

Chapter 3

Return of Title IV Funds Case Studies - Part 2

### Case Studies 6 and 7: Thompson S. Hunter

A student officially withdraws, returns, and withdraws again while receiving Title IV grants at a school that uses a term-based modular course structure, measures academic progress in credit hours, and performs its return calculations on a payment period basis.

### Case Study 8: Eli Kraut

A student officially withdraws and is receiving Title IV grants at a school that uses a nonterm program structure, measures academic progress in credit hours, and performs its return calculations on a payment period basis.

### Case Study 6: Thompson S. Hunter

Here is an example of when a student receives Title IV grants at a school and officially withdraws. The school utilizes a term-based modular course structure, measures academic progress in credit hours and performs its Title IV return calculations on a payment period basis.

### Learning Objectives

Learn to complete Steps 1–10 of the Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program worksheet and be able to:

- determine whether or not the student must be considered as withdrawn;
- determine the total number of days the student was in attendance;
- recalculate the student’s eligibility for Pell and Campus-Based funds;
- calculate the percentage of the payment period the student completed;
- calculate both the percentage and the amount of Title IV aid earned by the student;
- determine either that the student is due a post-withdrawal disbursement (PWD) of Title IV aid or that Title IV aid must be returned; and
- determine the amount to be offered to the student or returned.

#### School Profile

Las Vegas School of Digital Journalism (LSDJ) is a public residential institution that utilizes a term-based modular course structure and measures academic progress in credit hours.

Academic Year/ Period of Enrollment	2 semesters/32 weeks and 24 semester hours
Payment Period	1 semester/ 117 calendar days
Period Start Date	August 22
Period End Date	December 16
R2T4 Freeze Date	September 10
Institutionally Scheduled Break	Yes
Required to Take Attendance	No

Period used in Return calculation

Payment Period

Scheduled starting and ending dates for modules within the term.

Start

End

August 22

September 16

September 19

October 14

October 17

November 11

November 14

December 16

A scheduled break begins after the last class on Friday, November 18. Classes resume on Monday, November 28. The scheduled break is nine days long.

LSDJ uses an R2T4 Freeze Date (RFD) to help calculate the number of days their students are scheduled to complete within modules.

Though it is not a school that is required to take attendance, LSDJ has a school policy of using a student's last date of attendance at an academically related activity as the withdrawal date when a student withdraws from a program offered in modules.

## Student Profile

Thompson Hunter is an independent, third-year student and as of LSDJ's R2T4 Freeze Date is enrolled for 12 credits over four modules. In each module, a student is enrolled in one course that begins and ends on a fixed date. In Thompson's case, each course is worth three credits.

Charges to Thompson's account for the **payment** period are as follows:

Tuition and fees \$ 1,200.00/12 credits

School Authorized to Credit Account for Other Charges: Yes (all charges)

Thompson's financial aid package is based on the following academic year (9-month budget):

Tuition	\$ 2,400.00
Room	\$ 2,800.00
Board	\$ 1,600.00
Books	\$ 800.00
Personal Expenses	\$ 800.00
Travel	\$ 800.00

Thompson's financial aid package included the following **annual** awards:

Pell Grant	\$ 5,550.00
FSEOG	\$ 3,650.00

All of Thompson's financial aid for the first payment period (one-half his annual awards) was disbursed on the first day of classes.

## Discussion

On the first day of the period, August 22, Thompson received the following disbursements to his student account (school uses the aggregate method to match FSEOG):

Pell Grant	\$ 2,775.00
FSEOG	\$ 1,825.00

On October 17, Thompson comes to see you. Even though he fully attended his first two modules, he struggled with his coursework and earned Fs in both modules and is unsure if this is the correct career path for him. He needs some time to think about his future and feels it is best if he withdraws from the first semester now.

When a student withdraws from one of a series of modules in a term-based program, a school must first determine whether or not the student must be treated as a withdrawal. In order to do so, the school should review the following five questions:

1. Did the student cease to attend, or fail to begin attendance in a scheduled course that was included in the institution's calculation of the student's Title IV awards for the payment period or period of enrollment?

If the answer is no, this is not a withdrawal. If the answer is yes, go to question 2.

In Thompson's case, the answer to Question 1 is **Yes**; you go on to Question 2.

2. When the student ceased to attend or failed to begin attendance in a scheduled course, was the student still attending any other courses?

If the answer is yes, this is not a withdrawal; (Note, however that other regulatory provisions concerning recalculation may apply.) If the answer is no, go to question 3.

In Thompson's case, the answer to Question 2 is **No**; you go on to Question 3.

3. When the student ceased to attend or failed to begin attendance in a scheduled course, did the student complete all the requirements for graduation?

If the answer is yes, this is not a withdrawal, but Pell recalculation may apply. If the answer is no, go to question 4.

In Thompson's case, the answer to Question 3 is **No**; you go on to Question 4.

4. When the student ceased to attend or failed to begin attendance in a scheduled course, did the student successfully complete:

- a module or combination of modules that contain 49% or more of the number of days of the payment period (excluding scheduled breaks of 5 consecutive days or more and all days between modules); OR
- coursework equal to or greater than the coursework required for the institution's definition of a half-time student for the payment period?

If the answer is yes to either question, this is not a withdrawal, but Pell recalculations may apply. If the answer is no, go to question 5.

In Thompson's case, the answer to Question 4 is **No**; you go on to Question 5.

5. Did the student confirm attendance in a later module in the payment/enrollment period (45-day rule for standard or nonstandard programs)?

If the answer is yes, this is not a withdrawal, unless the student does not return. (Pell recalculations may still apply). If the answer is no, this is a withdrawal, and the Return of Title IV Funds requirements apply.

In Thompson's Case, the answer is **No**; you must treat Thompson as a withdrawal.

Because Thompson does not meet any of the R2T4 withdrawal exemptions and did not provide any written confirmation of future attendance, LSDJ must treat him as a withdrawn student.

Because Thompson failed to begin attendance in all of the classes on which his Pell Grant was based, before performing

the required Return calculation, LSDJ must recalculate Thompson’s Pell based on his enrollment in just the two modules he began—six credits or half time. Thompson’s scheduled annual Pell award as a half-time student is \$2,775. His revised first semester award is \$1,388.00. LSDJ must return \$1,387.00 (the difference between Thompson’s initial Pell disbursement of \$2,775.00 and his new award of \$1,388.00), and include only his new award of \$1,388.00 in the Title IV return calculation. The school returns the \$1,387.00 through G5 and reduces Thompson’s Pell Grant in COD to \$1,388.00.

In addition, since Thompson was receiving Campus-Based aid (FSEOG), the school has to recalculate his eligibility for Campus-Based funds, eliminating the costs attributable to the modules that he did not begin attending to see whether a reduction of the Campus-Based aid is necessary. Based on a revised COA of \$3,600.00 for the fall semester and revised Pell Grant of \$1,388.00, Thompson’s remaining firstsemester need is \$2,212.00. That is more than his FSEOG of \$1,825.00. Therefore, LSDJ does not need to reduce Thompson’s FSEOG award before performing the Title IV return calculation.

LSDJ performed an R2T4 calculation using Thompson’s last day of attendance of October 14 as his withdrawal date (as per school policy); \$1,388.00 as the amount of Pell Grant disbursed; and \$1,825.00 as the amount of FSEOG funds disbursed. On October 24, LSDJ returned the funds for which it was responsible to the appropriate programs, and made the appropriate adjustments in COD.

### Solution

Per school policy, Thompson’s withdrawal date is his last day of attendance at an academically related activity as determined from the school’s attendance records, October 14.

At the beginning of the semester, the following awards were posted to Thompson’s account at LSDJ.

Pell Grant	\$ 2,775.00
FSEOG	\$ 1,825.00

### Step 1: Student’s Title IV Aid Information

#### Box A.

After recalculating and returning the Pell Grant funds for which Thompson was ineligible, the Title IV grant aid disbursed was

Pell Grant	\$ 1,388.00
FSEOG	\$ 1,825.00
<b>A. =</b>	\$ 3,213.00

#### Box B.

Net Title IV loans that could have been disbursed = \$ 0.00.

#### Box C.

Title IV grants that could have been disbursed = \$ 0.00.

#### Box D.

Title IV loans that could have been disbursed = \$ 0.00.

#### Box E.

Total Title IV aid disbursed for the payment period =  $A + B = 3,213.00 + 0.00 = \$ 3,213.00$ .

**Box F.**

Total Title IV grant aid disbursed and could have been disbursed for the payment period =  $A + C = 3,213.00 + 0.00 = \$ 3,213.00$ .

**Box G.**

Total Title IV aid disbursed and could have been disbursed for the payment period =  $A + B + C + D = 3,213.00 + 0.00 + 0.00 + 0.00 = \$3,213.00$ .

## Step 2: Percentage of Title IV Aid Earned

LSDJ has an institutional policy of using the last date of attendance in an academically related activity as determined from its attendance records as the withdrawal date for students who cease attendance before completing more than 60 percent of the payment period. Thompson's last date of attendance was October 14.

1. Payment Period start date = August 22.
2. Payment Period end date = December 16.
3. Date of withdrawal = October 14.
4. Percentage of payment period completed
  - Number of calendar days completed = 54
  - Number of calendar days in the payment period = 108 (117 - 9 day scheduled break)
  - $54 \text{ days} \div 108 \text{ days} = 0.50$ . percentage of payment period completed = 50.0%

**Box H.**

Because this percentage is 60% or less, the percentage of Title IV aid earned = 50.0%.

## Step 3: Amount of Title IV Aid Earned by the Student

**Box I.**

$50.0\%$  (percentage of Title IV aid earned from Box H)  $\times \$3,213.00$  (Total of the Title IV aid disbursed and could have been disbursed for the payment period or period of enrollment from Box G) = \$1,606.50. Amount of Title IV aid earned by the student = \$1,606.50.

## Step 4: Total Title IV Aid to be Disbursed or Returned

**Box J.**

Because the total Title IV aid earned (Box I) is less than the total Title IV aid disbursed (Box E), no post-withdrawal disbursement is due, and we proceed to Box K.

Post-withdrawal disbursement = N/A.

**Box K.**

Because the total Title IV aid disbursed (Box E) is greater than the total Title IV aid earned (Box I), Title IV aid must be

returned.

\$3,213.00 (Box E) - \$1,606.50 (Box I) = \$1,606.50. Title IV Aid to be returned = \$1,606.50.

Step 5: Amount of Title IV Aid Due from the School

Box L.

The institutional charges on Thompson’s account are the charges initially assessed for the payment period. Note that books and supplies are not included because Thompson had an opportunity to purchase them elsewhere, and did.

Tuition and fees	\$ 1,200.00
Room	\$ 1,400.00
Board	\$ 800.00
Box L =	\$ 3,400.00

Box M.

Subtract the percentage of Title IV earned from Box H (50.0%) from 100.0%. 100% - 50.0% = 50.0%. percentage of Title IV aid unearned = 50.0%.

Box N.

Calculate the amount of unearned charges. \$3,400.00 (institutional charges from Box L) × 50.0% (% of Title IV aid unearned from Box M) = \$1,700.00.

Amount of unearned institutional charges = \$1,700.00.

Box O.

Compare the amount of Title IV aid to be returned (Box K) to unearned institutional charges (Box N), and enter the lesser amount in Box O.

Box K =	\$ 1,606.50
Box N =	\$ 1,700.00

Amount of unearned Title IV aid due from the school = \$1,606.50.

Step 6: Return of Funds by the School

Box P.

The student had no loans, so the total loans the school must return = \$0.00

Box P =	\$0.00
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Thompson received a recalculated Pell Grant disbursement of \$1,388.00. Since \$1,388.00 is less than the \$1,606.50 (Box O), the school must return the \$1,388.00 to the Pell Grant Program and an additional \$218.50 (1,606.50 - 1,388.00) to the FSEOG program through the G5 system. The school must also reduce Thompson’s Pell Grant in COD to \$0.00.

The school must return any unearned funds within 45 days from the date of the school’s determination that Thompson withdrew.

## Step 7: Initial Amount of Unearned Title IV Aid Due from Student

### Box Q.

Subtract the amount of Title IV aid the school must return (\$1,606.50 from Box O) from the total amount of Title IV aid that is to be returned (\$1,606.50 from Box K) to find the initial amount of Title IV aid due from the student.  $\$1,606.50 - \$1,606.50 = \$0.00$ .

Box Q = \$ 0.00

Because Box Q is \$0.00, no further calculation is needed.

[🔗 Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program-Case 6](#) 

## Case Study 7: The Return of Thompson S. Hunter

Here is an example of when a student receiving Title IV grants officially withdraws, but returns within the payment period and withdraws again. The school utilizes a term-based modular course structure, measures academic progress in credit hours and performs its Title IV return calculations on a payment period basis.

### Learning Objectives

Learn to complete Steps 1-10 of the Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program worksheet, and be able to:

- identify the steps that must be taken when a student who withdrew from a term-based program offered in modules returns within the payment period;
- determine the numerator and denominator when calculating the percentage of the payment period completed for a student who withdraws, returns and withdraws again.
- recalculate the student’s eligibility for Pell and Campus-Based funds;
- calculate the percentage of the payment period the student completed, and the percentage and the amount of Title IV aid earned by the student;
- determine if the student is due a post-withdrawal disbursement (PWD) of Title IV aid or that Title IV aid must be returned, and if so, how much the school must return and
- determine the amount to be offered to the student or returned by him.

#### School Profile

Las Vegas School of Digital Journalism (LSDJ) is public residential institution that utilizes a term-based modular course structure and measures academic progress in credit hours.

Academic Year/Period of Enrollment	2 semesters/32 weeks & 24 semester hours
Payment Period	1 semester/117 calendar days
Payment Period Start Date	August 22
Payment Period End Date	December 16
R2T4 Freeze Date	September 10
Institutionally Scheduled Break	Yes
Required to Take Attendance	No
Period used in Return calculation	Payment Period

Scheduled starting and ending dates for modules within the term.

Start	End
August 22	September 16
September 19	October 14
October 17	November 11
November 14	December 16

A scheduled break begins after the last class on Friday, November 18. Classes resume on Monday, November 28. The scheduled break is nine days long.

LSDJ uses an R2T4 Freeze Date (RFD) to help calculate the number of days their students are scheduled to complete within modules.

Though it is not a school that is required to take attendance, LSDJ has a school policy of using a student's last date of attendance at an academically related activity as the withdrawal date when a student withdraws from a program offered in modules.

## Student Profile

Thompson Hunter was an independent third-year student enrolled at LSDJ for 12 credits offered over four modules as of LSDJ's R2T4 Freeze Date. In each module a student is enrolled in one course that begins and ends on a fixed date. In Thompson's case, each course is worth three credits.

Charges to Thompson's account for the payment period are as follows:

Tuition and fees	\$ 1,200.00/12 credits
School Authorized to Credit Account for Other Charges:	Yes (all charges)

Thompson's financial aid package is based on the following academic year (9-month budget):

Tuition	\$ 2,400.00
Room	\$ 2,800.00
Board	\$ 1,600.00
Books	\$ 800.00
Personal Expenses	\$ 800.00
Travel	\$ 800.00

Thompson's financial aid package included the following **annual** awards:

Pell Grant	\$ 5,550.00
FSEOG	\$ 3,650.00

All of Thompson's financial aid for the first payment period (one-half his annual awards) was disbursed on the first day of classes.

## Discussion

On November 11, Thompson Hunter (the student from Case Study 6) walks into your office with the news that his wife Barbara Ann has quit her acting job in LA and moved back to Las Vegas. Realizing having a career is important for him to



take care of his family, Thompson would like to re-enter the program when the fourth module begins on November 14.

When Thompson returns for module four, 34 CFR 668.22(a)(2)(iii)(A) applies. That regulation provides that, if a student withdraws from a term-based credit-hour program offered in modules and re-enters 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. To do this, the school must:

- recalculate Thompson’s Title IV program eligibility based upon enrollment in modules 1, 2, and 4 and then re-disburse any Title IV, HEA program funds that had been disbursed and then returned under the Return of Title IV Funds provisions, adjusting, if necessary, for any change in his enrollment status;
- disburse any Title IV, HEA program funds for which Thompson was otherwise eligible that had not yet been disbursed at the time he withdrew, adjusting for the change in enrollment status; and
- cancel any Title IV overpayments assessed Thompson as a result of the prior withdrawal.

When Thompson returns in module four, the three credits for that module are added to the six credits that Thompson completed previously. Nine credits at LSDJ are the minimum number required for three-quarter-time enrollment status. Therefore, the school must recalculate Thompson’s eligibility for Title IV assistance as a three-quarter time student. Thompson’s scheduled annual Pell award as a three-quarter-time student is \$4,163.00, and his one-semester award is \$2,081.50.

After recalculating Thompson’s eligibility from full time to half time when he withdrew previously, the school returned \$1,387.00 (the difference between Thompson’s initial Pell disbursement of \$2,775.00 and his halftime award of \$1,388.00). The school then included only his new award of \$1,388.00 in the Return calculation and returned the entire amount as a result of the calculation. The school also reduced his Pell award in COD to \$0.00. When Thompson returns, the school must once again adjust his award in COD (this time to his three-quarter-time award of \$2,081.50) and draw down and disburse \$2,081.50 to his account.

In addition, the school has to recalculate Thompson’s eligibility for Campus-Based funds, adding the costs attributable to the additional module that he has begun attending, to see whether a modification of his Campus-Based aid is necessary. Based on a revised COA of \$4,100.00 for the fall semester and revised Pell Grant of \$2,081.50, Thompson’s remaining first-semester need is \$2,018.50. That is greater than his initial FSEOG award of \$1,825.00. Therefore, since it has not already awarded the \$218.50 that it returned previously to another eligible student, the school re-awards and disburses the \$218.50 in FSEOG funds to Thompson.

When the aid officer reviews the results of the previous Title IV return calculation, he finds that Thompson had not been required to return any Title IV funds; therefore, there are no student overpayments to cancel.

On the first day of module four, November 14, LSDJ made the following disbursements to his student account (school uses the aggregate method to match FSEOG):

Pell Grant	\$ 2,081.50
FSEOG	\$ 218.50 (restoring his total to \$1,825)

After class on December 5, Thompson once again comes to see you. He says that his uncle Raoul (born in England under mysterious circumstances) has just discovered that he is in line to be the Duke of Marlboro. Raoul must go to England immediately to claim the title, and he’s willing to cover the cost of Thompson’s traveling with him to the investiture. Therefore, Thompson has decided to withdraw immediately.

When a student withdraws from one of a series of modules in a term-based program, a school must first determine whether or not the student must be treated as a withdrawal. In order to do so, the school should review the following five questions:

1. Did the student cease to attend, or fail to begin attendance in a scheduled course that was included in the institution’s calculation of the student’s Title IV awards for the payment period or period of enrollment?

If the answer is no, this is not a withdrawal. If the answer is yes, go to question 2.

In Thompson's case, the answer to Question 1 is **Yes**; you go on to Question 2.

2. When the student ceased to attend or failed to begin attendance in a scheduled course, was the student still attending any other courses?

If the answer is yes, this is not a withdrawal. (Note, however, that other regulatory provisions concerning recalculation may apply.) If the answer is no, go to question 3.

In Thompson's case, the answer to Question 2 is **No**; you go on to Question 3.

3. When the student ceased to attend or failed to begin attendance in a scheduled course, did the student complete all the requirements for graduation?

If the answer is yes, this is not a withdrawal, but Pell recalculation may apply. If the answer is no, go to question 3.

In Thompson's case, the answer to Question 3 is **No**; you go on to Question 4.

4. When the student ceased to attend or failed to begin attendance in a scheduled course, did the student successfully complete:
- a module or combination of modules that contain 49% or more of the number of days of the payment period (excluding scheduled breaks of 5 consecutive days or more and all days between modules); OR
  - coursework equal to or greater than the coursework required for the institution's definition of a half-time student for the payment period?

If the answer is yes to either question, this is not a withdrawal, but Pell recalculations may apply. If the answer is no, go to question 5.

In Thompson's case, the answer to Question 4 is **No**; you go on to Question 5.

5. Did the student confirm attendance in a later module in the payment/enrollment period (45-day rule for standard or nonstandard programs)?

If the answer is yes, this is not a withdrawal unless the student does not return. (Pell recalculations may still apply). If the answer is no, this is a withdrawal, and the Return of Title IV Funds requirements apply.

In Thompson's case, the answer is **No**; you must treat Thompson as a withdrawal.

Thompson began attendance in all of the classes on which his Pell Grant was based (modules 1,2, and 4). Therefore, the school did not need to recalculate Thompson's revised Pell Grant. In addition, since Thompson began attendance in all of the classes on which his Campus-Based aid (FSEOG) was based, the school did not have to recalculate his eligibility for Campus-Based funds.

## Solution

Per school policy, Thompson's withdrawal date is his last day of attendance at an academically related activity as determined from the school's attendance records, December 5.

### Step 1: Student's Title IV Aid Information

#### Box A.

Since Thompson had begun all modules (classes) on which his Pell and Campus-Based aid was based, the Title IV grant aid disbursed was –

Pell Grant	\$ 2,081.50
FSEOG	\$ 1,825.00
<b>A. =</b>	<b>\$ 3,906.50</b>

**Box B.**

Net Title IV loans that could have been disbursed = \$ 0.00.

**Box C.**

Title IV grants that could have been disbursed = \$ 0.00.

**Box D.**

Title IV loans that could have been disbursed = \$ 0.00.

**Box E.**

Total Title IV aid disbursed for the payment period =  $A + B = 3,906.50 + 0.00 = \$ 3,906.50$ .

**Box F.**

Total Title IV grant aid disbursed and could have been disbursed for the payment period =  $A + C = 3,906.50 + 0.00 = \$ 3,906.50$ .

**Box G.**

Total Title IV aid disbursed and could have been disbursed for the payment period =  $A + B + C + D = 3,906.50 + 0.00 + 0.00 + 0.00 = \$3,906.50$

**Step 2: Percentage of Title IV Aid Earned**

Though it is not a school that is required to take attendance, LSDJ has a school policy of using a student's last date of attendance at an academically related activity as the withdrawal date when a student withdraws from a program offered in modules.

The total number of days in the payment period is the original 108 days. While the student did not begin module three, since Thompson was enrolled in module three as of LSDJ's R2T4 Freeze Date (September 10), module three is considered to have been used to determine the amount of Thompson's eligibility for Title IV, HEA funds, and therefore, the days from module three are also included in the denominator.

The total number of completed calendar days in the period reflects the completed days in modules one, two, and four. From the previous Title IV return calculation, we know that Thompson completed 54 days in modules one and two. He completed 13 days in module 4 (22 days less the 9-day scheduled break). The total number of days completed (the days completed in modules one, two, and four) are the sum of the days completed during each period or 67 days (54 + 13).

1. Payment Period start date = August 22.
2. Payment Period end date = December 16.
3. Date of withdrawal = December 5.
4. Percentage of payment period completed
  - Number of calendar days completed in modules one, two, and four = 67
  - Number of calendar days in the payment period = 108 (117 - 9-day scheduled break)
  - $67 \text{ days} \div 108 \text{ days} = 0.62$ . Percentage of payment period completed = 62.0%

**Box H.**

Because this percentage is greater than 60%, the percentage of Title IV aid earned = 100.0%. Note that although no return is required, the school must complete Step 3 in order to determine whether 100% of his aid has been disbursed or Thompson was due a post-withdrawal disbursement.

Percentage of Title IV aid earned = 100.00%

### Step 3: Amount of Title IV Aid Earned by the Student

**Box I.**

100.0% (percentage of Title IV aid earned from Box H) X \$3,906.50. (Total of the Title IV aid disbursed and could have been disbursed for the payment period or period of enrollment from Box G) = \$3,906.50.

Amount of Title IV aid earned by the student = \$3,906.50.

No further action is necessary.

[🔗 Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program-Case 7](#) 

## Case Study 8: Eli Kraut

Here is an example of when a student receiving Title IV grants and loans officially withdraws and is not scheduled to return within 60 days. The school utilizes a nonterm program structure, measures academic progress in credit hours and performs its Title IV return calculations on a payment period basis.

## Learning Objectives

Learn to complete Steps 1–10 of the Treatment of Title IV Funds When a Student Withdraws from a Credit-Hour Program worksheet, and be able to:

- determine whether or not a student must be considered a withdrawal;
- determine if it is necessary, and if so, recalculate the student’s eligibility for Pell and Campus-Based funds;
- determine the total number of days the student was in attendance, and the numerator and denominator when calculating the percentage of the payment period completed;
- calculate the percentage of the payment period the student completed, and both the percentage and the amount of Title IV aid earned by the student;
- determine either that the student is due a post-withdrawal disbursement (PWD) of Title IV aid or that Title IV aid must be returned; and
- determine the amount to be offered to the student or returned.

School Profile	
The Giant School of Sports Medicine (GSSM) is a private, for profit institution that utilizes a nonterm program structure and measures academic progress in credit hours.	
Academic Year/Period of Enrollment	24 credits/32 weeks
Payment Period	12 credit hours/4 courses each 4 weeks long/16 weeks
Period Start Date	August 1
Period End Date	November 18
Institutionally Scheduled Break	No

Required to Take Attendance	No
Period Used in Return Calculation	Payment Period
Course structure within payment period includes:	
Start	End
August 1	August 26
August 29	September 23
September 26	October 23
October 26	November 18

Student Profile																											
<p>Eli Kraut is a dependent, fourth-year student enrolled in four courses at GSSM for 12 credits throughout the payment period. In each payment period, a student enrolls in four courses that begin and end on fixed dates. In Eli's case, each course is worth three credits.</p> <p>Charges to Eli's account for the payment period are as follows:</p> <table> <tr> <td>Tuition and fees</td><td>\$ 3,200.00/12 credits</td></tr> <tr> <td>School Authorized to Credit Account for Other Charges:</td><td>Yes (all charges)</td></tr> </table> <p>Eli's financial aid package is based on the following nine month academic year cost of attendance (COA).</p> <table> <tr> <td>Tuition</td><td>\$ 6,400.00</td></tr> <tr> <td>Room</td><td>\$ 3,200.00</td></tr> <tr> <td>Board</td><td>\$ 3,200.00</td></tr> <tr> <td>Books</td><td>\$ 1,600.00</td></tr> <tr> <td>Personal Expenses</td><td>\$ 3,200.00</td></tr> <tr> <td>Travel</td><td>\$ 800.00</td></tr> <tr> <td>Total COA</td><td>\$ 18,400.00</td></tr> </table> <p>Eli's financial aid package included the following <b>annual</b> awards:</p> <table> <tr> <td>Pell Grant</td><td>\$ 5,550.00</td></tr> <tr> <td>FSEOG</td><td>\$ 4,000.00</td></tr> <tr> <td>Subsidized Direct Loan</td><td>\$ 5,500.00</td></tr> <tr> <td>Federal Work Study (FWS)</td><td>\$ 3,350.00</td></tr> </table> <p>Except for his FWS award, all of Eli's financial aid for the first payment period (one-half his annual awards) was disbursed on the first day of classes.</p>		Tuition and fees	\$ 3,200.00/12 credits	School Authorized to Credit Account for Other Charges:	Yes (all charges)	Tuition	\$ 6,400.00	Room	\$ 3,200.00	Board	\$ 3,200.00	Books	\$ 1,600.00	Personal Expenses	\$ 3,200.00	Travel	\$ 800.00	Total COA	\$ 18,400.00	Pell Grant	\$ 5,550.00	FSEOG	\$ 4,000.00	Subsidized Direct Loan	\$ 5,500.00	Federal Work Study (FWS)	\$ 3,350.00
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### Discussion

On the first day of the period, August 1, Eli received the following disbursements to his student account (school uses the aggregate method to match FSEOG):

Pell Grant	\$ 2,775.00
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FSEOG	\$ 2,000.00
Net Subsidized Direct Loan	\$ 2,700.00

On August 25, Eli comes to see you. He tells you that his twin brother, Jake, has just won an all-expenses paid Mediterranean cruise for two and has invited Eli to accompany him on the cruise. Eli has decided not to miss this chance of a lifetime. He intends to drop courses two and three, and return for the original fourth course on October 26. On August 26, Eli completes his first course and withdraws.

Under 34 CFR 668.22(l)(6), a program is “offered in modules” if the program uses a standard term or nonstandard-term academic calendar, is not a subscription-based program, and a course or courses in the program do not span the entire length of the payment period or period of enrollment. Based upon the Department’s new definition of a program offered in modules established in the September 2, 2020 final regulations, GSSM’s nonterm program is NOT considered a program offered in modules. Therefore, none of the R2T4 module requirements apply, including the withdrawal exemptions associated with modules.

**Note:** CFR 34 668.22(a)(2)(i)(D) provides that a student in a nonterm or subscription-based program is considered to have withdrawn for Title IV purposes if the student is unable to resume attendance within a payment period or period of enrollment for more than 60 calendar days after ceasing attendance, unless the student is on an approved leave of absence. 34 CFR 668.22(a)(2)(ii)(A)(5) provides that, for a nonterm program, a student is not considered to have withdrawn if the institution obtains written confirmation from the student at the time that would have been a withdrawal of the date that he or she will resume attendance, and that date is *no later than 60 calendar days after the student ceased attendance*.

The course in which Eli will be returning does not start until October 26. That is 61 days from August 26, the end of the first course. Therefore, in Eli’s case, since he is unable to provide written confirmation to return within 60 days after ceasing attendance, GSSM must treat Eli as a withdrawal.

Because Eli failed to begin attendance in all of the classes on which his Title IV aid was based, before performing the required Return calculation GSSM must recalculate Eli’s eligibility for Title IV funds based on his enrollment in just the one course he began— three credits, or less than half time.

**Note:** Pell Grant awards for students in clock-hour programs and programs without terms are always based on the *Payment Schedule for Determining Full-Time Awards*. Therefore, a school does not have to recalculate a Pell Grant when a student **attending a nonterm program or clock-hour program withdraws**.

The school does have to recalculate Eli’s eligibility for Campus-Based aid (FSEOG and FWS), eliminating the costs attributable to the courses that he did not begin attending, to see whether a reduction of the Campus-Based aid was necessary. After eliminating the expenses associated with the period of non-attendance, the school determined that the COA (for Campus-Based purposes) associated with Eli’s enrollment in the first course was \$2,600.00. The loan funds that Eli had already received (and for which his eligibility does not have to be recalculated—\$2,700.00) plus his Pell Grant (\$2,775.00), plus the \$500.00 in FWS Eli has earned to date equal \$5,975.00. Since \$5,975.00 exceeds Eli’s revised COA of \$2,600.00, the aid officer determined that Eli was not eligible for any FSEOG funds, so the school had to reduce Eli’s FSEOG award to \$0.00 and either award the \$2,000.00 in FSEOG funds to another eligible student or return them to ED. Note that Pell Grants and earned FWS funds are never reduced to address an overpayment.

**Note:** Any time a student changes his or her enrollment status, the school must recalculate the student’s COA to determine if the student’s eligibility for Campus -Based funds has changed. The school may not include in the COA costs associated with any classes the student failed to begin. Moreover, when a student enrolled in a clock-hour or nonterm program withdraws, a school that calculates Returns on a period of enrollment basis may not include costs associated with any future payment period for which the student has not confirmed attendance at the time of withdrawal and that does not start within 60 days in the student’s COA.

GSSM performed an R2T4 calculation using Eli’s last day of attendance of August 26 as his withdrawal date; \$2,775.00 as the amount of Pell Grant disbursed; \$0.00 as the amount of FSEOG funds disbursed; and \$2,700.00 as the amount of Subsidized Direct Loan funds disbursed. On September 4, GSSM returned the funds for which it was responsible to the appropriate programs.

## Solution

Eli’s withdrawal date is his last day of attendance at an academically related activity as determined from the school’s attendance records, August 26.

At the beginning of the payment period, the following awards were posted to Eli’s account at GSSM.

Pell Grant	\$ 2,775.00
FSEOG	\$ 2,000.00
Net Subsidized Direct Loan	\$ 2,700.00

**Step 1: Student’s Title IV Aid Information**

**Box A.**

**After recalculation,** the Title IV grant aid disbursed was

Pell Grant	\$ 2,775.00
FSEOG	\$ 0.00
<b>A. =</b>	\$ 2,775.00

**Box B.**

Net Title IV loans disbursed

Subsidized Direct Loan	\$ 2,700.00
<b>B. =</b>	\$ 2,700.00

**Box C.**

Title IV grants that could have been disbursed = \$ 0.00.

**Box D.**

Title IV loans that could have been disbursed = \$ 0.00.

**Box E.**

Total Title IV aid disbursed for the payment period = A + B = 2,775.00 + 2,700.00 = \$ 5,475.00.

**Box F.**

Total Title IV grant aid disbursed and could have been disbursed for the payment period = A + C = 2,775.00 + 0.00 = \$ 2,775.00.

**Box G.**

Total Title IV aid disbursed and could have been disbursed for the payment period = A + B + C + D = 2,775.00 + 2,700.00 + 0.00 + 0.00 = \$5,475.00.

**Step 2: Percentage of Title IV Aid Earned**

For Title IV purposes, Eli’s withdrawal date is August 26, the day he dropped his second and third courses and notified the school that he would not be returning until the start of his fourth course (61 days after ceasing attendance).

- 1. Payment Period start date = August 1.
- 2. Payment Period end date = November 18.
- 3. Date of withdrawal = August 26.
- 4. Percentage of payment period completed
  - Number of calendar days completed = 26
  - Number of calendar days in the payment period = 110
  - $26 \text{ days} \div 110 \text{ days} = 0.2363$ . Percentage of payment period completed = 23.6%

**Box H.**

Because this percentage is less than or equal to 60%, the percentage of Title IV aid earned in Box H = 23.6%.

**Step 3: Amount of Title IV Aid Earned by the Student**

**Box I.**

$23.6\%$  (percentage of Title IV aid earned from Box H) X  $\$5,475.00$  (Total of the Title IV aid disbursed and could have been disbursed for the payment period or period of enrollment from Box G) =  $\$1,292.10$ . Amount of Title IV aid earned by the student =  $\$1,292.10$ .

**I. =** **\$1,292.10**

**Step 4: Total Title IV Aid to be Disbursed or Returned**

**Box J.**

Because the total Title IV aid earned (Box I) is less than the total Title IV aid disbursed (Box E), no post-withdrawal disbursement is due, and we proceed to Box K.

Post-withdrawal disbursement = N/A.

**Box K.**

Because the total Title IV aid disbursed (Box E) is greater than the total Title IV aid earned (Box I) Title IV aid must be returned.

$\$5,475.00$  (Box E) –  $\$1,292.10$  (Box I) =  $\$4182.90$ . Title IV Aid to be returned =  $\$4182.90$ .

**K. =** **\$4182.90.**

**Step 5: Amount of Title IV Aid Due from the School**

**Box L.**

The institutional charges on Eli’s account are the charges initially assessed for the payment period. Note that books and supplies are not included because Eli had an opportunity to purchase them elsewhere, and did.



Tuition and fees	\$ 3,200.00
Room	\$ 1,600.00
Board	\$ 1,600.00
Box L =	\$ 6,400.00

### Box M.

Subtract the percentage of Title IV earned from Box H (23.6%) from 100.0%.  $100\% - 23.6\% = 76.4\%$ . Percentage of Title IV aid unearned = 76.4%.

**M =** 76.4%

### Box N.

Calculate the amount of unearned charges. \$6,400.00 (institutional charges from Box L) X 76.4% (% of Title IV aid unearned from Box M) = \$4,889.60. Amount of unearned institutional charges = \$4,889.60.

**N =** \$ 4,889.60

### Box O.

Compare the amount of Title IV aid to be returned (Box K) to unearned institutional charges (Box N), and enter the lesser amount in Box O.

Box K =	\$ 4,182.90
Box N =	\$ 4,889.60

Amount of unearned Title IV aid due from the school = \$4182.90.

**O =** \$ 4,182.90

## Step 6: Return of Funds by the School

### Box P.

The amount of unearned Title IV aid due from the school is \$4182.90 (Box O), and Title IV loans are returned before Title IV grants. Since Eli received a Net Subsidized Direct Loan of \$2,700.00, the school returns the entire \$2,700.00 to the Direct Loan Program.

The school also returns \$1,482.90 (\$4182.90 [from Box O] – \$2,700.00 [from Box P]) to the Pell Grant Program.

**The school must return any unearned funds within 45 days from the date of the institution's determination that Eli withdrew.**

## Step 7: Initial Amount of Unearned Title IV Aid Due from Student

### Box Q.

Subtract the amount of Title IV aid the school must return (\$4,182.90 from Box O) from the total amount of Title IV aid that is to be returned (\$4,182.90 from Box K) to find the initial amount of Title IV aid due from the student.  $\$4,182.90 - \$4,182.90 = \$0.00$ .

Q =

\$ 0.00

There is no unearned aid due from the student, so the Title IV return calculation ends here.

[🔗 Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program-Case 8](#) 