourth modules?	<input type="checkbox"/> Yes <input type="checkbox"/> No
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Learning Activity: Exercise—Ineda Goodwon

Scenario C: Ineda successfully completes Module 1 and Module 2, then ceases attending Module 3 after completing just three days. At that time, she provides written confirmation that she still intends to attend Module 4, as originally planned.

Did Ineda meet the 49 percent exception?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did she successfully complete half-time coursework?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did she meet the requirements to graduate from her program of study?	<input type="checkbox"/> Yes <input type="checkbox"/> No

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Learning Activity: Exercise—Ineda Goodwon

Scenario C: (continued)

Did she provide written confirmation of attendance in a Title IV-eligible course in a later module that begins no later than 45 calendar days after the end of the module she ceased attending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is she considered a withdrawal in this scenario?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the school required to perform a R2T4 calculation?	<input type="checkbox"/> Yes <input type="checkbox"/> No

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Learning Activity: Exercise—Ineda Goodwon

Scenario C: (continued)

Is the school required to perform a R2T4 calculation if Ineda provides confirmation, but does not eventually begin attendance in the fourth module?	<input type="checkbox"/> Yes <input type="checkbox"/> No
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Student is Unable to Begin the Withdrawal Process

- Circumstances beyond the student’s control may prevent official withdrawal
- May use the date the circumstance occurred, if school is not required to take attendance

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Student Rescinds Withdrawal Notice

Notice must:	If student subsequently withdraws, use:
<ul style="list-style-type: none"> • Be in writing • Indicate student will finish payment period or period of enrollment, if school is not required to take attendance 	<ul style="list-style-type: none"> • First notification of his intent; • Date began process; or • Last date of an academic engagement activity

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Example: Alan

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Student Who Fails to Earn a Passing Grade in Any Course

- Schools not required to take attendance must be able to determine if student completed payment period
- Earned "F" grades are considered completion
 - This is separate from determination of whether student successfully completed a module or modules for the purpose of an R2T4 exemption
- Considered an unofficial withdrawal if:
 - Fails to earn a passing grade in any course; and
 - Cannot document requirements for one course completed

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Leave of Absence

- A temporary interruption of student's studies
- Does not include:
 - Nonattendance during a scheduled break
 - Situations addressed by incomplete courses
- Formal policy for R2T4 purposes not required
 - If formal policy exists, must meet regulatory requirements to be approved for Title IV purposes



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Leave of Absence

- If unapproved LOA or student fails to return from approved LOA, student is considered withdrawn
 - Not required to take attendance: date LOA began
 - Required to take attendance: last date of attendance



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Quick Quiz 3:

1. A school is not required to have a leave of absence (LOA) policy.
 - True
 - False
2. If a school is not required to take attendance, it must still have a procedure in place for determining whether a student who began attendance in the payment period or period of enrollment:
 - Earned a passing grade in every class.
 - Completed the period.
 - Did not skip any classes.
 - Participated in school-assigned study groups.

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Quick Quiz 3:

3. Pippa is attending Glacier Peak College, which is not required to take attendance. She is unable to begin the withdrawal process after a skiing accident lands her in the hospital. Glacier Peak College may use the date of her accident as her withdrawal date.
- True
 False
4. What is a leave of absence?

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Quick Quiz 3:

5. If a student takes an unapproved LOA or fails to return from an approved LOA, the student is considered to have withdrawn and the withdrawal date is the _____ if the school is not required to take attendance, or the _____ if the school is required to take attendance.

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Quick Quiz 3:

6. Identify the appropriate LOA category.

Leave-of-Absence Condition	Approved LOA	
	Title IV	Non-Title IV
School has a formal LOA policy (written, publicized, and requires student to submit, in advance, a written, signed, and dated request including the reason for the LOA)		
School determines there is a reasonable expectation the student will return to school at the end of the LOA		
The number of days in the approved LOA, when added to number of days in all other approved LOAs, does not exceed 180 days in any 12-month period, beginning on the first day of the student's initial LOA		

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NASFAA Authorized Event Return of Title IV Funds

Quick Quiz 3:

6. Identify the appropriate LOA category.

Leave-of-Absence Condition	Approved LOA	
	Title IV	Non-Title IV
The number of days in the approved LOA, when added to number of days in all other approved LOAs, does not exceed 120 days in any 12-month period, beginning on the first day of the student's initial LOA		
For a clock-hour or nonterm credit-hour program, the student is permitted to complete coursework begun prior to the LOA upon the student's return from the LOA		
Except for a clock-hour, nonterm credit-hour, or subscription-based program, the student is permitted to complete coursework begun prior to the LOA upon the student's return from the LOA		

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Quick Quiz 3:

6. Identify the appropriate LOA category.

Leave-of-Absence Condition	Approved LOA	
	Title IV	Non-Title IV
School is allowed to charge no more than \$25 de minimis amount due to the LOA		
LOA does not involve additional charges to the student		
For a Title IV loan recipient, the school informs the student, before granting the LOA, of the effect failure to return from the LOA may have on loan repayment terms, including exhaustion of some or all of the grace period		
School approves the student's request in accordance with its policy		
Student follows the school's LOA policy		

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Lesson 3 Return of Title IV Funds Formula



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NASFAA Authorized Event Return of Title IV Funds

Step 1 Determine the Percentage of Period Completed

- Title IV aid is earned based on percentage of period completed

- When rounding, carry the decimal out to four places
 - Earned all aid for any decimal above 0.6000

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Step 1 Determine the Percentage of Period Completed

- Calculation of percentage completed is the only difference between credit-hour and clock-hour program calculations

Credit-hour % Completed	Clock-hour % Completed
$\frac{\text{Days attended}}{\text{Days in period}}$	$\frac{\text{Scheduled hours at withdrawal}}{\text{Hours in period}}$

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Step 1 Determine the Percentage of Period Completed

- For credit-hour programs, use calendar days and exclude scheduled breaks of at least five consecutive days

Spring Break →

March						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

22 calendar days

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NASFAA Authorized Event Return of Title IV Funds

Step 1 Determine the Percentage of Period Completed

- Nonterm credit-hour programs
 - Last day may depend on individual student program progression
 - Number of days in payment period depends on whether the program is self-paced

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Step 1 Determine the Percentage of Period Completed

- Clock-hour programs
 - Use scheduled hours only
 - Use modified scheduled hours only if modified before withdrawal
 - Any modifications must be in accordance with accrediting or licensing agency requirements

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Step 1 Determine the Percentage of Period Completed

- Modular programs
 - Only include completed days in numerator
 - Number of days in the denominator determined based on whether school uses an R2T4 Freeze Date (RFD)
 - If no RFD, the type of Title IV aid the student receives must be considered
 - Exclude days from denominator:
 - Approved LOA
 - Scheduled breaks of at least five consecutive days when not scheduled to attend

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NASFAA Authorized Event Return of Title IV Funds

Step 1 R2T4 Freeze Date (RFD)

- Optional use
- Used when student is enrolled in module(s)
- Fixed point in the payment period or period of enrollment when most students enroll in classes or modules
- Determines the number of days for the R2T4 calculation denominator based on:
 - Enrollment/registration as of RFD; or
 - Attendance in at least one day in module student was not enrolled in as of the RFD

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Step 1 Use of RFD Example: Darby

Module 1 3 Credits 19 Days	Break 3 Days	Module 2 0 Credits 19 Days	Break 3 Days	Module 3 3 Credits 19 Days
---	------------------------	---	------------------------	---

Enrolled in Modules 1 and 3
Federal Pell Grant disbursed

Successfully completed Module 1

Enrolled half-time at PRD and RFD

Withdrew from term
Mandatory Pell recalculation to less-than-half-time
R2T4 denominator includes Module 1 and Module 3 (38 days) according to enrollment status at RFD

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Step 1 Use of RFD Example: Peyton

Module 1 3 Credits 19 Days	Break 3 Days	Module 2 0 Credits 19 Days	Break 3 Days	Module 3 3 Credits 19 Days
---	------------------------	---	------------------------	---

Enrolled in Module 1
Enrolled LHHT at PRD
Federal Pell Grant disbursed

Adds 3 credits in Module 3
Direct Loan disbursed on half-time enrollment

Successfully completed Module 1

Enrolled half-time at RFD

Withdrew from term
Pell recalculation not required
R2T4 denominator includes Module 1 and Module 3 (38 days), according to enrollment at RFD

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NASFAA Authorized Event Return of Title IV Funds

Step 1 No R2T4 Freeze Date (RFD)

- Used when student is enrolled in module(s)
- Determines the number of days for the R2T4 calculation denominator based on:
 - Enrollment or registration and attendance on or after the first day of the period and
 - Type(s) of Title IV aid receiving
 - Federal Pell Grant, IASG, or TEACH Grant
 - FSEOG or Direct Loan

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Step 1 No RFD Example: Morgan

Module 1 3 Credits 19 Days	Break 3 Days	Module 2 0 Credits 19 Days	Break 3 Days	Module 3 3 Credits 19 Days
---	------------------------	---	------------------------	---

Enrolled half-time at PRD
Federal Pell Grant disbursed

Successfully completed Module 1

Withdrew from term
Mandatory Pell recalculation to less-than-half-time
R2T4 denominator only includes Module 1 (19 days)

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Step 1 No RFD Example: Jiv

Module 1 3 Credits 19 Days	Break 3 Days	Module 2 0 Credits 19 Days	Break 3 Days	Module 3 3 Credits 19 Days
---	------------------------	---	------------------------	---

Enrolled half-time at PRD
Federal Pell Grant and Direct Loan disbursed

Successfully completed Module 1

Withdrew from term
Mandatory Federal Pell Grant recalculation to LHHT
Direct Loan recalculation not required
R2T4 denominator based on any module enrollment on or after the first day of the period, Module 1 and Module 3, or 38 days

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NASFAA Authorized Event Return of Title IV Funds

Learning Activity: Determine the Percentage Earned

Emery enrolls in 9 credit hours for the summer semester. Full-time enrollment is defined as 12 credit hours. The summer semester contains two modules that are 5 weeks each. It does not include any scheduled breaks of five days or longer. The dates of the summer semester are 5/31/22 through 8/5/22. The dates of the first module are 5/31 through 7/1. The dates of the second module are 7/5 through 8/5. The RFD is 7/6. At the start of the semester, Emery is enrolled in 3 credit hours in the

Percentage completed?

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Learning Activity: Determine the Percentage Earned

(continued) first module and 6 credit hours in the second module. Her Title IV aid consists of a Direct Loan. Emery started a full-time job on June 1 and had trouble juggling work and her studies. She withdrew from all classes on 6/20 and did not provide written confirmation of attendance in the second module.

Percentage completed?

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Learning Activity: Determine the Percentage Earned

Logan, a Title IV aid recipient, enrolls for 12 credit hours fall semester. The dates of the fall semester are 8/23/21 through 12/17/21, with a break between 11/24 and 11/28; classes resume 11/29. On 9/17, he stopped going to classes. He did not tell the school he withdrew or moved out of dorm. On 1/4/22, the school determined Logan left during the fall, after beginning attendance, and sets his withdrawal date at the midpoint of the semester, 10/17/21.

Percentage completed?

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NASFAA Authorized Event Return of Title IV Funds

Learning Activity: Determine the Percentage Earned

Magdalene, a Title IV aid recipient, began a 900 clock-hour program on 1/3/22. On 2/17 (her last day of attendance), Magdalene withdrew to take a job in another state. She completed 150 clock hours. She was scheduled to complete 200 clock hours by that point in her first payment period, which consisted of 450 clock hours.	Percentage completed?
---	------------------------------

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Learning Activity: Determine the Percentage Earned

Anthony, a Direct Loan recipient, enrolls for 6 credit hours during the 8-week summer session. Full-time enrollment is defined as 12 credits. The summer session contains 2 modules that are 4 weeks each and does not contain any scheduled breaks of five days or longer. The dates for summer are 5/31/22 to 7/22/22. The first module is 5/31-6/24. The second module is 6/27-7/22. The RFD is 6/8. Anthony enrolled in 3 credits in the first module and 3 credit hours in the second when the summer term began.	Percentage completed?
--	------------------------------

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Learning Activity: Determine the Percentage Earned

(continued) He withdrew from all classes on 6/17, without written confirmation of attendance in second module.	Percentage completed?
--	------------------------------

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NASFAA Authorized Event Return of Title IV Funds

Learning Activity: Determine the Percentage Earned

Parker, a Title IV aid recipient, enrolls for 12 credit hours during the spring semester. The spring semester contains two 8-week modules. The dates of the spring semester are 1/10/22 through 5/13/22. Spring break starts 3/5 and ends on 3/13. The dates of Module A are 1/10 through 3/4. The dates of Module B are 3/14 through 5/13. The PRD is 1/20 and the RFD is 3/17.

Percentage completed?

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Learning Activity: Determine the Percentage Earned

(continued) At the PRD, Parker is considered to be a full-time student because she is enrolled in six credit hours in Module A and six credit hours in Module B. Her Title IV aid consists of a full-time Federal Pell Grant. Parker withdrew on 2/1 from Module A and never attends Module B

Percentage completed?

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Step 2 Determine the Amount of Earned Aid

Total aid	x	% completed	=	Earned aid
-----------	---	-------------	---	------------

Disbursed aid	+	Aid that could have been disbursed
---------------	---	------------------------------------

↑

Note: The amount earned should be rounded to the nearest penny


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NASFAA Authorized Event Return of Title IV Funds


Disbursed Aid and Aid That Could Have Been Disbursed

- Both amounts are used in the R2T4 calculation
 - A “snapshot” of student eligibility at the time of withdrawal
- Modules
 - Must recalculate eligibility for the Federal Pell Grant and campus-based funds
 - Do not recalculate eligibility for Direct Loans

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Disbursed Aid and Aid That Could Have Been Disbursed

- Aid that could have been disbursed is undisbursed aid for which student is eligible
 - Inadvertent late disbursements made before school was aware of student’s withdrawal
 - Funds the school cannot disburse

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Learning Activity
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NASFAA Authorized Event Return of Title IV Funds

Learning Activity: Calculating Earned Aid

Ahmed enrolls as a first-year, first-time undergraduate for the 2021 fall semester, which begins on 8/25/21. On 9/15, Ahmed begins the school's official withdrawal process. The school determines Ahmed completed 20 percent of the payment period and has, therefore, earned 20 percent of his Title IV aid.

Ahmed withdrew before completing the first 30 days of his program of study, and the first disbursement of his loan was scheduled for 9/23. The loan is considered aid that could have been disbursed even though the school may not include any of the loan proceeds in a post-withdrawal disbursement if Ahmed were to qualify for a post-withdrawal disbursement of earned aid.

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Learning Activity: Calculating Earned Aid

Offered Aid for Period:

- \$3,225.50 Federal Pell Grant
- \$1,000.00 FSEOG
- \$1,732.00 Direct Subsidized Loan (net proceeds)

Disbursed Aid (August 25, 2021):

\$3,225.50 Federal Pell Grant
 + \$1,000.00 FSEOG

 \$4,225.50

Undisbursed Aid:

\$1,732.00 Direct Subsidized Loan subject to 30-day delayed disbursement

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Learning Activity: Calculating Earned Aid

Earned aid:

$$\begin{matrix} \$ & + & \$ & \times & \% & = & \$ \\ \text{Disbursed aid} & & \text{Aid that could have} & & \text{Percentage} & & \text{Earned aid} \\ & & \text{been disbursed} & & \text{completed} & & \end{matrix}$$

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NASFAA Authorized Event Return of Title IV Funds

Step 3 Determine the Amount of Unearned Aid

Disbursed aid - Earned aid = Unearned aid

- Return unearned Title IV aid
- Resolve any inadvertent late disbursements
- Round final payment amount to nearest whole dollar

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Step 4 Determine the School and Student Shares

- School's share
 - Lesser of the total amount of unearned aid or amount equal to institutional charges multiplied by percentage unearned
 - Institutional charges:
 - > As originally assessed; or
 - > Adjusted prior to date of withdrawal
 - Do not use reductions based on withdrawal made under school's institutional refund policy

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Step 4 Determine the School and Student Shares

- Student's share
 - Difference between unearned aid and the school's share
 - Student returns these funds

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NASFAA Authorized Event Return of Title IV Funds

Step 5 Allocate Unearned Aid

1. Federal Loans

- Direct Unsubsidized
- Direct Subsidized
- Federal PLUS

2. Federal Grants

- Federal Pell Grant
- IASG
- FSEOG
- TEACH Grant

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Step 5 Allocate Unearned Aid

- Allocate school's share first
- Prior to allocation of student's share:
 - 50% grant protection allowance applied
 - Not required to return \$50 or less per program

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Learning Activity
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Learning Activity: Allocating Unearned Aid

Sophia withdrew from Albrighte Institute and the school calculated \$4,901.70 of the \$5,363.50 in Title IV aid she received for the term must be returned to the Title IV programs. The school's and the student's share are \$4,011 and \$891.70 respectively.

Title IV aid disbursed to Sophia for the term consisted of a \$1,095 Direct Unsubsidized Loan, \$2,721 Direct Subsidized Loan, \$547.50 Federal Pell Grant, and \$1,000 FSEOG. The loan amounts are net of loan fees.

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Learning Activity: Calculating Earned Aid

Distribution of Unearned Aid

- Allocate institution's share in full as follows:
 - \$1,095 to Direct Unsubsidized Loan Program
 - \$2,721 to Direct Subsidized Loan Program
 - \$195 to Federal Pell Grant Program
- Total amount school's share= \$4,011

- Calculate Sophia's grant protection allowance:

\$ _____ Federal Pell Grant + \$ _____ FSEOG = \$ _____ x _____ % = \$ _____

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Learning Activity: Calculating Earned Aid

Distribution of Unearned Aid

- Allocate institution's share in full as follows:
 - \$1,095 to Direct Unsubsidized Loan Program
 - \$2,721 to Direct Subsidized Loan Program
 - \$195 to Federal Pell Grant Program
- Total amount allocated = \$1,095 + \$2,721 + \$195 = \$4,010
- Subtract the grant protection allowance from the student's share of unearned aid to be returned:

\$ _____ - \$ _____ = \$ _____

- The maximum grant amount Sophia is responsible for returning is \$ _____ to the _____ program.

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NASFAA Authorized Event Return of Title IV Funds

Quick Quiz 2:

1. What is the equation to determine how much of a student's aid is unearned?
2. What is the order (of programs) to which aid is returned?
3. What is the de minimis Title IV grant amount for a student?

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Returning Unearned Aid



Within 45 days, return unearned funds for which the school is responsible



Borrower repays unearned loan funds under the terms of the promissory note



Within 45 days, repay unearned grant funds or establish repayment agreement with ED



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Other Considerations

- Use of payment period or period of enrollment
 - Special rules for nonstandard-term credit-hour programs with terms that are not substantially equal
- Prorating institutional charges
- Treatment of Title IV credit balances
- Date of determination



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NASFAA Authorized Event Return of Title IV Funds

Example: Indigo City College

Term 1 13 weeks	Term 2 17 weeks	Term 3 17 weeks	Term 4 13 weeks
Pell Payment Period 1 13 weeks	Pell Payment Period 2 17 weeks	Pell Payment Period 3 17 weeks	Pell Payment Period 4 13 weeks
Direct Loan Payment Period 1 15 weeks 12 credits	Direct Loan Payment Period 2 15 weeks 12 credits	Direct Loan Payment Period 3 15 weeks 12 credits	Direct Loan Payment Period 4 15 weeks 12 credits
Direct Loan BBAY3 – 1 st year		Direct Loan BBAY3 – 2 nd year	

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Example: Clara

Term 1 13 weeks	Term 2 17 weeks	Term 3 17 weeks	Term 4 13 weeks
Pell Payment Period 1 13 weeks	Pell Payment Period 2 17 weeks	Pell Payment Period 3 17 weeks	Pell Payment Period 4 13 weeks
Direct Loan Payment Period 1 15 weeks 12 credits	Direct Loan Payment Period 2 15 weeks 12 credits	Direct Loan Payment Period 3 15 weeks 12 credits	Direct Loan Payment Period 4 15 weeks 12 credits
Direct Loan BBAY3 – 1 st year		Direct Loan BBAY3 – 2 nd year	

Clara withdraws

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Example: Harper

Term 1 13 weeks	Term 2 17 weeks	Term 3 17 weeks	Term 4 13 weeks
Pell Payment Period 1 13 weeks	Pell Payment Period 2 17 weeks	Pell Payment Period 3 17 weeks	Pell Payment Period 4 13 weeks
Direct Loan Payment Period 1 15 weeks 12 credits	Direct Loan Payment Period 2 15 weeks 12 credits	Direct Loan Payment Period 3 15 weeks 12 credits	Direct Loan Payment Period 4 15 weeks 12 credits
Direct Loan BBAY3 – 1 st year		Direct Loan BBAY3 – 2 nd year	

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NASFAA Authorized Event Return of Title IV Funds

Example: Harper

Term 1 13 weeks	Term 2 17 weeks	Term 3 17 weeks	Term 4 13 weeks
Pell Payment Period 1 13 weeks	Pell Payment Period 2 17 weeks	Pell Payment Period 3 17 weeks	Pell Payment Period 4 13 weeks
Direct Loan Payment Period 1 15 weeks 12 credits	Direct Loan Payment Period 2 15 weeks 12 credits	Direct Loan Payment Period 3 15 weeks 12 credits	Direct Loan Payment Period 4 15 weeks 12 credits
Direct Loan BBAY3 – 1 st year		Direct Loan BBAY3 – 2 nd year	

Harper withdraws

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Lesson 4
**Post-Withdrawal
Disbursements and
Timeframes**

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Title IV Funds Formula: Earned Aid Exceeds Disbursed Aid

- Step 1** Determine the Percentage of Period Completed
- Step 2** Determine the Amount of Earned Aid
- Step 3** Determine the Amount of the Post-Withdrawal Disbursement

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NASFAA Authorized Event Return of Title IV Funds

Title IV Funds Which Cannot Be Included

- School cannot make a post-withdrawal disbursement if:
 - Direct Loans**
 - Second or subsequent disbursements if the student did not graduate or successfully complete loan period
 - First-time, first-year borrowers subject to 30-day delayed delivery
 - Unsigned promissory note
 - Did not begin attendance at least half time before withdrawing from a program offered in modules
 - No ISIR or SAR with official award year EFC
 - Borrower does not meet all eligibility requirements, including at least half-time enrollment

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Title IV Funds Which Cannot Be Included

- School cannot make a post-withdrawal disbursement if:
 - Title IV Grants**
 - No ISIR or SAR with official award year EFC
 - Incomplete payment period for clock-hour or nonterm credit hour program
 - FSEOG or TEACH Grant not offered before withdrawal
 - Student does not meet all eligibility requirements for the Title IV program

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Quick Quiz 1:

- As a benefit to the student, what is also considered along with disbursed aid when calculating earned aid?
 - Post-withdrawal disbursements
 - Aid that could have been disbursed
 - Aid that the school can never disburse
- For clock-hour programs, only _____ hours are used in the calculation.
- When must a Direct Loan be excluded from a post-withdrawal disbursement?
- What is the institution's responsibility in regard to post-withdrawal disbursements?


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NASFAA Authorized Event Return of Title IV Funds


Step 4 Credit Unpaid Charges

- Crediting the student's account
 - May credit grant funds
 - May not credit loan funds without borrower confirmation
- Requirements
 - Disbursement notification
 - Authorization requirements
 - Other cash management restrictions


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Step 5 Offering Any Portion Not Credited to Institutional Charges

- School must directly disburse to the student any post-withdrawal disbursement of grant funds not credited to the student's account
- Requirements
 - Disbursement notification

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Learning Activity
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NASFAA Authorized Event Return of Title IV Funds

Learning Activity: Post-Withdrawal Disbursement Notifications


Review the post-withdrawal disbursement notification. Does it have all of the required elements?

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Timeframes


- Notifications
- Aid student must repay
- School's return of funds
- Post-withdrawal disbursements
- Verification

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Quick Quiz 2:

1. The mix of _____ and _____ aid cannot be altered after a student has withdrawn.
2. What charges can be covered by a post-withdrawal disbursement of grant funds without student approval?
 - Current award year charges for tuition
 - Current award year charges for fees
 - Prior year charges \$200 or less for tuition, fees, room, or board

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NASFAA Authorized Event Return of Title IV Funds

Quick Quiz 2:

3. A notification offering a post-withdrawal disbursement should include _____ that the borrower wants the Title IV funds.
4. How long does a student have to pay a Title IV grant overpayment following the date the school is required to notify the student of the overpayment?
 - 45 days
 - 30 days
 - 180 days
 - 240 days

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Learning Activity

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Learning Activity: R2T4 Calculation – Credit-Hour Program

When Shane completed his second year at the local university, he decided to enroll in three summer courses: one three-hour course that meets the entire summer session and a three-hour course in both Module 1 and Module 2. The summer session is treated as a header to the 2021-22 award year and does not include any scheduled breaks of five days or longer.

2021 Summer Session	Summer 1 3 credit hours		
	Module 1 3 credit hours	Module 2 3 credit hours	Module 3 Not enrolled

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NASFAA Authorized Event Return of Title IV Funds

Learning Activity: R2T4 Calculation – Credit-Hour Program

He successfully completes the first module, earning a B in his class. After beginning the second module, he officially withdraws from all of his classes on June 15, 2021.

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Learning Activity: R2T4 Calculation – Credit-Hour Program

Shane's cost of attendance for the payment period:

Item	Amount	Institutional Charge
Tuition and fees	\$ 3,400.00	Yes
Room	\$ 1,900.00	No
Board	\$ 1,600.00	No
Transportation	\$ 800.00	No
Books and supplies	\$ 700.00	No
Personal expenses	\$ 1,000.00	No
Average Loan Fees	\$ 60.00	No

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Learning Activity: R2T4 Calculation – Credit-Hour Program

Shane's financial aid information for the payment period:

Program	Aid Amount	Net Disbursed Amount	Disb. Date
Federal Pell Grant*	\$2,457.00	\$2,457.00	5/10/21
FSEOG	\$300.00	\$300.00	5/10/21
Subsidized Loan	\$2,750.00	\$2,721.00	5/10/21
Unsubsidized Loan	\$1,000.00	\$990.00	5/10/21
Private Loan	\$1,600.00	\$1,550.00	5/10/21

*Amount shown for training purposes and may not correspond to the actual eligible amount according to current Pell Grant Payment and Disbursement Schedules.
Use the blank Worksheet beginning on page 95 to perform the R2T4 calculation.

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NASFAA Authorized Event Return of Title IV Funds

Learning Activity: R2T4 Calculation – Clock-Hour Program

Zoey began a two-year certificate program in culinary arts at the Institute for Hospitality Arts on August 30, 2021. Zoey's program is 1,800 clock hours in length. The school defines the academic year as 900 clock hours completed over 26 weeks. Each payment period is the amount of time it takes a student to complete both 450 clock hours and 13 weeks of instruction. Zoey's program is not self-paced; she completes her studies with a cohort. The state agency which oversees higher education requires the institution to take attendance.

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Learning Activity: R2T4 Calculation – Clock-Hour Program

Zoey stops attending on September 23. She tells her academic advisor that the program is too general, and she plans on enrolling at the French Pastry Institute to pursue a certificate that aligns with her passion, confectionary arts. After seeing her academic advisor on September 28, Zoey stops by the financial aid office the same day to let the staff know that she will be transferring to another school.

The Institute for Hospitality Arts determined that Zoey withdrew on September 28 and completed the return of Title IV funds calculation on September 30. As of her withdrawal, Zoey was scheduled to have completed 140 clock hours.

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Learning Activity: R2T4 Calculation – Clock-Hour Program

Zoey's cost of attendance for the payment period:

Item	Amount	Institutional Charge
Tuition and fees	\$11,000.00	Yes
Room	\$ 2,400.00	No
Board	\$ 2,000.00	No
Transportation	\$ 1,340.00	No
Books and supplies	\$ 500.00	Yes
Personal expenses	\$ 700.00	No
Average Loan Fees	\$ 60.00	No

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NASFAA Authorized Event Return of Title IV Funds

Learning Activity Page 102



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Learning Activity: R2T4 Calculation – Module Program

Drew is an independent third-year student at Innovation University (IU), where she is enrolled in a baccalaureate software design program. IU's spring semesters offers courses that span the entire term and courses in four separate modules.

2022 Spring Semester	Spring Semester - 1/10/22 – 5/6/22			
	Module 1	Module 2	Module 3	Module 4
1/10/22 - 2/4/22	2/7/22 - 3/4/22	3/14/22 - 4/8/22	4/11/22 - 5/6/22	

Spring break begins 3/5 and ends 3/13. IU's R2T4 Freeze Date is 3/4. Students are not allowed to enroll in additional spring courses after this date. IU defines full-time enrollment as 12 credit hours.

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Learning Activity: R2T4 Calculation – Module Program

Drew has been struggling with her studies due to health issues, she has taken a reduced number of credits in the last academic year. Her physician indicated she could resume her normal activities. She returned to full-time studies in the spring semester. At the start of the semester, she is enrolled in one 3-credit hour course each module.

2022 Spring Semester	Spring Semester - 1/10/22 – 5/6/22			
	Module 1	Module 2	Module 3	Module 4
1/10/22 - 2/4/22	2/7/22 - 3/4/22	3/14/22 - 4/8/22	4/11/22 - 5/6/22	
3 credits	3 credits	3 credits	3 credits	

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Learning Activity: R2T4 Calculation – Module Program

Although she had a relapse at the start of Module 2, she continued to attend classes. After earning a C Module 1 and an F in Module 2, she decided it was time to re-focus on her improving her health. She officially withdraws on March 15, 2022. She does not provide written confirmation of attendance in a Title IV-eligible course for Module 4. The school determined she withdrew the same day.

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Learning Activity: R2T4 Calculation – Module Program

Drew's cost of attendance for the payment period:

Item	Amount	Institutional Charge
Tuition and fees	\$ 5,585.00	Yes
Room	\$ 4,200.00	No
Board	\$ 2,600.00	No
Transportation	\$ 483.00	No
Books and supplies	\$ 700.00	No
Personal expenses	\$ 1,350.00	No
Average Loan Fees	\$ 82.00	No

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Learning Activity: R2T4 Calculation – Module Program

Drew's EFC is 6,000. Her financial aid information for the payment period:

Program	Aid Amount	Net Disbursed Amount	Disb. Date
Federal Work-Study	\$2,000.00	\$ 750.00	3/4/22*
Direct Subsidized Loan	\$2,750.00	\$2,721.00	1/10/22
Direct Unsubsidized Loan	\$2,500.00	\$2,474.00	1/10/22
IU Scholarship	\$2,000.00	\$2,000.00	1/10/22
Private Loan	\$2,500.00	\$2,250.00	1/10/22

*Amount earned as of the last payroll disbursement.
Use the blank Worksheet beginning on page 104 to perform the R2T4 calculation.

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Thank you for
attending!



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