

## R2T4 Essentials

# Return of Title IV (R2T4) Funds: Essential Concepts



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## Agenda

- Basic Principles
- Definitions and Ground Rules for Return of Title IV (R2T4)
- How the R2T4 Calculation Works
- Outcomes of the R2T4 Calculation
- Returning Funds and Post-Withdrawal Disbursements
- Aid to Include in an R2T4 Calculation
- Payment Period or Period of Enrollment
- Withdrawal Date and Amount Completed
- Institutional Charges

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## R2T4 Essentials

## Basic Principles

- Title IV funds are awarded to a student with the assumption that the student will attend school for the entire period for which the assistance is awarded
- When a student ceases attendance prior to the planned ending date, the student may not be eligible for the full amount of Title IV funds the student was scheduled to receive

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## Basic Principles

- Students earn Title IV aid equal to the amount of attendance in a payment period (PP) or period of enrollment (POE)
  - In a credit-hour program, the percentage of aid earned is equal to the percentage of the period completed on the withdrawal date
  - In a clock-hour program, the percentage of aid earned is equal to the percentage of the period the student was scheduled to complete on the withdrawal date

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## R2T4 Essentials

## Basic Principles

- If a school has disbursed more aid than the student has earned, Title IV aid must be returned to the Department
- If a school has disbursed less Title IV aid than the student has earned, a post-withdrawal disbursement (PWD) will be calculated and must be offered

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## Basic Principles

- After the student completes (or is scheduled to complete) more than 60% of the PP or POE, the student has earned 100% of his/her Title IV funds
- Institutional or other refund policies (State, accrediting agency) do not impact the amount of Title IV aid earned under a R2T4 calculation
- Schools should use the best information available to determine the withdrawal date

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## Consumer Information

- Any refund policy with which the school must comply, as specified by the State / accrediting agency
- Requirements for the treatment of Title IV funds after withdrawal
- Requirements and procedures for officially withdrawing from the school
  - Includes naming the administrative offices that handle the official withdrawal process for your campus

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## Failure to Begin Attendance

If an institution cannot document that a student commenced attendance for the PP or POE, the student is not an eligible student for Title IV funds for that period.

Therefore:

- The provisions of 34 CFR 668.22 (R2T4) do not apply
- Instead, the provisions of 34 CFR 668.21 (Non-Attendance) apply

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## Failure to Begin Attendance

- All Federal Pell Grant, FSEOG, Iraq-Afghanistan Service Grant, and TEACH Grant funds must be returned
- Direct Loan (DL) funds credited to the student's account must be returned
- For DL funds disbursed directly to the student:
  - The institution may choose to return the funds itself; or
  - The DL servicer must be notified and the funds immediately repaid by the student

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## Definitions and Ground Rules for R2T4

**Withdrawal date:** The date that a student ceased attendance at an institution.

**Date of determination:** The date that the institution *determined* that the student ceased attendance.

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## R2T4 Essentials

## Definitions and Ground Rules for R2T4

The R2T4 requirements do not apply if a student:

- Withdraws from some, but not all, of his/her coursework (e.g. dropping one of four classes during a semester)
- Completes the period by receiving a passing grade at the end of the last class that he/she was scheduled to attend

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## Definitions and Ground Rules for R2T4

An institution may consider a student to have completed a PP or POE (and avoid an R2T4 calculation) with a failing grade, but only if:

- The institution's grading policy differentiates between completing a course but failing to meet course objectives (e.g. "F") and failing to complete the course (e.g. "W"); and
- The student receives the grade that denotes completion of the course

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R2T4 Essentials

# Definitions and Ground Rules for R2T4

## Rounding Rules: Dollar Amounts and Percentages

 <p>Calculation - round to the nearest penny</p> <ul style="list-style-type: none"> <li>• <math>\\$2,346.00 \times 44.6\% = \\$1,046.316</math> or <math>\\$1,046.32</math></li> <li>• <math>\\$2,346.00 \times 44.4\% = \\$1,041.624</math> or <math>\\$1,041.62</math></li> </ul>	 <p>Disbursement or refund may be rounded to the nearest dollar</p> <ul style="list-style-type: none"> <li>• <math>\\$1,046.32 = \\$1,046</math></li> <li>• <math>\\$1,041.62 = \\$1,042</math></li> </ul>	 <p>Calculate out to 4 decimal places</p> <ul style="list-style-type: none"> <li>• <math>45 \text{ days} / 101 \text{ days} = .4455</math></li> <li>• <math>199 \text{ hours} / 450 \text{ hours} = .4422</math></li> </ul>	 <p>Round to third decimal place</p> <ul style="list-style-type: none"> <li>• <math>.4455 = .446 = 44.6\%</math></li> <li>• <math>.4422 = .442 = 44.2\%</math></li> </ul>
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## How the R2T4 Calculation Works

**Step One:** The institution determines the net amounts of Title IV aid for which a student was eligible at the time of the withdrawal, including amounts disbursed and amounts that could have been disbursed

STEP 1: Student's Title IV Aid Information				
Title IV Grant Programs		Amount Disbursed	Amount that Could Have Been Disbursed	
1. Pell Grant				
2. FSEOG				
3. TEACH Grant				
4. Iraq and Afghanistan Service Grant				
		<b>A.</b>	<b>C.</b>	
		Subtotal	Subtotal	
Title IV Loan Programs		Net Amount Disbursed	Net Amount that Could Have Been Disbursed	
5. Unsubsidized Direct Loan				
6. Subsidized Direct Loan				
7. Perkins Loan				
8. Direct Grad PLUS Loan				
9. Direct Parent PLUS Loan				
		<b>B.</b>	<b>D.</b>	
		Subtotal	Subtotal	
				<b>E.</b> Total Title IV aid disbursed for the period:
				<b>A.</b>
				<b>+</b> <b>B.</b>
				<b>= E.</b> \$ .
				<b>F.</b> Total Title IV grant aid disbursed and that could have been disbursed for the period:
				<b>A.</b>
				<b>+</b> <b>C.</b>
				<b>= F.</b> \$ .
				<b>G.</b> Total Title IV aid disbursed and that could have been disbursed for the period:
				<b>A.</b>
				<b>B.</b>
				<b>+</b> <b>C.</b>
				<b>+</b> <b>D.</b>
				<b>= G.</b> \$ .

## R2T4 Essentials

## How the R2T4 Calculation Works (Credit Hour)

**Step Two:** The institution calculates the percentage of the period that was completed. If greater than 60%, the student earned 100% for the period

Numerator: Number of days attended (completed) in the period  
Denominator: Total number of days in the period

### 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).

$$\boxed{\phantom{000}} \div \boxed{\phantom{000}} = \boxed{\phantom{00}} . \boxed{\phantom{00}} \%$$

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.  .  %

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## How the R2T4 Calculation Works (Clock Hour)

**Step Two:** The institution calculates the percentage of the period that the student was scheduled to complete upon withdrawal. If greater than 60%, the student earned 100% for the period.

Numerator: Number of hours the student was scheduled to complete  
Denominator: Total hours in the period

### H. Determine the percentage of the period completed:

Divide the clock hours scheduled to have been completed as of the withdrawal date in the period by the total clock hours in the period.

$$\boxed{\phantom{000}} \div \boxed{\phantom{000}} = \boxed{\phantom{00}} . \boxed{\phantom{00}} \%$$

Hours scheduled to complete                      Total hours in period

- ▶ 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.  .  %

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## How the R2T4 Calculation Works

**Steps Three and Four:** The percentage completed (or scheduled to complete) is multiplied by the total amount of Title IV aid for which the student was eligible.

- If the amount earned is less than the amount disbursed, a return to the Department is required.
- If the amount earned is greater than the amount disbursed, a PWD is required.

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).

$$\text{Box H } \% \times \text{Box G } = \text{I. } \$ \text{ .}$$

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## How the R2T4 Calculation Works

**Step Five:** If a return is required, the institution determines the amount of unearned Title IV aid it is responsible for returning.

The amount of funds due from the institution is calculated by adding all the institutional charges incurred by the withdrawal date, then multiplying that total by the percentage of the period the student did not complete.

**L. Institutional charges for the period**

Tuition	
Room	
Board	
Other	
Other	
Other	

**Total Institutional Charges** (Add all the charges together) = **L.** \$ .

**M. Percentage of unearned Title IV aid**  
 100% - **Box H** % = **M.** %

**N. Amount of unearned charges**  
 Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).  
**Box L** x **Box M** % = **N.** \$ .

**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.** \$ .

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## How the R2T4 Calculation Works

**Step Six:** Once the institution determines the total amount of unearned Title IV aid that must be returned to ED, the institution must return funds in the statutory order (*i.e.* loans, then grants)

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.	
Amount for School to Return	
<b>Title IV Programs</b>	
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"/>
<b>Total loans the school must return =</b>	
	<input type="text" value="P."/> <input type="text" value="\$"/> <input type="text" value=""/> <input type="text" value="."/>
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"/>

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## How the R2T4 Calculation Works

**Steps Seven through Ten:** Once the institution has determined the amounts of each type of unearned Title IV aid that it must return, any remaining unearned funds that were disbursed are the responsibility of the student

- Remaining unearned Title IV loan funds (*e.g.* Direct or Perkins Loans) must be repaid by the student in accordance with the terms of the loans. No further action by the institution is required for these unearned funds
- Remaining unearned Title IV grant funds, if greater than 50% of the total grant assistance disbursed for the period, are considered grant overpayments. The institution must notify the student within 45 days of his/her obligation to repay those funds

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## R2T4 Essentials

## Outcomes of an R2T4 Calculation

1. Amount of Title IV funds disbursed exceeded amount earned, so funds must be returned to the Department
  - Returns may be required of the school or the student
2. Amount of Title IV funds disbursed was less than amount earned, so a post-withdrawal disbursement must be offered to the student (or parent)
3. Amount of Title IV funds disbursed equals amount earned, and no further action is necessary

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## Returns by the School

- An institution must return the Title IV funds it has responsibility to return as soon as possible, but no later than 45 days after the date of determination
- A return is completed on the date that the institution:
  - Deposits or transfers the funds into the school's federal funds bank account, and then awards and disburses the funds to another eligible student; or
  - Returns the funds to the Department electronically using the "Refund" function in G5

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## Returns by the Student (Grant Overpayments)

- The student is obligated to return any Title IV overpayment in the same order that is required for schools
- A school must notify the student within 30 days of the date of determination that the student must repay the overpayment or make satisfactory arrangements to repay it

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## Returns by the Student (Grant Overpayments)

- Grant overpayments may be resolved through:
  - Full and immediate repayment to the institution,
  - Repayment arrangements satisfactory to the school, or
  - Overpayment collection procedures negotiated with Default Resolution Group
- A student does not have to repay a grant overpayment of \$50.00 or less for grant overpayments resulting from the student's withdrawal

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## R2T4 Essentials

## Returns by the Student (Grant Overpayments)

- Students retain their eligibility for Title IV funds for 45 days from the date the school sends the student notice of the overpayment
- Students can extend eligibility beyond 45 days by repaying overpayment in full or by signing repayment agreement with the school or the Department

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## Post-Withdrawal Disbursements

- Must meet the late disbursement requirements in 668.164(j)
- Must be made from grant funds before loan funds
- May be used to pay for:
  - Tuition/fees;
  - Room and board, if contracted with the institution;
  - Other charges, with written authorization

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## R2T4 Essentials

## Post-Withdrawal Disbursements

### Post-withdrawal disbursements of **Title IV grant funds**:

- If disbursed directly to the student, must be made as soon as possible but within 45 days of the date of determination. If disbursed to the student's account, must be made within 180 days of the date of determination
- Cannot be made if the institution did not have a valid SAR/ISIR by the deadline established by the Department

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## Post-Withdrawal Disbursements

### Post-withdrawal disbursements of **Title IV loan funds**:

- Must be offered to the student (or parent in the case of a PLUS Loan) within 30 days of the date of determination and school must request confirmation of acceptance
- Must be made within 180 days of the date of determination

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## R2T4 Essentials

## Post-Withdrawal Disbursements

### Notifications for **Title IV loan** post-withdrawal disbursements:

- Within 30 days of the date of determination, the institution must notify the student (or parent) and explain that the borrower may decline all or a portion of the loan disbursement
- Institution must request confirmation of any amount to be credited to the account or directly disbursed to the borrower
- The institution must explain the obligation to repay the loan
- The institution must specify a deadline of at least 14 days for required response/confirmation

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## Post-Withdrawal Disbursements

### Notifications for **Title IV loan** post-withdrawal disbursements:

- If the response is late, the school may decide to disburse or not to disburse. If the school decides to not disburse, it must notify the borrower in writing
- If no response from the borrower, no post-withdrawal disbursement can be made

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## Aid to Include in an R2T4 Calculation

An institution must determine the total amount of Title IV aid for which a student was eligible as of his/her withdrawal date. This includes:

- Aid disbursed to the student's account or directly to the student
- Aid that could have been disbursed

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				A.
2. FSEOG				B.
3. TEACH Grant				+ C.
4. Iraq and Afghanistan Service Grant				= E. \$
Subtotal		A.	C.	
Title IV Loan Programs		Net Amount Disbursed	Net Amount that Could Have Been Disbursed	F. Total Title IV grant aid disbursed and that could have been disbursed for the period.
5. Unsubsidized Direct Loan				A.
6. Subsidized Direct Loan				B.
7. Perkins Loan				+ C.
8. Direct Grad PLUS Loan				= F. \$
9. Direct Parent PLUS Loan				A.
Subtotal		B.	D.	+ D.
				= G. \$

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## Aid That Could Have Been Disbursed

In addition to the Title IV aid that was disbursed, include aid that could have been disbursed if conditions for late disbursements in 34 CFR 668.164(j)(2) were met prior to the withdrawal date:

- All Title IV – ED processed the ISIR/SAR with an official EFC
- TEACH Grant – School originated grant
- Perkins/FSEOG – School made the award
- Direct Loan – School originated loan
- Direct PLUS – Satisfactory credit check was received

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## Aid That Could Have Been Disbursed

### Origination:

- A Direct Loan or a TEACH Grant is “originated” on the date that the institution creates an electronic origination record
- The date of origination is the date that the school creates the origination record in its system, not necessarily the date that it transmits the information to the Common Origination and Disbursement (COD) System

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## Aid That Could Have Been Disbursed

In some cases, aid is included as “aid that could have been disbursed,” but the school cannot make a post-withdrawal disbursement of that aid. These cases include:

- Second or subsequent disbursements of DL
- First disbursements of DL to a student in a modular program who withdrew before beginning attendance in enough courses to establish half-time enrollment status
- Disbursements of DL to first-year, first-time DL borrowers unless the students complete the first 30 days

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## R2T4 Essentials

## Aid That Could Have Been Disbursed

- If a student's total aid ("aid that could have been disbursed" plus "aid disbursed") is greater, the amount earned will also be greater
- More funds in the "aid that could have been disbursed" category results in a smaller amount to be returned, or in a post-withdrawal disbursement
- Remember: Aid must correspond to the period for which you are doing the R2T4 calculation

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## Aid That Could Have Been Disbursed

### Example:

- First-time, first-year student starts class on Sept. 1, but withdraws on Sept. 28. Direct Loan for \$1,000 that has been originated has not been disbursed because of the 30-day delay rule
- The school includes the \$1,000 loan as "Aid that could have been disbursed"
- BUT: These funds cannot be disbursed because the student was not eligible due to the fact that the first-time, first-year student did not attend for at least 30 days

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## R2T4 Essentials

## Inadvertent Overpayments

- An inadvertent overpayment occurs when an institution disburses Title IV aid to a student who is no longer in attendance
- Inadvertent overpayments are included as “aid that could have been disbursed” rather than “aid disbursed.”
- Unless the student is eligible for a post-withdrawal disbursement, the school must return inadvertent overpayments within 45 days of the date of determination.

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## Inadvertent Overpayments

### Example:

- On Friday, a student goes to the Registrar’s office to initiate an official withdrawal. The Registrar provides the student with a form that must be signed by the financial aid office and the bursar
- On Monday, the institution makes a disbursement of Direct Loan funds to the student’s account
- On Tuesday, the student gets the required signatures and is officially withdrawn. The institution includes the Direct Loan disbursement as “aid that could have been disbursed” in the student’s R2T4 calculation

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## R2T4 Essentials

## Payment Period or Period of Enrollment (Credit Hour)

The total number of days in an institution's payment period or period of enrollment constitutes the denominator of the credit hour R2T4 calculation.

- "Total days" excludes scheduled breaks of five days or more
- "Total days" also excludes leaves of absence and periods in which the student was not enrolled in any modules

**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).

<input type="text"/>	÷	<input type="text"/>	=	<input type="text"/>	.	<input type="text"/>	%
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.**  .  %

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## Payment Period or Period of Enrollment

### Example:

- An institution has a vacation break beginning Wednesday, Nov. 26 and ending Friday, Nov. 28. The institution does not offer classes on the weekend.
- Therefore, the five days extending from Wednesday, Nov. 26 through Sunday, Nov. 30 would be excluded from the R2T4 calculation

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## R2T4 Essentials

## Payment Period or Period of Enrollment (Clock Hour)

The total number of scheduled hours in an institution's payment period or period of enrollment constitutes the denominator of the clock hour R2T4 calculation.

- Must be hours that were established in accordance with accrediting agency requirements
- Do not count scheduled hours during periods when a student is on a leave of absence or "make-up" hours that were not part of the student's normal schedule

**H. Determine the percentage of the period completed:**  
Divide the clock hours scheduled to have been completed as of the withdrawal date in the period by the total clock hours in the period.

	÷	<b>Total hours in period</b>	=	. %
Hours scheduled to complete				
<p>▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.</p> <p>▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.</p>				
				<b>H. . %</b>

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## Payment Period or Period of Enrollment

- For a standard term program, the institution must use the payment period
- For a non-term or nonstandard term program, the institution may use either the payment period or period of enrollment
  - Must use consistently for all students in a program

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## R2T4 Essentials

## Leave of Absence

A leave of absence (LOA) is a temporary interruption in a program of study instead of a withdrawal

### Conditions for an approved LOA:

1. Formal written policy
2. Student follows the formal policy in requesting the LOA
3. There is a reasonable expectation that the student will return from the LOA
4. The school approves the LOA in accordance with its policy
5. The student is not assessed additional institutional charges
6. The number of days on an approved LOA cannot exceed 180 days within a 12-month period
7. Loan recipients must be told about the effects on their grace period if they do not return

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## Leave of Absence

- For standard term or non-standard term programs, the the student must resume training at the same point the student began the LOA
- For non-term credit hour programs, the student does not have to resume training at the same point the student began the LOA
- If a student's LOA does not meet regulatory requirements, student must be considered a withdrawal as of the beginning of the LOA

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## R2T4 Essentials

## Withdrawal Date and Amount Completed

A student's withdrawal date determines the number of days the student is considered to have completed, and helps determine the numerator of the R2T4 calculation.

- In a credit hour program, "completed days" exclude scheduled breaks of five days or more, leaves of absence, and periods when the student was not enrolled in any modules

**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.  .  %

Withdrawal date  /  /

**H. Determine the percentage of the period completed:**  
Divide the clock hours scheduled to have been completed as of the withdrawal date in the period by the total clock hours in the period.

÷  =  .  %  
Hours scheduled to complete Total hours in period

▶ 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.  .  %

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## Required to Take Attendance?

- For purposes of determining a student's withdrawal date, there are two types of institutions:
  - Institutions required to take attendance
  - Institutions NOT required to take attendance
- All clock hour programs are considered "required to take attendance"

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## R2T4 Essentials

## Required to Take Attendance?

An institution is “required to take attendance” if:

- An outside entity requires that attendance be taken;
- The institution has its own requirement that instructors take attendance; or
- An outside entity or the institution has a requirement that can only be met by taking attendance

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## Institutions Not Required to Take Attendance

An institution not required to take attendance is any institution that does not fall into one of the categories for institutions required to take attendance

- Most institutions fall into this category
- Institutions not required to take attendance have more options for determining when a student has withdrawn

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## R2T4 Essentials

## Institutions Not Required to Take Attendance

Types of withdrawals at institutions not required to take attendance:

- The earlier of the official withdrawal date / the date the student otherwise provided intent to withdraw
- Date related to accident, grievous personal loss, or other such circumstances beyond the student's control, if those things prevented the student from officially withdrawing

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## Institutions Not Required to Take Attendance

Types of withdrawals at institutions not required to take attendance (continued):

- Date the student began a leave of absence (if he/she does not return, or if the leave does not meet federal requirements)
- Midpoint of the period (if the student gives no notice; sometimes called an “unofficial withdrawal”)
- Last date of attendance or an academically-related activity (optional)

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## R2T4 Essentials

## Date of Determination

For an institution that is required to take attendance:

- The date that the student provides notification that he or she is ceasing attendance
- If no notification is provided, no later than 14 days after the last date of attendance (except in unusual circumstances)

NOTE: An institution is not required to administratively withdraw a student after 14 days, but should be aware that the 14<sup>th</sup> day begins the time frame for calculations/returns

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## Institutional Charges

The total amount of institutional charges for the period determines the portion of unearned Title IV aid that the institution is responsible for returning.

- Charges included are those initially assessed for the period, or adjusted prior to the withdrawal
- Must be prorated if charges are assessed for a period longer than the period used for R2T4 purposes

<b>L. Institutional charges for the period</b>	
Tuition	<input type="text"/>
Room	<input type="text"/>
Board	<input type="text"/>
Other	<input type="text"/>
Other	<input type="text"/>
Other	<input type="text"/>
<b>Total Institutional Charges</b> (Add all the charges together) = <b>L. \$</b> <input type="text"/>	
<b>M. Percentage of unearned Title IV aid</b>	
100% - <input type="text"/> %	= <b>M.</b> <input type="text"/> %
<small>Box H</small>	
<b>N. Amount of unearned charges</b>	
Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).	
<input type="text"/> x <input type="text"/> %	= <b>N. \$</b> <input type="text"/>
<small>Box L</small> <small>Box M</small>	
<b>O. Amount for school to return</b>	
Compare the amount of Title IV aid to be returned (Box K) to amount of unearned charges (Box N), and enter the lesser amount. <b>O. \$</b> <input type="text"/>	

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## R2T4 Essentials

## Institutional Versus Non-institutional Charges

### Institutional Charges:

- All charges for tuition, fees, and room and board (if contracted with the school);
- Expenses for required course materials (books, kits, tools, supplies, etc.) if the student does not have a real and reasonable opportunity to purchase the materials from any place but the school

### Non-Institutional Charges:

- Charges for required course materials that a school can document a student had a real and reasonable opportunity to purchase elsewhere;
- Charges for group health insurance fees if the insurance is required for all students and coverage extends after the withdrawal; and
- Charges to a student's account for discretionary, educationally-related expenses (e.g., parking or library fines, etc.)

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## Institutional Versus Non-institutional Charges

### Excludable Costs:

- Excludable costs are costs a school may exclude from the total amount of institutional costs, such as the documented cost of unreturnable equipment and documented cost of returnable equipment if not returned in good condition within 20 days of withdrawal
- The amount that may be excluded is the amount that the *institution* paid for the materials, which is not necessarily the amount it charged students

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## R2T4 Essentials

## R2T4 – Additional Training

- Additional R2T4 training available at <http://fsatraining.ed.gov>
- Log in with username and password
- Go to “Learning Tracks” > “Managing Student Withdrawals”



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## R2T4 on the Web Tool

- Migrated to COD April 7, 2019
  - Core-functionality and calculations did not change
  - Iraq-Afghanistan Service Grant included
  - “Override” functionality included for certain modular or nonterm credit hour situations

See December 20, 2018, February 28, 2019 and March 1, 2019 Electronic Announcements

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## R2T4 Essentials

## Other Resources

- Section 484B of the HEA
- Final Regulation published Nov. 1, 1999
- Dear Colleague Letter GEN-00-24
- Final Regulation published Nov. 1, 2002
- Dear Colleague Letter GEN-04-03
- Dear Colleague Letter GEN-04-12
- Dear Colleague Letter GEN-05-16
- Final Regulation published Oct. 29, 2010
- Dear Colleague Letter GEN-11-14
- IFAP – Program Integrity Q's & A's – Return of Title IV Funds
- Dear Colleague Letter GEN-14-23 (R2T4 and Competency-Based Programs)

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## Training Feedback

To ensure quality training, we ask all participants to please fill out an online session evaluation

- All registrants for this session will receive an email with a link to an electronic evaluation that we ask you to complete
- This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for “listening” to our customers
- To register, please go to: <https://cvent.me/zA8B3>

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## R2T4 Essentials

## Ask A Fed goes online!

FSA has implemented a new resource to assist Financial Aid Administrators obtain guidance about the FSA programs. Based on the popularity and effectiveness of the Ask A Fed desk at the annual FSA Training Conference, we have instituted a similar process using email. Please send your inquiries about Title IV regulations to [AskAFed@ed.gov](mailto:AskAFed@ed.gov).



The Ask A Fed email box is staffed every business day by a team of FSA Training Officers ready to assist schools with their questions.