

Return of Title IV (R2T4)

Module Overview & Inadvertent Overpayments

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What is an R2T4 and When Does it Need to Happen?

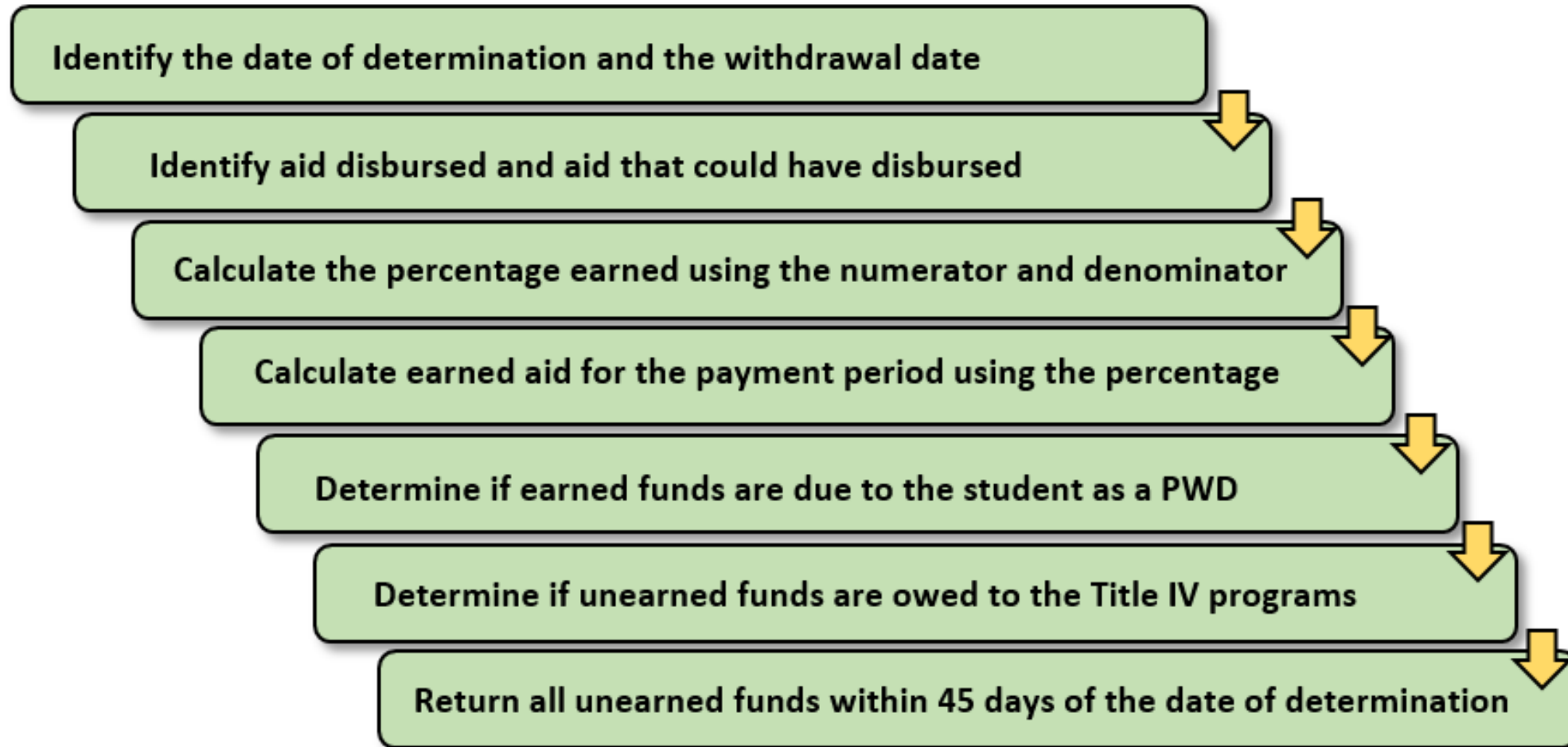
An R2T4 is a calculation that is performed when a student ceases participating in *all* courses/competencies prior to the completion of a payment period

The calculation determines how much Title IV aid the student has earned, based on the number of days completed, and how much aid the school is required to return (if any) to the respective aid program from which the student was funded. The amount of aid to be returned will be determined according to procedures specified by the U.S. Department of Education

R2T4 Calculation Terminology

- Date of Determination (DOD): The day the school determined the student withdrew
 - The R2T4 must be completed within 30 days of this date
- Last Date of Attendance (LDA): Last date of an academically related activity.
 - The LDA is not always the same date as the DOD (depending on the type of withdrawal)
- Payment Period: the academic period or period of enrollment established by an institution for which financial aid is disbursed.
- Numerator: Total days in the payment period that the student attended.
- Denominator: Total number of calendar days in the payment period.
- Institutional charges: Are the charges that were initially assessed the student for the entire payment period or period of enrollment as applicable.
 - Original charges, assessed on the LDA and prior to the LDA such as tuition, fees, books etc... (Any charge included in the students Cost of Attendance (COA))

The R2T4 Process



Federal Aid Included in a Calculation

Most common:

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Direct Loans

Less common:

- Iraq and Afghanistan Service Grant (IASG)
- TEACH Grant
- Federal Perkins Loans

*Federal Work Study is not included in R2T4 calculations

*Non-Title IV aid programs such as state aid, institutional aid, and private aid are not included in R2T4 calculations

Eligible Aid to Include in a Calculation

Prior to an R2T4 calculation, eligibility of Title IV aid to be included in the calculation must be determined:

- Grant eligibility:

- Pell must be awarded and recalculated on attended credits
- FSEOG must be awarded at the time of the R2T4 calculation

- Loans are eligible if:

- Originated prior to or on the LDA
- Master Promissory Note (MPN) is complete at the time of the calculation
- MPN has not expired prior to disbursement

- Loans are not eligible if:

- Originated after the LDA
- Missing or expired MPN
- Failed SAP
- Unresolved C-Flag
- Incomplete Verification (need based funding)
 - No federal aid eligibility (including Pell/FSEOG)

Outcomes

Upon completing the R2T4 calculation, one or more of the following results will occur:

- Return Title IV Aid – 60.00% earned and under
- No return of Title IV Aid – more than 60.00% earned, therefore all aid earned
- Offer Post-Withdrawal Disbursement (PWD) – an offer to pay a portion or all loans onto student’s account, with student’s written authorization.
 - Grant funding does not require student’s permission to pay onto account

Return Order of Funds

- Unsubsidized Loans
- Subsidized Loans
- Parent PLUS Loans
- Pell Grant
- FSEOG

Return Amounts

School Return Amounts

- Institutional charges are used to determine the portion of unearned Title IV aid that the school is responsible for returning
 - The school can choose to return the students unearned portion of grant funding

Student Return Amounts

- The student is responsible for all unearned Title IV program assistance that the school is not required to return according to the terms of the promissory notes

Post-Withdrawal Offer Order of Funds

- PELL
 - FSEOG
- Entitlement Funding
- SUB
 - UNSUB
 - PLUS
- Authorization Needed to Post and/or Keep Funds

When are PWD's offered

- Post Withdrawals are earned funds for all Title IV aid sources (PELL, FSEOG, SUB, UNSUB, PLUS)
- Post Withdrawals are offered for PELL & FSEOG but notifications are not sent as authorization from student is not required to post funds.
- Post Withdrawals for Direct loans are only offered (notification sent)
 - 1st disbursement of a loan; and
 - If half-time enrollment status has been met (6 or more credits in a Module)
- A subsequent disbursement of a loan is never eligible for a PWD offer.

Module Overview & Evaluation

Payment Periods in Modules

Payment Period 1		Payment Period 2		Payment Period 3	
Module 1	Module 2	Module 1	Module 2	Module 1	Module 2
56 days	56 days	56 days	56 days	56 days	56 days
112 days		112 days		112 days	

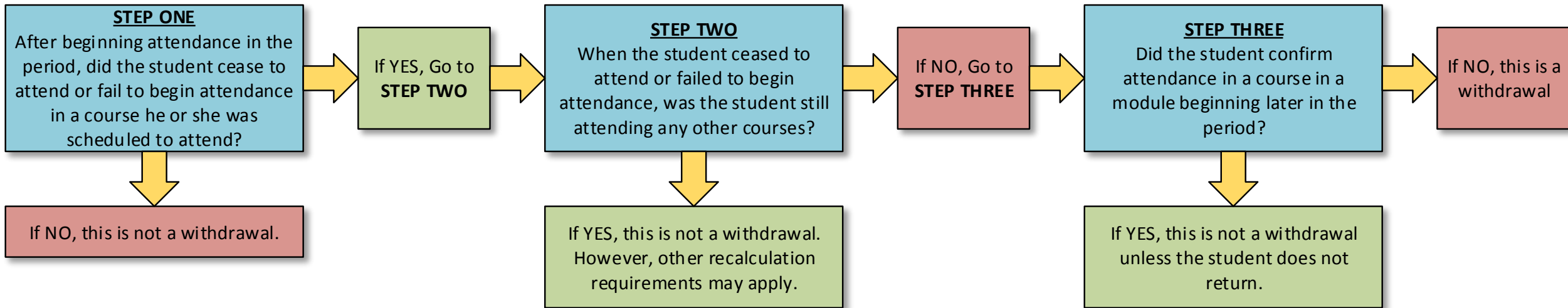
A program is “offered in modules” if a course or courses in the program does not span the entire length of the payment period.

Principle for R2T4 Calculation

If a student ceases attendance (drops or withdraws) from all his or her Title IV eligible courses in a payment period or period of enrollment, the student must be considered a withdrawal for Title IV purposes.

The principle is the same for programs offered in modules within terms.

How to Determine a Withdrawal?



Withdrawal Date

The Withdrawal Date is used to calculate the amount of earned and unearned Title IV funds.

Institutions not required to take attendance:

- **Official Withdrawal**: the date the student begins the withdrawal process or provides official notice of intent to withdraw – whichever is earlier
- **Unofficial Withdrawal**: the date the student last attended an academically related activity

Written Confirmation

Programs offered in modules allow greater flexibility for enrollment changes, and those changes often lead to situations that require an R2T4 calculation.

Written confirmation of intent to return at a later date within the same period is a way an institution can avoid having to complete an immediate R2T4 calculation.

- Points to remember:
 - Must be written positive confirmation from the student (electronic is acceptable)
 - Must be obtained at the time of withdrawal
 - New enrollment for later in the payment period can be used as confirmation of intent to return

R2T4 Work to be Performed

First module of payment period – perform an R2T4 calculation for an Official withdrawal unless written confirmation is received

- Institutions that utilize written confirmation must have a process in place to track and verify the student returned within the payment period

Second module of payment period – may ‘undo’ and/or ‘redo’ the R2T4 calculation based on enrollment after institutions add/drop period

Second module of payment period – always perform an R2T4 calculation for an Official & Unofficial withdrawal

Inadvertent Overpayments

Any Title IV funds which disbursed after the students LDA

Although these funds are disbursed on the students account, in the R2T4 calculation this aid is treated as aid that could have been disbursed

Depending on system design or limitations, a manual calculation may need to be performed

Numerator & Denominator

R2T4 Calculation

$$\frac{\text{Total Days Completed}}{\text{Total Scheduled Days in the Payment Period}} = \% \text{ Completed}$$

Scheduled breaks of 5 or more consecutive days and days the student was on an approved leave of absence should be excluded.

Identifying breaks within a payment period

Payment Period 1	
Module 1	Module 2
56 days	56 days
112 days	

Payment Period 2		
Module 1	Scheduled break	Module 2
56 days	7 days	56 days
112 Days		

“For a student who withdraws from a program offered in modules, the school includes in the denominator (the total number of calendar days in the payment period or period of enrollment) all days within the period that the student was scheduled to complete, excluding any scheduled breaks of at least five consecutive days when the student was not scheduled to attend a module or other course offered during that period of time.”

Module Scenarios

With Scheduled Breaks in Payment period

Module Scenario

- Break is excluded from denominator only

July	August	September	October
<p>7/2- 8/26 = 56 total days Student Earned Grade of A = 56 days completed in Module</p>		<p>9/3 - 10/28 = 56 total days Student Dropped with no Participation 8/27 = 0 completed</p>	
<p>7/2- 8/26 = 56 total days Student Earned Grade of A = 56 days completed in Module</p>			
		<p>{ 7 Day Break }</p>	

Date of Determination: 8/27 Withdrawal Date: 8/26

Numerator: 56 Total Completed Days (Earned Grades)

Denominator: 112 Total Days in the Payment Period (excluding 7 Day Break)

Institutional Charges: Module 1 & Module 2

Module Scenario

- Break is excluded from numerator and denominator

July	August	September	October
<div style="border: 1px solid black; border-radius: 10px; background-color: #d9ead3; padding: 5px;"> - 7/2- 8/26 = 56 total days - Student Earned Grade of A = 56 days completed in </div>		<div style="border: 1px solid black; border-radius: 10px; background-color: #d9ead3; padding: 5px; width: 50px; height: 50px; display: inline-block;"></div>	<div style="border: 1px solid black; border-radius: 10px; background-color: #fce4d6; padding: 5px;"> - 9/3 - 10/28 = 56 total days - Student Officially Withdrew 9/13 = 11 completed days </div>
	[7 Day Break]		

Date of Determination: 9/13 Withdrawal Date: 9/13

Numerator: 67 Total Completed Days (excluding 7 Day Break)

Denominator: 112 Total Days in the Payment Period (excluding 7 Day Break)

Institutional Charges: Module 1 & Module 2

Module Scenario

- No R2T4 Calculation - Enrollment Change

July	August	September	October
<div style="border: 1px solid black; background-color: #d9ead3; padding: 5px;"> 7/2- 8/26 = 56 total days Student Earned Grade of A = 56 days completed in Module </div>		<div style="border: 1px solid black; background-color: #fce4d6; padding: 5px;"> 9/3 - 10/28 = 56 total days Student Canceled future Enrollment on 8/26 </div>	
<div style="border: 1px solid black; background-color: #d9ead3; padding: 5px;"> 7/2- 8/26 = 56 total days Student Earned Grade of A = 56 days completed in Module </div>			
		[7 Day Break]	

Date of Determination: 8/26 Withdrawal Date: 8/26

Numerator: 56 Total Completed Days (Earned Grades)

Denominator: 56 Total Days in the Payment Period

*Future registration was cancelled while student was still attending (earned grade)

Module Scenarios

No Scheduled Break in Payment Period

Module Scenario

- Withdrawal Module 1 of payment period

September	October	November	December
<p>9/3- 10/28 = 56 total days Student Officially withdrew 10/15 = 43 days completed in Module</p>		<p>10/29 - 12/23 = 56 total days Student cancelled future registration for Module 2 on 10/14 (Before the LDA of Module 1)</p>	
<p>9/3- 10/28 = 56 total days Student Officially withdrew 10/15 = 43 days completed in Module</p>			

Date of Determination: 10/15 Withdrawal Date: 10/15

Numerator: 43 Total Completed Days

Denominator: 56 Days in the Payment Period

Institutional Charges: Module 1 only

Module Scenario

- Withdrawal Module 1 of payment period

September	October	November	December
<p>9/3- 10/28 = 56 total days Student Officially withdrew 10/15 = 43 days completed in Module</p>		<p>10/29 - 12/23 = 56 total days Student cancelled future registration for Module 2 on 10/15 (On the same day of Module 1 withdrawal)</p>	
<p>9/3- 10/28 = 56 total days Student Officially withdrew 10/15 = 43 days completed in Module</p>			

Date of Determination: 10/15 **Withdrawal Date:** 10/15

Numerator: 43 Total Completed Days

Denominator: 112 Total Days in the Payment Period

Institutional Charges: Module 1 & Module 2

Module Scenario

- Withdrawal in module 2 of payment period

September	October	November	December
- 9/3- 10/28 = 56 total days - Student Earned Grade of A = 56 days completed in		- 10/29 - 12/23 = 56 total days - Student Officially Withdrew 11/8 = 11 completed days	

Date of Determination: 11/8 Withdrawal Date: 11/8

Numerator: 67 Total Completed Days

Denominator: 112 Total Days in the Payment Period

Institutional Charges: Module 1 & Module 2

Module Scenario

- Withdrawal without active confirmation of return

September	October	November	December
<p>9/3- 10/28 = 56 total days Student Officially withdrew 10/15 = 43 days completed in Module</p>		<p>10/29 - 12/23 = 56 total days Student has active registration for Module 2 at time of Official Withdrawal from Module 1</p>	
<p>9/3- 10/28 = 56 total days Student Officially withdrew 10/15 = 43 days completed in Module</p>		<p>* Student did not provide written confirmation to attend Module 2 at time of withdrawal</p>	

Date of Determination: 10/15 Withdrawal Date: 10/15

Numerator: 43 Total Completed Days

Denominator: 112 Total Days in the Payment Period

Institutional Charges: Module 1 & Module 2

“UNDO” a Calculation

- If the R2T4 process is completed, and then the student returns within the same period, the R2T4 calculation must be “undone”.
 - It is important to have a method to identify the students who require a reversal of a previously completed R2T4 calculation.

“If a student withdraws from a term-based credit hour program offered in modules and reenters the same program prior to the end of the payment period, the student is treated as if he or she did not cease attendance for purposes of determining the student’s aid awards for the period. **The student is considered to be in the same payment period he or she was in at the time of the withdrawal and retains his or her original Title IV eligibility for that payment period, provided the student’s enrollment status continues to support the same amount of those funds. “**

Module Scenario

- Withdrawal – undo/redo

September	October	November	December
	↑ ↓	10/29 - 12/23 = 56 total days Student has active registration for Module 2 at time of Official Withdrawal from Module 1	
	↑ ↓		
		↑ ↓	
		↑ ↓	
		↑ ↓	

Date of Determination: 11/21 Withdrawal Date: 11/21

Numerator: 67 Total Completed Days


Denominator: 112 Total Days in the Payment Period

Institutional Charges: Module 1 & Module 2

Return Order of Funds

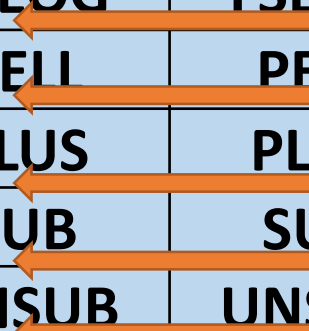
Single Disbursement in payment period

Payment Period	
Module 1	Module 2
FSEOG	
PELL	
PLUS	
SUB	
UNSUB	



Multiple Disbursements in payment period in relation to LDA

Payment Period	
Module 1	Module 2
FSEOG	FSEOG
PELL	PELL
PLUS	PLUS
SUB	SUB
UNSUB	UNSUB



Reminders

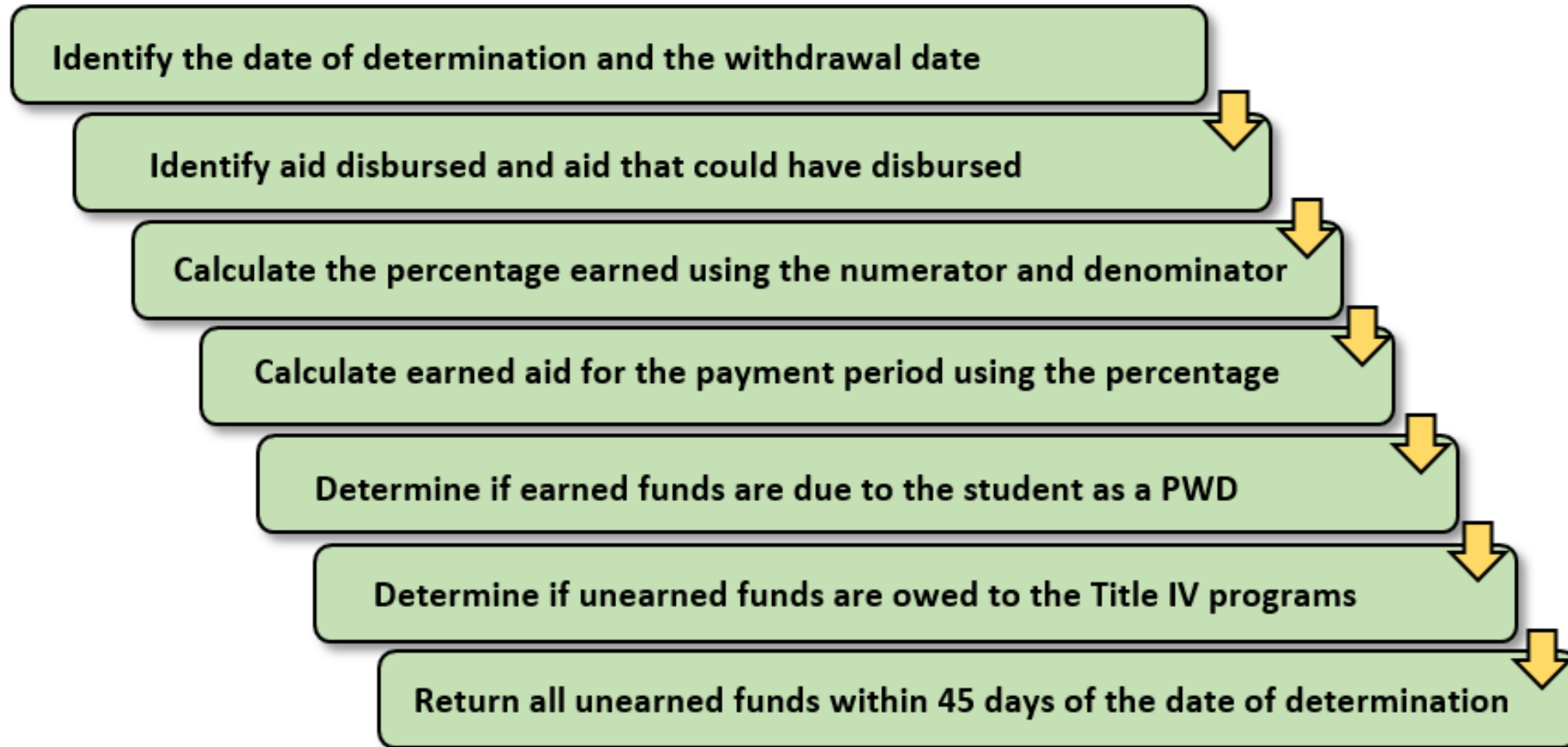
Decisions & Process



R2T4 Decision Making

1. Is it a withdrawal?
2. Recalculation required?
3. What is the number of calendar days to use in the numerator?
4. What is the number of calendar days to use in the denominator?
5. What Institutional charges should be included?
6. What amount of aid to include that could have been disbursed?
7. Do we offer a post-withdrawal disbursement?

The R2T4 Process



Questions?