Volume 5

Withdrawals and the Return of Title IV Funds

Introduction

An overpayment occurs when the student receives more aid than they were eligible to receive. One kind of overpayment, traditionally called an over award, results from changes in the student's aid package; a second occurs when a student withdraws. This volume covers how a school should respond when a student withdraws.

Throughout the Federal Student Aid Handbook (FSA) we use "college," "school," and "institution" interchangeably unless a more specific use is given. Similarly, "student," "applicant," and "aid recipient" are synonyms. "Parents" in this volume refers to the parents of dependent students, and "you" refers to the primary audience of the Handbook: financial aid administrators at colleges. "We" indicates the U.S. Department of Education (the Department, ED), and "FSA funds" and "Title IV aid" are synonymous terms for the federal financial aid offered by the Department.

We appreciate any comments that you have on the Application and Verification Guide (AVG), as well as all the volumes of the FSA Handbook. We revise the text based on questions and feedback from the financial aid community, so please reach out to us about how to improve the Handbook through the "Contact Customer Support" feature in our Partner Connect Help Center and clicking on "FSA Handbook" under the Topic section.

COVID-19 Guidance and Waivers

The Department of Education recognizes that the COVID-19 pandemic created many unique challenges for postsecondary institutions. The Department provided a variety of special guidance and regulatory flexibilities due to the President's declaration of the COVID- 19 national emergency on March 13, 2020. In addition, Congress passed legislation offering relief from certain statutory requirements related to the Title IV, HEA programs.

Although COVID-19 continues to affect the lives of many Americans, the COVID-19 national emergency ended on April 10, 2023, through enactment of H.J. Res. 7, Public Law No. 118-3. Additionally, the COVID-19 public health emergency ended on May 11, 2023. These actions will trigger the sunset of many waivers and flexibilities for the Federal student financial aid programs related to the COVID-19 pandemic.

Relief for students who withdrew due to COVID-19, which included a waiver of the institution's obligation to return funds under the Return of Title IV Funds (R2T4) requirements, reversal of Pell Grant lifetime eligibility/subsidized loan usage for aid received for the period of withdrawal, and cancellation of TEACH Grant and Direct Loan funds received for the period, concludes at the end of payment periods or periods of enrollment that include the end date of the COVID-19 public health emergency. Therefore, the waiver will conclude at the end of a payment period or period of enrollment that includes the date of May 11, 2023.

Institutions may not use the Coronavirus Indicator for withdrawals from payment periods or periods of enrollment that begin after May 11. Additionally, institutions must complete reporting of the Coronavirus Indicator and amounts not returned under R2T4 requirements by the following deadlines for each award year in which a qualifying withdrawal occurs:

Award Year	Coronavirus Indicator Deadline	R2T4 Reporting Deadline
2021-2022	9/29/23	9/29/23
2022-2023	9/29/24	9/29/24
2023-2024	9/30/24	9/30/24

The waiver of the requirement for students in term-based programs to resume training where they left off following a leave of absence (LOA) applies to any approved LOA granted due to COVID-19 that began on or prior to May 11, 2023. The waiver will not apply to LOAs that begin after that date.

For other COVID-19 related guidance, including waivers and exemptions to Title IV rules, please see the following webpages:

- The Department of Education's COVID-19 Information and Resources for Schools and School Personnel: https://www.ed.gov/coronavirus/program-information
- Office of Postsecondary Education COVID-19 Title IV FAQ: https://www2.ed.gov/about/offices/list/ope/covid19faq.html

Changes for 2023–2024

There were no major regulatory changes or updates to Volume 5 in the 2023-2024 award year Federal Student Aid Handbook; however, the terms "Room" and "Board" were revised to "Housing" and "Food" throughout the volume, to illustrate the changes to the Cost of Attendance components outlined in the GEN-22-15 Dear Colleague Letter issued on November 4, 2022.

There have been some additional questions and answers posted to the Program Integrity - Return of Title IV Funds Question & Answer (Q&A) section, so please ensure you periodically check for new information and guidance.

Chapter 1

General Requirements for Withdrawals and the Return of Title IV Funds

This chapter will discuss the general requirements for the treatment of FSA funds (i.e. Title IV) funds when a student withdraws.

Withdrawals

This chapter explains how Title IV funds are handled when a recipient of those funds ceases to be enrolled (100% withdrawal) prior to the end of a payment period or period of enrollment. These requirements do not apply to a student who does not actually begin attendance or cease attendance at the school. For example, when a student reduces their course load from 12 credits to 9 credits, the reduction represents a change in enrollment status, not a withdrawal. Therefore, no Return of Title IV Funds (R2T4) calculation is required.

The R2T4 regulations do not dictate an institutional refund policy. Instead, a school is required to determine the earned and unearned portions of Title IV aid as of the date the student ceased attendance based on the amount of time the student spent in attendance or, in the case of a clock-hour program, was scheduled to be in attendance. A pro rata schedule is used to determine the amount of FSA funds the student has earned at the time of withdrawal up **through the 60% point** in each payment period or period of enrollment. **After the 60% point** in the payment period or period of enrollment, a student has earned 100% of the FSA funds the student received and was scheduled to receive during the period.

For a student who withdraws after the 60% point-in-time, there are no unearned funds. However, a school must still determine whether the student is eligible for a post-withdrawal disbursement (PWD).

The Department published final regulations on September 2, 2020 that established several new withdrawal exemption categories. If met, these withdrawal exemptions allow a student who has otherwise withdrawn or left the institution to not be considered a withdrawal for Title IV purposes. These exemptions, along with other R2T4 regulations, will be discussed in detail throughout this volume.

The R2T4 regulations do not prohibit a school from developing its own refund policy. However, the school must comply with refund policies required by a state or other outside agencies. Although a school, state or agency refund policy will determine the charges a student will owe after withdrawing, those policies will not affect the amount of Title IV Aid the student has earned under the R2T4 calculation.

Return of Title IV funds

HEA, Section 484B

34 CFR 668.22

A student who is no longer enrolled and in attendance is no longer eligible for in-school status or an in-school deferment, so the school must report the student's enrollment status as withdrawn ("W") in NSLDS (National Student Loan Data System) Enrollment Reporting. See 34 CFR 685.309(b) and 34 CFR 682.610(c).

For help with understanding and assessing your compliance with the provisions of this chapter, go to the Return of Title IV Funds page of the FSA Assessments.

General requirements

FSA funds are awarded to a student under the assumption that the student will attend school for the entire period for which the funds were awarded. When a student withdraws, they may no longer be eligible for the full amount of Title IV funds that they were originally scheduled to receive.

If a Title IV recipient withdraws from a school after beginning attendance, the school must perform an R2T4 calculation to determine the amount of Title IV aid earned by the student. If the amount disbursed to the student is greater than the amount the student earned, the unearned funds must be returned. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, they are eligible to receive a PWD of the earned aid that was not received.

Because a student begins earning Title IV funds on the first day of attendance, even if the student withdraws before a school's census date, the school must perform an R2T4 calculation using the number of days or the number of scheduled clock hours the student attended class (see Step 2: Percentage of Title IV Aid Earned in Chapter 2.) The school must include all forms of Title IV aid that were disbursed or that could have been disbursed in the R2T4 calculation, even if the student receives a full tuition refund.

Tuition refunds following a student's withdrawal have no impact on the amount of Title IV aid that the student has earned under an R2T4 calculation. If a student withdraws during a term and a school provides a full tuition refund for that term (for example, for special circumstances such as medical reasons), the school may not return more Title IV aid than the R2T4 calculation specifies unless it gets the student's permission to do so.

If a student drops classes (or is administratively dropped/withdrawn by a school) on the same day they withdraw, or if the student is later granted a retroactive withdrawal, the enrollment status and charges are not adjusted to reflect the dropped classes for R2T4 purposes.

Even if a student paid all institutional charges and ceased enrollment prior to Title IV funds being disbursed, if they could have been disbursed, the school must determine the Title IV funds earned by the student and follow the procedures for making a PWD.

When a student is considered to have withdrawn for R2T4 purposes

A student is considered to have withdrawn from a payment period or period of enrollment if the student does not meet one of the withdrawal exemptions (see below) and:

- in the case of a program that is measured in credit hours, the student does not complete all the days in the payment period or period of enrollment that the student was scheduled to complete;
- in the case of a program that is measured in clock hours, the student does not complete all of the clock hours and weeks of instructional time in the payment period or period of enrollment that the student was scheduled to complete;
- for a student in a standard or nonstandard-term program, excluding a subscription-based program, the student ceases attendance and is not scheduled to begin another course within a payment period or period of enrollment *for more than 45 calendar days after the end of the module the student ceased attending,* unless the student is on an approved leave of absence; or
- for a student in a subscription-based or a non-term program, the student is unable to resume attendance within a payment period or period of *enrollment for more than 60 days after ceasing attendance*, unless the student is on an approved leave of absence.

Please see ***Withdrawals from programs offered in modules*** in Chapter 2 for more information about withdrawals from modular programs.

R2T4 withdrawal exemptions

Under the September 2, 2020 final regulations, the Department established withdrawal exemption criteria which, if met, allows a student who has withdrawn or otherwise ceased attendance to NOT be considered a withdrawn student for Title IV purposes, which means that no R2T4 calculation is required for that student. Prior to conducting an R2T4 calculation for a student who has ceased attendance during a payment period or period of enrollment, a school should review the student's circumstances to see if the student qualifies for any of the R2T4 withdrawal exemptions.

The withdrawal exemption categories are as follows:

1. Withdrawal exemption for graduates/completers
    - A student who completes all the requirements for graduation from his or her program before completing the days or hours in the period that he or she was scheduled to complete is not considered to have withdrawn
    - This exemption applies to all types of programs (including those with or without modules)
2. Withdrawal exemptions for programs offered in modules
    a. A student is not considered to have withdrawn if the student *successfully completes one module that includes 49 percent or more of the number of days in the payment period,* excluding scheduled breaks of five or more consecutive days and all days between modules

    b. A student is not considered to have withdrawn if the student *successfully completes a combination of modules that cumulatively contain 49 percent or more of the number of days in the payment period,* excluding scheduled breaks of five or more consecutive days and all days between modules

    c. A student is not considered to have withdrawn if the student *successfully completes coursework equal to or greater* than the coursework required for the institution's definition of a *half-time student* under 34 CFR 668.2(b) for the payment period

Please note that the withdrawal exemptions apply to both undergraduate and graduate students as long as the student and program meet the underlying exemption criteria (i.e., the program is offered in modules, the students are graduates, etc.). Finally, a student only needs to meet one of the withdrawal exemptions to be exempt from R2T4.

Withdrawal exemption for graduates or completers

A student meets the withdrawal exemption for graduates or completers if they complete all of the academic requirements for their program and are able to graduate before completing all of the days or clock hours in the period they were scheduled to complete. This withdrawal exemption can apply to any type of program (including those with or without modules) or academic calendar.

Take for instance a student enrolled in a 900 clock-hour program with two 450 clock-hour payment periods. Part way through the second payment period, the student completes all of the academic requirements (competencies, coursework, etc.) and graduates only having successfully completed 750 clock hours in the program of study. In this example, though the student has not completed all of the clock hours in the payment period, since the student has graduated from the program, the student *is NOT considered withdrawn for R2T4 purposes*.

Withdrawals from a clock-hour program prior to successful completion of all hours in the program

Schools with clock-hour programs in which a student graduates without successfully completing all of the established hours in the program must re-prorate the amount of Title IV aid and only pay the student for the hours successfully completed. This includes proration of Pell Grants, Iraq-Afghanistan Service Grants, TEACH Grants, and Direct Loans (DL).

Note that though proration of Pell Grant or Direct Loan awards normally involves consideration of the number of weeks of instruction in the program, when prorating a student's awards in this situation the institution does not consider the number of weeks of instructional time completed by the student.

Re-proration is applicable for clock hour programs in this situation because Title IV aid is based, in part, upon the overall number of clock hours in a program of study. There is an expectation that a student will successfully complete all clock hours as they progress through their program of study. When a student graduates from a clock hour program without completing all of the established/reported hours in a program, the student has effectively shortened their program length and the Department considers that student as now being enrolled in a program with fewer clock hours. Consequently, the school is required to re-prorate (or adjust) the Title IV aid provided to an amount equivalent to the actual hours the student successfully completed.

For more information and examples on re-prorating Title IV funds for students that graduate early in clock hour programs,

please see *Volume 7 for Pell Grants and Volume 8 for Direct Loans*.

Withdrawal exemptions for programs offered in modules

Under the September 2, 2020 final regulations, the Department revised the definition of a program "offered in modules" for Title IV purposes to only include a program that uses a *standard term or nonstandard-term academic calendar, is not a subscription-based program, and has a course or courses in the program that do not span the entire length of the payment period or period of enrollment* (34 CFR 668.22(l)(6). This means that non-term credit-hour, clock-hour and subscription-based programs are never considered to be programs offered in modules for R2T4 purposes and therefore, none of the R2T4 module requirements apply to those program types, including the modular program withdrawal exemptions.

The withdrawal exemptions for successful completion of a module or a combination of modules that cumulatively contain 49% or more of the number of days in the payment period (excluding scheduled breaks of five or more consecutive days and all days between modules) and for successful completion of coursework equal to or greater than the coursework required for the institution's definition of a half-time student in the payment period, only apply to programs using modules.

Successful completion means that the student has earned a passing grade or grades as outlined within an institution's overall academic grading policy, which is not necessarily the same as an individual program's grading requirements. Therefore, if an institution's general academic grading policy has established that a "D" grade is considered a passing grade, then receipt of a "D" grade for a course would be considered successful completion of that course for the purposes of determining whether a withdrawal exemption applies. Withdrawals (Ws), incompletes (Is) and failures of any kind (earned or unearned Fs) do not count as successful completion.

Remember that the withdrawal exemption calculations are only used to determine if the student meets one of the withdrawal exemptions. If it determines that a student is not exempt, the school must disregard the figures associated with the withdrawal exemptions and instead conduct an R2T4 calculation using all the normal dates, numbers, and formulas associated with the school's regular R2T4 process and the Department's requirements.

Withdrawal exemption for successful completion of 49% or more of a period

In order to calculate whether the student has successfully completed a module or modules containing 49% or more of the number of days within a payment period, the school will need the following information:

- Overall number of days that make up an entire payment period (typically from the beginning of the first class to the last final exam)
- Number of days associated with scheduled breaks of 5 or more consecutive days that apply to all students who enroll in the term
- Number of days in between all modules offered during the payment period
    - This is based on breaks between all modules offered in the payment period, not what modules the student enrolls in
    - For a break to be 'between' modules, there must be a module before and a module after the break
    - If modules overlap, there may be no days in between modules
- Number of days the student successfully completed within a module or combination of modules

To see if the 49% exemption has been met, the school will first subtract any scheduled breaks of 5 consecutive days or more that apply to all students who enroll in the term AND all the break days that exist between all modules, from the number of days in the entire payment period. *Remember that the denominator for a given period will be the same for all students within the same program of study regardless of what modules a student enrolls in.* Unlike the R2T4 calculation itself, the number of days in the withdrawal exemption denominator will not be adjusted for individual student enrollment.

Please note that any modules that start prior to or end after the normal standard term dates (including intersessions attached to a regular term for Title IV purposes) will NOT change the number of days counted in the overall payment period length used in the denominator in the R2T4 withdrawal exemption calculation. However, the days the student successfully completes in any module that partially falls outside the normal standard term dates (including intersessions attached to regular terms) will still count towards the numerator in the withdrawal exemption calculation when

determining how many days the student successfully completed within a module.

In addition, for students enrolled in consortium or contractual agreements, the denominator used in withdrawal exemption calculations will be the home school's overall payment period length that the home school uses in their withdrawal exemption calculation. Of course, the number of days in modules successfully completed at the home or host school will still count in the numerator in the withdrawal exemption calculation when determining how many days the student successfully completed within a module.

Once the number of days in the payment period is obtained, the school will divide the number of days within the modules the student has successfully completed (numerator) by the number of days in the payment period or period of enrollment after any breaks are excluded (denominator). If the resulting figure is 49% or more, the student meets the withdrawal exemption and is not considered withdrawn for R2T4 purposes.

For purposes of performing this particular exemption calculation, a day is included in the numerator if that day was included in at least one module or full-term course that the student successfully completed and is not part of a break of at least 5 consecutive days where no coursework was taking place. Similarly, a day is included in the denominator of that calculation if it is part of the normal term dates and is not part of a break of at least 5 consecutive days where no coursework was taking place.

Note that even if a student is enrolled in a full-term course, the school will still subtract set break days between all modules within a payment period or period of enrollment. Full-term courses do not impact the counting of break days between modules when determining if the 49% withdrawal exemption was met.

When calculating the 49% completion period, overlapping days may only be counted once and the school may not round the percentage up in order to reach the 49% threshold. For example, if the calculation indicated that the student had completed a module(s) comprising 48.7% of the number of days in the entire payment period, the student would NOT meet the withdrawal exemption since the school cannot round the calculation up to 49%.

Example

A student is enrolled in a program that contains up to 5 different modules within a semester. The student enrolls in one three-credit course in module 1 (52 days), along with several full-term courses, and then withdraws after successfully completing module 1 (receiving a C grade in the class). When this occurs, the school needs to determine if the student meets the 49% withdrawal exemption.

In order to make this determination, the school must first take the overall number of days in the semester (110 days) and subtract from it any scheduled breaks of 5 or more consecutive days and any set break days between modules. In this example, the school has a 5-day scheduled school break during the semester. In addition, there are a total of 4 break days between all modules within the semester (no break days between module 1 and 2 since they overlap, 2 break days between module 2 and 3, 2 break days between modules 3 and 4 and no break days between module 4 and 5 since they also overlap). 110 days minus 9 break days produces 101 overall days in the payment period.

The school then takes the number of days within module 1 that the student successfully completed (52 days) and divides it by the adjusted number of days in the overall payment period (101) to determine if the student meets the 49% withdrawal exemption. In this example, 52 divided by 101 equals 51.5%. The student in this scenario meets the 49% withdrawal exemption and is not considered a withdrawal for R2T4 purposes.

If the student had been enrolled in multiple modules in the semester, the same approach would be used except instead of just using the days within one module successfully completed, the school would add together all of the days from all of the modules successfully completed and then divide that total by the number of days in the overall payment period (adjusted for any breaks) to see if the overall percentage completed equals or exceeds 49%. Remember, for either the numerator or denominator, if a day is included in multiple overlapping modules, the day is only counted once.

If the student had failed the course in module 1 then none of the days in that module would have been included

in the numerator and the overall number of days successfully completed within the payment period would be less than 49%, the student would not have met the withdrawal exemption, and the school would have proceeded to conduct an R2T4 calculation.

Withdrawal exemption for successful completion of half-time coursework

In addition to the 49% completion withdrawal exemption, students enrolled in programs with modules are also not considered withdrawn for R2T4 purposes if the student successfully completes coursework equal to or greater than the coursework required for the institution's definition of a half-time student under 34 CFR 668.2(b) for the payment period. Half-time enrollment is at least half the workload of the applicable minimum requirements outlined in the definition of a full-time student associated with the appropriate program type and academic level. For more information on determining half-time enrollment, please review *Volume 1, Chapter 1*.

Successful completion of half-time coursework is not dependent on the length or number of days associated with the modules successfully completed. As long as the student has successfully completed half-time coursework, regardless of the module(s) length, the student would meet the half-time completion withdrawal exemption. Of course, this assumes that when developing modules and coursework, schools are adhering to all applicable regulations including our requirements associated with the definition of a credit-hour as outlined in *Volume 2, Chapter 2*.

Example

A student is enrolled in a semester with 5 modules and the student enrolls in one three credit-hour course in each module and then withdraws after successfully completing modules 1 and 2, the school needs to determine if the student meets any of the withdrawal exemptions.

In this case, the student did not meet the 49% withdrawal exemption since the number of days completed in modules 1 and 2 (40 days) divided by the overall number of days in the payment period minus any allotted breaks (100 days) only equaled 40%. However, in reviewing the student's enrollment status in modules 1 and 2, the school realized that the student successfully completed half-time coursework totaling 6 credit hours between the two modules (received a D and B respectively). Since a student only has to meet one of the withdrawal exemptions to not be considered withdrawn, the school in this situation is not required to conduct an R2T4 calculation since the student meets the half-time completion withdrawal exemption.

Remember that successful completion means earning passing grades so if the student received an F and B (and only earned 3 credit-hours), the student would not have successfully completed half-time coursework and therefore, would not have met any of the withdrawal exemptions.

Reminder

If the student does not meet any of the withdrawal exemptions but completes all the coursework they were scheduled to attend (even if only one module), then the student is not considered a withdrawal and no R2T4 is required since the student was only scheduled to attend those modules/days.

Title IV disbursements and R2T4 withdrawal exemptions

When a student meets the conditions for a withdrawal exemption, the student is treated as having completed the payment period and, for purposes of the Title IV programs, is considered enrolled through the end of the period even if

the student later stops attending future coursework or modules in that period. In that situation, if the student had not received all of their Pell Grant or Direct Loan disbursements for the payment period, it is possible for the student to receive additional disbursements during the payment period depending on specific Title IV program requirements and the Department's cash management requirements.

For Pell Grant purposes, the institution must determine whether the student is subject to a mandatory Pell recalculation because the student did not begin all classes that comprised the student's Pell Grant enrollment status for the period. Additionally, the institution must disburse any remaining Pell Grant funds for which the student is eligible before the end of the payment period. If the institution fails to disburse all of the Pell Grant funds for which the student is eligible until after the payment period is over, a subsequent disbursement of Pell Grant funds for the period is treated as a retroactive or late disbursement that is subject to all requirements for such disbursements, including the requirement under 34 CFR 690.76(b) that the student's Pell Grant enrollment status must be determined according to work already completed.

For Direct Loan purposes, when a student ceases attendance during a payment period after meeting the conditions for a withdrawal exemption, the institution must disburse Direct Loan funds for which a student is eligible during the payment period only if the student is enrolled at least half time at the time of disbursement. If the student ceased attendance prior to attending coursework that comprised at least half-time enrollment, it is impossible for that student to enroll half-time during the period unless the student resumes attendance later in the period. Therefore, in this situation the institution cannot make the Direct Loan disbursement unless it confirms that the student commenced attendance in coursework that comprises at least half-time attendance during the payment period. If the institution fails to make the disbursement of Direct Loan funds until after the payment period is over, the disbursement is treated as a retroactive or late disbursement that is subject to all requirements for such disbursements.

For more information about cash management regulations, including retroactive and/or late disbursements, please see *Volume 4*.

If a student remains enrolled only in non-Title IV-eligible courses

A student's schedule sometimes includes courses the student is taking for credit and for which they may receive Title IV funds, and courses for which they may not receive Title IV funds, e.g., courses the student is auditing, completing coursework previously graded as "Incomplete, or repeating for a second or subsequent time after passing the course (See *Satisfactory Academic Progress* in Volume 1, and *Retaking Coursework in Term-based Programs* in Volume 3 for additional information).

If a student ceases attendance (drops or withdraws) in all of their 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. For example, a student is scheduled to attend one course in each of five modules during a semester. The student receives an incomplete in course number two in the second module and, because the student may not progress to course number three until course number two is completed, the student completes the remaining portion of course number two in the third module. While the student is completing the incomplete portion of module two in the period during which the student was scheduled to have been taking module three, they are not considered to be enrolled in the course for Title IV purposes, so attendance of just that course does not count as attendance for purposes of the R2T4 requirements. Therefore, in accordance with the requirements for the treatment of students in a program offered in modules, the institution would need to obtain written confirmation of future attendance in a Title IV eligible course later in the semester at the time that would have otherwise been a withdrawal in accordance with 34 CFR 668.22(a)(2)(ii), or put the student on an approved leave of absence, for the student not to be considered a withdrawal for Title IV purposes. In the absence of written confirmation of future attendance or being placed on an approved leave of absence, an R2T4 calculation would be required. However, if the student subsequently returns to a Title IV eligible course later in the semester, the student's R2T4 calculation would be undone in accordance with 34 CFR 668.22(a)(2)(iii).

When a student who fails to begin attendance in all the courses they were scheduled to attend withdraws

Anytime a student begins attendance in at least one course but does not begin attendance in all the courses the student was scheduled to attend regardless of whether the student is a withdrawal, the school must determine if it is necessary to

recalculate the student's eligibility for Pell Grant, TEACH Grant and Campus-Based funds based on a revised enrollment status and cost of education. If the student is a withdrawal, this recalculation must be done before performing an R2T4 calculation, and the school must use the recalculated amounts of aid in the R2T4 calculation.

If a student who has withdrawn did not begin attendance in enough courses to establish a half-time enrollment status, the school may not make a first disbursement of a Direct Loan to the student after the withdrawal. However, the funds are included as aid that could have been disbursed in the R2T4 calculation. For more information, see "Title IV aid that could have been disbursed" later in this chapter and "Withdrawals from programs offered in modules" in Chapter 2.

Worksheets and the R2T4 Web product

The Department has developed worksheets and software to assist schools in implementing the R2T4 regulations (you can find blank worksheets in the appendix at the end of this volume). There is one worksheet for students who withdraw from credit-hour programs and one for students who withdraw from clock-hour programs. The R2T4 worksheets are also available in Portable Document Format (PDF) in the *Appendix* to *Volume 5* of the *FSA handbook*.

The Department's R2T4 Web product is available on the Common Origination and Disbursement System (COD) website. In order to gain access to the R2T4 process in COD, users must meet three requirements to log in and use the R2T4 application; they must:

1. be enrolled for the COD Online Service by a school's (or third party servicer's) primary destination point administrator via the Student Aid Internet Gateway (SAIG) Enrollment website.
2. have an FSA User ID and password, and
3. have a valid/registered two-factor authentication (TFA) token.

For questions about COD System user roles, call the COD School Relations Center at 1-800-848-0978 or email CODSupport@ed.gov. If you need help with making enrollment changes via the SAIG Enrollment website, call CPS/SAIG Technical Support at 1-800-330-5947 or email CPSSAIG@ed.gov. If you have questions about TFA tokens, email support@aimstfa.ed.gov. See the November 2, 2022 electronic announcement for more information. Also, there is a training video about using the calculator: log in to FSA's E-Training website, and from the drop-down menu, select "Systems Training", then select "COD Training", and finally select "R2T4 in COD."

Using the Department's worksheets and Web product is optional.

Consumer information

In the consumer information a school must make available to prospective and enrolled students upon request, the school must include a statement of:

- any refund policy with which the school must comply,
- the requirements for the treatment of Title IV funds when a student withdraws, and
- the requirements and procedures for officially withdrawing from the school.

Consumer information

HEA Sec. 485(a)(1)(F), 34 CFR 668.43

For more information, see:

- *Appendix E to the Federal Student Aid Handbook—Institutional Reporting and Disclosure Requirements, and*
- *FSA Assessments Consumer Information section - Consumer Information Disclosures at a Glance document*

A school should provide sufficient information for a student or prospective student to determine the procedures for withdrawing and the financial consequences of doing so. In addition, a student should be able to estimate how much Title IV aid the student will retain and how much the student may have to return upon withdrawing. Because the R2T4 provisions do not affect institutional refund policies, a school must provide a student with information on both the school's refund policy and the R2T4 requirements and should explain the interaction between the two. The information should include a discussion of how a school might adjust a student's charges to take into account any return of funds the school might be required to make. Finally, a student or prospective student should be informed that if they withdraw, institutional charges that were previously paid by Title IV funds might become a debt that the student would be responsible for paying.

As a part of the institution's disclosure of the procedures for officially withdrawing, the school must identify the office(s) the school has designated to accept notification of official withdrawals.

A school may change the basis for its R2T4 calculations for new students as they begin classes. However, for continuing students, since the return policy must be included in the published materials the school provides to students under the consumer information requirement, the school would have to change its catalog, its written policies and procedures, and its enrollment agreements (if any), and allow sufficient time for those continuing students who would be governed by the new policy to receive and review the materials.

General Title IV Principles With Special Applicability in the Return of Title IV Aid

Definition of a Title IV recipient

The requirements for the treatment of Title IV funds when a student withdraws apply to any recipient of Title IV grant or loan funds who ceases all attendance. When determining whether the R2T4 requirements in CFR 34 668.22 apply, a school must have first determined whether a student was eligible to receive any Title IV funds. For purposes of these requirements, a recipient of grant or loan assistance is a student who has actually received Title IV funds or has met the conditions that entitled the student to a late disbursement. These conditions are listed in the "Conditions and Limitations on Late Disbursements" chart in Volume 4. The R2T4 requirements apply only to the receipt of or eligibility for Title IV aid that can be included in the calculation. For example, the requirements of 34 CFR 668.22 do not apply to Federal Work-Study (FWS) funds. Therefore, the R2T4 requirements do not apply to a student if the only Title IV aid that the student has received or could have received was FWS funds.

Please note that if the student never actually began attendance for the payment period or period of enrollment, 34 CFR 668.22 does not apply. Likewise, if a student began attendance but was not and could not have been disbursed Title IV grant or loan funds prior to withdrawal, the student is not considered to have been a Title IV recipient and the requirements of 34 CFR 668.22 do not apply. **In these cases, Title IV funds would be handled in accordance with the regulations for returning funds for students who do not register or fail to begin attendance.**

Returning funds for students who do not register or fail to begin attendance

34 CFR 668.21
34 CFR 674.16(f)
34 CFR 676.16(d)
34 CFR 685.303(b)(4)

Verification

The Department establishes deadlines for the submission of required verification documents that apply to all Title IV programs. For the Campus-Based and Direct Loan programs, a school may establish an institutional verification deadline that is earlier than the date established by the Department. For the Pell Grant program, however, a school may not establish an earlier deadline than the one in the Department's annual notice. Therefore, if a Pell-eligible student submits the documents required for verification no later than 120 days after the student's last date of attendance or by the deadline established each year by the Department (typically mid-September), whichever is earlier, a school must make any applicable PWD of the student's Pell Grant. The school must include its verification deadlines in the consumer materials it provides to students.

The following rules apply when a school is completing an R2T4 calculation for a student subject to verification:

- A school must offer any PWD of loan funds within 30 days of the date the school determined the student withdrew. A school must always return any unearned Title IV funds it is responsible for returning within 45 days of the date the school determined the student withdrew. When the school cannot meet the 30-day deadline because verification is not complete, it will need to do a new R2T4 calculation once verification is complete and offer any funds as soon as possible. The school must provide the student or parent the minimum 14-day (or longer if it chooses) response period for PWDs of Direct Loan funds.
- A school must disburse any Title IV grant funds a student is due as part of a PWD within 45 days of the date the school determined the student withdrew and disburse any loan funds a student accepts within 180 days of the date the school determined the student withdrew.
- Unless a student subject to verification has provided all required verification documents in time for the school to meet the R2T4 deadlines, the school includes as *Aid disbursed* or *Aid that could have been disbursed* in the R2T4 calculation only those Title IV funds **not** subject to verification.
- If a student who failed to provide all required verification documents in time for the school to meet the R2T4 deadline, later provides those documents prior to the applicable verification deadline, the school must complete the verification process and perform a **new** R2T4 calculation including the Title IV aid that could have been disbursed to the student.
- The R2T4 calculations impose no additional liability for interim disbursements made to students selected for verification. However, the R2T4 requirements do place limits on interim disbursements that can be made to students selected for verification who have ceased attendance. **A school may not make an interim disbursement to a student after the student has ceased attendance.**

When a student is selected for verification after receiving a disbursement

A student who received a disbursement based on a valid ISIR/ SAR not selected for verification might be selected for verification on a subsequent transaction. If the student is no longer in attendance when selected, will not reenroll for the award year, and no further disbursements will occur, the school is not required to perform verification. If the school chooses to complete verification for a student after they have withdrawn, the following principles apply:

When a student is selected for verification after withdrawing

If a student is selected for verification after withdrawing, the following rules apply:

- As long as the student does not intend to re-enroll for the award year and no further disbursements will be made, the school is not required to complete verification, though it may choose to do so.
- If the school chooses not to complete verification, it does not have to fully return need-based Title IV funds that were disbursed before the student withdrew, but it cannot make any PWDs to the student(unless verification is completed).
- If the school does not complete verification prior to the R2T4 deadline, it must perform the calculation based on the Title IV aid not subject to verification that was disbursed and could have been disbursed when the student withdrew and must return whatever the R2T4 calculation requires.

If the school completes verification, it must recalculate the student's Title IV aid eligibility based on the verified EFC and take the following actions as applicable.

1. If the recalculation results in a reduction of Title IV aid eligibility, the student is responsible for resolving any overpayment of Title IV grant funds. The school should follow the rules in *Volume 4* that apply to overpayments that are a student's responsibility.
2. The school must do a new R2T4 calculation including in Step 1 all Title IV aid for which the student is eligible based on the verified ISIR/EFC.
    - If verification results in eligibility for additional Pell Grant funds, the school should include that additional amount as aid that could have been disbursed. Note that if the school did not originate any more Direct Loan funds or award any more FSEOG funds before the student ceased attendance, the school may not include such funds as aid that could have been disbursed.
    - If verification results in a reduction of a student's Title IV aid eligibility, the school should only include the reduced amounts as Title IV aid disbursed or that could have been disbursed in the revised R2T4 calculation.
3. Return or make a PWD of Title IV funds as required by the new R2T4 calculation.
    - If a school is required to return more funds than it did under the previous R2T4 calculation, the school should return the additional amounts and make the appropriate adjustments to what it reported to NSLDS, entered in COD, and/or referred to the Default Resolution Group.
    - If a school is required to make a PWD, it should do so under the rules described in Chapter 2 in the discussion under *Part 1—Post-withdrawal disbursements*.

    Note:
    If the student fails to complete verification in the time allowed by the school, the results of the previous R2T4 calculation stand.

If the student is still in attendance when selected, the school must verify their application before making further disbursements. In addition, if verification does not justify all the aid already disbursed, the student must return any Title IV Grant aid for which they are not eligible; see the overpayments chapter in Volume 4. The student may keep any Direct Loan funds received and FWS wages earned.

When verification is completed before the R2T4 deadlines

A school must offer any PWD of loan funds within 30 days from the date that the school determined that the student withdrew, and return any unearned funds and make a PWD of grant funds within 45 days of that date. If a student provides all documents required for verification after withdrawing but before the verification submission deadline, and in time for the institution to meet the 30-day R2T4 deadline, the institution must perform the R2T4 calculation including all Title IV aid for which the student has established eligibility for as a result of the completed verification, and for which the conditions of a late disbursement had been met prior to the student's loss of eligibility due to withdrawal. (See *Volume 4* and 34 CFR 668.164(j)(2)).

When verification is completed after the R2T4 deadlines

If, before the verification deadline but after the institution has completed the R2T4 calculation, a student provides all the documentation required for verification, the institution must perform a **new** R2T4 calculation including, all Title IV aid for which the student has established eligibility for as a result of the completed verification and for which the conditions of a late disbursement have been met prior to the student's loss of eligibility due to withdrawal as aid that could have been disbursed. If, as a result of verification, the student's eligibility for Federal Pell Grant, Iraq and Afghanistan Service Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and TEACH Grant funds has been reduced, only the reduced amount is included in the new R2T4 calculation.

For additional information on verification, please consult ***The Application and Verification Guide.***

When verification is not completed

If a student who has withdrawn does not provide the required documents in time for the school to complete the verification process and meet the previously noted R2T4 deadlines, the institution includes only the Title IV aid that was not subject to the verification process in the R2T4 calculation. For a student who failed to provide all required verification documents, the only Title IV aid that may be included in an R2T4 calculation are Direct PLUS Loan funds, Direct Unsubsidized Loan funds and TEACH Grant funds (verification is not required for receipt of these funds) for which the conditions of a late disbursement (as discussed under *Title IV Aid that could have been disbursed*, in Chapter 2) were met prior to the student's loss of eligibility due to withdrawal.

A student who fails to provide the required documentation in time for a school to complete verification and meet the R2T4 deadlines is responsible for returning any Title IV grant funds subject to verification that were already disbursed prior to being selected for verification. See the discussion under *Deadlines And Failure To Submit Documentation* in Chapter 4 of the *Application and Verification Guide* (AVG) for more information.

If a school made an interim disbursement to a student who fails to provide all the documents required for verification in time for the school to meet applicable R2T4 deadlines, the student has failed to establish eligibility for the Title IV funds subject to verification. With interim disbursements, the institution is responsible for returning Title IV funds and it may not include any of those funds as aid that was or could have been disbursed in the R2T4 calculation.

Approved leave of absence

A leave of absence (LOA) for R2T4 purposes is a temporary interruption in a student's program of study. LOA refers to a specific period of time during a program when a student is not in attendance. An LOA is not required if a student is not in attendance only for an institutionally scheduled break. However, a scheduled break may occur during an LOA.

An LOA must meet certain conditions to be counted as a temporary interruption in a student's education instead of being counted as a withdrawal requiring a school to perform an R2T4 calculation. If an LOA does not meet the conditions for an approved LOA (see below), the student is considered to have ceased attendance and to have withdrawn from the school, and the school is required to perform an R2T4 calculation.

Approved leave of absence

34 CFR 668.22(d)

For an LOA to qualify as an approved LOA for Title IV purposes:

- The school must have a formal written LOA policy that requires all LOA requests to be submitted in writing; and the student must include the reason for their LOA request.
- The student must request, and the school must approve, the LOA in accord with the school's policy.
- There must be a reasonable expectation that the student will return from the LOA.
    - This condition is specified to make clear that a school may not grant a student an LOA merely to delay the return of unearned Title IV funds.
- The school may not assess the student any additional institutional charges, the student's need may not increase, and, therefore, the student is not eligible for any additional Title IV aid.
    - The school may grant a full tuition credit toward the course the student chooses to re-enter as a way to comply with this requirement that the student not be assessed any additional charges upon return from the leave.
- The LOA, together with any additional leaves of absence, must not exceed a total of 180 days in a 12-month period.
- Except in a clock-hour, nonterm credit-hour, or subscription-based program, a student returning from an LOA must resume training at the same point in the academic program that they began the LOA.
- If the student has a Title IV loan, the school must explain to them, prior to granting the LOA, the effects that their failure to return from an LOA may have on the loan repayment terms, including the expiration of the grace period.

A student granted an LOA that meets the criteria in this section is not considered to have withdrawn, and no R2T4

calculation is required. Upon returning from the leave, the student continues to earn the Title IV aid previously awarded for the period.

When a school grants a student an LOA, it must report a status of “A” (approved leave of absence) in NSLDS Enrollment Reporting. If the student fails to return within 180 days, the school must report the student as withdrawn. A non-attendance-taking school would report the LOA start date as the withdrawal date, whereas an attendance-taking school would report the last date of attendance (LDA) as the student’s withdrawal date.

Do not confuse an approved LOA for Title IV purposes with your school’s academic LOA. Many schools have academic policies that allow them to temporarily extend the length of a student’s academic term when circumstances prevent their on-time completion of an academic period. Typically, these academic LOAs do not meet the requirements of an approved LOA for Title IV purposes.

Written formal policy required

Among the policies and procedures a school must maintain is one that discusses the procedures a student must follow in applying for a leave of absence and the criteria the school will apply in determining whether to approve the request. A school’s LOA policy must specify that all requests for an LOA be submitted in writing, be signed, and be dated.

As mentioned previously, a school must determine that there is a reasonable expectation that the student will return from the LOA before it approves the request. For the school to make such a determination and ensure that the student meets the criteria in the school’s LOA policy, the school must know the student’s reason for requesting the leave. **Therefore, a school’s LOA policy must specify that the reason for a student’s leave request be included on a student’s application for an LOA.**

A school’s policy must require a student to apply in advance for an LOA unless unforeseen circumstances prevent the student from doing so. For example, if a student were injured in a car accident and needed a few weeks to recover before returning to school, the student would not have been able to request the LOA in advance. A school may grant an LOA to a student who did not provide the request prior to the LOA due to unforeseen circumstances if the school documents the reason for its decision and collects the request from the student at a later date. In this example, the beginning date of the approved LOA would be determined by the school to be the date the student was unable to attend school because of the accident.

A school must publicize its LOA policy. The school may do this by including that policy in the consumer information the school makes available to students (see *Volume 2*).

Maximum time frame for an LOA

As already noted, the LOA must not exceed a total of 180 days in a 12-month period. Schools may grant a student multiple leaves of absence as long as the total number of days for all leaves of absence does not exceed 180 days within a 12-month period. *The 12-month period begins on the first day of the student’s initial LOA.*

If the student requests an additional LOA after the initial 12-month period has ended, the next 12-month period would begin on the first day of the first LOA that begins following the end of the initial 12-month period.

For example, if the prior 12-month LOA period ends on July 11, 2023, the next 12-month period would not begin until the student requests a new LOA that begins on or after July 12, 2024. If the student did not request a subsequent LOA until October 15, 2023, then the next 12-month LOA period would start on October 15, 2023 and extend until October 14, 2024.

Also, when determining the length of a student’s LOA, the school must ensure that it accounts for all periods of nonattendance, including weekends and scheduled breaks. So, a school might have to reduce the length of the LOA if the 180th day is scheduled to fall on a day the school would be closed.

Disbursement rules for students on an LOA

You may NOT disburse Direct Loan funds to a student on an LOA, but you may disburse Pell Grant, TEACH Grant, Iraq and

Afghanistan Service Grant, and FSEOG funds.

You must pay any funds that are part of a Title IV credit balance— which are funds that have already been disbursed—to a student on an LOA.

Completion of coursework upon return in term-based credit-hour programs

Approved leaves of absence are viewed as temporary interruptions in a student's attendance. For term-based programs, excluding subscription-based programs, a student returning from an LOA must complete the term to be eligible to receive a second or subsequent disbursement.

For an LOA to be an official LOA, a school must allow students enrolled in credit-hour term-based programs, excluding subscription-based programs, who are returning from a LOA to complete the coursework the student started prior to the LOA. The school may not impose additional charges and may not award the student additional Title IV assistance.

Completion of coursework upon return in clock-hour, credit-hour nonterm, and subscription-based programs

For nonterm-based programs, the payment period is the period of time it takes a student to complete half the number of credits **and** half the number of weeks of instructional time in the academic year, program, or remaining portion of the program. For clock- hour programs, the payment period is the period of time it takes a student to complete half the number of clock hours and half the number of weeks of instructional time in the academic year, program, or remaining portion of the program. In standard or nonstandard term subscription-based programs, a student is charged for each term on a subscription basis for a single enrollment status but is not required to complete coursework within the established term dates.

Therefore, for clock-hour, nonterm, and subscription-based programs, it doesn't matter whether the student returns to the same course and point of the program when the LOA began, or the student starts in a new course within the program (so long as there are no additional charges). The student simply has to complete the number of clock hours or credit hours and the weeks of instruction in the payment period or, for subscription-based programs, the cumulative number of credit hours required to be completed if beyond the second subscription period.

A student may return early from a leave of absence

A school may permit a student to return to class before the expiration of the student's approved LOA to review material previously covered. However, until the student has resumed the academic program at the point they began the LOA, the student is still considered to be on the approved LOA.

If a student returns early, the days the student spends in class before they reach the point at which they began their LOA must be counted in the 180-day maximum time frame for an approved LOA. That is, a student repeating coursework while on an LOA must reach the point at which they interrupted their training within 180 days from the start of the student's LOA.

The requirement that an institution not impose additional charges when an approved LOA ends and the student resumes their program of study applies when a student returns to repeat prior coursework. Moreover, even if the student enters at the beginning of the module or course from which they took the leave of absence, a student is not eligible for any additional Title IV aid for this preparatory phase.

Since a student is still considered to be on an LOA while repeating prior coursework, if the student fails to resume attendance at the point in the academic program where they interrupted their training at the beginning of the LOA, the student must be treated as a withdrawal.

In that case, at an institution that is not required to take attendance, the date of the student's withdrawal that must be used in the R2T4 calculation is the date the student began the LOA. At an institution that is required to take attendance, the LDA is used as the withdrawal date for a student that does not return from an LOA.

Leaves of absence versus the grade of incomplete

At term-based schools, students who are unable to complete the requirements of an individual course are often assigned the grade of incomplete (I). Students are usually expected to complete the required work within a reasonable timeframe to receive credit and a passing grade.

If a student is assigned an incomplete status for one or several courses but continues to attend other courses, the student is not considered to have withdrawn. A student who is awarded the grade of incomplete in all of their classes is not considered a student on an approved LOA unless the LOA meets the criteria in this section.

Because of the criteria that must be met for an LOA to be an approved LOA, term-based schools can grant LOAs that meet the Department's criteria for an approved LOA in a very limited number of cases. A term-based, credit-hour institution that wishes to explore the possibility of granting an LOA that meets the criteria specified in 34 CFR 668.22(d) should call its regional School Participation Division for guidance.

No additional charges for students on an LOA

An LOA is a temporary break in the student's attendance during which, for purposes of determining whether an R2T4 calculation is required, the student is considered to be enrolled. Since students who are continuously enrolled are not assessed additional charges, any additional charges to a student, *even minimal re-entry charges*, indicate that the institution does not truly consider the student to be on an approved LOA.

No additional Title IV assistance while a student is on LOA

Since an institution may not assess any additional charges to a student returning from a LOA, the institution may not award any additional Title IV aid until the student has completed the coursework in which the student was enrolled when the LOA was granted.

Explanation of the consequences of withdrawal to loan recipients granted an LOA

A student who is granted an approved LOA remains in an **in-school status** for Title IV loan repayment purposes. If a student on an approved LOA fails to return, the school must report to the loan holder the student's change in enrollment status as of the withdrawal date.

One possible consequence of a student not returning from an LOA is that the student's grace period for a Direct Loan might be exhausted. So, prior to granting an approved LOA, a school must inform a student who has a Direct Loan of the possible consequences withdrawing may have on their Direct Loan repayment terms, including grace period exhaustion. The school may also mention that when a student's grace period is exhausted and the student is unable to begin repayment of a loan, the student may be able to apply for a deferment or forbearance of payment.

When a student fails to return from a leave of absence

At an institution not required to take attendance, if a student does not return to the school at the expiration of an approved LOA (or a student takes an unapproved LOA), the student's withdrawal date is the date the student began the LOA. At an institution required to take attendance, the withdrawal date will always be the student's last date of attendance.

Unapproved leaves of absence

A school may grant a student an LOA that does not meet the conditions to be an approved LOA for Title IV purposes (for example, for academic reasons). However, ***an LOA that does not meet all of the conditions for an approved LOA is considered a withdrawal for Title IV purposes***. The student's withdrawal date at an institution not required to take attendance is the date the student began the unapproved LOA. At an institution required to take attendance, the student's withdrawal date is the student's last date of attendance.

An unapproved LOA may not be treated as an unofficial withdrawal. An unofficial withdrawal is one where the school has not received notice from the student that the student has ceased or will cease attending the school. If a school has granted a student an LOA that does not meet the criteria prescribed for an approved LOA, the school would know

immediately that the student had ceased attendance for Title IV purposes and must use the specified withdrawal date in the R2T4 calculation.

Institutional Charges

Institutional charges are used to determine the portion of unearned Title IV aid that the school is responsible for returning. Schools must ensure that all appropriate fees, as well as applicable charges for books, supplies, materials, and equipment, are included in Step 5 of the R2T4 calculation (see *Example of institutional charges versus non-institutional charges* later in this chapter). Institutional charges do not affect the amount of Title IV aid earned by a student who withdraws.

Institutional charges

34 CFR 668.22(g)(1)(ii)
34 CFR 668.22(g)(2)
DCL GEN-00-24

Use of institutional charges in determining a school's responsibility for returning funds

The institutional charges used in the calculation usually are the charges that were initially assessed the student for the entire payment period or period of enrollment as applicable. Initial charges may only be adjusted by those changes the institution made prior to the student's withdrawal (for example, for a change in enrollment status unrelated to the withdrawal). If, at the time of the withdrawal or afterward, the school changes the amount of institutional charges it is assessing a student or decides to eliminate all institutional charges, those changes do not affect the charges nor aid earned in the calculation. (Please see Step 3—*Amount of Title IV aid earned by the student,* in Chapter 2 for a further discussion of aid earned and institutional charges.)

The R2T4 regulations presume that Title IV program funds are used to pay institutional charges ahead of all other sources of aid. **Institutional charges may not be reduced even if other sources of aid are used to pay those charges.** For example, a school may not reduce institutional charges when an outside agency supplying aid requires that aid to be used only for tuition .

Three principles associated with institutional charges

These principles are applicable to determining institutional charges.

Principle 1: Most amounts charged by the school are institutional charges. The most important principle to keep in mind is that all tuition, fees, food and housing, and other educationally related charges a school assesses a student are institutional charges, unless demonstrated otherwise. If you want to exclude specific charges or costs from a calculation, you must document that the charges are not institutional charges.

Principle 2: An institutional charge does not need to be assessed to all students. A charge assessed to all students enrolled in a course or program is an institutional charge whether or not it is assessed to all students at the school. Moreover, a charge does not have to be specified in a student's enrollment agreement to be considered an institutional charge.

Principle 3: Charges on a student's account are not always institutional charges; institutional charges do not always appear on a student's account. With the student's authorization, a school may credit a student's account with Title IV funds to pay for noninstitutional charges. If a student withdraws from the school

with debits for noninstitutional charges on their account, the school would exclude those charges from the R2T4 calculation.

Conversely, there may be institutional charges that do not appear on a student's account. If a school disburses Title IV funds to a student to buy required books, equipment, supplies, or materials and the student does not have a real and reasonable opportunity to purchase them from another source, those costs must be classified as institutional charges.

Example of institutional charges versus non-institutional charges

A school requires its students to purchase a kit including equipment and supplies that the student does not have a real and reasonable opportunity to purchase from another source for one of its programs. The school's enrollment agreement does not contain a charge for the kit, and it does not say that the student is required to purchase the kit from the school, or any of its affiliates. As it happens, the required kit is available for purchase from the school and other unaffiliated sources, including a retailer across the street. The school allows, but does not require, students to charge the kit in its bookstore to their student accounts but also ensures that all Title IV funds are made available within all cash management deadlines. The school ensures that books and supplies are made available within 7 days for students who qualify, releases credit balances within 14 days, etc.

Although the cost of the kit is not listed as a charge in the student's enrollment agreement, the school requires that the tools be purchased by everyone in the program of study. Therefore, as a general rule, the kit charges would be considered institutional charges. However, under the exceptions rule, the kit charges do not have to be considered institutional charges if the school can demonstrate that (1) the kit was available for purchase elsewhere, (2) the school did not restrict the availability of financial aid funds to purchase the materials and (3) the school did not maintain practices (e.g. mandatory book vouchers only good at the school's bookstore) that discourage or prevent the student from purchasing the materials from another vendor.

In this case, since the school can demonstrate that the kit is available at the store across the street, Title IV funds are made available within all required time frames and there are no school policies requiring students to purchase equipment through the school bookstore, the cost of the kit can be classified as non-institutional charges.

Institutional versus noninstitutional charges

Institutional charges generally are defined as the charges for tuition and fees, food and housing, and other educational expenses that are paid to the school directly. If a fee (like an enrollment, registration or technology fee) is required for all students in a program, is part of an enrollment agreement or an addendum to it, or is a fee for which a school routinely debits a students' ledger, then the fee is considered an institutional charge. A charge does not have to appear on a student's account to be considered an institutional charge.

The following educational expenses must be considered institutional charges:

- All charges for tuition, fees, and food and housing (if contracted with the school). Note that application fees are excluded from institutional charges because they are not an educational cost. Also, if a school enters into a contract with a third party to provide housing, the school must include the cost of housing as an institutional charge in an R2T4 calculation.
- Expenses for required course materials (books, kits, tools, supplies, etc.) if the student does not have a real and reasonable opportunity to purchase the required course materials from any other unaffiliated source but the school.
  Exceptions: Excludable costs are those a school may exclude from the total amount of institutional costs, such as the docu- mented cost of unreturnable equipment and of returnable equipment if not returned in good condition within 20 days of withdrawal. Note that the documented cost of equipment is the amount the school actually paid for it, not what the school charged the students to purchase it.

Noninstitutional charges (not included in an R2T4 calculation) include the following:

- charges for any required course materials that a school can document a student had a real and reasonable

opportunity to purchase elsewhere (see the discussion that follows);

- charges to a student's account for group health insurance fees if the insurance is required for all students and the coverage remains in effect for the entire period for which the student was charged, despite the student's withdrawal, and
- charges to a student's account for discretionary, educationally related expenses (e.g., parking or library fines, the cost of athletic or concert tickets, etc.).

If a charge may not be included in a student's cost of attendance (for example, an overtime charge), it may not be covered with Title IV aid and, therefore, is not counted as an institutional or noninstitutional charge for return of Title IV funds purposes. See *Volume 3* for information on cost of attendance. Similarly, a school should not include tuition charges for non-Title IV eligible courses in Step 5, Part L, of the R2T4 calculation.

Returning equipment

If a school can substantiate that its return policies are reasonable, consistent, and fair to all students, and students are notified in writing of those policies when they enroll, the school may exclude the total amount of documented costs for nonreturnable equipment and returnable equipment if not returned in good condition within 20 days of withdrawal. For most schools, this would entail excluding the documented costs for books and supplies charged a student for a particular payment period. However, if a school charges books and supplies for a period greater than the payment period in which the student withdraws , the school can exclude the entire amount of documented costs associated with the books and supplies, not just documented costs associated with the prorated amount of charges for books and supplies for that payment period.

A policy that classifies all used books or equipment as nonreturnable is not reasonable or fair. An acceptable policy must specify the circumstances that would prevent the school from selling the books or equipment to other students.

Demonstrating a real and reasonable opportunity to purchase books, supplies, and equipment

A school may treat charges for books, supplies, equipment, and materials as noninstitutional charges if the school can substantiate that its students have the option of obtaining the required course materials from an alternative source. **The school must be able to document** that:

- the required course materials were available for purchase at a relatively convenient location and/or online provider unaffiliated in any way with the school;
- the school does not restrict the availability of financial aid funds (meet all cash management disbursement time frames to en- sure student can exercise the option to purchase the required course materials from alternative sources in a timely manner);
- does not maintain practices (e.g., mandatory book vouchers only good at the school's bookstore) that discourage or prevent the student from purchasing the materials from another vendor

Note that a signed statement by a student that they had the option to purchase the materials from an alternative source is not sufficient documentation. Also, if a book voucher, required to be used by a student, cannot be used to purchase course materials from an unaffiliated source, the student does not have a real and reasonable opportunity to purchase their course materials elsewhere. In that case, the school must include the cost of books and materials purchased with the voucher as institutional charges in Step 5, Part L of the R2T4 calculation. See the March 5, 2019 electronic announcement for more information.

Effects of waivers on institutional charges

If your school treats a waiver as a payment of tuition and fees that have actually been charged to a student, then the waiver is considered estimated financial assistance, and the full amount of the tuition and fees must be included in Step 5, Part L of the R2T4 calculation. On the other hand, if the student is never assessed the full charges, the waiver is not considered to be financial aid, and only the actual charges would be included in the R2T4 calculation (see DCL GEN-00-24, January 2000, for a further discussion of waivers and the R2T4 calculation).

For example, a school charges state residents $900 per semester. Out-of-state students are charged an additional $2,000 for a total of $2,900. However, the school waives out-of-state charges for athletes. The waiver is considered a payment toward those charges (estimated financial assistance), and the full $2,900 would need to be included in any R2T4 calculation.

When to prorate charges

When a school chooses to perform its R2T4 calculations on a payment period basis for a nonterm credit-hour or clock-hour program but the institution charges for a period longer than the payment period, the regulations (34 CFR 668.164(c)(5)) provide a specific formula for prorating charges.

For programs with substantially equal payment periods where the institution charges up-front for the whole program, total institutional charges, including applicable books, supplies or equipment charges, must be divided by the number of payment periods in the program. For other programs, the institution must divide the number of credit or clock hours in the payment period by the number of hours in the program and multiply the result by the total institutional charges for the program.

Prorating charges

34 CFR 668.22(g)(3)

668.164(c)(1)(i) & 668.164(c)(5)

When a student is charged for a period longer than a payment period, the institutional charges incurred by the student for the payment period are the greater of:

- the prorated amount of institutional charges as determined under 34 CFR 668.164(c)(5); or
- the amount of Title IV assistance the institution retained as of the student's withdrawal date, which may exceed the prorated amount as a result of the student or parent's authorization for the institution to retain those funds (i.e. authorization to hold a Title IV credit balance).

Therefore, if a school charges by the program or period of enrollment but performs its R2T4 calculation on a payment period basis, before entering data in Step 5, Part L of the R2T4 calculation, the school must determine whether to enter: (a) the prorated amount of all institutional charges, or (b) the amount the school retained. To do this, the school

1. prorates all institutional charges (as described earlier),
2. determines the amount actually retained,
3. compares the two results and enters in Step 5, Part L the greater of the two amounts.

For example, an institution charges $15,000 upfront (inclusive of tuition, fees, books and supplies) for a nonterm-based program that spans two payment periods of 450 clock hours each. The school chooses to perform its R2T4 calculations on a payment period basis and does NOT obtain a student authorization to hold any Title IV credit balance funds. A student withdraws in the first payment period. Title IV disbursements for the student's first payment period consist of a Pell Grant and Direct Loans totaling $8,668 (Pell: $3,968, DL-subsidized:$1,732, and DL-unsubsidized: $2,968). The school debited the student's ledger account for the entire cost of the program, —$15,000. However, under the cash management rules for determining the prorated amount of institutional charges, the institution may only retain Title IV aid funds toward the prorated amount or the payment period, with the remainder treated as a Title IV credit balance. The prorated amount of institutional charges for each payment period is $7,500 ($15,000 / 2 = $7,500). Therefore, $7,500 in Title IV aid was applied to charges, and $1,168 ($8,668 - $7,500 = $1,168) was provided to the student in the form of a Title IV credit balance. Therefore, the institutional charges the school must use in the Return calculation for the payment period are $7,500.

See Volume 4 for more information about the cash management regulations for prorating institutional charges.

Treatment of Title IV credit balances when a student withdraws

This treatment applies only to the handling of Title IV credit balances when a student withdraws. For a discussion of credit balances in other circumstances, please see *Volume 4*.

In most cases, the cash management regulations require a school to refund a Title IV credit balance to a student within 14 days. However, when a student withdraws with an outstanding Title IV credit balance, a school is first required to perform an R2T4 calculation to determine, among other things, whether adjustments to the credit balance will occur.

Treatment of credit balance when a student withdraws

DCL GEN 04-03, Revised, November 2004

For this reason, the existing 14-day payment requirement is placed on hold to determine the final amount of any Title IV credit balance. A school does not need to obtain a student's or parent's authorization to hold a Title IV credit balance that existed prior to the return calculation and goes beyond the original 14-day deadline while it determines the final amount of the credit balance.

In order to allow an institution time to appropriately apply any credit balance after it has been recalculated, a new 14-day deadline is triggered when a school performs an R2T4 calculation. The new 14-day deadline begins on the date the school performs the return calculation, not the date the school performs any calculations required by its institutional refund policy.

Of course, in order to determine the correct Title IV credit balance, the school must take into account both the results of the R2T4 calculation and any applicable refund policy.

When a student withdraws during a period with an existing Title IV credit balance, the Title IV credit balance is handled as follows:

1. Do not release any portion of a Title IV credit balance to the student, and do not return any portion to the Title IV programs prior to performing the R2T4 calculation. The institution must hold these funds even if, consistent with the 14-day credit balance payment requirement of 34 CFR 668.164(h), it would otherwise be required to release them.
2. Perform the R2T4 calculation and include any existing Title IV credit balance funds as disbursed aid for the period.
3. Apply any applicable refund policy (state, accrediting agency, institutional, etc.) to determine if doing so creates a new or larger Title IV credit balance.
4. Allocate any Title IV credit balance as follows:
    - Any Title IV credit balance must be allocated first to repay any grant overpayment owed by the student as a result of the current withdrawal. The institution must return such funds to the Title IV grant account within 14 days of the date that the institution performs the R2T4 calculation.

      Although *not* included in an R2T4 calculation, any Title IV credit balance from **a prior period** that remains on a student's account when the student withdraws is included as Title IV funds when you determine the final amount of any Title IV credit balance when a student withdraws. Remember, the school must use the final Title IV credit balance first to satisfy any current student grant overpayment.
    - Within 14 days of the date that the institution performs the R2T4 calculation, an institution must pay any remaining Title IV credit balance funds in one or more of the following ways:
        - In accordance with the cash management regulations, to pay authorized charges at the institution (including previously paid charges that now are unpaid due to a return of Title IV funds by the institution);

          A school may not use a Title IV credit balance to return funds for which it is responsible as a result of an

R2T4 calculation (Step 5, Part O);

- With the student's **written authorization**, to reduce the student's Title IV loan debt (not limited to loan debt for the period of withdrawal);
- To the student (or parent for a Direct PLUS Loan); or
- If the institution cannot locate the student (or parent) to whom a Title IV credit balance is owed, it must return the credit balance to the Title IV programs. The Department does not specify the order of return to the Title IV programs for a credit balance. We encourage institutions to make determinations that are in the best interest of the individual student.

NOTE: The practice of reducing a student's Title IV loan debt with written authorization from the student is only acceptable as long as the student is made aware of the full Title IV credit balance amount and the student clearly indicates in writing the specific amount of the Title IV credit balance they would like returned.

You must apply your school refund policy before allocating a Title IV credit balance. However, you are not required to actually complete the refund process (for example, by making a refund to a student) before completing the steps for allocating the Title IV credit balance.

In order to accommodate differences in institutional accounting and administrative processes, you are not required to actually apply the Title IV credit balance to the student's grant overpayment before applying the Title IV credit balance to other debts, as long as the grant overpayment is satisfied by the 14-day deadline. You may use school funds instead of the actual Title IV credit balance to satisfy any student grant overpayment.

For information on how to handle a credit balance check that a student does not cash, please see *Time Frame For Returning An Unclaimed Title IV Credit Balance* in Volume 4, Chapter 2.

Example of a school performing an R2T4 calculation for a student whose account has a Title IV credit balance

A first-time student at community college, began classes on September 1. Their account was credited with a Pell Grant of $2,000 and debited with institutional charges of $500, creating a Title IV credit balance of $1,500. Because the school has several mini-semesters in which the student had expressed an interest, the school obtained the student's permission to hold the Title IV credit balance while the student considered their options.

On September 30, when the student completed 25% of the semester, they inform the school that they have decided to withdraw. The school places a hold on the students account while it performs the required R2T4 calculation and applies its institutional refund policy.

The school performs the required R2T4 calculation on October 20 and determines that the ***amount of unearned funds due from the school*** is $375, and that the initial amount of unearned funds due from the student is $1,125. Since the $1,125 is composed entirely of grant funds, after applying the 50% grant protection (see Step 9 later in this chapter), the ***amount for the student to return*** is a grant overpayment of $125.

Before the student withdrew, the Title IV aid applied to their student account totaled $2,000, and $500 of that $2,000 was used to cover existing charges. There were no charges due the school, and the Title IV credit balance was $1,500. After the school returned the $375 it was required to return, the new total of Title IV funds on the student's account was $1,625 ($2,000 − $375).

Under the school's refund policy, a first-time student who withdraws before the 50% point in the semester is entitled to an 80% refund of institutional charges. Since the student withdrew at the 25% point of the semester, they are entitled to a refund of 80% of the amount they were charged, or $400 ($500 × .80). So, the new institutional charges on the student's account are $100, and the new (final) Title IV credit balance is $1,525 ($1,625 − $100). Note that this new credit balance is larger than the credit balance that existed before the student withdrew.

Consistent with rules for handling credit balances when a student withdraws with a Title IV credit balance, the school has 14 days from October 20 (the date they performed the R2T4 calculation) to return the student's grant overpayment from existing Title IV credit balance funds. After the school returns the $125 grant overpayment, the

remaining Title IV credit balance on the student's account is $1,400 ($1,525 − $125). The school must pay those funds to the student within 14 days of October 20.

Principles With Unique Applications in the Return of Title IV Aid

Date of determination at institutions not required to take attendance

The date of the institution's determination that the student withdrew varies depending on the type of withdrawal (official or unofficial). For example, if a student begins the official withdrawal process or provides official notification to the school of their intent to withdraw, the date of the institution's determination that the student withdrew would be the date the student began the official withdrawal process or the date of the student's notification, whichever is later. If a student did not begin the official withdrawal process or provide notification of their intent to withdraw, the date of the institution's determination that the student withdrew would be the date that the school becomes aware that the student ceased attendance. The types of withdrawal and the corresponding definition of the date of the institution's determination that the student withdrew are listed in the chart on *withdrawal dates* in chapter 2.

For a student who withdraws, without providing notification, from a school that is not required to take attendance, the school must determine the withdrawal date **no later than 30 days after the end of the earlier of** (1) the payment period or the period of enrollment (as applicable), (2) the academic year, or (3) the student's educational program.

Date of determination that a student has withdrawn

34 CFR 668.22(l)(3)

Date of determination at institutions required to take attendance

Institutions that are required to take attendance are expected to have a procedure in place for routinely monitoring attendance records to determine in a timely manner when a student withdraws. Except in unusual instances, the date of the institution's determination that the student withdrew should be no later than 14 days (less if the school has a policy requiring determination in fewer than 14 days) after the student's last date of attendance as determined by the institution from its attendance records. The 14 days includes holidays, breaks, and weekends.

Date of determination at an institution required to take attendance

34 CFR 668.22(b)(1)

DCL GEN 04-03, Revised November 2004

DCL GEN-04-12, November 2004

DCL GEN-11-14, July 2011

Unusual circumstances include cases where a student attends on the last day prior to a break or a suspension in instruction (such as during a disaster) and the break lasts for longer than 14 days. In this situation, the 14-day period would begin at the point when the student was expected to return from the break or when instruction resumes.

If the date a student provides withdrawal notification to the school is prior to the date the school would regularly determine to be the student's withdrawal date, the date of determination is the date of the student's notification. The school is NOT required to administratively withdraw a student who has been absent for 14 days (or less if applicable). However, after 14 days, it is expected to have determined whether the student intends to return to classes or withdraw. If the student is eventually determined to be a withdrawal, the end of the 14-day period begins the time frame for completing an R2T4 calculation.

For example, a school determines on September 15 that a student has not attended since September 1. The school contacts the student, who says they've been ill but plans on coming back during the next week (and this falls within the time period for excused absences and absences allowed by state, accrediting agency, and other applicable policies). For the moment the school may delay taking any action. However, if the student does not return, the school must complete a return calculation using September 1 as their last date of attendance and September 15 as the date the school determined that the student withdrew. The school must return any unearned funds by October 30.

Excused absences and administrative withdrawal

34 CFR 668.4(e)

If a school has a policy that states the maximum number of excused absences a student may have before being administratively withdrawn, it may delay contacting the student until that date. However, if the student is eventually withdrawn, the schools date of determination of the student's withdrawal is still 14 days after the student's last date of attendance. If the number of days in the school's policy is less than 14 days, then the date of the school's determination that the student withdrew is the date the school's policy indicates that the student will be administratively withdrawn.

This requirement does not affect a student's withdrawal date. At a school that is required to take attendance, a student's withdrawal date is always the last date of attendance as determined by the school from its attendance records.

Importance of date of determination

As noted, the date of the institution's determination that the student withdrew is not necessarily the same as a student's withdrawal date. A student's withdrawal date is used to determine the percentage of the payment period or period of enrollment completed and, therefore, the amount of aid a student has earned. The date of the institution's determination that the student withdrew is used in the following circumstances:

- A school must offer any amount of a PWD that is not credited to the student's account within 30 days of the date of determination.
- If the student or parent submits a timely response that instructs the school to make all or a portion of a Direct Loan PWD, the school must disburse the funds within 180 days of the date of determination.
- Title IV grant PWDs must be made within 45 days if required to be provided directly to the student and within 180 days if paying for allowable charges on the student's account.
- A school must document a student's withdrawal date and maintain the documentation as of the date of determination.
- Within 30 days of the date of determination, a school must notify a student if a grant overpayment is due.
- A school that is collecting an overpayment must require repayment of the full amount of the overpayment within two years of the date of determination.
- The school must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of determination.

When a student enrolled in a series of modules fails to return as scheduled

When a student is not treated as a withdrawal from a program offered in modules (standard and nonstandard term programs, excluding subscription-based programs) at a school that is *required to take attendance* because the student has confirmed attendance in a module that begins no later than *45 calendar days after the end of the module the student ceased attending* in the payment period or period of enrollment, no action is required by the school unless the student does not return as scheduled. Though not considered to be a program that offers modules, this same basic concept also applies for subscription-based programs and nonterm programs, except that the timeframe to resume attendance is extended to *60 calendar days after the student ceased attendance*.

If the student does not return as scheduled, the student is treated as a withdrawal, and the date of the school's determination that the student withdrew should be no later than 14 days after the date that the student was scheduled to resume attendance. For more information on withdrawals from programs offered in modules, see *Withdrawals from programs offered in modules* in Chapter 2.

Use of Payment Period or Period of Enrollment

The R2T4 worksheets require that a school indicate whether the calculation is being done on the basis of a payment period or a period of enrollment. A school must perform its R2T4 calculations on a payment period basis for students who withdraw from a standard-term semester, trimester, or quarter credit hour program(this includes subscription-based programs using standard terms). The school has the choice of performing the R2T4 calculation on either a payment period or period of enrollment basis for students who withdraw from a nonstandard term-based or nonterm-based educational program. The institution must use the same basis (payment period or period of enrollment) in its calculations for all students within a program who cease attendance.

An exception is allowed for students who transfer to or re-enter a school that offers nonterm-based or nonstandard term-based educational programs. For students who transfer to or reenter a nonterm-based or nonstandard term-based educational program, a school may make a separate selection of payment period or period of enrollment to use in calculating their Return of Title IV funds for everyone within the group that transfers or reenters.

The periods used for transfer and re-entry students do not have to be the same. A school may choose to use payment period for transfer students and period of enrollment for re-entry students.

Payment period

The definition of a payment period is the same definition used for other Title IV program purposes. This definition is found in 34 CFR 668.4 (see *Volume 3*). Schools that use payment periods as the basis for their R2T4 calculations should note that making multiple disbursements within a payment period does *not* create new or additional payment periods.

Period of enrollment

A period of enrollment is the academic period established by the school for which institutional charges are generally assessed (i.e., the length of the student's program or the academic year). A school that chooses to use a period of enrollment in an R2T4 calculation will use a period consistent with the loan period it uses for students in the applicable program.

For information on determining the length of a payment period or period of enrollment for a student who withdraws from a program offered in modules, see ***Withdrawals from programs offered in modules*** in Chapter 2.

Period of enrollment

34 CFR 668.22(l)(2)

Applicability

The use of a payment period or period of enrollment is important for many aspects of the R2T4 calculation. For example, if a school is performing its R2T4 calculations on a payment period basis, the Title IV aid used in the calculation is the aid that is disbursed or that could have been disbursed to the student for the payment period. Also, the institutional charges used in the calculation generally have to reflect the charges for the payment period.

Generally, the higher the institutional charges, the greater the amount of unearned aid that must be returned by the school (see Step 4 of the R2T4 calculation, in Chapter 2). In some cases, this may discourage a school from using the period of enrollment as the basis for the R2T4 calculation. An institution must prorate the charges for the period of enrollment to correspond to a payment period if the institution has elected to use the payment period rather than the period of enrollment basis for R2T4 calculations.

If, for a nonterm or nonstandard term program, a school chooses to calculate the return of funds on a payment period basis but the institutional charges for a period longer than a payment period (e.g., period of enrollment), total institutional charges for the period will be the greater of the:

- prorated institutional charges for the period as determined under 34 CFR 668.164(c)(5), or
- the amount of Title IV aid retained for institutional charges as of the student's withdrawal date.

Rounding

Enter dollars and cents using standard rounding rules to round to the nearest penny. Final repayment amounts that the school and student are each responsible for returning or any PWDs may be rounded to the nearest dollar, except that disbursements may not be rounded up if such rounding would cause the amount disbursed to exceed the student's annual or aggregate award limits, including Pell Grant lifetime eligibility.

Percentages are calculated to four decimal places, and rounded to three decimal places. The third decimal place is rounded up if the fourth decimal place is five or above. For example, .4486 would be rounded to .449, or 44.9%.

The **one exception** to the rounding rule occurs in determining the percentage of Title IV aid earned. Students who withdraw at any point **after the 60% point** in the payment period or period of enrollment have earned 100% of their Title IV aid. If the standard rounding rules were used in this situation, a quotient of .6001 through .6004, which is greater than 60%, would be rounded down to .600 (60%), and the student would not have earned 100% of their Title IV aid. To recognize that students completing more than 60% of the period (by any amount) earn 100% of their Title IV aid, **amounts of .6001 through .6004 are not rounded** for the purpose of determining whether a student has earned 100% of the Title IV aid for the term.

Funds to include in an R2T4 calculation

The calculation of earned Title IV aid includes the following Title IV grant and loan funds if they were disbursed or could have been disbursed to a student for the payment period or period of enrollment for which the calculation is being performed.

- Pell Grant
- Iraq and Afghanistan Service Grant
- TEACH Grant
- FSEOG
- Direct Loan

FSEOG Program funds are excluded under certain circumstances (as described in the next section). Federal Work-Study (FWS) funds are ***not*** included in the calculation.

Funds to include in an R2T4 calculation

34 CFR 668.22(a)(3)

FSEOG Program funds

The ***nonfederal share*** of FSEOG Program funds are excluded when a school meets its FSEOG matching share requirement by either the individual recipient method or the aggregate method. If a school meets its matching share requirement through the use of a fund-specific match, 100% of the FSEOG award (both the federal and nonfederal shares) must be included in the R2T4 calculation. Otherwise, the nonfederal share of FSEOG awards is excluded from the calculation. For more information on types of FSEOG matching funds, see *Volume 6*.

Limits on Title IV funds that may be included as aid that could have been disbursed

A school may not include Pell Grant funds as aid that could have been disbursed that if disbursed would, in combination with other Pell Grant funds previously received by the student, cause the student to exceed their Pell Grant maximum lifetime eligibility. Likewise, a school may not include as aid that could have been disbursed Direct Subsidized Loan funds that would, in combination with other Direct Subsidized Loan funds previously received by the student, cause the student to exceed their Direct Loan aggregate limits.

Funds to include when a student enrolled in a crossover period withdraws before the higher Pell Grant is disbursed

Consider, for example, a student enrolled in a crossover period, where a school receives a new SAR/ISIR with an official EFC from a new award year reflecting eligibility for more Pell Grant funds before the student lost eligibility. If the school's Pell crossover payment period policy allows the school to award the larger Pell Grant amount from the new award year, the school must include the additional funds on the Return of Title IV aid worksheets as aid that could have been disbursed.

The school must do the following:

1. Enter the Pell Grant funds that were disbursed while the student was in school in Step 1, line 1, column A, as aid that was disbursed.
2. Enter the difference between the student’s higher Pell Grant eligibility and the Pell Grant that was disbursed in Step 1, line 1, column C, as aid that could have been disbursed, together with any Pell Grant funds from the original award that were not disbursed.
3. Enter any other Title IV aid that was disbursed or that could have been disbursed at the point when the student withdrew, and perform the return calculation as directed.

If a resolved overaward becomes an overpayment

If a school has resolved an overpayment by reducing scheduled future disbursements for a second or subsequent payment period and the student ceases attendance before the end of the current payment period, that portion of the student’s award that was an overpayment must be repaid outside of the requirements of 34 CFR 668.22.

If the school is responsible for repaying the overpayment, the school must repay the overpayment before completing any required R2T4 calculation.

If the student is responsible for repaying the overpayment and the student withdrew during the payment period or period

of enrollment, as applicable, the school should not take any action until it has completed the required R2T4 calculation. When performing the R2T4 calculation, the school should not include the amount of the overpayment for which the student is responsible as *Aid disbursed* or *Aid that could have been disbursed*. Then, when the school has completed the R2T4 calculation, it should document the amount of the overpayment and, as applicable, reduce any PWD or increase any amount the student must return by the amount of the overpayment owed by the student.

If the student is responsible for repaying the overpayment, the school should try to collect the overpayment from the student and, if it is unable to do so, refer the student to the Department's Default Resolution Group.

For more information, please see Volume 4, Chapter 3 - *Overawards and Overpayments*.

When Students Withdraw From Certain Programs and Transfer to a New School or Re-enter the Same School in a Similar Program

When students withdraw from clock-hour programs or, non-term credit-hour programs, then re-enter the same school in a similar program or transfer to a new school, the following guidance applies.

Re-entry within 180 days

The regulations state that when a student withdraws from a nonterm credit-hour or clock hour program during a payment period, and then re-enters the same program within 180 days, the student is treated as if they did not cease attendance and when they return the student remains in that same payment period and is eligible to receive any Title IV aid they were eligible to receive prior to withdrawal (including funds that were returned by the institution or student). The calculation must use the original institutional charges associated with the original period before the withdrawal, and the student's cost of attendance must also reflect the original educational costs associated with the payment period from which the student withdrew.

If a student who received a Direct Loan that has a grace period withdraws and then reenrolls in school on at least a half-time basis before the grace period expires, the student regains in-school status and will receive a full grace period when they graduate or cease half-time enrollment.

As noted before, the return regulations require a school to return unearned funds for which it is responsible as soon as possible but no later than 45 days after the date of the school's determination that the student withdrew. If a student returns to the institution before the Title IV funds are returned, the school is not required to return the funds. Nonetheless, a school is expected to begin the return of funds process immediately upon its determination that a student has withdrawn—it may not delay returning Title IV funds because it believes a student might return.

Re-entry within 180 days

34 CFR 668.4(f)

Example of re-entry within 180 days

Consider a student who began attendance in a clock-hour program that was 1,500 clock hours in length with a defined academic year of 900 clock hours. For the first 450-hour payment period, the student was awarded and disbursed $1,500 in Pell Grant funds, $500 in FSEOG funds, and $500 in Direct Loan funds (net amount), for a total of $2,500 in Title IV aid.

Assume that this student withdrew from school after completing 200 of the 225 hours they were scheduled to complete by that point in the payment period (50% of the period), and the school uses payment periods when performing the R2T4 calculation. Under the Return regulations, the school used scheduled hours (225) to

determine that the student earned 50% of their Title IV aid. The school returned $500 to the loan program. The $750 the student was initially scheduled to return (Step 9, Part S of the R2T4 calculation) was eliminated by the application of grant protection in Step 9, Part U.

If the student returns to the same program at the same school within 180 days of the withdrawal, the student would be considered to be in the same payment period, and the student's eligibility for Title IV aid is the same as if they had never left. **The school redisburses the $500 they had previously returned, extends the loan period and academic year as necessary to reflect the new date that the student is expected to complete the first academic year of the program,** and sets new dates for any subsequent disbursements. The school would schedule additional Title IV disbursements for the day after the student is expected to complete the remainder of the payment period from which the student had withdrawn.

If the student withdraws again before completing the payment period, the school would apply the provisions of the Return regulations using the total number of hours the student was scheduled to complete in the numerator, the full 450 hours in the payment period in the denominator, and then apply that fraction to the total Title IV Aid disbursed for the period.

A student who re-enters a nonterm credit-hour or clock-hour program within 180 days of their withdrawal is immediately eligible to receive all Title IV funds that were returned when the student ceased attendance. Thus, upon the student's return, the school must restore the types and amount of aid that the student was eligible for before the student ceased attendance, and schedule the appropriate disbursements.

Actions to be taken by the school would include:

- redisbursing aid that had been disbursed and then returned under the R2T4 provisions;
- disbursing any Title IV aid the student was otherwise eligible for that had not yet been disbursed at the time the student withdrew; and
- canceling any overpayments assessed the student as a result of the prior withdrawal if those funds were disbursed upon re-entry.

Once the student completes the payment period for which they have been paid, they become eligible for subsequent Title IV payments.

Note: For a student who completed more than 60% of the period for which the student was paid before ceasing attendance, the school would not have returned any Title IV aid. If that student were to re-enter school within 180 days, because the student had received 100% of their aid for the period, the student would not be eligible to receive additional Title IV aid until they have completed the weeks of instructional time and clock or credit hours (as applicable) for which the student was previously paid. However, if during the student's initial enrollment the student has borrowed less than the annual maximum Direct Loan, upon returning within 180 days, the student could borrow the balance of that annual maximum Direct Loan.

If a student enrolled in a term-based, credit-hour program offered in modules withdraws without confirming an intent to return to a module later in the payment period or period of enrollment, re-enters the same program prior to the end of the payment period or period of enrollment, the student is treated as if they did not cease attendance. Please see the discussion under "Withdrawals from programs offered in modules" in Chapter 2.

What to do when a student whose overpayment has been referred to the Default Resolution Group re-enters within 180 days

If a student whose overpayment has previously been referred to the Department's Default Resolution Group returns to school within 180 days, the school must send the Default Resolution Group a fax identifying the student overpayment, and stating that it should be made void. This will allow the Department to properly update its records in both the Default Resolution Group system and NSLDS.

This fax number is for **school use only** and only for this purpose.

Fax Number: 240-931-3320

Note: This process cannot be performed via email.

In the fax, the school must include the:

- award year of the overpayment;
- student's Social Security number;
- student's last name, first name, and middle initial;
- student's date of birth;
- type of overpayment—Federal Pell Grant, TEACH Grant, Iraq and Afghanistan Service Grant, or FSEOG;
- the disbursement date the institution used to create the overpayment record in NSLDS;
- the original amount referred
- a letter that includes the following text:

This student has returned to school. The regulations (34 CFR 668.4(f)) require that the overpayment referenced herein be voided.

Re-entry after 180 days, return to the same school in a new program, or transfer to a new school

If a student withdraws from a nonterm credit-hour or clock-hour program prior to completing the period and

- re-enters the same program at the same school more than 180 days after withdrawal; or
- transfers into another nonterm credit-hour or clock-hour program at any time (either at the same school or at a new school);

then the student starts a new payment period when they re-enter or transfers.

Re-entry after 180 days

34 CFR 668.4(g)

In calculating awards for a student who re-enters the same program after 180 days, returns and enters a new program, or transfers to a new school ***and*** previous hours earned are accepted into the program, the school treats the hours remaining in the program as if they are the student's entire program. The number of payment periods and length of each payment period are determined by applying the rules in the appropriate part of the definition of a payment period to the hours remaining in the program upon transfer or re-entry.

A school may consider a student who transfers into a new program at the same school as remaining in the same payment period if five conditions are met:

1. The student is continuously enrolled at the school.
2. The coursework in the payment period the student is transferring out of is substantially similar to the coursework the student will be taking when they first transfer into the new program.
3. The payment periods are substantially equal in length in weeks of instructional time and credit hours or clock hours, as applicable.
4. There are little or no changes to the institutional charges to the student for the period.
5. The credits from the payment period the student is transferring out of are accepted toward the new program.

This provision addresses situations where a student's entry into a new program at the same school results in very little

change to the student's academic circumstance (e.g., a change that is really nothing more than a change in majors). The Department believes that when this occurs, it is appropriate to spare the school the burden of withdrawing a student, performing an R2T4 calculation, and returning Title IV grant or loan funds, only to award them again for the new payment period(s).

If a school treats the student as one who is not withdrawing from the school, no R2T4 calculation is performed, and the student continues in the same payment period they started in, in their original program.

If a student for whom this approach is taken later withdraws from the school, the start and end dates used in Step 2 of the R2T4 calculation will be the start of the payment period/period of enrollment in the first program and the end of the payment period/period of enrollment in the second program. The charges used in Step 5 will be the total charged the student for the two programs associated with the payment period or period of enrollment, as appropriate.

Loan principles applicable to re-entry in and transfer to clock-hour programs, nonterm credit-hour programs, and nonstandard term credit-hour programs with terms that are not substantially equal (in which no term is less than 9 weeks in length)

1. A Borrower–Based Academic Year, specifically BBAY3 (See *Volume 8* for more information about BBAY3), must be used to monitor annual loan limits of students in clock-hour programs, nonterm credit hour programs, and nonstandard term credit-hour programs with terms that are not substantially equal.

2. When a student who withdrew re-enters the same clock-hour program or nonterm credit hour program within 180 days, the maximum amount the student can receive from their original loan equals the borrower's annual loan limit, less the amount previously borrowed for the academic year, plus any amount returned per 34 CFR 668.22.

3. For a student who transfers to a new school into a clock-hour program, nonterm credit hour program, or nonstandard term credit-hour program with terms that are not substantially equal, when an overlap exists between academic years of the two schools, the new school may originate a loan for an abbreviated loan period that covers the remaining portion of the prior school's academic year. (Note: the new school can find the prior school's academic year in COD.) The abbreviated loan period at the new school ends on the calendar end date of the prior school's academic year without regard to the weeks of instructional time and credit or clock hours completed by the student during the abbreviated loan period.

   The amount of the loan for the abbreviated loan period may not exceed the remaining balance of the student's annual loan limit at the grade level applicable at the new school. The borrower is not eligible for a new annual loan limit until the original academic year has ended. However, if the student is transferring into a program that is less than a full academic year in length, or into a remaining portion of a program that is less than a full academic year in length, the total loan amount the student receives for the abbreviated loan period and for any subsequent loan period may not exceed the prorated loan limit for the program or remaining portion of the program. If there is no overlap between the academic years of the two schools, the borrower is immediately eligible for a new annual loan limit. If the portion of the program that remains is less than an academic year, the loan is subject to proration if an undergraduate program.

4. When originating a new loan for a student, the cost of attendance used for the new loan may include only those costs associated with the period for which the new loan is being originated.

5. When a student withdraws after receiving the first disbursement but before the second disbursement, and then re-enters the same program within 180 days, the school must extend the original loan period end date and academic year and reschedule the second disbursement.

   In this case, the student is held to the same disbursement requirements that applied initially (e.g., a student enrolled in a one-year clock-hour program must successfully complete one-half the clock hours and one-half the weeks of instructional time in the program before they can receive the second disbursement). The borrower is not eligible for a new loan until the original loan period and original academic year have ended. If some portion of the program remains after the completion of the new loan period, the school can originate a

new loan for that portion of the program. If the portion of the program that remains is less than an academic year, the loan limit would be subject to proration for undergraduate programs.

See *Volume 8* for examples of originating loans for transfer students with overlapping academic years and for guidance on proration of the annual loan limit.

Eligibility of transfer students for additional Title IV funds

Generally, at a clock-hour or nonterm credit-hour school, a student can be paid again for clock hours or credit hours that they have already completed at that school only if they have completed a program and reenrolls to take that program again or to take another program. In addition, when a student re-enters a clock-hour or credit-hour nonterm-based program ***after*** 180 days, the student may be paid for repeated hours. (The limitation on students being paid for the first repeat of a passed course applies only to students enrolled in term-based programs.)

For example, a student who withdraws after completing 302 clock hours of the first 450-hour payment period (in a 900 clock-hour program) has 148 hours remaining in the first payment period. The student reenrolls after 180 days in the same program and receives credit for 100 hours. The program length for purposes of determining the new payment periods is 800 clock hours (900 hours - 100 hours = 800 hours remaining in student's program), so the new payment periods are 400 hours and 400 hours (the 302 hours completed and the 148 hours that remained do not apply). Any reduction in the payment would be based on whether the student's scheduled award or annual loan limits are exceeded (If the student in this example received no credit for previously completed hours, the student's program length for purposes of determining the payment periods would be 900 clock hours).

However, a transfer student's eligibility for additional Title IV funds may be subject to a variety of limitations associated with the aid the student received during the student's most recent period of attendance. For example, in the Pell Grant Program, a student may never receive more than 150% of their Pell Grant scheduled award for an award year. In the Federal Direct Loan Program, the application of the annual loan limits imposes additional limitations on a borrower's eligibility for funds when the borrower transfers.

Directions for Adjusting Direct Loans

If a student who ceased attendance during a period in which they received a Direct Loan returns to school within the 180 day timeframe, their Title IV aid must be redisbursed, and the school must submit a change record to the COD system that:

- adjusts the amount of the loan to the amount appropriate to the enrollment status at which the student has reenrolled;
- adjusts the academic year and loan period (award period) to the student's new anticipated completion date; and
- changes the disbursement dates to reflect when disbursements actually occur.

Direct Loan processing for an award year generally remains open in COD for 13 months from the end of the award year. A school should be able to submit data via batch or web processing through that time unless it has already confirmed closeout for the impacted award year. If the year is closed before the 13-month period is over, the school should contact COD School Relations for help with re-opening the award year.

Once the 13-month period is over and COD has closed the year, a school may request extended processing through the COD School Relations Center.

This can be done through the COD website. Authorized school users must log on to the website, select the "School" menu and then select "Post Deadline Proc > Authorize Post Deadline Processing" on the left side. Users then:

1. Select the correct award year and program for the request.
2. Choose "Re-Entry Within 180 Days" from the drop-down menu as the reason.
3. Provide an explanation for the request.

4. Select “Authorize.”

Schools will be notified if/when the request has been approved.

Toward the end of each award year, the Department publishes an announcement with information on the closeout deadline and instructions on how schools can request extended processing for Direct Loans after the closeout deadline (e.g. February 9, 2023 electronic announcement for 2021-2022).

Note: If the returning student is eligible to receive Title IV loan funds and the student's bill is already paid, in the information a school provides to the students when the school informs them that they are due a late disbursement, the school should include information about the advantages of keeping loan debt to a minimum.

Directions for Adjusting Pell Grants

A student who was originally enrolled in a payment period that began, and was scheduled to end, in one award year could return after the end of that award year (June 30) to the same payment period. The intent of the regulations is that such a student is to be considered, upon their return within 180 days, to be in the same payment period. Therefore, any Title IV aid that will be disbursed to the student should be paid from the original award year regardless of whether the resumption of the payment period is in a new award year.

For the Campus-Based Programs, if funds are not available from the year in which the awards were originally made, the school may award funds from the current year. Note that doing this does not increase the annual maximum awards that may be made to an individual student.

Consider a student who received Pell Grant funds and withdrew from school in one award year and re-enters the same program within 180 days in a new award year. If the school returned funds after an R2T4 calculation, the student might now be due additional Pell Grant funds from an award year that is closed. (The date will typically be towards the end of September after the official end of an award year. Deadline submission dates are published annually in a Federal Register Notice.)

To report the additional disbursement information and request these funds, the school must request an extension to the established data submission deadline. This can be done through the COD website.

Authorized school users must log on to the website, select the “School” menu and then select “Request Reopen/Extended Processing ” on the left side. Users then:

- Select the correct award year and program for the request.
- Choose “Re-entry within 180 Days” from the drop down menu as the reason code.
- Provide an explanation for the request.
- Select "Submit"

The Department will contact schools with the results of their extended processing request once it has been reviewed.

Breaks in Attendance for Students Enrolled in Programs Measured in Credit Hours Without Academic Terms

To receive Title IV aid, a student must be enrolled in an eligible program. That program has required courses, some of which must be taken in sequence. If no specific academic plan exists for a particular student, we consider the program requirements to be the student’s academic plan.

A student who completes a course is expected to begin attending the next available course in the program until the student completes the credits for which they have received Title IV aid. **If, before a student completes the credits for which they have received Title IV aid, the student fails to enroll in the next (appropriate in sequence) course in the program, the student must be put on an approved LOA or considered withdrawn.**

A student enrolled in a program measured in credit hours without academic terms who has completed the credit hours and the weeks in the payment period for which Title IV aid was awarded does not have to be considered a withdrawal or placed on LOA if they take a break before enrolling in additional courses.

Changing or Correcting an R2T4 Calculation

Changes that aren't corrections are allowed only if the change can be made in time for the institution to meet any applicable R2T4 deadline.

A change is not a correction if a calculation (R2T4/PWD) was correct at the time it was processed.

For example, a school that used the midpoint as the withdrawal date may want to go back and revise an already processed R2T4 calculation to use a last date of attendance at an academically related activity past the midpoint. Such a change is not a correction because the use of the midpoint was not a mistake— unlike using the wrong amount of a Pell Grant disbursement. Similarly, the signing of a promissory note after a calculation is processed is not a correction because failing to sign a promissory note is not a mistake.

An institution is never required to do a recalculation of a change that is not a correction.

Applicable Deadlines

Two main deadlines impact most R2T4 calculations—the 45-day time frame for the Return of Title IV Funds (also see the discussion under *Time frame for the return of Title IV funds* in Chapter 2), and the 30-day required notification of the need for authorization to make a PWD of Direct Loan funds (see the discussion under *Post-withdrawal disbursement of Title IV Loan* funds in Chapter 2).

Any action taken after a deadline, even a correction, is a violation of that deadline requirement. So, when an institution corrects an R2T4 calculation and, as a result, returns funds after the 45-day deadline, it is a late return. Likewise, if a school makes a correction and fails to notify a student or parent that they are eligible for a PWD within 30 days of the date of the institution's determination that the student withdrew, the school has violated that deadline.

Chapter 2

The Steps in a Return of Title IV Aid Calculation - Part 1

This chapter discusses the data elements in the order in which they occur on the Return of Title IV (R2T4) worksheets. It is not a set of instructions. It is an explanation of the criteria a school must consider as it enters data in the steps of the calculation.

Step 1: Student's Title IV Aid Information

Title IV aid disbursed

A school must calculate the amount of earned Title IV funds by applying a percentage to the total amount of Title IV program assistance that was disbursed and that could have been disbursed. Under Step 1 of the worksheet, a school fills in the amount of each type of Title IV aid that was disbursed and that could have been disbursed. When entering the amount of loan funds, a school should enter the ***net amount*** of *Aid disbursed and Aid that could have been disbursed.*

Generally, a student's Title IV funds are disbursed when a school credits a student's account with the funds or pays a student or parent directly with Title IV funds received from the Department. There are a couple of exceptions to this definition. For a complete discussion of the definition of disbursed Title IV funds, see *Volume 4*.

A student's aid is included as Aid disbursed in the calculation if it is disbursed as of the date of the institution's determination that the student withdrew, and so long as the disbursement was not an inadvertent overpayment (see the discussion in Chapter 1 under *Date of the institution's determination that the student withdrew*).

Inadvertent overpayments are an exception. Inadvertent overpayments—disbursements inadvertently made to a student after the student ceased attendance but prior to the date of the institution's determination that the student withdrew—are included in an R2T4 calculation as *Aid that could have been disbursed* rather than *Aid disbursed*. (See the discussion under *Treatment of inadvertent overpayments* later in this chapter.)

A school may not alter the amounts of Title IV grant and loan funds that were disbursed prior to the school's determination that the student withdrew. For example, a school may not replace a withdrawn student's loan funds with grant funds that the student was otherwise eligible to receive before performing the R2T4 calculation.

Inadvertent overpayments

DCL GEN-04-03 Revised, November 2004

Title IV aid that could have been disbursed

In addition to *aid disbursed, aid that could have been disbursed* is also used in the calculation. There are two principles that govern the treatment of disbursements of Title IV funds in R2T4 calculations.

Conditions for late disbursement

34 CFR 668.164(j)(2)

Limitations on making a late disbursement

34 CFR 668.164(j)(4)

The *first principle* provides that, for purposes of determining earned Title IV aid, generally, as long as the conditions for late disbursements in 34 CFR 668.164(j)(2) **were met prior to the date the student became ineligible**, any undisbursed Title IV aid for the period for which the R2T4 calculation is performed is counted as aid that could have been disbursed (regardless of whether the institution was prohibited from making the disbursement on or before the day the student withdrew or whether the school will be able to disburse the funds as a post-withdrawal disbursement (PWD).

Any undisbursed Title IV aid for the period that the school uses as the basis for the R2T4 calculation is counted as *aid that could have been disbursed* as long as the following conditions were met before the date the student became ineligible:

- For all programs, the Department processed a Student Aid Report (SAR) or Institutional Student Information Record (ISIR) with an official expected family contribution (EFC) for the student. (An *official* EFC is one calculated by the Department and provided on a SAR or ISIR. It may or may not be a *valid* EFC, which is one based on complete and correct information.)
- For an FSEOG award, the institution made the award to the student.
- For a Direct Loan, the institution originated the loan (within the school's financial aid system).
- For a TEACH Grant, the institution made the award (within the school's financial aid system).

In all Title IV loan programs, a promissory note must be signed for a loan to be included as aid that could have been disbursed in an R2T4 calculation. The signature may be obtained after the student withdraws but must be signed before the school performs the R2T4 calculation. In addition, if a school has an affirmative confirmation process set up to actively determine if a student wants a Direct Loan, if the student declines or fails to respond to the request, the Direct Loan would not be included as aid that could have been disbursed.

Of course, a school can only include aid (e.g., the loan funds) for the period for which it performs the R2T4 calculation. If the calculation is performed on a payment period basis, the loan funds counted are those for the payment period; if the calculation is performed on a period of enrollment basis (e.g., academic year), the loan funds counted are those for the entire period of enrollment.

A school may not include as aid that could have been disbursed Pell Grant funds that if disbursed would, combined with other Pell funds the student previously received, cause them to exceed their Pell Grant maximum lifetime eligibility.

The *second principle* provides that a student can never receive any funds from a disbursement that the institution was prohibited from making on or before the date the student withdrew as a PWD. Therefore, although the following potential disbursements can be counted as *aid that could have been disbursed* (if intended for the period for which the R2T4 is being calculated), an institution is prohibited from disbursing:

- for nonstandard term credit-hour programs where the terms are not substantially equal in length, credit-hour nonterm programs, and clock-hour programs, a second disbursement of Direct Loan funds where the student has not successfully completed half of the number of credit hours or clock hours and half of the number of weeks of instructional time in the payment period (34 CFR 685.303(d)(3)(ii)(B));
- a second or subsequent disbursement of Direct Loan funds unless the student has successfully completed the loan period (34 CFR 668.164(j)(4)(ii));
- a disbursement of Direct Loan funds for which the borrower has not signed a promissory note;
- for clock-hour or credit-hour nonterm programs, a second or subsequent disbursement of a Federal Pell Grant, Iraq and Afghanistan Service Grant, or TEACH Grant, when the student has not completed the earlier payment period for which the student has already been paid (34 CFR 690.75(a)(3) and 34 CFR 686.31(a)(5);
- a disbursement of a Direct Loan to a first-year, first-time borrower who withdraws before the 30th day of the student’s program of study (34 CFR 668.164(j)(4)(iii)) (except when this delay does not apply because of low default rates);

- a disbursement of a Federal Pell Grant, Iraq and Afghanistan Service Grant, or TEACH Grant to a student for whom the institution did not have a valid SAR/ISIR by the deadline established by the Department which is published annually in the public deadline notice (34 CFR 668.164(j)(4)(iv)); and
- **a first disbursement** of a Direct Loan (i.e., the first disbursement of a Direct Loan in a loan period) to a student enrolled in a modular program who has withdrawn before beginning attendance in enough courses to establish a half- time enrollment status.

Some schools can use the 50% point as the withdrawal date for a student who unofficially withdraws in determining earned Title IV aid. **However, to determine whether the funds can be disbursed as a PWD, the school must make a separate determination of the date the student lost eligibility.**

Examples

Consider a student enrolled at a school that is not required to take attendance by an outside entity. On September 1 the student begins attendance in 12 credits. On September 15 the student drops classes worth seven credits, and the enrollment status changes to less than half time. On December 1 the school receives $2,000 in Direct Loan funds for the student. In reviewing its records, the school determines that the student stopped attending all classes and is an unofficial withdrawal. Though the school can use the 50% point as the withdrawal date, it must make a separate determination of the student's eligibility for a PWD. In this case, because the student lost eligibility for Direct Loan funds on September 15 (the day the student ceased to be enrolled at least half time), the student may not receive a PWD of Direct Loan funds.

Consider a standard term credit-hour program where each semester comprises three modules of five weeks each. If a student enrolls in one three-credit-hour course in the first module and one three-credit-hour course in the second module, the student will not begin attendance in six credit hours, the school's minimum half-time enrollment status, until the student begins the course in the second module. The school does not have to, nor should it, delay the disbursement of Direct Loans until the student begins the course in the second module. However, if the student withdraws during the first module and the school has not made the first loan disbursement prior to the student's withdrawal, the school may not make that first Direct Loan disbursement. However, the amount of the disbursement would be included in the R2T4 calculation as aid that could have been disbursed.

Exception to including funds as aid that could have been disbursed when a student has a disqualifying comment code

If a student's SAR/ISIR contains a Comment Code that requires resolution (e.g., 132–Default) in order for the funds to be included as *Aid that could have been disbursed*, the underlying issue must be resolved before the institution performs the R2T4 calculation and in time for the institution to meet any applicable R2T4 deadline.

Treatment of inadvertent overpayments

An inadvertent overpayment occurs when an institution disburses funds to a student who is no longer in attendance (for example, when an institution makes a scheduled disbursement on Monday to a student who dropped out on the previous Friday). Inadvertent overpayments are included in R2T4 calculations as *Aid that could have been disbursed* rather than *Aid that was disbursed.*

Discussion of inadvertent overpayments

Federal Register, Volume 64, Number 151, August 6, 1999, Proposed Rules, page 43026 Federal Register, Volume

64, Number 210, November 1, 1999, Rules and Regulations, page 59018

DCL GEN-04-03 Revised, November 2004

A school is allowed to hold an inadvertent overpayment while determining if the student is owed a PWD. However, this is not intended to affect the amount of aid a student would receive under an R2T4 calculation. Rather, it is permitted to avoid a school having to return funds only to have to later request and disburse them if a student is eligible for a PWD.

An inadvertent overpayment does not create a separate basis for permitting funds to be paid to a student's account. So, if an inadvertent overpayment does not meet the criteria for a late disbursement, the second principle under *Title IV aid that could have been disbursed* discussed previously applies, and neither the institution nor the student may retain any portion of the overpayment. However, the funds are included as *Aid that could have been disbursed* which can reduce the amount of Title IV aid required to be returned under an R2T4 calculation or may result in a student being able to retain more grant funds.

To be consistent with the aforementioned second principle, an institution must treat inadvertent overpayments as *Aid that could have been disbursed* rather than *Aid that was disbursed*. If the inadvertent overpayment could not have been made as a late disbursement under the regulations, the institution must return the entire amount of the overpayment. If the overpayment could have been made as a late disbursement, the institution must return only the unearned portion of the inadvertent overpayment. Please note that an institution is not required to obtain the student's permission (PWD confirmation) to retain the amount of inadvertently overpaid Direct Loan funds that the R2T4 calculation indicates that the student has earned and that could have been disbursed as a PWD.

An institution is not required to return the inadvertent overpayment immediately but *must return it within 45 days of the date of the institution's determination* that the student withdrew (the time frame for an institution's return of Title IV funds under 34 CFR 668.22(j)(1)). An institution must return an inadvertent overpayment in accordance with the applicable regulations for returning overpayments. Please see *Volume 4, Chapter 3* for more information on overpayment procedures.

For example, if a late disbursement would have been prohibited because the student had withdrawn and the disbursement would have been a late second or subsequent disbursement of a Direct Loan, the inadvertent overpayment must be returned because the student had not successfully completed the period of enrollment for which the loan was intended (34 CFR 668.164(j)(4)(ii)).

Institutions are expected to have the administrative capability to prevent inadvertent overpayments on a routine basis. Specifically, an institution is expected to have in place a mechanism for making the necessary eligibility determinations prior to the disbursement of any Title IV funds. For example, a school should have a process in place by which withdrawals are reported immediately to those individuals at the institution who are responsible for making Title IV disbursements. During a program review, the Department would question a pattern or practice of making inadvertent overpayments.

Examples of second or subsequent Direct Loan disbursements and an example of a second payment period Pell Grant disbursement

Example 1

Consider a student who, prior to successfully completing half the clock hours and weeks in a loan period, withdrew after completing 400 clock hours in a 900 clock-hour program. The loan period is the 900 clock-hour academic year which includes two payment periods of 450 hours each. **The R2T4 calculation is done on a period of enrollment basis**. Half of the Direct Loan and half of a Federal Pell Grant were disbursed at the beginning of the first payment period, and the student was scheduled to receive the other half in the second payment period. Because the student had not successfully completed half of the clock hours and weeks, the student was not eligible to receive the second disbursement of the Direct Loan or Federal Pell Grant. Therefore,

the second disbursements could not have been made before the student withdrew.

Under current guidance when calculating an R2T4 on a period of enrollment basis, the second disbursements of both the Pell Grant and the Direct Loan are included as **Aid that could have been disbursed** in Step 1 of the R2T4 calculation which increases the amount of Title IV aid used in the calculation (and ultimately earned by the student).

Please note, however, the institution may not make a PWD from the second scheduled disbursements of Pell Grant or Direct Loan funds because the student did not successfully complete half of the number of clock hours and half of the number of weeks of instructional time in the first payment period.

Example 2

Consider a student who completed 500 clock hours in a 900 clock-hour program and successfully completed half the clock hours and weeks in the loan period at an institution that uses the ***period of enrollment as the basis for its R2T4 calculations***. The loan period is the 900 clock-hour academic year which includes two payment periods of 450 hours each. Half of the Direct Loan was disbursed at the beginning of the first payment period, and the student was scheduled to receive the second half in the second payment period. Although the student completed half of the clock hours and weeks in the loan period and was otherwise eligible to receive the second disbursement of the loan, the second disbursement of the loan was not disbursed before the student withdrew. Because the Department had processed a SAR/ISIR and the institution originated the loan before the student lost eligibility, the second disbursement of the loan is included as ***Aid that could have been disbursed*** in Step 1 of the R2T4 calculation.

However, the late disbursement regulations prohibit an institution from making a second or subsequent disbursement of a Direct Loan unless the student has graduated or successfully completed the period of enrollment for which the loan was intended. The R2T4 requirements, including the PWD requirements, do not supersede this provision. **Therefore, although in this case a second or subsequent Direct Loan disbursement is counted as *Aid that could have been disbursed* for purposes of determining earned Title IV aid, the funds may not be disbursed as part of a PWD.**

Example 3

Consider a student who withdraws after completing 350 clock hours in a 900 clock- hour program at an institution that uses the ***period of enrollment as the basis for its R2T4 calculations***. The loan period is the 900 clock-hour academic year which includes two payment periods of 450 hours each. The institution chooses to disburse the loan in four disbursements (installments of 225 hours each). The first disbursement of the Direct Loan (225 hours) has been disbursed. The student is scheduled to receive the second disbursement of the loan in the second half of the first 450-hour payment period. The student withdraws during the first payment period after receiving only the first disbursement of the loan. The second, third, and fourth scheduled disbursements of the loan are included in the calculation as ***Aid that could have been disbursed*** because the school has chosen to perform the R2T4 calculation on the ***period of enrollment basis*** for all students in this program. However, the institution may not make a PWD from the second (or subsequent) scheduled disbursement of the loan because of the prohibition on making late second or subsequent disbursements of Direct Loans when a student has not successfully completed the period for which the loan was intended.

Late arriving aid for a prior completed payment period

If a school is determining the treatment of Title IV funds on a payment period basis, the student’s Title IV aid used in the calculation is the aid that is disbursed or that could have been disbursed for the payment period during which the student withdrew. (Also, the institutional charges used in the calculation generally have to reflect the charges for the payment period.)

If Title IV aid earned during a previously completed payment period is received in a subsequent period during which the student withdrew, that aid is NOT considered *Aid disbursed or Aid that could have been disbursed* in the period during which the student withdrew. This late-arriving FSA funds, while they can be disbursed in the current term, is disbursed for attendance in the previous term. Therefore, it is not included in the R2T4 calculation for the period in which the student withdrew.

For a student who has withdrawn, a school cannot disburse aid received for a previous semester unless the student qualifies for a late disbursement.

Step 2: Percentage of Title IV Aid Earned

The percentage of Title IV aid earned is determined differently for credit-hour program and clock-hour program withdrawals. In addition, the requirements for determining a student's withdrawal date differ based on whether a school is required to take attendance or not. The withdrawal date, the point in time that the student is considered to have withdrawn, is used to help determine the percentage of the payment period or period of enrollment completed by the student. The percentage of Title IV aid earned is equal to the percentage of the payment period or period of enrollment completed.

Withdrawal date at schools required to take attendance

34 CFR 668.22(b)

If the day the student withdrew occurs before the student completed more than 60% of the payment period or period of enrollment, the percentage earned is equal to the percentage of the payment period or period of enrollment completed. If the day the student withdrew occurs after the student has completed more than 60% of the payment period or period of enrollment, the percentage earned is 100%.

Part 1—Withdrawal date

The definition of a **withdrawal date**, as outlined here, is required for Title IV program purposes only, including the withdrawal date that a school must report to the National Student Loan Database System (NSLDS). A school may, but is not required to, use these withdrawal dates for its own institutional refund policies.

For R2T4 purposes, **the withdrawal date is used for determining the amount of aid a student has earned.** Do not confuse it with the date of the institution's determination that the student withdrew, discussed in Chapter 1, which can be the same date or a different date and is used for other purposes in the R2T4 process.

Withdrawal date for a student who withdraws from a school that is required to take attendance

The goal of the R2T4 provisions is to identify the date that most accurately reflects the point when a student ceases academic attendance, not the date that will maximize Title IV aid to the institution or to the student. Generally, the most precise determination of a student's withdrawal date is one that is made from institutional attendance records.

If a school is **required** to take attendance, a student's withdrawal date is **always** the last date of attendance at an academically related activity as determined by the school from its attendance records. This date is used for all students who cease attendance, including those who do not return from an approved LOA, those who take an unapproved LOA, and those who officially withdraw. For information on what qualifies as academic attendance, see **Academic attendance and attendance at an academically related activity** later in this chapter.

Schools required to take attendance

A school is required to take attendance if:

- the school is required to take attendance by an outside entity (such as the school's accrediting agency or a state agency) that has a requirement that the school take attendance,
- the school itself has a requirement that its instructors take attendance, or
- the school or an outside entity has a requirement that can only be met by taking attendance or a comparable process, including but not limited to requiring that students in a program demonstrate attendance in the classes of that program or a portion of that program.

The return regulations describe when a school is considered to be required to take attendance for Title IV purposes; they do NOT require schools to take attendance. A requirement that a student self-certify attendance directly to an outside entity does not make a school one that is required to take attendance. For example, a Veterans' Administration requirement that benefit recipients self-report attendance would not result in a school being considered one that is required to take attendance unless the school is required to verify the student's self-certification.

Taking attendance example: Ten university students receive assistance from the state, which requires the school to take attendance for recipients of the state's education benefits. The university is not required by any other outside entity to take attendance. Seven of the 10 students who receive state benefits are also Title IV program recipients. If any of those seven students withdraw, the school must use the state-required attendance records to determine the withdrawal date. For all other Title IV aid recipients at the university who withdraw, the school must determine the withdrawal date in accordance with the requirements for students who withdraw from a school that is not required to take attendance.

When a school has a requirement for taking attendance

If a school requires its faculty to take attendance, whether at the program, department, or institutional level, then those attendance records must be used by the school in determining a student's withdrawal date.

Schools required to take attendance

DCL GEN-11-14, July 20, 2011

A school is NOT considered to be required to take attendance if it:

- does not require faculty to take attendance but a faculty member chooses to take attendance voluntarily, or
- has a requirement that faculty provide a last date of attendance for students who receive all "F" grades to determine whether a student with failing grades has unofficially withdrawn.

In addition, the monitoring of whether online students log in to classes does not by itself result in a school being one that is required to take attendance for Title IV purposes because monitoring logins alone is not monitoring academic engagement (as defined under 34 CFR 600.2). However, an institution that collects and maintains information about students' online activities for the purpose of tracking academic engagement is considered to be an institution that is required to take attendance if that tracking:

1. Involves monitoring student attendance in a synchronous class, lecture, recitation, or field or laboratory activity, physically or online, where there is an opportunity for interaction between the instructor and students; or

2. Is used to administratively withdraw students or to enforce an institutional attendance policy.

Schools that do not require the taking of attendance and are not required to take attendance by an outside entity are not prohibited from using individual faculty members' attendance records in determining a student's withdrawal date. The Department encourages schools to use the best information available in making this determination.

A school is responsible for ensuring that it is in compliance with the requirements for schools that are required to take attendance even if some faculty do not comply with the attendance-taking policy. For students enrolled in classes taught

by faculty who fail to take attendance, their withdrawal date will be the last date of academic attendance as recorded by the faculty that did take attendance. **If, at a school required to take attendance, no records of a student's academic attendance exist, the student is considered not to have begun classes for Title IV program purposes and never to have established eligibility for Title IV funds.** Title IV funds received by a student who failed to establish eligibility must be handled by the school in accordance with the procedures described in Chapter 1 under ***When a student who fails to begin attendance in all the courses they were scheduled to attend withdraws (34 CFR 668.21).***

Requirements that can only be met by taking attendance

The Department is looking at the substance of the information that is available rather than the way that information is described or portrayed by the school or outside entity. If the school is required to collect or record information about whether a student was in attendance during a payment period, or during a limited period of time during a payment period, that information must be used to determine when the student ceased attendance during that period.

For Title IV purposes, clock hour programs are considered to be programs where schools are required to take attendance. Schools that are required to measure the clock hours a student completes in a program satisfy both the requirement of determining that a student is present and that the student is participating in core academic activity. *(See preamble page 66898 of the October 29, 2010 Federal Register.)*

Attendance taking requirements for some students

If a school is required to take attendance by an outside entity (for example, a state Workforce Development Agency) for only some students, then the school is required to use attendance records to determine those students' withdrawal dates (the last date of academic attendance). The school would not be required to take attendance for any of its other students or to use attendance records to determine the withdrawal dates of any of its other students unless the school is one required to take attendance for those students by its own rules or another outside entity.

When a school takes attendance for one day or a limited period

If a school is required to take attendance or requires that attendance be taken on only one specified day to meet a census reporting requirement or to demonstrate that the student commenced attendance, the school is not one required to take attendance. For a program that is offered in modules, a school may require that attendance be taken on a single specified day in each module (i.e., have one census date per module) without the school being considered one that is required to take attendance.

If a school is required to take attendance or requires that attendance be taken for a limited period, the school must use its attendance records for that limited period to determine a withdrawal date for any students who withdraw during the limited attendance taking period. Students who withdraw after the limited period of attendance taking will be treated as students for whom the school was not required to take attendance.

If a school is taking attendance to determine whether each student attended at least once during a period of time (for example, the first two weeks of a term) but does not continue to monitor attendance for a student after the one day of confirmed attendance, it is not a school that is required to take attendance for Title IV purposes. However, if a school takes attendance throughout a period to determine when students are and are not present, then it is taking attendance for a limited period and is a school that is required to take attendance for Title IV program purposes for that period.

Unless a school demonstrates that a withdrawn student who is not in attendance at the end of the limited period of required attendance taking attended after the limited period, the student's withdrawal date would be determined according to the requirements for a school that is required to take attendance. That is, the student's withdrawal date would be the last date of academic attendance, as determined by the school from its attendance records.

For example, consider a student who officially withdraws after the end of a limited two-week period of required attendance taking. The student is not attending classes on the last day of the two-week period, and begins the school's official withdrawal process two weeks later. The school must demonstrate that the student was in attendance after the two-week attendance-taking period to use the date the student began the official withdrawal process as the withdrawal

date (as permitted for schools not required to take attendance). If it cannot, the student's withdrawal date is the last date of academic attendance during the period of attendance taking, as determined by the school from its attendance records. And finally, keep in mind, that though a school always has the option to document a student's last date of attendance at an academically related activity, a school is not required to take attendance past the end of the limited period of attendance taking.

If a school demonstrates that a student attended past the end of the limited period, the student's withdrawal date is determined in accordance with the requirements for a school that is not required to take attendance.

When attendance taking is required only for some classes

A school is required to take attendance if attendance taking is required in ALL classes in the program for a period of time. For example, if a school requires that attendance be taken in all core classes but not elective classes, when the core classes in the program are taken in isolation, for the period of time that students are taking only core classes, the program is one for which the school is required to take attendance.

If core and elective classes are taken at the same time and attendance taking is not required for the elective classes, then for the period of time that core and non-core classes are taken together, the school is not one that is required to take attendance for that program.

Determining a student's withdrawal date at a school that is not required to take attendance

If a school is not required to take attendance, the determination of a withdrawal date varies with the type of withdrawal. The withdrawal date for the various types of withdrawals, as well as the date of the institution's determination that the student withdrew for each type of withdrawal is provided in the chart *Withdrawal Dates for a School that is Not Required to Take Attendance* at the end of this chapter.

Official notification

A student may provide official notification of intent to withdraw by following the school's withdrawal process. In this case, the withdrawal date is the date the student ***begins*** the withdrawal process. The student may also withdraw by providing notification to designated officials. If the student withdraws through official notification, the withdrawal date is the date notification was provided.

Official notification

34 CFR 668.22(c)(1)(i) and (ii)

Official notification defined

A notice of intent to withdraw that a student provides to an office designated by the institution.

34 CFR 668.22(c)(5)(i))

These withdrawal dates apply even if a student begins the school's withdrawal process or otherwise notifies the school of an intent to withdraw and projects a future last date of attendance. However, **a school that is not required to take attendance may always use a last date of attendance at an academically related activity as a student's**

withdrawal date (this is discussed in detail later). Therefore, a school could use a later last documented date of attendance at an academically related activity if this date more accurately reflects the student's withdrawal date than the date the student begins the school's withdrawal process or provides withdrawal notification.

For example, if on May 5 a student provided notification of intent to cease attending the school beginning on May 10, the withdrawal date is May 5. However, the school may use May 10 as the student's withdrawal date if it documents May 10 as the student's last date of attendance at an academically related activity.

School's withdrawal process

The ***beginning*** of the school's withdrawal process must be defined. The individual definition is left up to the school. Schools are required to make available to students a statement specifying the requirements for officially withdrawing from the school. They are expected to identify the beginning of the withdrawal process as part of their consumer information (see *Volume 2*). Schools should be able to demonstrate consistent application of their withdrawal process, including the determination of the beginning of that process.

The officially defined withdrawal process might include a number of required steps. Though the school might not recognize the student's withdrawal (for purposes of determining an institutional refund) until all the required steps have been completed, for the purpose of calculating the return of Title IV funds, the date the student began the withdrawal process is the withdrawal date for Title IV purposes.

Otherwise provides official notification

Official notification to the school occurs when a student notifies an office designated by the school of their intent to withdraw. In its written description of its withdrawal procedures, a school must designate at least one office for this purpose. For example, a school could designate a dean's, registrar's, and/or financial aid office. If a student provides notification to an employee of that office while that person is acting in their official capacity, the student has provided official notification.

Otherwise provides official notification

34 CFR 668.22(c)(5)

Official notification from the student is any notification provided in ***writing or orally*** to a designated campus official acting in their official capacity in the withdrawal process. If the student notifies an employee of a designated office while that person is not acting in their official capacity (for example, the student runs into a financial aid administrator at the grocery store), that notification is not considered an official notification of withdrawal. However, the Department would expect the employee to inform the student of the appropriate means for providing official notification of withdrawal.

Acceptable official notification includes notification by a student via telephone, through a designated website or orally in person. The responsibility for documenting oral notifications is the school's. However, the school may request, but not require, the student to confirm their oral notification in writing. If a student provides official notification of withdrawal to the institution by sending a letter to the designated office stating their intent to withdraw, the withdrawal date is the date that the institution receives the letter. Notification is not provided to an institution until the institution receives the notification. Note that an institution always has the option of using the date of a student's last participation in an academically related activity as long as that participation is documented by a campus official.

Intent to withdraw means that the student indicates they have either ceased to attend the school or will cease to attend the school. A student who contacts a school and only requests information on aspects of the withdrawal process, such as the potential consequences of withdrawal, would not be considered a student who is indicating that they plan to withdraw. However, if the student indicates that they are requesting the information because they plan to cease attendance, the student would be considered to have provided official notification of their intent to withdraw.

When a student triggers both dates

A student might both begin the school's withdrawal process and otherwise provide official notification to the school of their intent to withdraw. For example, on November 1, a student calls the school's designated office and notifies the office of their intent to withdraw. On December 1, the student begins the school's withdrawal process by submitting a withdrawal form. **If both dates are triggered, the earlier date is the student's withdrawal date - in this case, November 1.**

When a student triggers both dates

34 CFR 668.22(c)(2)(ii)

Remember that a **school that is not required to take attendance is always permitted to use the last date of an academically related activity that the student participated in as the student's withdrawal date.** So, if a student continues to attend class past the date the student provides notification, and the school chooses to do so, the school may document and use the student's last date of attendance at an academically related activity as the student's withdrawal date in the R2T4 calculation.

Official notification not provided by the student

A student who leaves a school does not always notify the school of their withdrawal. The two categories for these **unofficial withdrawals** for the purposes of this calculation are:

1. When a school determines that a student did not begin the withdrawal process or otherwise notify the school of the intent to withdraw due to illness, accident, grievous personal loss, or other **circumstances beyond the student's control.**
2. All other withdrawals where official notification is not provided to the school or the official withdrawal process is not begun.

These rules apply only to schools that are not required to take attendance.

Withdrawal without student notification due to circumstances beyond the student's control

There are two instances in which a special rule defines the withdrawal date for a student who withdraws due to circumstances beyond their control: (1) when a student who would have provided *official notification* to the school was prevented from doing so due to those circumstances; and (2) when a student withdrew due to those circumstances and a second party provided notification of withdrawal on the student's behalf.

A school may determine the withdrawal date that most accurately reflects when the student ceased academic attendance due to the circumstances beyond the student's control. This date would not necessarily have to be the date of the occurrence of the circumstance. For example, if a student is assaulted, they may continue to attend school but ultimately not be able to complete the period because of the trauma experienced. Because the student's withdrawal was the result of the assault, the withdrawal date would be the date the student actually left the school, not the date of the assault. A school should document that the student left at the later date because of issues related to the assault.

If a school administratively withdraws a student (e.g., expels, suspends, or cancels the student's registration) who has not notified the school of their intent to withdraw, the last possible date of withdrawal for the student is the date the school terminates the student's enrollment (unless the school can document that the student continued their attendance after the midpoint). **However, a school may not artificially create a withdrawal date for such a student that is beyond the midpoint of the period by simply choosing to withdraw the student after the midpoint.**

Sometimes a school grants a retroactive withdrawal to a student who has experienced an event beyond their control. On those occasions, after the school has performed the R2T4 calculation using the best withdrawal date based on the circumstances and returned the funds required, it may be holding a credit balance composed of both Title IV and non-Title IV funds. When the withdrawal involves a student who has outstanding Direct Loans, if the school is unable to locate the student, in order to provide the student the greatest benefit, the school may return both the Title IV and non-Title IV funds in the student's credit balance using G5. All returns through G5 must be offset by a downward adjustment in the student's Direct Loan record in COD of the entire amount (the sum of the Title IV and non-Title IV funds) the school is returning. **A school may never return more through G5 than the outstanding balance on the student's Direct Loan.**

Withdrawal date for administrative withdrawals

A school may not artificially create a withdrawal date for a student that is beyond the "trigger point" that causes the school to administratively withdraw the student. If, for example, a school has a uniform policy of withdrawing students after a specified (and reasonable) number of absences that applies throughout the payment period/period of enrollment, then the date that a student exceeded that number of absences would be the date that the school would use as the withdrawal date. If a school administratively withdraws a student for some reason other than excessive absences, it similarly will have to determine the date of the event that caused the school to make that decision to withdraw the student.

In a slightly different scenario, if a school administratively withdraws a student because all of the student's instructors report that the student has ceased attendance as of a certain date (e.g., a census date) then the last possible date of the withdrawal for that student is that (census) date.

If a school can show that a student participated in an academically related activity after the date of the event that caused the school to terminate their enrollment, the school could use the date of the academically related activity as the last date of attendance (withdrawal date).

Withdrawal date when a student dies

When a student dies while enrolled and attending a program of study, a school must maintain the documentation it received that the student has died and determine an appropriate withdrawal date.

If a school that is *not required to take attendance* is informed that a student has died, it must determine the withdrawal date for the student under 34 CFR 668.22(c)(1)(iv). This section provides that if the institution determines that a student did not begin its withdrawal process or otherwise provide official notification of their intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the withdrawal date is the date that the institution determines is related to that circumstance. The withdrawal date, in this instance, can be no later than the date of the student's death.

For an institution that is *required to take attendance*, the withdrawal date for a student who has died is the last date of attendance as determined from the school's attendance records.

For more information on how the death of a student affects the R2T4 process, see the discussion under *When a student receiving Title IV aid dies during the payment period or period of enrollment* later in this chapter. For complete information on how a school should proceed when a student dies, see *Appendix B of the Handbook*.

All other withdrawals without student notification

The midpoint of the payment period or period of enrollment (as applicable) is the withdrawal date for all other withdrawals without notification for schools not required to take attendance unless the school chooses to use the last date of an academically related activity in which the student participated as the withdrawal date.

All other withdrawals

34 CFR 668.22(c)(1)(iii)

Time frame for the determination of a withdrawal date for an unofficial withdrawal

A school may not know that a student has dropped out—unofficially withdrawn—until it checks its records at the end of an academic period. To ensure that Title IV funds are returned within a reasonable period of time, schools must have a procedure for determining when a student who began attendance and received or could have received an initial disbursement of Title IV funds unofficially withdrew (ceased to attend without providing official notification or beginning the official withdrawal process).

Time frame for the determination

34 CFR 668.22(j)(2)

Schools *not required to take attendance* must determine the withdrawal date in these cases within 30 calendar days from the earliest of the end of (1) the payment period or period of enrollment, as applicable, (2) the academic year, or (3) the student's educational program. See 34 CFR 668.22(j)(2).

Institutions *required to take attendance* are expected to have a procedure in place for routinely monitoring attendance records to determine in a timely manner when a student withdraws. Except in unusual instances, the date of the institution's determination that the student withdrew should be no later than 14 days after the student's last date of attendance as determined by the institution from its attendance records.

For more information, please review *Chapter 1*.

When students fail to earn a passing grade in any class

An institution must have a procedure for determining whether a Title IV recipient who began attendance during a period completed the period or should be treated as a withdrawal. The Department does not specify a specific procedure for making this determination.

When a student fails to earn a passing grade

DCL GEN-04-03 Revised, November 2004

If a student earns a passing grade in one or more of their classes *offered over an entire period*, an institution may presume that the student completed the course and thus completed the period. If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period. Keep in mind that a grade of "incomplete" is not considered a passing grade or successful completion.

Please note that a "system-generated" default date is not acceptable documentation that a student began attendance.

In some cases, a school may use its policy for awarding or reporting final grades to determine whether a student who

failed to earn a passing grade in any of their classes completed the period. For example, a school might have an official grading policy that provides instructors with the ability to differentiate between those students who complete the course but failed to achieve the course objectives and those students who did not complete the course. If so, the institution may use its academic policy for awarding final grades to determine that a student who did not receive at least one passing grade nevertheless completed the period.

Another school might require instructors to report, for all students awarded a non-passing grade, the student's last date of attendance (LDA). The school may use this information to determine whether a student who received all "F" grades withdrew. If one instructor reports that the student attended through the end of the period, then the student is not a withdrawal. In the absence of evidence of a last date of attendance at an academically related activity, a school must consider a student who failed to earn a passing grade in all classes to be an *unofficial withdrawal*.

Note that if a school uses its grading policy to determine whether students with failing grades have unofficially withdrawn, during compliance audits and program reviews, student records might be examined to determine whether the grades assigned accurately represent the students' attendance.

Remember, if a student does not complete at least one course during a payment period and the school cannot document that they attended at least one day during that payment period, they must be treated as one who never began attendance for the payment period. In such a case, the regulations under 34 CFR 668.21 apply and Title IV aid disbursed to the student for the payment period must be returned.

In addition, a student with all incomplete (I) grades may be considered withdrawn for Title IV purposes depending on a school's incomplete grading policy. If a school has an incomplete grading process whereby a student cannot receive an incomplete unless they attended the entire period for which the incomplete grade is for, then the financial aid office can treat the incomplete like an earned F and no R2T4 calculation would be necessary since the student would be considered to have completed the period.

If a school has an incomplete grading policy that states that a student can only obtain an incomplete grade if the institution documents that they completed more than 60% of the payment period, then no R2T4 calculation needs to be performed unless the school needs to determine if any PWD is owed for any aid that could have been disbursed. In this circumstance, if the institution determines that the student does have aid that could have been disbursed for the period and the student does not have any passing or "earned F" grades, the institution must perform the R2T4 calculation using the student's documented withdrawal date and make any applicable PWDs.

Finally, if the school does not have any completion percentage requirements for an incomplete grade, (or allows an incomplete grade to be assigned to a student without ensuring that the student completed at least 60% of the period), then the school must perform an R2T4 calculation if the student does not have any passing grades or "earned F" grades (e.g., the student has only incomplete grades, or has incomplete grades and unearned "F" or "W" grades) unless the student receives a passing grade before the R2T4 return deadline. If, after the R2T4 return deadline, a student in this circumstance receives a passing grade for an incomplete course, the school is not permitted to reverse or adjust the R2T4 calculation that was correctly performed at the time it was completed.

Example of a grading policy that could be used to determine whether a student unofficially withdrew

F (Failing) Awarded to students who complete the course but fail to achieve the course objectives.

I-U (Incomplete-Unauthorized) Awarded to students who did not officially withdraw from the course but who failed to participate in course activities through the end of the period. It is used when, in the opinion of the instructor, completed assignments or course activities or both were insufficient to make a normal evaluation of academic performance possible.

To serve as documentation that a student who received all "F" grades had not withdrawn, such a grading policy would have to require instructors to award the "F" (or equivalent grade) only to students who completed the course (but who failed to achieve the course objectives). In addition, the policy would have to require that instructors award an alternative grade, such as the "I-U" grade, to students who failed to complete the course (typically due to stopping attendance). If the system allows an instructor to indicate the date the student last

participated in course activities, this date would be helpful if an institution chose to use attendance at an academically related activity as a student's withdrawal date.

At a school using such a grading policy, if a student received at least one grade of "F", the student would be considered to have completed the course and, like a student who received at least one passing grade, would not be treated as a withdrawal. A student who did not officially withdraw and did not receive either a passing grade or an "F" in at least one course must be considered to have unofficially withdrawn. As noted previously, when a student unofficially withdraws from an institution that is not required to take attendance, depending on the institution's R2T4 policy, the institution may use either the student's last date of attendance at an academically related activity or the midpoint of the period as the student's withdrawal date.

Last date of attendance at an academically related activity

A school that is *not required to take attendance* may always use a student's last date of attendance at an academically related activity, as documented by the school, as the student's withdrawal date, in lieu of the withdrawal dates listed previously in conjunction with the school's R2T4 policy. So, if a student begins the school's withdrawal process or otherwise provides official notification of their intent to withdraw and then attends an academically related activity after that date, the school would have the option of using that last actual attendance date (as spelled out in the school's R2T4 policy) as the student's withdrawal date, provided the school documents the student's attendance at the activity. Similarly, a school could choose to use an earlier date if it believes the last documented date of attendance at an academically related activity more accurately reflects the student's withdrawal date than the date the student began the school's withdrawal process or otherwise provided official notification of their intent to withdraw per the school's R2T4 policy. Please note that a school is not required to take class attendance to demonstrate academic attendance for this purpose. For more information on what qualifies as academically related activity, see the discussion under *Academic attendance and attendance at an academically related activity.*

Last date of attendance at an academically related activity

34 CFR 668.22(c)(3)

Withdrawals after rescission of official notification

A student may provide official notification to the school of the intent to withdraw and then change their mind. To allow a student to rescind an intent to withdraw for purposes of this calculation, the school must obtain a written statement from the student stating their intent to remain in academic attendance through the end of the payment period or period of enrollment. If the student subsequently withdraws after rescinding an intent to withdraw, the withdrawal date is the date the student first provided notification to the school or began the school's withdrawal process, unless the school chooses to document a last date of attendance at an academically related activity.

Withdrawals after rescission of official notification

34 CFR 668.22(c)(2)(i)

For example, a student notifies their school that they intend to withdraw on January 5. On January 6, the student notifies

the school that they have changed their mind and has decided to continue to attend the school and provides the required written statement to that effect. On February 15, the student notifies the school that they are really withdrawing this time (actually does). The school has a record of an exam that the student took on February 9. The school may use February 9 as the student's withdrawal date. If the school could not or did not choose to document a last date of attendance at an academically related activity for the student (in this case, the record of the exam), their withdrawal date would be January 5, the date of the original notification of the student's intent to withdraw, not February 15.

Academic attendance and attendance at an academically related activity

For a school that is required to take attendance, the withdrawal date is always the last date of academic attendance as determined by the school from its attendance records. A school that is not required to take attendance may always use as a withdrawal date a student's last date of attendance at an academically related activity.

Academic Attendance

34 CFR 668.22(l)(7) and 600.2

Moreover, the school *(not the student)* **must document:**

- that the activity is academic or academically related, and
- the student's attendance at the activity.

Under the September 2, 2020 final regulations, the Department modified and expanded the definition "academic attendance'' and ''attendance at an academically-related activity'' to include the criteria outlined in a new definition of academic engagement as provided under 34 CFR 600.2. Academic engagement is the active participation by a student in an instructional activity related to the student's course of study that is defined by the institution in accordance with any applicable requirements of its State or accrediting agency, and includes, but is not limited to the following academically-related activities:

- Attending a synchronous class, lecture, recitation, or field or laboratory activity, physically or online, where there is an opportunity for interaction between the instructor and students;
- Submitting an academic assignment;
- Taking an assessment or an exam;
- Participating in an interactive tutorial, webinar, or other interactive computer-assisted instruction;
- Participating in a study group, group project, or an online discussion that is assigned by the institution; or
- Interacting with an instructor about academic matters.

Academically related activities do *NOT* include activities where a student may be present but not academically engaged, such as:

- living in institutional housing,
- participating in the school's meal plan,
- logging into an online class or tutorial without any further participation,
- participating in academic counseling or advisement.

Maintaining records—A school must determine and maintain the records that most accurately support its determination of a student's withdrawal date and the school's use of one withdrawal date over another according to the school's R2T4 policy. At a school that is not required to take attendance, but is using a last date of attendance at an academically related activity as a withdrawal date, it is up to the school to ensure that accurate records are kept for purposes of identifying a student's last date of academic attendance or last date of attendance at an academically related activity.

Excused absences—A school may only count as days in attendance excused absences that are followed by some class

attendance. That is, a school may not include as days attended any excused absences that occur after a student's last day of actual attendance.

Documenting attendance when students are enrolled in distance education courses

For distance education, documenting that a student has logged into an online class is not sufficient to demonstrate academic attendance by the student. A school must demonstrate that a student participated in class or was otherwise engaged in an academically related activity. Examples of acceptable evidence of academic attendance and attendance at an academically related activity in a distance education course/program include, but are not limited to:

- student submission of an academic assignment,
- student submission of an exam,
- documented student participation in an interactive tutorial, webinar or other interactive or computer-assisted instruction,
- a posting by the student showing the student's participation in an online study group that is assigned by the institution,
- a posting by the student in a discussion forum showing the student's participation in an online discussion about academic matters, and
- an email from the student or other documentation showing that the student-initiated contact with a faculty member to ask a question about the academic subject studied in the course.

Please note that only active participation by a student in an instructional activity related to the student's course of study that meets the definition of "academic engagement" in 34 CFR 600.2 and takes place during a payment period or period of enrollment qualifies as attendance in an academically related activity. If a period of orientation takes place prior to the start of a course, it would not qualify as attendance in an academically related activity.

Documentation of a withdrawal date

A school must document a student's withdrawal date and maintain that documentation as of the date of the school's determination that the student withdrew. The determination of a student's withdrawal date is the responsibility of the school, *not the student*. A student's certification of attendance that is not supported by institutional documentation is not acceptable. If a school is required to take attendance, it is up to the school to ensure that accurate attendance records are kept for purposes of identifying a student's last date of academic attendance.

Documenting a student's withdrawal date

34 CFR 668.22(b)(2)
34 CFR 668.22(c)(4)

Determining a student's withdrawal date at a school that is not required to take attendance

34 CFR 668.22(c)

As with other Title IV program records, documentation must be retained and available for examination in accordance with the regulatory provisions for recordkeeping (34 CFR 668.24).

Withdrawals from programs offered in modules

Under the September 2, 2020 final regulations, the Department revised the definition of a program "offered in modules" for Title IV purposes to only include a program that uses a *standard term or nonstandard-term academic calendar, is not a subscription-based program, and has a course or courses in the program that do not span the entire length of the payment period or period of enrollment* (34 CFR 668.22(l)). This means that nonterm credit-hour, clock-hour and subscription-based programs are never considered to be a program offered in modules for R2T4 purposes.

For all programs offered in modules, a student is considered to have withdrawn for Title IV purposes if the student ceases attendance at any point prior to completing the payment period or period of enrollment, unless the school obtains written confirmation from the student at the time of the withdrawal that they will attend a module that begins within the established timeframes later in the same payment period or period of enrollment or meets one of the R2T4 withdrawal exemptions (see *Chapter 1* for more information).

For a student in a *standard or nonstandard-term program offered in modules*, excluding subscription-based programs, a student is considered to have withdrawn from the program if the student is not scheduled to begin another module/course within the payment period or period of enrollment for more than 45 calendar days after the end of the module the student ceased attending, unless the student is on an approved leave of absence. So, for a student in a standard or nonstandard-term program offered in modules, excluding subscription-based programs, who ceases attendance, the student is considered to have withdrawn for Title IV purposes unless the school obtains written confirmation from the student at the time of the withdrawal that they will attend a module that begins later in the same payment period or period of enrollment, provided the later module the student will attend begins no later than 45 calendar days after the end of the module the student ceased attending.

> *Please note:* If a student is solely enrolled in modules within a term (no full-term courses), then the 45-day timeframe will apply if the student provides written confirmation to attend a later module within the term.
>
> For schools that perform R2T4 on a payment period basis and a student is enrolled in both modules and full-term courses, the 45-day timeframe does not apply since the full-term course is treated like a module for the term in question where the student is (or was) expected to be enrolled for the entire payment period. Therefore, in situations where the student was attending full-term courses and completely withdraws but provides written confirmation to attend a future module within that payment period, there is no time limit as to when the future module must start. As long as the module starts within the payment period, the school can hold off performing an R2T4 to see if the student begins attendance in the future module.

If a school has a policy to administratively withdraw a student who fails to begin attendance in another course within a period of time that is less than the 45-day period, the student is considered a withdrawal for Title IV purposes, and the school must determine their withdrawal date in accordance with the requirements for administrative withdrawals.

If a school obtains a written confirmation of future attendance but the student does not return as scheduled, the student is considered to have withdrawn from the payment period or period of enrollment. The student's withdrawal date and the total number of calendar days in the payment period or period of enrollment are the withdrawal date and total number of calendar days as of the student's last date of attendance, that would have applied had the student not provided written confirmation of future attendance.

If a student enrolled in a term- based credit-hour program offered in modules who withdrew without confirming an intent to return to a later module in the payment period or period of enrollment re-enters the same program prior to the end of the payment period or period of enrollment, the student is treated as if they did not cease attendance, and the school must reverse the R2T4 calculation, including redisbursing any returns that it made on the basis of that calculation.

How to determine whether a student in a program offered in modules has withdrawn

Schools can determine whether a student enrolled in a series of modules is a withdrawal by asking 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 yes, go to question 2
    - If no, student is not a withdrawal
2. When the student ceased to attend or failed to begin attendance in a scheduled course, was the student attending other courses in the period?
    - If yes, student is not a withdrawal, but Pell recalculations may apply
    - If no, go 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 yes, student is not a withdrawal, but Pell recalculations may apply
    - If no, go 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 yes to either question, student not a withdrawal, but Pell recalculations may apply
    - If no, go 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 term programs offered in modules)?
    - If yes, not a withdrawal, but Pell recalculations may apply
    - If no, student is a withdrawal

Note: See the discussion under "If a student remains enrolled only in non-Title IV eligible courses" in Chapter 1 for more information about a student in a term-based module program who remains enrolled only in non-Title IV eligible courses.

Examples of using the five questions to determine whether a student who is scheduled to complete two courses in each of the first two of three modules within a payment period has withdrawn

Scenario 1

The student begins attendance in two courses in the first module but ceases to attend both courses after just a few days and does not provide written confirmation that they will return to any courses in modules two or three. The student is a withdrawal because they ceased to attend courses they were scheduled to attend (Yes to question 1); was not still attending any other courses (No to question 2); did not graduate (No to question 3); did not successfully complete a module(s) totaling 49% or more of the number of days in the payment period or half-time coursework (No to question 4); and did not confirm attendance in a course in a module beginning later in the period (No to question 5).

Scenario 2

If, however, the student begins attendance in two courses in the first module but drops just one of the courses after just a few days, the student is not a withdrawal. Although the student ceased to attend a course they were scheduled to attend (Yes to question 1), the student was still attending another course (Yes to question 2). However, the student's eligibility may have to be recalculated.

Scenario 3

If the student completes two courses in module one totaling 6 credit-hours (1/2 time enrollment), and then withdraws, the student is not a withdrawal. The student ceased to attend courses they were scheduled to attend (Yes to question 1); was not still attending any other courses (No to question 2); did not graduate (No to question 3); BUT did successfully complete a module(s) totaling 49% or more of the number of days in the payment period or half-time coursework (YES to question 4). Because the student met one of the withdrawal exemptions, the student is not considered withdrawn for R2T4 purposes. However, because the student did not begin attendance in all courses, other regulatory provisions concerning recalculation may apply.

Determining if a program is offered in modules

A standard term or nonstandard-term program, excluding subscription-based programs, is offered in modules if a course or courses in the program do not span the entire payment period or period of enrollment. The determination of whether a program is offered in modules is made on a payment period or period of enrollment basis, as appropriate, and is student specific. So, while some periods in a student's program may be considered to be offered in modules, others may not. If all the courses in a program span an entire payment period or period of enrollment, the program is not considered to be offered in modules for any student who withdraws during ***that*** period.

Conversely, if none of the courses in a program for a particular payment period or period of enrollment span the entire period, the program is considered to be offered in modules for a student who withdraws during ***that*** period.

If some courses span the entire period but some do not (modules), the program is considered to be offered in modules for any student scheduled to attend at least one course that does not span the entire period and who withdraws during the period.

For example, an institution offers a credit-hour program in semesters with two optional summer sessions. All the courses in the fall and spring semesters span the entire length of the semester. The two summer sessions are offered sequentially and are each seven weeks long. The institution chooses to combine the summer sessions into one term. Students have the option to enroll in either session or both sessions. The fall and spring semesters are never considered to be offered in modules for any student who withdraws because all classes span the entire length of the payment period (the term). However, for the summer sessions, where the payment period is the term comprising both sessions, all students who withdraw are considered to be withdrawing from a program offered in modules (with each session being a module) because none of the courses offered span the entire length of the payment period. If, for the summer term, the institution also offered courses that were 14 weeks in length (i.e., spanned the entire length of the payment period) and a student who withdrew was scheduled to attend only 14-week- long courses, the program would not be considered to be offered in modules for determining the applicability of the return of Title IV funds requirements to that student's withdrawal.

Not every payment period or term may contain modules as noted above. Consider a student enrolled in a program offered predominantly in standard terms without modules. However, the third semester of the program is composed of clinical coursework offered in modules. If a student withdraws during the third semester, the student would have to be treated as one who withdrew from a modular program.

When a student who has withdrawn returns within a payment period or period of enrollment

If a withdrawn student returns to the school and re-enters the same program within the same payment period or period of enrollment for a term-based program offered in modules, the student is treated as though they did not cease attendance and the school must "undo" the R2T4 calculation.

As with a student who re-enters the same clock hour or nonterm credit-hour program within 180 days, for a student who returns to a term-based credit hour program offered in modules within the same payment period or period of enrollment, the school must restore the student's original Title IV program funds to the original amounts, with no adjustments required for partial attendance of a module. However, if a student did not attend a module they were originally scheduled to attend during the time the student was away from the school, the school must adjust the student's original Title IV fund amounts to take into account that the student never began the courses in that module (e.g. Federal Pell Grant mandatory recalculations, etc.).

However, the regulations require that funds be returned to the Department or delivered or offered to a student due a PWD within a specified period of time, and a school is expected to begin the R2T4 process immediately upon its determination that a student has withdrawn in order to perform any required actions in a timely manner. (See the chart *Return of Title IV Funds Requirements and Deadlines* near the end of this chapter for a description of all time-limited actions.) Therefore, once it has determined that a student has withdrawn, *a school may not delay performing an R2T4 calculation to see if the student will return later in the payment period or period of enrollment.*

Written confirmation of future attendance

A student is not considered to have withdrawn if the school obtains a written confirmation from the student at the time of the withdrawal that they will attend a module that begins later in the same payment period or period of enrollment. This confirmation must be obtained at the time of withdrawal, even if the student has already registered for subsequent courses, and the later module cannot begin any later than 45 calendar days after the end of the module the student ceased attending.

"At the time of the withdrawal" means close to the date that the student actually ceased attendance and before the time when the school was required to return Title IV funds, offer any PWD of loan funds, or take any other action under the R2T4 requirements. Without confirmation of future attendance, a school must assume a student who has ceased attendance is a withdrawal and begin the R2T4 process. A school is expected to begin the R2T4 process immediately upon its determination that a student has withdrawn in order to perform required actions in a timely manner and may not delay the R2T4 process in hopes that a student might return. Of course, because the notice must confirm attendance in a module that begins later in the same payment period or period of enrollment, the notice must always be obtained prior to the beginning of the module in which the student is confirming attendance.

Written confirmation can be electronic as well as hardcopy. One form of electronic written confirmation may be through an online confirmation process. With an online confirmation process, the school must ensure that the online confirmation requires the student to reaffirm attendance in a module that begins later in the period in a timely manner. Remember that a school may not assume a student will be returning for a later module in which they were registered before the student ceases attendance. However, if at the time of the withdrawal, the student enrolled in a course in a later module in the same payment period or period of enrollment *(that the student was not previously scheduled to attend)*, the newly added course would count as positive confirmation of future attendance for Title IV program purposes (assuming it started within 45 days after the end of the module the student ceased attending).

Changing dates of written confirmation of future attendance

A student who has provided written confirmation of their intent to return is permitted to change the date of return to a different module in the same payment period or period of enrollment, provided that they do so in writing prior to the return date previously confirmed, and, for standard and nonstandard-term programs offered in modules, the module that they will now attend begins no later than 45 calendar days after the end of the module the student ceased attending.

Institutional charges associated with a program offered in modules

For purposes of determining the amount of institutional charges to use in the R2T4 calculation, an institution must always use the initial charges assessed the student for the entire payment period or period of enrollment. An institution only accounts for adjustments to those charges made prior to the student's withdrawal (for example, for a change in enrollment status unrelated to the withdrawal). This also applies to situations where the institution charged the student for classes in multiple modules, but the denominator of the R2T4 calculation only consists of the days in a single module.

Withdrawal date for a program offered in modules

Regardless of whether a student withdraws from a program offered in modules or a program not offered in modules, the withdrawal date is still determined following the normal R2T4 requirements.

For a school that is *required to take attendance*, a student's withdrawal date is always the last date of academic attendance as determined by the school from its attendance records (34 CFR 668.22(b)(1)).

For a school that is *not required to take attendance*, the withdrawal date is determined in accordance with the requirements of section 34 CFR 668.22(c). For official withdrawals, the withdrawal date is the earlier of the date the student began the official withdrawal process or otherwise provided official notification of withdrawal to the institution.

The withdrawal date for a student who withdraws from a school that is *not required to take attendance* when the student does not provide official notification to the school of their withdrawal (i.e., unofficially withdraws) is the midpoint (the 50% point) of the payment period or period of enrollment, unless the school chooses to use a last date of attendance at an academically related activity as defined by the school's R2T4 policy.

Determining the number of days a student is scheduled to complete in modules

As mentioned in Chapter 1, a student is considered withdrawn from a credit-hour program (assuming they do not meet any of the withdrawal exemptions or provide appropriate written confirmation of intent to return) if the student does not complete all the days in the payment period or period of enrollment that the student was scheduled to complete. The September 2, 2020 final regulations added a definition of the number of days a student was scheduled to complete in a module by indicating under 34 CFR 668.22(l)(9) that a student in a program offered in modules is scheduled to complete the days in a module *if the student's coursework in that module was used to determine the amount of the student's eligibility for title IV*, HEA funds for the payment period or period of enrollment.

When a student enrolls in a module during a payment period or period of enrollment, the student is considered to be enrolled in a program offered in modules and the institution must determine the number of days in the denominator of the R2T4 calculation based on whether the coursework, including full-term courses, was used to determine the amount of eligibility for Title IV aid. This determination will depend on several factors:

- Whether the school uses an R2T4 Freeze Date;
- The Title IV programs for which the student was eligible; and
- Which modules/courses the student attended during the period.

When a student enrolls in a module during a payment period or period of enrollment, the following guidance about using an R2T4 Freeze Date or not applies to all courses the student enrolls in including full-term courses during the period.

R2T4 Freeze Date

An R2T4 Freeze Date is an optional (not required) policy that uses the student's enrollment schedule at a fixed calendar point to determine the number of days the student is scheduled to attend during the period for R2T4 purposes. *If the institution uses an R2T4 Freeze Date, the days in a module/course are included in the R2T4 calculation if the student attends the module/course or is enrolled in the module/course on the R2T4 Freeze Date, regardless of the types of Title IV aid awarded.* However, if a student is enrolled in a period and the institution uses an R2T4 Freeze Date and the student withdraws prior to the R2T4 Freeze Date, the institution includes the days associated with any module/course the student started and any module/course the student was enrolled in for the period as of the withdrawal date. Please note that though the use of an R2T4 Freeze Date is optional, if established, the R2T4 Freeze Date must be used for all students enrolled in the same program of study.

If a school chooses to use an R2T4 Freeze Date, the date can coincide with other dates (e.g. census dates, Pell recalculation dates, etc.) or be a separate date. Also, similar to Pell recalculation dates (PRDs), institutions may use multiple R2T4 Freeze Dates for multiple modules. A student will only have one R2T4 Freeze Date apply to them within a payment period or period of enrollment. The school will use the last R2T4 Freeze Date in the period that applies to a student. And like a PRD, an R2T4 Freeze Date applicable to a particular module is activated only if the student actually starts attending that module. However, remember that if a student attends one day in a module, whether or not that

course has been dropped by the student’s latest R2T4 Freeze Date, those days must be factored in the R2T4 calculation.

Reminder

An institution must ensure that the R2T4 Freeze Date for a given payment period or period of enrollment will not occur prior to the timeframe when most students enroll for all classes throughout the period. A school is not permitted to purposely structure the timing of students’ enrollment such that students can only enroll in a single module when the R2T4 freeze date occurs but then enrolls in other modules and receives more Title IV aid after the R2T4 Freeze Date.

Title IV Programs for which the student is eligible

Institutions that choose to not establish an R2T4 Freeze Date will monitor changes in the student’s enrollment throughout the period and which module/course days to include in the R2T4 calculation will, in part, depend on the type of Title IV aid awarded.

If the student is only eligible for Pell Grant, Iraq-Afghanistan Service Grant, and/or TEACH Grant funds during the period and the institution does NOT use an R2T4 Freeze Date, the days in a module/course must be included in the denominator of the R2T4 calculation only if the student *actually attends the module/course.* This is because Pell Grant, Iraq-Afghanistan Service Grant, and TEACH Grant recalculation requirements ultimately require institutions to exclude from consideration in the student’s enrollment status any coursework that the student did not attend.

If the student is eligible for Direct Loan or FSEOG funds during the period (regardless of eligibility for other Title IV programs) and does NOT use an R2T4 Freeze Date, the days in a module/course must be included in the R2T4 calculation if the student was enrolled in the module/course on the first day of the period or enrolled in the module/course at any time during the period. This is because a student’s cost of attendance for these programs is affected by the student’s enrollment in all modules/courses during a payment period or period of enrollment. Please note that "eligible" for Direct Loan funds means that the funds can be included in the disbursed or could have been disbursed column in the R2T4 calculation.

Whatever approach the institution establishes to identify days a student was scheduled to complete within modules, the institution needs to ensure that the process is spelled out clearly in its’ R2T4 policy.

Attendance in a module

Regardless of any of the considerations above, the days in a module are always included in the denominator of the R2T4 calculation if the institution has documented attendance for a student in the module, even for a single day.

Determining the number of days scheduled in modules examples

Example 1 – No R2T4 Freeze Date (Pell Grant recipient)

- Student enrolled in a semester with two 8-week modules
- School uses one Pell recalculation date (PRD) 10 days into overall term
- Student enrolled in 6 hours in module 1 and 6 hours in module 2
- As of PRD, student started 6 hours and was enrolled in 12 hours
- School disbursed a full-time Pell Grant to the student
- Student ends up withdrawing during module 1 and never attends module 2

- School must perform a mandatory Pell recalculation and pay the student a half-time Pell amount based on the student's attendance in module 1
- Since the student only received Pell Grant funds and the school did not use an R2T4 Freeze Date, the school will only use the days from the module(s) that the student actually attended. Since the student only attended module 1, *the number of days in module 2 are not included in the denominator of the R2T4 calculation.*

Example 2 – R2T4 Freeze Date (Pell Grant recipient)

- Student enrolled in a semester with two 8-week modules
- School uses one Pell recalculation date (PRD) 10 days into overall term and uses that date as their "R2T4 freeze date" for modular days
- Student enrolled in 6 hours in module 1 and 6 hours in module 2
- As of the R2T4 Freeze Date, the student was enrolled in 12 hours (modules 1 and 2)
- School disbursed a full-time Pell Grant to the student
- Student ends up withdrawing in module 1 and never attends module 2
- School must perform a mandatory Pell recalculation and pay a half-time Pell
- Regardless of attendance, since the coursework enrolled in as of the school's R2T4 Freeze Date was for modules 1 and 2, *the number of days in both modules are included in the denominator of the R2T4 calculation.*

Example 3 – No R2T4 Freeze Date (Pell Grant recipient later eligible for Direct Loan funds)

- Student enrolled in a semester with two 8-week modules
- School uses one Pell recalculation date (PRD) 10 days into overall term
- Student only enrolled in 3 hours in module 1 as of the PRD (could have enrolled in coursework for the whole term but chose to only enroll in module 1)
- A week after the PRD, student enrolls in 3 hours in module 2 and requests a Direct Loan
- School disbursed a less-than-half-time Pell Grant to the student and made a Direct Loan disbursement
- Student ends up withdrawing during module 1 and never attends module 2
- School does not have to do a Pell recalculation since it only disbursed less than half-time Pell Grant; loan funds do not have to be adjusted since student started a class and was registered half-time at the time of disbursement
- Since the school did not use an R2T4 Freeze Date and the student was awarded a Direct Loan, the school will factor in the days of any module the student enrolled in as of the first day of the period or during the payment period. In this case, the student enrolled in courses in both modules 1 and 2 and therefore, *the number of days in both modules 1 and 2 are included in the denominator of the R2T4 calculation.*

Example 4 – R2T4 Freeze Date (Pell Grant recipient later eligible for Direct Loan funds)

- Student enrolled in a semester with two 8-week modules

- School uses one Pell recalculation date (PRD) 10 days into overall term and uses that date as their “R2T4 Freeze Date” for modular days
- Student only enrolled in 3 hours in module 1 as of the R2T4 Freeze Date (could have enrolled in coursework for the whole term but chose to only enroll in module 1)
- A week after R2T4 Freeze Date, student enrolls in 3 hours in module 2 and requests a Direct Loan
- School disbursed a less-than-half-time Pell Grant and a Direct Loan disbursement to the student
- Student withdraws during module 1 and never attends module 2
- School does not have to do a Pell recalculation because it only disbursed a less than half-time Pell Grant; loan funds do not have to be adjusted since student started a class and registered half-time at time of disbursement
- Since the coursework enrolled in as of the school’s R2T4 Freeze Date was only for module 1 AND the student never attended at least one day in module 2, *only the number of days in module 1 are included in the denominator of the R2T4 calculation*.

Example 5 – No R2T4 Freeze Date (Pell Grant recipient)

- Student enrolled in a semester with five 4-week modules
- School uses one Pell recalculation date (PRD) 10 days into overall term
- Student enrolled in a 2-hour course in all five modules for a total of 10 hours
- As of PRD, student started 2 hours in module 1 and was enrolled in 10 hours
- School disbursed a three-quarters-time Pell Grant to the student
- Student completes module 1, starts attending module 2 and then withdraws
- School must perform a mandatory Pell recalculation and pay the student a less than half-time Pell amount (only started 4 hours)
- Since the student only received Pell Grant funds and the school did not use an R2T4 Freeze Date, the school will only use the days from the module(s) that the student actually attended. Since the student attended modules 1 and 2, regardless of the amount of Pell Grant funds received, *the number of days in modules 1 and 2 are included in the denominator of the R2T4 calculation*.

Example 6 – R2T4 Freeze Date (Pell Grant and Direct Loan recipient)

- Student enrolled in a semester with five 4-week modules
- School uses one Pell recalculation date (PRD) 10 days into overall term and uses that date as their “R2T4 freeze date” for modular days
- Student enrolled in two 3 credit-hour courses in module 1 as of the R2T4 freeze date
- School disbursed a half-time Pell Grant and made a Direct Loan disbursement
- Towards the end of module 1, student enrolls in a 3 credit-hour course in module 2 and a 3-credit hour course in module 3;
- However, after attending a few days in module 2, the student withdraws
- School does not have to do a Pell recalculation since it only disbursed a half-time Pell Grant to the student; loan funds do not have to be adjusted since student started a class and registered half-time at time of disbursement
- Though the student was only enrolled in coursework in module 1 as of the R2T4 Freeze Date, since the student attended at least one day in module 2 but never attended module 3, *the number of days in modules*

1 and 2, but not module 3, are included in the denominator of the R2T4 calculation

Example 7 – No R2T4 Freeze Date (Direct Loan recipient)

- Student enrolled in a semester with four, 4-week modules
- Student enrolled in a 3-hour course in modules 1, 3, and 4 for a total of 9 hours
- School made a Direct Loan disbursement
- Student completed module 1, starts attending module 3 and then completely withdrew (never attended module 4)
- School does not have to adjust loan funds since the student started a class and was registered half-time at the time of disbursement
- Since the school did not use an R2T4 Freeze Date and the student was awarded a Direct Loan, the school will factor in the days of any module/course the student enrolled in as of the first day of the period or during the payment period. In this case, the student enrolled in courses in modules 1, 3, and 4 and therefore, *the number of days in modules 1, 3, and 4 are included in the denominator of the R2T4 calculation*.

Reminder: Before calculating the number of days a student was scheduled to complete, the school should review the student's circumstances to determine whether the student qualifies for any of the withdrawal exemptions. If the student qualifies for a withdrawal exemption, there is no need to compute the number of scheduled days to use within the R2T4 calculation.

Aid to include in an R2T4 calculation

If a student withdraws before beginning attendance in the number of credit hours for which the Federal Pell Grant and Campus-Based funds were awarded, before performing the required R2T4 calculation, a school must recalculate the student's eligibility for Pell Grant and Campus-Based funds based on a revised cost of attendance and enrollment status (34 CFR 690.80(b)(2)(ii)). The school then performs an R2T4 calculation using the student's revised award.

For such a student, a change in enrollment status to less than half time as a result of the failure to begin attendance in all subsequent modules would not affect the student's eligibility for any federal education loan funds previously received because at the time the previous disbursements were made, the student was still scheduled to attend on at least a half-time basis. (Of course, a student may not receive as a late disbursement any second or subsequent disbursement of the loan.)

However, if a student who was enrolled in a series of modules withdraws before beginning attendance as a half-time student and the student had not received the first disbursement of Title IV loan before withdrawing, the school may not make the first disbursement because the school knows the student was never enrolled on at least a half-time basis. A school may not disburse the proceeds of a Direct Loan to an ineligible borrower.

Title IV program funds are disbursed to a student on the presumption that they will attend the hours for which aid has been awarded. Therefore, a school is not required to delay the disbursement of Title IV program funds until a student has attended enough hours to qualify for the enrollment status for which the funds were awarded. However, if the student has withdrawn and has not begun attendance in enough courses to establish a half-time enrollment status, the presumption is no longer valid. Thus, the school may not make a first disbursement of a Direct Loan to such a student. Section 668.164(j)(3)(iii), which permits a school to make a late disbursement of a Direct Loan for costs incurred to a student who did not withdraw but ceased to be enrolled as at least a half-time student, does not apply because the student never really was a half-time student.

For example, consider a credit-hour program where each semester comprises three modules of five weeks each. If a student enrolls in one three-credit course in the first module and one three-credit course in the second module, the

student will not begin attendance in six credit hours, the school's minimum half-time enrollment status, until starting the course in the second module. The school is not required to, nor should it, delay the disbursement of the student's Direct Loan Program funds until the student begins the course in the second module. However, if the student withdraws during the first module and the school has not made the first disbursement of a Direct Loan to the student prior to the withdrawal, the school may not make that first disbursement of the Direct Loan to the student as a late disbursement (although the loan would be included as *aid that could have been disbursed*) since the student never actually began half-time attendance.

Written confirmation of future attendance in nonmodular programs

Though written confirmation was discussed earlier in conjunction with programs offered in modules, it is important to note that written confirmation is also applicable in subscription-based and nonterm programs.

A student is not considered to have withdrawn if the institution obtains written confirmation from the student at the time of withdrawal that they will attend a later course in the same payment period/period of enrollment; and

- For a *subscription-based program,* a student is not considered to have withdrawn if the school obtains written confirmation from the student at the time that the student would have otherwise been a withdrawal, that they will resume attendance, and that future date occurs within the same payment period or period of enrollment and *is no later than 60 calendar days after the student ceased attendance;* or
- For a *non-term program,* a student is not considered to have withdrawn if the school obtains written confirmation from the student at the time that the student would have otherwise been a withdrawal, that they will resume attendance, and that future date is *no later than 60 calendar days after the student ceased attendance.*

A student may change the date of return that begins later in the same payment period or period of enrollment, provided that the student does so in writing prior to the return date that they had previously confirmed and for non-term and subscription-based programs, the student's program permits the student to resume attendance *no later than 60 calendar days after the student ceased attendance.*

Part 2—Percentage of Aid Earned

Percentage of payment period or period of enrollment completed

Once a student's withdrawal date is determined, a school needs to calculate the percentage of the payment period or period of enrollment that was completed. The percentage of the payment period or period of enrollment completed represents the percentage of aid earned by the student. This percentage is determined differently for students who withdraw from credit-hour programs and students who withdraw from clock-hour programs.

Percentage of payment period or period of enrollment completed

34 CFR 668.22(f)

Scheduled breaks

For credit hour programs, institutionally scheduled breaks of five or more consecutive days are excluded from the R2T4 calculation as periods of nonattendance and, therefore, do not affect the calculation of the amount of Title IV aid earned. If a scheduled break occurs prior to a student's withdrawal, all days between the last scheduled day of classes before a scheduled break and the first day classes resume are excluded from both the numerator and denominator in calculating the percentage of the term completed. If the withdrawal occurs prior to a scheduled break, the days in the break are excluded only from the denominator.

Scheduled breaks

34 CFR 668.22(f)(2)(i) and (ii)(B)

If a student officially withdraws while on a scheduled break of less than five days, the date of the student's notification to the institution is the student's withdrawal date. (Withdrawing during a scheduled break of less than five days does not affect the date the school uses as the date of withdrawal in an R2T4 calculation.)

The beginning date of a scheduled break is defined by the school's calendar for the student's program. In a program where classes only meet on Saturday and/or Sunday, if a scheduled break starts on Monday and ends on Friday, the five weekdays between the weekend classes do not count as a scheduled break because the break does not include any days on which classes are scheduled. Therefore, the five days would not be excluded from the numerator or denominator in Step 2 of an R2T4 calculation.

Determining the length of a scheduled break

1. Determine the last day that class is held before a scheduled break—the next day is the first day of the scheduled break.
2. The last day of the scheduled break is the day before the next class is held.

Where classes end on a Friday and do not resume until Monday following a one-week break, both weekends (four days) and the five weekdays would be excluded from the R2T4 calculation, for a total of nine days. (The first Saturday, the day after the last class, is the first day of the break. The following Sunday, the day before classes resume, is the last day of the break.)

If classes were taught on either weekend, those days would be included rather than excluded and would not be part of the scheduled break. For example, if a community college offers regular classes on Saturday and Sunday and its academic calendar says that a scheduled break starts on a Monday and resumes with classes the following Monday, that break is seven days long.

Example of withdrawal date when a student withdraws during a scheduled break of five or more days

If a student officially withdraws while on a scheduled break of five consecutive days or more, the withdrawal date is the last date of scheduled class attendance prior to the start of the scheduled break. For example, the institution's last date of scheduled class attendance prior to spring break is Friday, March 7. Spring break at the institution runs from Saturday, March 8, to Sunday, March 16. If the student contacts the institution's designated office on Wednesday, March 12, to inform the institution that they will not be returning from the institution's spring break, the student's withdrawal date is Friday, March 7, which was the institution's last day of scheduled class attendance.

However, the date of the institution's determination that the student withdrew is March 12, the date the student actually informed the institution that they would not be returning. The date of the institution's determination that the student withdrew is used as the starting date for institutional action, such as providing student notifications and returning Title IV funds.

Institutionally scheduled breaks of at least five consecutive days

Institutionally scheduled breaks of at least five consecutive days between courses/ modules in the same payment period or period of enrollment are excluded from an R2T4 calculation.

If a student takes an “unscheduled break in attendance,” thereby deviating from the student’s original attendance plan, the school either must treat the student as a withdrawal or place the student on an “approved leave of absence” as described under *Breaks in attendance for students enrolled in programs measured in credit hours without academic terms*, in Chapter 1.

The length of a payment period can never be less than the originally scheduled length. If a student is progressing more rapidly than originally planned and the required projection calculation results in an end date that creates a shorter payment period, the school must use the original “end date” in the R2T4 calculation.

Temporary closures beyond the control of the institution

A school that temporarily closes due to weather, natural disaster, or other event outside the control of the institution should promptly contact its School Participation Division to discuss its situation. The Department will work with the school to review the effects of the temporary interruption and the impact of the temporary closure.

You can find the Department’s most recent disaster guidance on the Knowledge Center under the Dear Colleague Letter GEN-17-08.

Please note: the Department has provided specific guidance on the COVID-19 national emergency that may differ from the guidance in Dear Colleague Letter GEN-17-08. Refer to the resources for higher education institutions on the Department's webpage on the COVID-19 virus for guidance pertaining to that national emergency.

Credit-hour programs

For a credit-hour program, the percentage of the period completed is determined by dividing the number of calendar days completed in the payment period or period of enrollment, as of the day the student withdrew, by the total number of calendar days in the same period.

Credit-hour programs

34 CFR 668.22(f)(1)(i)

$$\frac{\text{number of calendar days completed in the period}}{\text{total number of calendar days in the period}}$$

The number of calendar days in the numerator or denominator includes all days within the period, **except for institutionally scheduled breaks of five or more consecutive days or days in which the student was on an approved leave of absence.** *The day the student withdrew is counted as a completed day.* If the student is enrolled in a

program offered in modules, please review the earlier section entitled *Determining the number of days a student is scheduled to complete in modules*.

Percentage of Title IV aid earned for withdrawal from a nonterm credit-hour program

In a nonterm credit-hour program, the ending date for a period and, therefore, the total number of calendar days in the period, may depend on the pace at which an individual student progresses through the program. Therefore, for a student who withdraws from a nonterm credit-hour program in which the completion date of the period depends on an individual student's progress, an institution must project the completion date based on the student's progress as of their withdrawal date to determine the total number of calendar days in the period. (See the examples that follow.)

Percentage of Title IV aid earned for withdrawal from a credit- hour nonterm program

DCL GEN-04-03 Revised, November 2004

If a student withdraws from a self-paced, nonterm credit-hour program before earning any credits, the institution must have a reasonable procedure for projecting the completion date of the period. To the extent that any measure of progress is available, the institution should base its determination on that progress (see examples 2 and 3 following this section).

For a school that offers nonterm credit-hour programs in which the student does not earn credits or complete lessons as they progress through the program, the institution must have a reasonable procedure for projecting the completion date of the period based on the student's progress before withdrawal. If the total number of calendar days in the period does not depend on the pace at which a student progresses through a program (the completion date is the same for all students) and the student has not failed any courses for which they were paid in the payment period, the total number of calendar days in the period will be the same for all students.

Consider a nonterm credit-hour program where some or all of the courses are offered sequentially and all students begin and end the courses at the same time. For a student who successfully completed all courses attempted up to the time the student withdrew, the completion date (and the corresponding number of days in the R2T4 calculation) will be the number of days between the start of the first course and the originally scheduled end of the last course.

Examples of calculating a completion date for a student who withdraws from a nonterm credit-hour program

Example 1—lessons completed

The student enrolled in a program offered in a nonterm credit-hour format and, though they completed two lessons, they withdrew before earning any credits. The institution uses the student's completed assignments as an interim measure of their progress and compares it to information from its records about other students who have completed the same program to determine an end date.

Looking at the records of students who have completed the same program, the institution identifies other students who complete the two lessons in approximately the same amount of time as the student. The school determines the number of days it took those students to complete the period and uses the same number of days in the denominator of the R2T4 calculation for the student.

Example 2—nothing completed

A student enrolls in a program offered in a nonterm credit-hour format. They withdraw before earning any credits, completing any lessons, or providing any other measure of progress toward the course or program goals at the time they withdrew. The institution uses its records to identify the student who took the longest to complete the

period and determines the number of days it took that student to complete the period. The institution then uses the same number of days in the denominator of the R2T4 calculation for the student.

Example 3—percentage completed

A student is enrolled in a nonterm 24 credit-hour program at an institution that calculates R2T4's on a payment period basis. Students in the program are expected to complete 12 credit hours each payment period in 15 weeks (105 days). The program has no scheduled breaks of 5 or more days.

When the student began classes, they received a Federal Pell Grant and a Direct Loan. They completed the 12 credit hours in the first payment period (half of the number of credit hours) in 120 days (more than half the weeks of instructional time in the program). When the student completed the first half of their program, they became eligible for the second disbursements of both their Federal Pell Grant and Direct Loan.

The student withdrew from school on day 53 of the second payment period. At the time they withdrew, the student had completed only one-third of the work (four credits) in the payment period. If the student had continued to progress at their current pace of four credits earned every 53 days, they would not complete the additional eight credit hours for another 106 days. They would not complete the 12 credit hours in the second payment period until day 159.

The total number of days in the student's payment period (and the number used in the denominator of the R2T4 calculation) is 159. The percentage of the payment period the student completed before withdrawing is 33.3% (53 days completed divided by 159 total days in the payment period).

In general, to calculate the number of days in the period, do the following:

Determine the percentage of credits earned.

$$\frac{\text{Number of credits completed (4)}}{\text{Number of credits in payment period (12)}} = \text{Percentage of credits earned (.333)}$$

Determine the number of days in the period.

$$\frac{\text{Number of days attended (53)}}{\text{Percentage of credits earned (.333)}} = \text{Number of days in the period (159)}$$

The school enters "159" as the number of "Total Days" in Step 2, Box H of the R2T4 calculation.

Example 4—projecting a completion date for a withdrawal from a self-paced, nonterm program

A student is enrolled in a self-paced, 30 credit-hour, nonterm program offered over 30 weeks at an institution that calculates R2T4's on a payment period basis. Students in the program are expected to complete three courses of five credit hours each over the 15 weeks (105 days) in a payment period. (A student is expected to complete each five-credit course in five weeks' time [35 days].) The program has no scheduled breaks of 5 or more days.

It takes the student seven weeks (49 days) to complete 100% of the lessons in the first course, but they did not earn a passing grade. The student decides to withdraw from school.

Because the student is a withdrawal, the school must perform an R2T4 calculation. In addition, because the student was progressing more slowly than the rate expected, the school must project a new end date and a new number of "total days" to be used in the R2T4 calculation.

Important: Because the student was progressing at a slower rate (it took them 49 days instead of 35) to complete 100% of the lessons in the first course, the school cannot simply add the length of a scheduled (make-up) course (35 days) to arrive at the projected number of days in the payment period. The school must project the number of days in the period as follows.

Determine the time it would have taken the student to complete the first course by dividing the number of days attended (49) by the percentage of the lessons completed.

Number of days attended (49) divided by Percentage of payment period completed (1.00) = Number of days required to complete one course (49)

Project the number of days in the payment period by multiplying the number of days required for one course (49) by the number of courses in the payment period (3) and adding a course (1) for the student to make up the course failed (though all lessons were completed, the student failed the first course).

Number of days it takes a student to complete a course (49) multiplied by the number of courses in payment period (3) plus a makeup course (1) for a total of 4 equals number of projected days in payment period (49 X 4 = 196)

The school enters “196” as the number of “Total Days” in Step 2, Box H, of the R2T4 calculation.

Number of days attended (49) divided by Percentage of payment period completed (1.00) = Number of days required to complete one course (49)

Project the number of days in the payment period by multiplying the number of days required for one course (49) by the number of courses in the payment period (3) and adding a course (1) for the student to make up the course failed (though all lessons were completed, the student failed the first course).

Number of days it takes a student to complete a course (49) multiplied by the number of courses in payment period (3) plus a makeup course (1) for a total of 4 equals number of projected days in payment period (49 X 4 = 196)

The school enters “196” as the number of “Total Days” in Step 2, Box H, of the R2T4 calculation.

However, an institution must take into consideration any credits that a student has attempted but not successfully completed before withdrawing. Those credits must be successfully completed before the student is considered to have completed the period. To do this, the school must modify the denominator used in the R2T4 calculation. The school must add to the number of days between the start of the first course and the scheduled end of the last course, the number of days the student spent in the failed courses.

When a school disburses Title IV aid to a student using different payment periods

Nonstandard term credit-hour programs with terms that are not substantially equal in length have two defined payment periods: one for Title IV grant funds, and one for Direct Loan funds. Because only one payment period may be used in determining earned Title IV grant and loan funds for a student who withdraws and was disbursed or could have been disbursed aid under both payment definitions, the regulations specify a school must use the **payment period that ends later** in the R2T4 calculation.

Any aid disbursed for payment periods that overlap the payment period used in the calculation must be attributed to the payment period that ends later. To attribute Direct Loan funds that were disbursed, the school will use the net loan amount disbursed (after any fees removed) to reduce the necessity for additional calculations and align with our approach of using net loan amounts within our general R2T4 process.

If aid is disbursed or could have been disbursed using only one of the two payment period definitions, that is the payment period that is used for the calculation of earned aid, and no attribution of funds is necessary.

Note that this rule on multiple payment periods is only applicable to nonstandard term credit hour programs with terms that are not substantially equal in length. (Special considerations must also be followed for abbreviated loan periods discussed later in this chapter.) All other types of programs will only have one type of Title IV payment period.

Performing an R2T4 calculation for a student receiving aid under two payment period definitions, example 1

The school offers programs in nonstandard credit-hour terms that are not substantially equal in length.

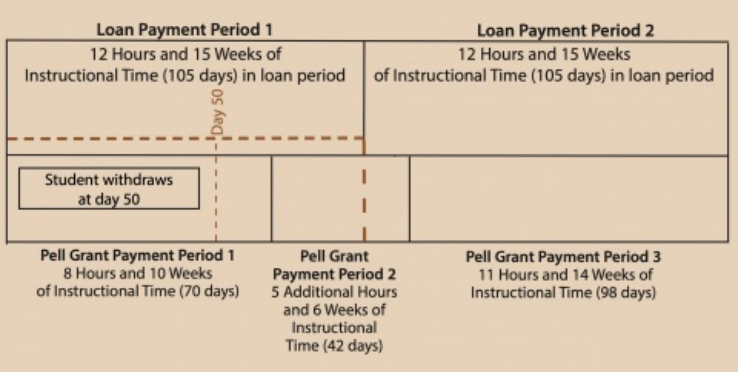
The student enrolls in one of the school's programs which is offered over 30 weeks in three terms of 10 weeks, 6 weeks, and 14 weeks, respectively. After attending classes for 50 days, the student decides that they are going to enroll in a different program offered at a different school and withdraws from their current school.

The current school's Academic Year is defined as 24 semester credit hours over 30 weeks of instructional time. Term 1 = 8 credits over 10 weeks. Term 2 = 5 credits over 6 weeks. Term 3 = 11 credits over 14 weeks.

Each scheduled payment period for the student's Direct Loans was one-half of the program's academic year - 12 credits and 15 weeks.

The student was scheduled to receive three disbursements of his Pell Grant with one disbursement occurring at the beginning of each term.

The scheduled disbursements and the withdrawal date are shown in the following graphic.



The student withdrew on the 50th day of their program while being enrolled in both Pell Grant payment period 1 and the Direct Loan payment period 1. Their Direct Loan funds were disbursed for loan payment period 1 (the first half of the academic year) and their Pell Grant funds were disbursed for Pell Grant payment period 1 (the first term, which is 10 weeks in length).

Since the Direct Loan payment period 1 ends later than the Pell Grant payment period 1, the payment period the school is required to use for the R2T4 calculation is the Direct Loan payment period 1.

As shown by the horizontal dashed line, the first two Pell Grant payment periods overlap with Direct Loan payment period 1, so aid that was disbursed or could have been disbursed for the Pell Grant payment periods 1 and 2 are attributed to Direct Loan payment period 1.

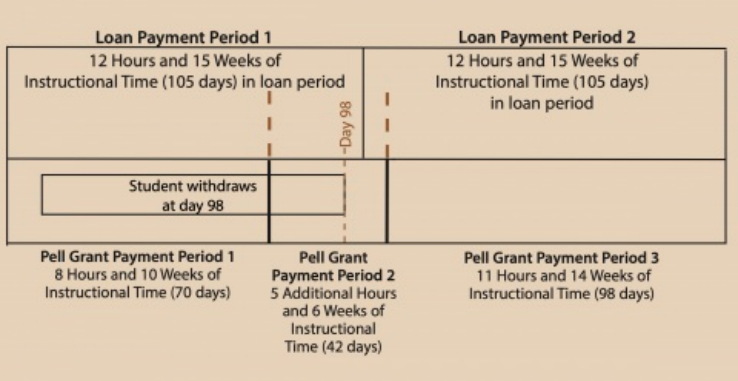
All of Pell Grant payment period 1 falls within Direct Loan payment period 1, so all of the Pell Grant funds that were disbursed for Pell Grant payment period 1 are included in the calculation. Pell Grant payment period 2 (six weeks - 42 days) overlaps with Direct Loan payment period 1 for five weeks (35 days). Therefore, those five weeks of Pell payment period 2 are attributed to Direct Loan payment period 1 so that the Direct Loan payment period 1 includes 70 days of Pell Grant payment period 1 and 35 days from Pell Grant payment period 2.

To determine the amount of Pell Grant funds that could have been disbursed that are attributable to the five additional weeks, the school would take the full amount of Pell Grant funds for Pell Grant payment period 2, multiply by 35, and divide by 42. Any funds from the Pell Grant payment period 2 are included in the R2T4 calculation as *Aid that could have been disbursed*.[1]

Note that before the student could receive a PWD of funds from Pell Grant payment period 2, they would have had to have started the 2nd term.

[1]The school must have a reasonable method for determining the student's projected enrollment status for the next Pell Grant payment period (that the student had not yet attended). For example, the school could include a full-time Pell disbursement for a student who had indicated that they planned to attend full-time for the whole year.

Performing an R2T4 calculation for a student receiving aid under two payment period definitions, example 2



The student withdrew on the 98th day after the start of classes. Their Direct Loan funds were disbursed for Direct Loan payment period 1 (the first half of the academic year) and their Pell Grant funds were disbursed for Pell Grant payment periods 1 and 2, the first and second terms, which together are 16 weeks in length.

Pell Grant payment period 2, the payment period during which the student withdrew, ends later than Direct Loan payment period 1, so Pell Grant payment period 2 is the payment period the school is required to use for the R2T4 calculation. The school includes only the Pell Grant funds from Pell Grant payment period 2 in the R2T4 calculation. Pell Grant payment period 2 overlaps with both Direct Loan payment periods. Therefore, the school will have to calculate the Direct Loan funds attributable to the Pell Grant payment period 2.

When performing an R2T4 calculation, if a school must attribute some part of a Direct Loan to a Pell Grant payment period, the school must calculate the amount of the Direct Loan that is attributed to the payment period by calculating the amount of the loan attributed from each Direct Loan payment period that overlaps the Pell Grant payment period from which the student withdrew. This approach is particularly useful when the Direct Loan funds attributed to the Pell Grant payment period comprise both aid that was disbursed, and aid that could have been disbursed. The payment period that is the basis for the R2T4 calculation (in this case, Pell Grant payment period 2) overlaps with Direct Loan payment period 1 for 35 days and Direct Loan payment period 2 for 7 days.

To determine the amount of the Direct Loan funds from Direct Loan payment period 1 attributed to Pell Grant Payment period 2, the school would first divide the number of days in Direct Loan period 1 that are in Pell Grant payment period 2 by the total number of days in Direct Loan period 1 (35/105) and multiply that number by the net loan disbursed in Direct Loan period 1. That yields the amount of loan funds from Direct Loan period 1 attributable to Pell Grant payment period 2. As this aid was already disbursed to the student, this amount would be included in the R2T4 calculation as disbursed aid.

To determine the amount of Direct Loan funds from Direct Loan payment period 2 attributed to Pell Grant payment period 2, the school would divide the number of days in Direct Loan Period 2 that are in Pell Grant payment period 2 by the total number of days in Direct Loan Period 2 (7/105) and multiply that number by the net loan disbursed in Direct Loan Period 2. That yields the amount of loan funds from Direct Loan period 2 attributable to Pell Grant payment period 2.

Because the student did not complete the 12 hours and 15 weeks of instructional time associated with Direct Loan payment period 1 and begin attendance in Direct Loan payment period 2, any loan amount attributable to the payment period that is the basis for the R2T4 calculation (in this case, Pell Grant payment period 2) that exceeds the amount previously disbursed would be included as Aid that Could Have Been Disbursed.

Of course, the student would not be able to receive any PWD of Direct Loan funds since they would not meet the late disbursement requirements for receiving a second or subsequent Direct Loan disbursement (i.e. successful completion of the loan period for which the funds were intended).

Clock-hour programs

Only *scheduled hours* are used to determine the percentage of the period completed by a student withdrawing from a clock-hour program.

Clock-hour programs

34 CFR 668.22(f)(1)(ii)

For a clock-hour program, the percentage of the period completed is determined by dividing the number of hours the student was scheduled to complete in the payment period or period of enrollment, as of the day the student withdrew, by the total number of clock hours in the same period as follows:

$$\frac{\text{number of clock hours the student was scheduled to complete in the period}}{\text{total number of clock hours in the period}}$$

A student withdrawing from a clock-hour program earns 100% of their aid if the student's withdrawal date occurs after the point that they were scheduled to complete more than 60% of the scheduled hours in the payment period or period of enrollment.

The scheduled clock hours used for a student must be those established by the school prior to the student's beginning class date for the payment period or period of enrollment, and the hours must have been established in accordance with any requirements of the state or the institution's accrediting agency. These hours must be consistent with the published materials describing the institution's programs. However, if an institution modified the scheduled hours in a student's program prior to and unrelated to their withdrawal in accordance with any state or accrediting agency requirements, the new scheduled hours may be used.

Please note that a school does 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.

When a student who received a loan with an abbreviated loan period withdraws

As described in Chapter 1 under *Loan principles applicable to re-entry in and transfer to clock-hour programs, non-term credit hour programs, and nonstandard term credit-hour programs with terms that are not substantially equal* when a student transfers to a new school and enters that type of program, and an overlap exists between academic years of the two schools, the new school may originate a loan for the remaining portion of the prior school's academic year. The abbreviated loan period—the shortened initial loan period at the new school—ends on the calendar end date of the prior school's academic year without regard to the weeks of instructional time and credit- or clock-hours completed. (Note that the amount of the loan for the abbreviated loan period may not exceed the remaining balance of the student's annual loan limit at the grade level applicable at the new school, and the borrower is not eligible for a new annual loan limit until the original academic year has ended.)

If a student who has received a loan for an abbreviated period withdraws, there are special considerations for the student's R2T4 calculation.

When an R2T4 calculation is performed on a payment period basis, the definition of a payment period in 34 CFR 668.4 is

used. Those regulations define a payment period for clock-hour programs and nonterm credit hour programs as the time it takes a student to complete half the hours and the weeks of instructional time in the program or the defined academic year, whichever is shorter. **An abbreviated loan period designed to complete a prior school's academic year does not meet the definition of a payment period and should not be used as a payment period for purposes of the R2T4 calculation.**

When determining what aid to include in Step 1 of an R2T4 calculation for a student who withdraws from a payment period or period of enrollment that includes an abbreviated loan period, a school follows the rules for Step 1 in R2T4 calculations described earlier in this chapter under *Student's Title IV aid information, Title IV aid disbursed, and Title IV aid that could have been disbursed*. In addition, when the loan period for a student does not correspond with the payment period used in the R2T4 calculation, as defined in 34 CFR 668.4, the school must prorate the net loan funds to determine the amount that should be attributed to the payment period from which the student withdrew.

If a student with an abbreviated loan period was enrolled in a nonterm credit-hour program in which the completion date of the period depends on an individual student's progress, when performing the proration to determine the amount of loan funds to include in Step 1 of the R2T4 calculation, **an institution may either use the original payment period and loan period end dates, or may project the end dates of the payment period and loan period based on the student's progress** as of their withdrawal date using the same procedure as it uses to project the student's payment period completion date when it is determining the number of days in the payment period in Step 2 of the R2T4 calculation (see *Percentage of Title IV aid earned for withdrawal from a credit-hour nonterm program*).

An institution also has the discretion to use the original payment period and loan period end dates or to project those end dates when performing this proration for a student who has withdrawn from a clock hour program. An institution must be consistent in its use of original end dates or projected end dates.

Example of an R2T4 calculation with an abbreviated loan and overlapping payment periods

Consider a one-year nonterm credit-hour program that consists of 24 semester hours and 30 weeks of instructional time. The school's defined academic year for the program is also 24 semester hours and 30 weeks. The school performs its R2T4 calculations on a payment period basis.

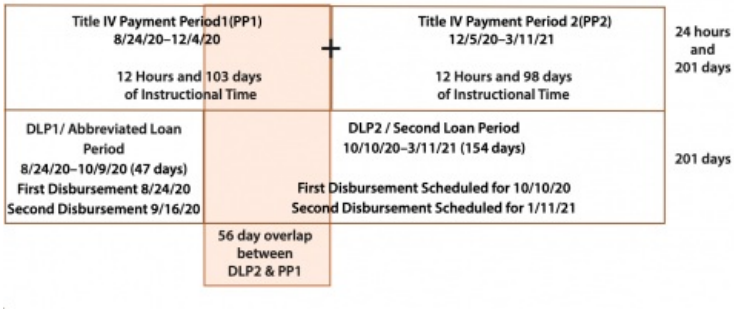
A student transfers into the program beginning on 8/24/20, but the academic year for the most recent Direct Loan the student received at the student's prior school ends on 10/9/20. Therefore, the student is awarded a Direct Subsidized Loan (DLP 1) of $1,050 (the difference between the annual loan limit at the new school and the loan amount received during the overlapping academic year period at the prior school) with an abbreviated loan period that begins on 8/24/20 and ends on 10/9/20. The student does not receive any other type of Title IV aid during that period.

Remember that when an R2T4 calculation is performed on a payment period basis, the definition of a payment period for clock-hour programs and nonterm credit hour programs is the time it takes a student to complete half the hours and the weeks of instructional time in the program or the defined academic year, whichever is shorter.

The student begins attendance in the program on 8/24/20. If the student stays on schedule, the first Title IV payment period will end on 12/4/20.

The student receives two disbursements of $500 each of Direct Loan funds from the DLP 1 (the $1050 loan amount awarded minus origination fees produced a net loan amount of $1,000 for the abbreviated loan period—a first disbursement of $500 on 8/24/20 and a second disbursement of $500 on 9/16/20 (calendar mid-point of the abbreviated loan period). On September 25, the school originated a second Direct Loan (DLP 2) with a net loan amount totaling $2,400 for a loan period that extends from 10/10/20 through 3/11/21 (the period during which the student is expected to complete the remaining portion of the program). The school must wait to make the first disbursement of the second loan period until the student has completed the abbreviated loan period (the period of overlap with the academic year at the prior school).

Due to a family emergency, the student officially withdraws on 9/29/20.



When the school performs the R2T4 calculation for the student, it performs the calculation on a payment period basis and uses the payment period that began on 8/24/20 and was to end on 12/4/20. The school includes the $1,000 of Subsidized Direct Loan funds that was disbursed to the student as “aid disbursed.” Because the school originated the second loan prior to the student’s withdrawal and the first disbursement of that loan was scheduled to be made prior to the end of Title IV Payment Period 1 (12/4/20), the school must include as *Aid that could have been disbursed*, that portion of the proceeds from the net loan amount for the second loan period (LP2) prorated by the number of days that are part of the first Title IV payment period (PP1).

$$\frac{\text{(Days in Loan Period 2 that fall in PP1) } 56}{\text{(Total Days in Loan Period 2) } 154} \times 2400 = \$873.00 \text{ (use normal rounding rules not to exceed annual or aggregate loan limits)}$$

In the example above, the school *may not make a PWD of funds from the second loan period because the student never completed the abbreviated loan period and never began the second loan period to establish eligibility for that loan.*

If the student had completed Title IV Payment Period 1 and started the Title IV Payment Period 2 and then withdrew, the $1,527.00 of the proceeds of the second loan prorated for Title IV Payment Period 2 would be the basis for any required R2T4 calculation.

When a student receiving Title IV aid dies during the payment period or period of enrollment

If a school determines that a student has died during a payment period or period of enrollment, it must perform an R2T4 calculation. If the R2T4 calculation indicates that an institution is required to return Title IV funds, ***the school must return the Title IV funds for which it is responsible.***

The student’s estate is not required to return any Title IV funds disbursed to the student. Therefore, when a student dies, a school should neither report a grant overpayment to the National Student Loan Data System (NSLDS), nor refer a grant overpayment to Debt Resolution Services. If a grant overpayment was previously referred for a student who later dies, the school should inform Debt Resolution Services and NSLDS that it has received notification that the student has died.

The Direct Loan regulations provide for a discharge of a borrower’s obligation to repay a Federal Direct Loan if they die; this also includes a parent’s obligation to repay a Direct PLUS Loan if the student on whose behalf the parent borrowed dies. If a school is aware that a student who has died has any outstanding Title IV loan debt, the school should contact the student’s estate and inform it of the actions it can take to have the student’s Title IV loan debt cancelled.

If a Title IV credit balance created from **funds disbursed before the death of the student** exists after the completion of the R2T4 calculation and the institutional refund calculations, the institution must resolve the Title IV credit balance in one of the following three ways:

1. In accordance with the cash management regulations, pay authorized charges at the institution (including previously

paid charges that are now unpaid due to the return of Title IV funds by the institution).

2. Return any Title IV grant overpayments owed by the student for **previous withdrawals** from the present school (the school may deposit the funds in its federal funds account and make the appropriate entry in G5).

   If the school previously referred grant overpayments to Debt Resolution Services that have not been fully resolved, the school should provide documentation that the student has died so that Debt Resolution Services can delete the overpayment from its records.

3. Return any remaining credit balance to the Title IV programs (a school cannot disburse Title IV funds to a student or parent's estate after they have died).

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

The amount of Title IV aid earned by the student is determined by multiplying the percentage of Title IV aid earned (Box H on the worksheet) by the total of *Title IV program Aid disbursed plus the Title IV aid that could have been disbursed* to the student or on the student's behalf (Box G on the worksheet).

Amount of Title IV aid earned by the student

34 CFR 668.22(e)(1)

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

If the student receives less Title IV aid than the amount earned, the school must offer a disbursement of the earned aid that was not received. This is called a post-withdrawal disbursement (PWD). If the student receives more Title IV aid than the amount earned, the school, the student, or both must return the unearned funds in a specified order.

Title IV aid to be disbursed or returned

34 CFR 668.22(a)(4) or (5)

Part 1—Post-withdrawal disbursements

If a PWD is due, a school stops at Step 4, Box J on the worksheet. Since a school must keep written records of the PWD process, a school may use the Department's PWD tracking sheet to track the handling of PWDs, or any other alternative form developed to track PWDs.

Post-withdrawal disbursements

34 CFR 668.22(a)(6)

Any PWD due must meet the current required conditions for late disbursements. These conditions are listed in the chart ***Conditions and Limitations on Late Disbursements*** in Volume 4. For example, the Department must have processed a SAR or ISIR with an official expected family contribution (EFC) prior to the student's withdrawal.

A school is required to make (or offer as appropriate) PWDs. A PWD must be made within 180 days of the date the institution determines that the student withdrew. The amount of a PWD is determined by following the requirements for calculating earned Title IV aid and has no relationship to incurred educational costs.

The regulations do not address how a school should ensure that Title IV funds are disbursed to the proper individual. However, a school may not require a student who has withdrawn from a school (or a parent of such a student, for Direct PLUS Loan funds) to pick up a PWD in person. Because the student is no longer attending the school, they may have moved out of the area and may be unable to return to the school to pick up a PWD.

For a student who withdraws after the 60% point in time, even though a return of Title IV aid is not required, a school may have to complete an R2T4 calculation to determine whether the student is eligible for a PWD.

A school may not make a post-withdrawal disbursement of Title IV funds to the account or estate of a student who has died.

Disburse grants before loans

A PWD, whether credited to the student's account or disbursed to the student or parent directly, must be made from

available grant funds before available loan funds. Available grant or loan funds refers to Title IV aid that could have been disbursed to the student but was not disbursed as of the date of the institution's determination that the student withdrew.

Disburse grants before loans

34 CFR 668.22(a)(6)(i)

Example—If a student is due a PWD of $500, and the student has received $400 of $1,000 in Federal Pell Grant funds that could have been disbursed and $1,200 of the $2,000 in Federal Direct Loan funds that could have been disbursed, the available undisbursed funds are $600 in Federal Pell Grant funds and $800 in Direct Loan funds. Any portion of the $500 PWD that the school makes must be from the $600 in available Federal Pell Grant funds.

Summary of actions a school must take before making a post-withdrawal disbursement

The actions a school must take before it may disburse funds from a PWD vary depending on the source of the funds.

A school must obtain confirmation from a student, or parent for a Direct Parent PLUS Loan, before making any disbursement of loan funds from a PWD.

Because the COD system will not accept requests for other than whole dollars for the Direct Loan Program, the amount a school may be required to enter on the Post-Withdrawal Tracking Sheet may have to be rounded up or down to the nearest whole dollar, not to exceed the annual or aggregate limits.

Post-withdrawal disbursement of Title IV grant funds

Post-withdrawal grant disbursements are either credited to a student's account to satisfy outstanding allowable charges or paid directly to the student.

Time frame for post-withdrawal disbursement of grant funds

34 CFR 668.22(a)(6)(ii)(B)(1)

A school is permitted to credit a student's account with the PWD of Title IV grant funds to cover current outstanding allowable charges without the student's permission for tuition, fees, and food and housing (if the student contracts with the school). A school must credit the student's account with the PWD for current charges within 180 days of the date of determination.

To cover charges other than current charges, a school must obtain a student's authorization to credit a student's account with Title IV grant funds. A school is permitted to use a student's authorization for crediting the student's account for educationally related expenses that the school obtained prior to the student's withdrawal date so long as the cash management requirements for student authorizations are met. If the school did not obtain authorization prior to the student's withdrawal, the school would have to obtain authorization in accordance with the cash management requirements before the school could credit the student's account for other current charges or for educationally related activities. (See *Volume 4* for more information on student and parent authorizations.)

For any amount of a post-withdrawal grant disbursement not credited to the student's account to cover allowable charges, the school must make the disbursement as soon as possible but no later than 45 days after the date of the school's

determination that the student withdrew (no confirmation from the student is required).

A school may not delay its disbursement processes while it ascertains whether a student wishes to receive the grant funds they are entitled to. However, while the school is processing the disbursement or notifying the student about their eligibility for a PWD of grant funds, the school may, at its discretion, notify the student that it may be beneficial to turn down all or a portion of the grant funds to preserve grant eligibility for attendance at another institution. Of course, if the student independently contacts the school and states that they do not wish to receive a grant disbursement, the school is not required to send it. (Please see GEN-12-18 for more information on a student's Pell declination process.)

Post-withdrawal disbursement of Title IV loan funds

A school must notify a student, or parent for a Direct Parent PLUS Loan, in writing prior to making any PWD of loan funds, whether those loan funds are to be credited to the student's account or disbursed directly to the student (or parent). The information provided in this notification must include the information necessary for the student, or parent for a Direct Parent PLUS Loan, to make an informed decision as to whether the student or parent would like to accept any disbursement of loan funds and must be provided within 30 days of the date of a school's determination that a student has withdrawn. In addition, the notice must request confirmation of any PWD that the student or parent, as applicable, wishes the school to make.

Time frame for notification of eligibility for post-withdrawal disbursement of loan funds

34 CFR 668.22(a)(6)(iii)(A)

Cash management requirements for student and parent authorizations

34 CFR 668.165(b)

The notice must identify the type and amount of the loan funds the school wishes to credit to the student's account or disburse directly to the student or parent, and explain that a student, or parent for a Direct Parent PLUS Loan, may accept or decline all or a portion of the funds. The notice must also explain to the student, or parent for a Direct Parent PLUS Loan, the obligation to repay the loan funds whether they are disbursed to the student's account or directly to the borrower.

The notice must also make clear that a student, or parent for a Direct Parent PLUS Loan, may not receive as a direct disbursement loan funds that the institution wishes to credit to the student's account unless the institution agrees to do so. If the student, or parent for a Direct Parent PLUS Loan, does not wish to accept some or all of the loan funds that the institution wishes to credit to the student's account, the institution must not disburse those funds.

In the notification, the school must advise the student or parent that an institution may set a deadline of 14 days or more. Any deadline must apply to both confirmation of loan disbursements to the student's account and direct disbursements of a PWD. The notification must make it clear that if the student or parent does not respond to the notification within the time frame, the school is not required to make the PWD. However, a school may choose to make a PWD based on an acceptance received from a student or parent after the school's deadline. A student's or parent's response to an offer of a direct disbursement of Title IV loan funds from a PWD does not have to be in writing, but the school must document the response.

Deadline for responding to an offer of a PWD of loan funds

34 CFR 668.22(a)(6)(iii)(A)(5)

A school that chooses to honor a late response must disburse all the funds accepted by the student or parent as applicable. The school cannot credit the student's account in accordance with the student's request but decline to disburse post-withdrawal funds accepted as a direct disbursement. If a response is not received from the student or parent within the permitted time frame, or the student declines the funds, the school must return (or redisburse to another eligible student) any earned funds that the school was holding to the Title IV programs.

If a student or parent submits a timely response accepting all or a portion of a post-withdrawal loan disbursement, per the student's or parent's instructions, the school must disburse the loan funds within 180 days of the date of the institution's determination that the student withdrew. (For additional information, see the discussion under *Date of the institution's determination that the student withdrew* in Chapter 1.)

If authorization from a student (or parent for a Direct PLUS Loan) is received after the deadline and the school chooses not to make a PWD of loan funds, the school must notify the student (or parent) that the PWD will not be made and why. This notification must be made in writing. If an authorization from the student (or parent for a Direct PLUS Loan) is never received, or if the school chooses to make a PWD of loan funds per the recipient's instructions on an authorization received after the deadline, the school does not need to notify the student.

The school must document the result of the notification process and the final determination made concerning the disbursement and maintain that documentation in the student's file.

If a school has completed the post-withdrawal loan notification process and confirmed a student's desire for any Direct Loan funds included in the PWD, the school is permitted to credit a student's account with the PWD without additional permission from the student (or parent, in the case of a Direct PLUS Loan) for current institutional charges as described earlier.

A school may combine providing loan counseling, obtaining authorization to credit loan funds to a student's account for outstanding charges, and obtaining authorization to make a direct disbursement to the student.

Once a school has received confirmation from a student, or parent in the case of a Direct PLUS Loan, that they want to receive the PWD of loan funds, a school must make the PWD of Title IV loan proceeds as soon as possible but no later than 180 days after the date of the school's determination that the student withdrew.

Separate authorization required for educationally related expenses

A school is permitted to use a student's or parent's authorization for crediting the student's account for educationally related expenses that the school obtained prior to the student's withdrawal date so long as that authorization meets the cash management requirements for student or parent authorizations. If the school did not obtain authorization prior to the student's withdrawal, the school would have to obtain authorization in accordance with the cash management requirements before the school could credit the student's account for other current charges for educationally related activities. (See *Volume 4* for more information on student and parent authorizations.)

Crediting a student's account

An institution should not request Title IV funds for a PWD unless, and until, it has determined that it can disburse any PWD within three business days of receiving the funds.

The requirements for the treatment of Title IV funds when a student withdraws must still adhere to the cash management requirements for disbursing Title IV funds. An institution must obtain a student's (or parent's where applicable) authorization to credit a student's account with Title IV funds for charges other than current charges for tuition, fees, and food and housing (if the student contracts with the school.) (See *Volume 4 and Appendix E—Institutional Reporting and*

Disclosure Requirements.)

Outstanding charges on a student's account are charges for which the institution will hold the student liable after the application of any applicable refund policy. These are the institutional charges, after any adjustment, that reflect what the student will owe for the current term after their withdrawal, any other current charges, plus any permitted minor prior year charges.

Outstanding Charges Example—Consider a student who is due a PWD of $800. The institutional charges that the student was originally assessed by the school totaled $2,300. However, under the institution's refund policy, the institution may only keep $600 of those institutional charges. No funds had been paid toward the institutional charges at the time the student withdrew. In addition, the student owes $150 for a bus pass. The outstanding charges on the student's account that would be entered in Box 2 of the PWD Tracking Sheet are $750 (the $600 in institutional charges plus the $150 owed for the bus pass). A portion of the $800 the institution must disburse under the PWD provisions may (with authorization if they are loan funds) be used to satisfy the outstanding balance. If the student has provided written authorization to credit Title IV funds to his account and use them for noninstitutional educational charges, the school may credit $750 to institutional charges and offer $50 to the student. If the student has not provided (and does not provide) written authorization to use the funds for noninstitutional educational charges, the school may only credit $600 to institutional charges and must offer $200 to the student.

A school may credit a student's account for **prior award year charges** in accordance with the cash management requirements (see *Volume 4*). Schools should make every effort to explain to a student that all or a portion of their PWD has been used to satisfy any charges from prior award years.

Example of the post-withdrawal disbursement requirements

The student drops out of school on November 5. On November 10, the school becomes aware that the student has ceased attending. The school determines that the student is due a PWD of $900. When the student withdrew, only $600 of the $1,000 in Federal Pell Grant funds that could have been disbursed had been disbursed. Of the $500 in Direct Loan funds that could have been disbursed, none had been disbursed. The school determines that the student has $50 in outstanding tuition charges and $100 in outstanding library fines for the payment period. The school obtained permission from the student at the beginning of the term (prior to their withdrawal) to credit their account for educationally related charges other than tuition, fees, and contracted food and housing. Because available grant funds must be used before available loan funds to make a PWD, the school credits the student's account with $150 of their Federal Pell Grant funds. On November 12 (the last date the school could have sent the funds was December 25th—45 days after the date of the school's determination that the student withdrew), the school sends the remaining $250 in Pell Grant funds to the student. On the same day (the last date the school could have sent the notification was December 10th—30 days after the school's determination that the student withdrew), the school sends a notification to the student stating that:

1. They are due a PWD of $500 in Direct Loan funds to be disbursed directly to them.
2. They may accept all, a portion, or none of the $500 in Direct Loan funds.
3. Any Direct Loan funds that they accept must be repaid.
4. The school is obligated to make a PWD of loan funds only if they accept the funds by November 26, which is 14 days after the school sent the notification.

Note that a school may allow more than 14 days for a response.

The student responds on November 19 and informs the school that they are accepting $250 of the $500 in Direct Loan funds. The school has until May 9 (180 days after November 10—the date the school determined that the student withdrew) to make the $250 disbursement (34 CFR 668.22(a)(6)(iii)(C)). The school must document the notification and final determination (whether the student accepts a partial or full disbursement or declines the entire disbursement (34 CFR 668.22(a)(6)(iv).

Notice to a student offering a post-withdrawal disbursement—flexibility in notifying students

To avoid having to contact a student multiple times, a school may use one contact to:

- notify a borrower about their loan repayment obligations;
- obtain permission to credit loan funds to a student's account to cover unpaid institutional charges;
- obtain permission to make a PWD of grant or loan funds for other than institutional charges; and
- obtain permission to make a PWD of loan funds directly to a student.

A school must send the notification as soon as possible, but **no later than 30 calendar days after the date that the school determines the student withdrew.**

Part 2 —Title IV aid to be returned

If the student receives more Title IV aid than the amount earned, the school, the student, or both must return the unearned funds in a specified order. The amount of Title IV aid to be returned is determined by subtracting the amount of earned Title IV aid (Box I) from the amount of Title IV aid that was actually disbursed to the student (Box E).

Title IV aid to be returned

34 CFR 668.22(a)(4)

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

When a return of Title IV funds is due, the school and the student may both have a responsibility for returning funds. Although these requirements are in terms of returning funds, a school is not required to actually return its share before the student. Rather, it is the R2T4 calculation of the amount of assistance the school is responsible for returning to the Title IV accounts that must be calculated first. Thus, the student's repayment obligation is determined after the school's share is calculated.

Step 5: Amount of unearned Title IV aid due from the school

34 CFR 668.22(g)

The school must return the lesser of:

- the amount of Title IV funds that the student does not earn (Box K), or
- the amount of institutional charges that the student incurred for the payment period or period of enrollment multiplied by the percentage of funds that was not earned (Box N).

Aid disbursed to the student before institutional charges are paid

Consider a case in which, to assist a student with living expenses, a school elects to disburse an anticipated credit balance to a student rather than pay itself for institutional charges from the first Title IV funds the school receives. Then, the student withdraws before the school receives additional aid from all the Title IV programs. The R2T4 calculation indicates the school must return funds, even though the school had passed through all the initial Title IV funds to the student.

The school must still return the funds it is responsible for returning as a result of the R2T4 calculation.

Institutional charges

Institutional charges are used to determine the portion of unearned Title IV aid that the school is responsible for returning. Schools must ensure the inclusion of all appropriate fees as well as applicable charges for books, supplies, materials, and equipment in Step 5, Part L of the R2T4 calculation. (See *Institutional versus noninstitutional charges and Demonstrating a real and reasonable opportunity* in Chapter 1.) Institutional charges do not affect the amount of Title IV aid that a student earns when they withdraw.

Institutional charges

34 CFR 668.22(g)(1)(ii)
34 CFR 668.22(g)(2)
DCL GEN-00-24 December 2000
DCL GEN-12-21 November 2012

Determining charges

34 CFR 668.22(a)
34 CFR 668.22(g)(2) and
DCL GEN-00-24 December 2000

Pre-enrollment and post-enrollment fees are not considered institutional charges. For example, application fees are excluded from institutional charges because they are a pre-enrollment fee and not considered an educational cost. (See *Federal Register*, Volume 59, No. 82, April 29, 1994, page 22356.) Withdrawal fees are also excluded from institutional charges since they are considered a post-enrollment fee. However, administrative/registration fees charged a student while enrolled, are considered institutional charges and are not excluded from R2T4 calculations.

Please note that a school is allowed to exclude from institutional charges an administrative fee of $100 or 5% of the total institutional charges, whichever is less.

1999 Department of Education Policy Bulletin

January 7, 1999

If an institution enters into a contract with a third party to provide institutional housing, the institution must include the cost of housing as an institutional charge in an R2T4 calculation if a student living in the third-party housing withdraws.

As noted in Chapter 1, FWS funds are not included in the calculation of earned Title IV funds when a student withdraws. This remains so even if a student has granted permission for a percentage of the FWS earnings to be credited to their account to pay educational costs.

Use of institutional charges in determining a school's responsibility for return

The institutional charges used in the calculation are always those that were assessed the student for the entire payment period or period of enrollment, as applicable, prior to the student's withdrawal. Initial charges may only be adjusted by those changes the school made before the student withdrew (e.g., for dropping or adding a class or changing enrollment status). If after the student withdraws, the school changes the amount of institutional charges it assessed the student or decides to eliminate all institutional charges, those changes do NOT affect either the charges used or the aid earned in the R2T4 calculation. Similarly, if a student drops classes or a school drops the student's classes *on the same day* that they withdraw, the dropped classes have no effect on institutional charges in the R2T4 calculation. See *Step 3—Amount of Title IV Aid Earned by the Student* for a further discussion of aid earned and institutional charges.

Institutional charges may not be reduced even if other sources of aid are used to pay those charges. For example, a school may not reduce institutional charges when an outside agency supplying aid requires that aid be used for tuition. *The R2T4 regulations presume Title IV program funds are used to pay institutional charges ahead of all other sources of aid.*

Effect of other assistance

Federal Register, Volume 64, No. 210, November 1, 1999, page 59032

When an institution that offers courses in a nonterm credit-hour format calculates the aid for which the student is eligible, it does so using costs associated with the number of courses it expects the student to complete in the period for which aid is awarded. If the student later withdraws, the charges entered in Step 5 of the R2T4 calculation must include the charges for all the courses the student was initially expected to complete.

Effects of a post-withdrawal reduction in charges

If a student withdraws and, as a result of applying an institutional refund policy, the school reverses, reduces, or cancels a student's charges, the R2T4 requirements still apply. The statute mandates that an otherwise eligible student who begins attendance at a school and is disbursed or could have been disbursed Title IV grant or loan funds prior to a withdrawal earns a portion of those Title IV funds. If, as a result of the withdrawal, an institution adjusts or eliminates a student's institutional charges, or changes a student's enrollment status, the changes made by the institution have no bearing on the R2T4 calculation. Moreover, the charges used in the R2T4 calculation are always the charges initially assessed on the student's account prior to withdrawal. However, if a student's enrollment status changed *prior to and unrelated to the withdrawal*, the effect of any change on institutional charges should be reflected in any R2T4 calculation.

How the cash management regulations might affect the determination of institutional charges in an R2T4 calculation

The cash management regulations determine the amount of Title IV aid a school may retain for institutional charges for a payment period. (See the discussion under *Apportioning and prorating charges* in ***Volume 4, Chapter 2*** for a complete discussion.) The amount determined under those regulations must be used in determining institutional charges in an R2T4 calculation (Step 5, Part L).

Although a school may not be allowed to retain the amount charged for books and supplies beyond what is attributed to the payment period, a school may always exclude from institutional charges the total documented cost to the school (what the school paid for the items) of unreturnable equipment and returnable equipment not returned in good condition within 20 days (See the discussion under *institutional vs noninstitutional charges in* ***Chapter 1*** and, for an example, see *Case Study 5* in ***Chapter 3***).

Effects of waivers on institutional charges

If your school treats a waiver as a payment of tuition and fees that have actually been charged to a student, then the waiver is considered a financial aid resource, and the full amount of the tuition and fees must be included in Step 5, Part L of the R2T4 calculation. On the other hand, if the student is *never* assessed the full charges (would never owe the waiver amount), the waiver is not considered to be financial assistance, and only the actual charges would be included in the R2T4 calculation. (See DCL GEN 00-24, December 2000, for a further discussion of waivers and the R2T4 calculation.)

Example: A school charges state residents $900 per semester. Out- of-state students are charged an additional $2,000 for a total of $2,900. However, the school grants waivers of the out-of-state charges to out- of-state athletes. Since the school considers the waiver to be a payment to those charges, the waiver is considered estimated financial assistance (EFA) and the full $2,900 would need to be included in any R2T4 calculation.

Step 6: Return of Title IV Funds by the School

Order of return of Title IV funds

A school must return Title IV funds to the programs from which the student received aid during the payment period or period of enrollment as applicable, in the following order, up to the net amount disbursed from each source:

- Unsubsidized Direct Loans (other than Direct PLUS Loans)
- Subsidized Direct Loans
- Direct PLUS Loans (parent or graduate)
- Federal Pell Grants for which a return of Title IV funds is required
- Iraq and Afghanistan Service Grant, for which a return of Title IV funds is required
- FSEOG for which a return of Title IV funds is required
- TEACH Grants for which a return of Title IV funds is required

Order of return of Title IV funds

34 CFR 668.22(i)

Time frame for the return of Title IV funds

A school **must** return unearned funds for which it is responsible **as soon as possible** but no later than 45 days after the date of determination of a student's withdrawal.

Time frame for return of Title IV funds

34 CFR 668.22(j)(1)

A school will be considered to have returned funds timely if the school does one of the following as **soon as possible** but no later than 45 days after the date it determines that the student withdrew:

- deposits or transfers the funds into the school's federal funds bank account, (once deposited excess cash rules apply, please see *Volume 4*);
- initiates the return of funds to the Department electronically using the "Refund" function in G5 or;
- issues a check to the Department.

A school is considered to have issued a check timely if the school's records show that the check was issued within 45 days of the date the school determined that the student withdrew and the date on the negotiated check shows that the bank endorsed that check no more than 60 days after the date the school determined that the student withdrew.

The *de minimis* provision that waives returns of grant funds from students when the original amount to be returned is less than $50.00 does not apply to schools. A school must return the full amount owed to any Title IV program that the school is responsible for returning. ***However, a school does not have to return amounts of less than $1.00.***

If a school has not drawn down federal funds or has used institutional funds in lieu of federal funds, the school does not need to place returned funds in its federal account. Of course, the school's accounting records must show that institutional funds were used to credit the student's account.

Return of Title IV funds when a school does not maintain a separate federal bank account

The Department considers a school that maintains Title IV funds and general operating funds in the same bank account (commingles) to satisfy the requirement that it return unearned funds on a timely basis if:

- the school maintains subsidiary ledgers for each type of funds commingled in that account that clearly show how and when those funds were used and reconciled to its general ledger,
- the subsidiary ledger for each Title IV program provides a detailed audit trail on a student-by-student basis that reconciles to the amount of Title IV program funds received and disbursed by the school, and
- the school updates the relevant subsidiary ledger accounts in its general ledger no later than 30 days after it determines that the student withdrew.

More specifically, the return of an unearned funds transaction should be recorded as a debit to a Title IV program fund subsidiary ledger account and a credit to the school's operating fund subsidiary ledger account. The date of the return is the date this transaction is posted to the school's general ledger.

Downward adjustment of FSA grant disbursement records and Direct Loan disbursement records required

Returns of FSA grant funds (except FSEOG and Iraq and Afghanistan Service Grants) and Direct Loan funds, other than funds not associated with a student that are being returned to stay in compliance with any excess cash requirements, must be offset by downward reductions to a student's record in the COD system.

In addition, when all or a portion of a Direct Loan is cancelled (either because the borrower requested the cancellation within the regulatory time frames or to comply with statutory or regulatory requirements), the school must make the appropriate adjustment to the student's record in the COD system.

Returning Direct Loan funds

If a school is required to return Direct Loan funds to comply with a regulatory or statutory requirement, even if more than 120 days have elapsed since the disbursement date, the school must return Direct Loan funds through G5. The school returns Direct Loan funds to the Department following the same procedures the school follows when making other G5 refunds/returns.

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

The statute specifies that a student is responsible for all unearned Title IV aid that the school is not required to return. The initial amount of unearned Title IV aid due from the student (or parent, for Direct PLUS Loan funds) (Box Q) is determined by subtracting the amount returned by the school (Box O) from the total amount of unearned Title IV funds to be returned (Box K). This is called the initial amount due from the student because a student does not have to immediately return loan funds or the full amount of any grant repayment due. Therefore, the student may not have to return the full initial amount due.

Initial amount due from student

34 CFR 668.22(h)

Return of Title IV funds by the student

34 CFR 668.22(h)(3)(i) and (ii)

Step 8: Repayment of Student Loans

The student loans that remain outstanding (Box R) consist of the loans disbursed to the student (Box B) minus any loans the school repaid in Step 6 (Box P). These *outstanding loans are repaid by the student according to the terms of the student's promissory note(s).*

Step 9: Title IV Grant Funds to be Returned by a Student

The regulations limit the amount a student must repay to the amount by which the original overpayment amount ***exceeds 50% of the total grant funds disbursed to or that could have been disbursed*** to the student for the payment period or period of enrollment.

Grant overpayments, retaining eligibility

34 CFR 668.22(h)(4)

The initial amount of unearned Title IV grant aid due from the student (Box S) is found by subtracting the loans to be repaid by the student (Box R) from the initial amount of unearned aid due from the student (Box Q).

The amount of grant overpayment due from a student (Box U) is limited to the amount by which the original grant overpayment (Box S) exceeds half of the total Title IV grant funds disbursed and could have been disbursed to the student (Box T).

Step 10: Return of Title IV Grant Funds by the Student

The student is obligated to return any Title IV overpayment in the same order that is required for schools.

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 the Default Resolution Group.

A School's Responsibilities in the Return of Title IV Funds by the Student

A school has responsibilities that continue beyond completing the R2T4 calculation and returning the funds for which it is responsible. A school has additional responsibilities if a student is required to return funds due to R2T4.

Grant overpayments

The applicable regulations limit the amount of grant funds a student must repay to one-half of the grant funds the student received or could have received during the applicable period. Moreover, repayment terms for students who owe Title IV grant overpayments were established to ensure that students who could not immediately repay their debt in full had the opportunity to continue their eligibility for Title IV funds. Students who owe overpayments as a result of withdrawals initially will retain their eligibility for Title IV funds for a maximum of 45 days from the earlier of:

- the date the school sends the student notice of the overpayment, or
- the date the school was required to notify the student of the overpayment.

Within 30 days of determining that a student who withdrew must repay all or part of a Title IV grant, a school must notify the student that they must repay the overpayment or make satisfactory arrangements to repay it. In its notification, a school must inform the student of the following five items:

1. The student owes an overpayment of Title IV funds.
2. The student's eligibility for additional Title IV funds will end if the student fails to take positive action by the 45th day following the date the school sent or was required to send notification to the student.
3. There are three positive actions a student can take to extend their eligibility for Title IV funds beyond 45 days:
    - The student may repay the overpayment in full to the school.
    - The student may sign a repayment agreement with the school. **Two years is the maximum time a school may allow for repayment.**

      A school must have procedures in place that ensure the school immediately refers for collection (to the Default Resolution Group) any student who violates the terms of the repayment agreement (including failing to repay the full amount within two years).

      The Department may take enforcement action against schools that fail to refer students for collection as required by the regulations.
    - The student may sign a repayment agreement with the Department.
4. If the student fails to take one of the positive actions during the 45-day period, the school will report the student's overpayment to NSLDS and refer the student to the Default Resolution Group for collection.
5. The student should contact the school to discuss their options.

If the student takes no positive action during the 45-day period, the school should both refer the student for collection to the Default Resolution Group AND report the overpayment immediately to NSLDS after the 45-day period has elapsed. (Because making this change in the NSLDS system is a simple process, the Department expects an institution will complete making the change within a few days of the end of the 45-day period.)

Satisfactory repayment arrangements

34 CFR 668.22(h)(4)(i)(B) and (C)

Repayment arrangements with schools

34 CFR 668.22(h)(4)(iii)

Two-year maximum

34 CFR 668.22(h)(4)(iii)(B)

45-Day period example

On October 30, during the fall semester, a student withdraws and owes a grant overpayment. On November 29, the school notifies the student of the overpayment. The student has 45 days (until January 13) to repay the overpayment in full or to make arrangements with the institution or the Department to repay the overpayment.

The spring semester begins on January 7, before the 45-day period ends, and the student receives Title IV aid for the spring semester on January 10. The student then fails to repay the overpayment in full or sign a repayment agreement by the end of the 45-day period—January 13. The student is not required to return the Title IV funds received on January 10. However, the student becomes ineligible for additional Title IV funds on January 14 and remains ineligible until they enter into a repayment agreement with the Department.

Examples of the relationship between the date of notification and the expiration of the 45-day period

Example 1—A school sends notification to a student within the 30 days allowed.

If a school sends notification to a student within the 30 days allowed, the 45-day period begins on the day after the school sends the notification to the student. If a school determines on August 20 that a student withdrew and owes a repayment and the school sends notification to the student on September 1 (within the 30 days allowed), then the first day of the 45-day period is September 2. Unless the student takes positive action to resolve the overpayment before the end of the 45-day period, the student loses their eligibility on the 45th day. Thus, in this case, the last day of the student’s eligibility for Title IV funds is October 16.

Example 2—A school fails to notify the student or notifies the student after the 30 days allowed.

If the school fails to notify the student or notifies the student after the 30 days allowed, the 45-day period begins on the day after the end of the 30-day period (the date by which the school should have sent the notification to the student). Consider a school that determines on August 1 that a student withdrew on June 15. The school should have sent the student a letter by July 15. Because it failed to do so, the first day of the 45-day period is the day after the end of the 30-day period (July 16). Unless the student takes action to resolve the overpayment, the last day of the student’s eligibility for Title IV funds is August 29, the end of the 45-day period that began on July 16.

If a student agrees to a repayment arrangement and then fails to meet the terms of that arrangement, the student’s eligibility ends as of the date the student fails to comply with the terms of the repayment arrangement.

When a student receives additional funds during the 45-day period of extended eligibility

Students who owe overpayments as a result of withdrawals generally will retain their eligibility for Title IV funds for a maximum of 45 days from the earlier of (a) the date the school sends the student notice of the overpayment, or (b) the date the school was required to notify the student of the overpayment.

A student who receives Title IV funds within that period of extended eligibility and then fails to return the overpayment or make repayment arrangements becomes ineligible for additional Title IV program funds on the day following the 45-day period. However, the student remains eligible for any additional Title IV program funds received by the student during the 45-day period. Therefore, those Title IV aid do not have to be returned (unless the student withdraws a second time). A student who loses their eligibility for Title IV funds at the expiration of the 45-day period will remain ineligible for additional Title IV aid until the student enters into a repayment agreement with the Department.

If, at any time, a student who previously negotiated a repayment arrangement fails to comply with the terms of their agreement to repay, that student immediately becomes ineligible for additional Title IV funds. The student remains eligible for any Title IV program funds received between the time the student negotiated the repayment arrangement and the time the student violated the agreement. Therefore, those Title IV funds do not have to be returned (unless the student withdraws a second time). A student who violates the terms of a repayment agreement and loses eligibility remains ineligible for Title IV funds until the student has made satisfactory repayment arrangements with the Department.

If, in either of the two aforementioned cases, the student withdraws a second time, any unearned funds from the disbursements that were made while the student was still eligible would have to be returned in accordance with the R2T4 requirements.

Student grant overpayments of $50 or less

A student does not have to repay a grant overpayment of $50.00 or less per grant program for grant overpayments resulting from the student's withdrawal. As a result, a grant overpayment of $50.00 or less per grant program will not make the student ineligible to receive Title IV aid should the student return to school. A school is not required to attempt recovery of that overpayment, report it to NSLDS, or refer it to the Default Resolution Group.

Student overpayments of $50 or less

34 CFR 668.22(h)(3)(ii)

Remember these de minimis amounts are program specific. That is, if an R2T4 calculation resulted in a student having to return $150.00 in Pell Grant funds and $40.00 in FSEOG funds, the student would have to return the Pell Grant funds, but the FSEOG funds would be considered *de minimis* and treated as described above.

If a school is currently holding an overpayment resulting from a withdrawal for which the original amount (after the grant protection was applied) was less than $50.00, the school should delete the overpayment in NSLDS by following these steps:

1. On the NSLDS Professional Access website, go to the "Aid Tab."
2. From the Overpayment List page, select the overpayment to be deleted by clicking on the blue number icon.
3. On the Overpayment Display page, verify that this is the over- payment you want to delete, and then click the Delete button.
4. On the Overpayments Delete Confirmation page, click the Confirm Button.

This $50 threshold does not apply to remaining grant overpayment balances. That is, a student must repay a grant overpayment that has been reduced to $50.00 or less because of payments made. An overpayment for which the original amount was more than $50.00 that has a current balance of less than $50.00 may not be written off.

This provision does not apply to funds that a school is required to return. A school must return the full amount owed to any Title IV program that the school is responsible for returning. ***However, a school does not have to return amounts of less than $1.00.***

Institutional payments on a student's behalf

The grant protection always applies to the repayment of grant funds for which the student is responsible, regardless if the institution actually returns the funds. If an institution chooses to return all or a portion of a grant overpayment that otherwise would be the responsibility of the student to return, the grant protection still applies. If an institution returns a grant overpayment for a student, the student would no longer be considered to have a Title IV grant overpayment and, as such, no reporting to NSLDS is required and no referral to the Default Resolution Group for collection is allowed. This would be true whether the institution simply returned the overpayment for the student or returned the overpayment and created a debit on the student's school account.

Recording student payments and reductions in the Title IV grant programs

When reductions or payments are made toward students' Title IV awards, schools will record such reductions or payments by entering a replacement value in the COD system.

If, through its R2T4 calculation, a school determines that a student has received an overpayment of Pell Grant, Iraq and Afghanistan Service Grant, or TEACH Grant funds and the student (or school) repays the overpayment amount, the school should reduce the student's award/ disbursements in the COD system and return the funds through G5.

A school will reduce the student's award/disbursements by entering a replacement value in the COD system. The replacement value will be the original values less only the amount the school has returned (the sum of: (a) that amount the school is responsible for returning, plus (b) any portion of the grant overpayment that otherwise would be the responsibility of the student but which the school has chosen to return for the student, plus (c) any portion of the grant overpayment the school has collected from the student). ***Do not reduce the award/disbursement by the amount the student must return unless the student has made a payment. Doing so may have a negative impact on Departments ability to collect on the reported overpayment. (For more information about reporting overpayments, please see Volume 4, Chapter 3).***

If, through its R2T4 calculation, a school determines that a student has received an overpayment of FSEOG funds, the school must adjust its institutional ledgers, financial aid records, and the student's account by subtracting the amount the school must return (the FISAP filed for the year will reflect the net award to the student). (For more information about returning Title IV funds, please see *Volume 4, Chapters 3 and 4*).

> A school should never make a downward adjustment in the COD system to reflect funds the school has referred to the Department for collection. Doing so will create a negative disbursement record.

Recording payments and reductions in the Direct Loan Program

If, through its R2T4 calculation, a school is required to return Direct Loan funds, the school must reduce the student's award/disbursements by making a downward adjustment in the COD system.

The school then returns the funds to the Department using the Electronic Refund function in G5 following the same procedures the school follows when making other G5 refunds/returns.

Notifying the Department of student overpayments

A school is never required to enter into a repayment agreement with a student; rather, a school may refer an overpayment to the Department at any time **after** the student has had the opportunity to pay off the overpayment in full to the school or indicate their intent to negotiate repayment arrangements with the Default Resolution Group. However, if a school reports a student overpayment (for which a student has not negotiated repayment arrangements) to NSLDS

before the 45- day period has elapsed, the student will appear to be ineligible for Title IV aid. Since students retain their eligibility for 45 days, schools should provide students with every opportunity to repay their debt or negotiate repayment arrangements before reporting it to NSLDS and referring it to the Default Resolution Group.

Important

The Default Resolution Group is unable to respond to a student-initiated request to negotiate a repayment arrangement until a school has referred the student's account for collection. In addition, Debt Resolution Services uses the information about the student in NSLDS while conversing with a student.

To ensure a student overpayment has been reported and referred to the Department, when the school is communicating with a student about making repayment arrangements with the Department, **the school should make it clear that the student should contact the school before contacting the Department**. Repayment agreements with the Department will include terms that permit students to repay overpayments while maintaining their eligibility for Title IV funds. Schools may also negotiate similar repayment agreements with students. However, **schools' repayment arrangements with students must provide for complete repayment of the overpayments within two years** of the date of the institutions' determination that the students withdrew.

There are exceptions to the recommendation that a school wait the full 45 days before reporting a student overpayment through NSLDS. If, during the 45-day period, a student indicates that they cannot repay their debt in full and wishes to negotiate a repayment agreement with the Department, the school should immediately report the overpayment to NSLDS and refer the overpayment to the Default Resolution Group. Likewise, if a student contacts a school that will not be offering institutional repayment agreements and indicates that they cannot pay the overpayment within the 45 days, the school should immediately report the overpayment to NSLDS and refer the overpayment to the Default Resolution Group since the Default Resolution Group will need time to receive and record an overpayment before it can respond to a student inquiry. Schools should advise students to wait at least 10 days before contacting the Default Resolution Group.

After a school has reported and referred a student's overpayment, the school should provide the student with the phone number and postal address for the Default Resolution Group. A student can contact the Default Resolution Group by calling **1-800-621-3115** or by writing to the **Default Resolution Group** at the following address:

U.S. Department of Education
Default Resolution Group
P.O. Box 5609
Greenville, Texas 75403

Using NSLDS

You must use the NSLDS Professional Access website to report overpayments. To do so, your school's primary destination point administrator (PDPA) must have signed up at least one user at https://fsawebenroll.ed.gov for overpayment updates for NSLDS online services.

If a student is determined to have withdrawn from a school, the student is no longer considered to be enrolled and in attendance. Therefore, the student is no longer eligible for an in-school status or in- school deferment, and the school must report the student as withdrawn in NSLDS Enrollment Reporting. See 34 CFR 685.309(b).

Please note that if a student enrolled in a program offered in modules, withdraws from a later module but is not considered a withdrawn student for R2T4 purposes because the student meets one of the withdrawal exemptions, the student is treated as having completed the term and the school must report the student as withdrawn as of the *final day of the payment period in which the student was last enrolled*. An exception to this requirement is if a student meets the graduate withdrawal exemption. For a student who graduates early during a program of study, the school may follow the current NSLDS reporting flexibilities associated with students who graduate which, among other things, indicates the

effective date for a completion/graduation status (‘G’) is the date that the school assigns to the completion/graduation.

Conversely, if the student is treated as a withdrawal and the Return of Title IV regulations apply, the school must report the student as withdrawn with an effective date as determined under the R2T4 regulations.

You can find NSLDS reference materials online. The email address for NSLDS Customer Support is: NSLDS@ed.gov, and the phone number for school use only is 1-800-999-8219.

Reporting and referring overpayments

Reporting overpayments to NSLDS is a separate process from referring overpayments for collection. Reporting is the process of creating within NSLDS a record of a student’s overpayment. Referring is the process of turning over a student’s debt to the Default Resolution Group. *Students who pay their debts in full during the 45-day period should neither be reported to NSLDS nor referred for collection.*

A school reports overpayments to NSLDS via the NSLDS Professional Access website. A school sends referrals to the Default Resolution Group —through the U.S. Mail to the following address:

> **Student Loan Processing Center—Overpayments**
> **P.O. Box 4157**
> **Greenville, Texas 75403**

Or by fax: **903-454-2243**

If a student who owes a repayment of a Title IV grant calls the Default Resolution Group before Debt Resolution Services has received and recorded the student’s overpayment, the Default Resolution Group will examine the student’s record in NSLDS. If a school has reported the overpayment to NSLDS correctly, the Default Resolution Group will inform the student that the overpayment is being processed and that the student should call back in 10 days for further information. If a student calls the Default Resolution Group before a school has reported the student’s overpayment to NSLDS, the Default Resolution Group will find no record of the overpayment and will tell the student to contact the school to resolve the discrepancy.

Though a student may regain Title IV eligibility by negotiating and satisfying the requirements of a satisfactory repayment arrangement, the information on the student’s NSLDS account will continue to reflect the status of the overpayment until the debt is repaid in full.

If a school enters into a repayment arrangement with a student who owes an overpayment, the school should immediately report the repayment arrangement using the online NSLDS Professional Access website. The school should report the status (Indicator field) of an overpayment for which it has entered a repayment agreement as “Satisfactory Arrangements Made.” After the information is reported to NSLDS, any future output from the CPS (SARs and ISIRs) will show that the student owes a repayment of a Title IV grant and that the student has negotiated a satisfactory repayment arrangement with the school.

As long as the student fulfills their commitment under the repayment arrangement, the NSLDS overpayment status of “Satisfactory Arrangements Made” will indicate that, though the student owes an overpayment, the student remains eligible for Title IV funds. **If, at any time, a student fails to comply with the terms of the student’s agreement to repay, or if the student fails to complete repayment in the two years allowed, the school must immediately update the student’s overpayment status (Indicator field) to “Overpayment.”** From that point on, NSLDS will inform schools that the student is not eligible for Title IV funds.

Required referrals

A school must refer to the Department/Default Resolution Group a student who:

- does not satisfy the requirements of a repayment agreement with the school;
- fails to contact the school during the 45-day period;
- fails, during the 45-day period, to pay their overpayment in full or enter into a repayment arrangement; or
- fails to complete repayment in the two years allowed.

If a school is referring a student overpayment to the Default Resolution Group that was previously reported to NSLDS, the school must also update the information previously reported to NSLDS by changing the Source field from "School" to "Transfer." If a school is referring a student who has failed to satisfy the terms of their repayment agreement, the school should also change the status code (indicator field) from "Satisfactory Arrangement Made" to "Overpayment." If a school is referring for collection a student not previously reported to NSLDS, the school must report the account to NSLDS as a referred overpayment, enter "TRF-Transfer" as the initial source in the Source field and "Overpayment" as the overpayment status (indicator field).

To refer student overpayments for collection, schools must use the format found in the appendix to this volume labeled *Information Required when Referring Student Overpayments to Default Resolution Group* and send or fax the document to the address or phone number at the bottom of that page. Each referral must be typed or printed and must be submitted on school letterhead. Remember to include your school's Pell Grant Identification Number on the referral.

To avoid creating a double record for a single overpayment, **the school must enter for the *Dates of Disbursements* the exact same dates the school used when it created the NSLDS record. In addition, for *Award year*, a school must ensure that it enters the award year from which the disbursement was made.**

Once the Default Resolution Group has accepted a referred student overpayment, it will transmit the information to NSLDS, and "EDR Region" will replace "Transfer" as the appropriate contact source for information about the overpayment. On the overpayment referral, schools must provide their Pell Grant Identification Number. Schools should **not** enter their routing identifier.

If your school does not have a Pell Grant Identification (ID)
If you are referring a TEACH Grant to the Default Resolution Group for collection and your school does not have a Pell Grant ID, on the "Overpayment Referral Form," under "School Information," you must provide your OPEID.

For more information about reporting and referring overpayments, including accepting payments on referred overpayments, please see *Volume 4, Chapter 3.*

Corrections or recalls of referred overpayments

If you determine that a student you referred to the Default Resolution Group (DRG) does not owe an overpayment or that the amount you referred was incorrect, fax a letter on institution letterhead explaining the situation to the DRG at 903-454-2312. (The DRG phone number is 1-800-621-3115.)

⚠Important

You should not send a revised referral form when making changes or corrections.

The letter must include the following:

- student's last name, first name and middle initial;
- student's Social Security number;
- award year of the overpayment;
- disbursement date the institution used to create the overpayment record in NSLDS;
- amount originally referred; and
- description of the issue and the requested action.

The Default Resolution Group will cease collection efforts and change the record in NSLDS so that the overpayment will be shown as “Repaid.”

Withdrawal Dates for a School That is *Not Required to Take Attendance*

Withdrawal Type	Circumstance	Student’s Withdrawal Date[1]	Date of the Institution’s Determination That the Student Has Withdrawn
Official Notification	The student begins the school’s withdrawal process, or The student otherwise provides official notification to the school of intent to withdraw	The date the student begins the school’s withdrawal process, or The date that the student otherwise provides notification (If both circumstances occur, use the **earlier** withdrawal date)	The student’s withdrawal date or the date of notification, whichever is **later**
Official Notification Not Provided	Official notification not provided by the student because of circumstances beyond the student’s control, or All other instances where student withdraws without providing official notification	The date that the school determines is related to the circumstance beyond the student’s control, or The midpoint of the payment period or period of enrollment, as applicable	The date that the school becomes aware that the student has ceased attendance[2]
Leave of Absence Related	The student does not return from an approved leave of absence, or The student takes an unapproved leave of absence	The date that the student began the leave of absence	The earlier of the dates of the end of the leave of absence or the date the student notifies the school they will not be returning to that school (In the case of an unapproved absence, the date that the student began the leave of absence)
Withdrawal After Rescission of Official Notification	The student withdraws after rescinding a previous official notification of withdrawal	The student’s original withdrawal date from the previous official notification	The date the school becomes aware that the student did not, or will not, complete the payment period or period of enrollment

1. In place of the dates listed, a school may always use, as a student’s withdrawal date, the student’s last date of attendance at an academically related activity if the school documents that the activity is academically related and that the student attended the activity.

2. For a student who withdraws without providing notification to the school, the school must determine the withdrawal date no later than 30 days after the end of the earliest of the (1) payment period or period of enrollment (as appropriate), (2) academic year, or (3) educational program.

Sample Summary of the Requirements of 34 CFR 668.22 (To Provide to Students as

Part of Consumer Information)

Treatment of Title IV Aid When a Student Withdraws

The law specifies how your school must determine the amount of Title IV aid that you earn if you withdraw from school. The Title IV programs that are covered by this law are Federal Pell Grants, Iraq and Afghanistan Service Grants, TEACH Grants, Federal Supplemental Educational Opportunity Grants (FSEOGs), Direct Loans, and Direct PLUS Loans.

Though your aid is posted to your account at the start of each period, you earn the funds as you complete the period. If you withdraw during your payment period or period of enrollment (your school can define these terms for you and tell you which one applies to you), the amount of Title IV aid that you have earned up to that point is determined by a specific formula. If you received (or your school or parent received on your behalf) less assistance than the amount that you earned, you may be able to receive those additional funds in the form of a PWD. If you received more assistance than you earned, the excess funds must be returned by the school and/or you.

The amount of assistance that you have earned is determined on a pro rata basis. For example, if you completed 30% of your payment period or period of enrollment, you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the payment period or period of enrollment, you earn all the assistance that you were scheduled to receive for that period.

You will not be subject to returns of your Title IV aid if you meet one of the following exemptions:

- You complete all of the requirements for graduation;
- You successfully complete a class or multiple classes that comprise at least 49 percent of the days in the term (in a program offered in modules); or
- You successfully complete a class or multiple classes that comprise at least half-time enrollment (in a program offered in modules).

If you did not receive all of the funds that you earned, you may be due a PWD. If your PWD includes loan funds, your school must get your permission before it can disburse them. You may choose to decline some or all of the loan funds so that you don’t incur additional debt. Your school may automatically use all or a portion of your PWD of grant funds for tuition, fees, and food and housing charges (as contracted with the school). The school needs your permission to use the post-withdrawal grant disbursement for all other institutional charges. If you do not give your permission (some schools ask for this when you enroll), you will be offered the funds. However, it may be in your best interest to allow the school to keep the funds to reduce your debt at the school.

There are some Title IV funds that you were scheduled to receive that cannot be disbursed to you once you withdraw because of other eligibility requirements. For example, if you are a first-time, first-year undergraduate student and you have not completed the first 30 days of your program before you withdraw, you will not receive any Direct Loan funds that you would have received had you remained enrolled past the 30th day.

If you receive (or your school or parent receive on your behalf) excess Title IV program funds that must be returned, your school must return a portion of the excess funds equal to the lesser of:

1. your institutional charges multiplied by the unearned percentage of your funds, or

2. the entire amount of excess funds.

The school must return this amount even if it didn’t keep this amount of your Title IV program funds.

If your school is not required to return all of the excess funds, you may be required to return the remaining amount.

For any loan funds that you must return, you (or your parent for a Direct PLUS Loan) will repay the loan funds in accordance with the terms of the promissory note. That is, you will not be required to repay any loan funds immediately, but instead, you will make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an overpayment. The maximum amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You do not have to repay a grant overpayment if the original amount of the overpayment is $50 or less. You must make arrangements with

your school or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when you withdraw are separate from any refund policy that your school may have. Therefore, you may still owe funds to the school to cover unpaid institutional charges. Your school may also charge you for any Title IV program funds that the school was required to return. If you don't already know your school's refund policy, you should ask your school for a copy. Your school can also provide you with the requirements and procedures for officially withdrawing from school.

If you have questions about your Title IV program funds, you can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at https://studentaid.gov.

Return of Title IV Funds Requirements and Deadlines

Party Responsible	Requirement	Deadline
School	**Determining withdrawal date** for student who withdraws without providing notification	30 days after the end of the earlier of the: • Payment or enrollment period • Academic year in which student withdrew • Educational program from which student withdrew
School	**Return of unearned Title IV funds**	As soon as possible but no later than 45 days after date school determined student withdrew
School	**Post-withdrawal disbursement to student's account for:** Outstanding current (allowable) charges (tuition and fees, contracted food and housing, etc.) Other allowable charges with student authorization (e.g. library fines, books, supplies, etc.)	As soon as possible but no later than 180 days after the date school determined student withdrew, in accordance with requirements for disbursing Title IV funds, 34 CFR 668.164
School	**Written notification providing the student (or parent) the opportunity to accept all or part of a post-withdrawal disbursement of Title IV loan funds** (Direct Loan, or Direct PLUS Loan) to the student's account	Within 30 days of the school's determination that the student withdrew, 34 CFR 668.22(a)(6)(iii)(A)
School	**Written notification of student's eligibility for a direct post-withdrawal disbursement of Title IV loan funds** in excess of outstanding current (educationally related) charges	Within 30 days of the school's determination that the student withdrew, 34 CFR 668.22(a)(6)(iii)(A)
School	**Post-withdrawal disbursement to student** for earned Title IV funds in excess of outstanding current (educationally related) charges	From the date school determined student withdrew (1) loans as soon as possible but no later than 180 days (2) grants as soon as possible but no later than 45 days
School	**Notification to student (or parent) of outcome of late request for a post-withdrawal disbursement to**	Not specified - but as soon as possible

	student (request received by school after the specified period and school chooses not to make disbursement)	
School	**Notification to student of grant overpayment**	Within 30 days of date school determined student withdrew
School	**Referral of student to the Default Resolution Group** if student does not pay overpayment in full, does not enter into repayment agreement, or fails to meet terms of repayment agreement	Not specified - but as soon as possible
Student (or parent)	**Submit response instructing school to make post-withdrawal disbursement**	Within specified number of days school allows for response (must allow at least 14 days)
Student	**Return of unearned Title IV funds**	Loans—according to terms of the loan Grants—within 45 days of earlier of date school sent or was required to send notice

Return of Title IV Funds Requirements for Notification

Party Responsible	Notification	Requirements
School	Report student to NSLDS if student does not pay overpayment in full, does not enter into repayment agreement, or fails to meet terms of repayment agreement	No later than 45 days from the date student is notified (or was required to be notified) of overpayment
School	Consumer Information	• School's withdrawal policy • School's refund policy • Office(s) designated to receive official notifications of intent to withdraw • Requirements regarding returns of Title IV funds
School	Written notification of student's eligibility for a direct post-withdrawal disbursement of *Title IV loan funds* in excess of outstanding current (educationally related) charges	• Identify type and amount of the Title IV loan funds that will make up the post-withdrawal disbursement not credited to student's account • Explain that student or parent may accept all or part of the disbursement • Advise student or parent that no post-withdrawal disbursement of Title IV loan funds will be made unless school receives response within the time frame established by the school
School	Response (written or electronic) to late request for post-withdrawal disbursement (that school chooses not to make)	Outcome of request

School	Repayment Agreement	• Terms permitting student to repay overpayment while maintaining eligibility for Title IV funds • **Repayment in full within two years** of date school determined student withdrew
Student enrolled in a program offered in modules	Statement of intent to return to a module that begins later in the same payment period or period of enrollment (written confirmation)	Close to the date that the student ceases attendance at any point prior to completing the payment period or period of enrollment and before the school is required to return Title IV funds, offer any post-withdrawal disbursement of loan funds, or take any other action under the R2T4 requirements • For students enrolled in standard and nonstandard-term programs, the later module must begin no later than 45 calendar days after the end of the module the student ceased attending
Student enrolled in a subscription-based program	Statement of intent to resume attendance later in the same payment period or period of enrollment (written confirmation)	Close to the date that the student ceases attendance at any point prior to completing the payment period or period of enrollment and before the school is required to return Title IV funds, offer any post-withdrawal disbursement of loan funds, or take any other action under the R2T4 requirements • Date occurs within the same payment period or period of enrollment and *is no later than 60 calendar days after the student ceased attendance*
Student enrolled in a nonterm program (including clock hour programs)	Statement of intent to resume attendance later in the same payment period or period of enrollment (written confirmation)	Close to the date that the student ceases attendance at any point prior to completing the payment period or period of enrollment and before the school is required to return Title IV funds, offer any post-withdrawal disbursement of loan funds, or take any other action under the R2T4 requirements • Date student will resume attendance is *no later than 60 calendar days after the student ceased attendance*

Return of Title IV (R2T4) Funds Case Studies - Part 1

Case Study 1:

A student withdraws from a two-year, semester-based community college, is eligible for Title IV grants and loans (partially disbursed) and is due a post-withdrawal disbursement (PWD).

Case Study 2:

A student withdraws from a community college that measures progress in credit hours and was disbursed Title IV grants and loans and both the school and the student must return grant funds.

Case Study 3:

A student unofficially withdraws and is receiving Title IV grants and loans.

Case Study 4:

A student unofficially withdraws and is receiving Title IV grants and loans at a school that measures academic progress in clock hours and performs its return calculations on a period of enrollment basis.

Case Study 5:

A student unofficially withdraws and is receiving Title IV grants and loans at a school that measures academic progress in clock hours and performs its return calculations on a payment period basis.

Case Study 1:

In this case study scenario, a student withdraws from a two-year semester-based community college that measures academic progress in credit hours. The student is eligible for Title IV grants and loans (partially disbursed) and is due a PWD.

Learning Objectives

Learn to complete Steps 1 – 4 of the Credit-Hour R2T4 worksheet and be able to:

- identify the basic information needed to complete the R2T4 worksheet, including the withdrawal date and date of the institution's determination that the student withdrew;
- calculate the percentage of the payment period or period of enrollment the student completed;
- calculate both the percentage and the amount of Title IV aid earned by the student;
- determine if the student is due a PWD of Title IV aid or if Title IV aid must be returned to the Department;
- determine the amount of any PWD due to the student or returned to the Department; and
- identify the information a school must maintain in its files when a student is eligible for a PWD, and complete a PWD Tracking Sheet.

School Profile	
Academic Year:	24 semester credit hours, 32 weeks, 2 semesters
Payment Period Length:	

	16 weeks, 110 calendar days
Payment Period Start Date:	August 23
Payment Period End Date:	December 10
Institutionally Scheduled Break:	None
Required to Take Attendance:	No
Method for Matching FSEOG:	None
Period used in Return calculation:	Payment Period

Student Profile

The student is a first-year student and the charges to their account for the first semester are as follows:

Tuition and Fees:	$ 1,000.00/16-week semester
Technology Fee:	$ 100.00/16-week semester
Books and Supplies:	$ 400.00/16-week semester
Health Insurance:	$ 200.00/academic year

Charges remaining on the student's account after the withdrawal:

Tuition:	$ 100.00
School Authorized to Credit Account for Other Charges:	Yes (all charges)

The student's financial aid package includes the following annual awards:

Pell Grant:	$ 2,000.00
Direct Subsidized Loan:	$ 3,500.00
State Grant:	$ 500.00
College Grant:	$ 200.00

Discussion

On the first day of the fall semester, August 23, the student received the following disbursements to their student account:

Pell Grant:	$1,000.00
Net Direct Subsidized Loan:	$0
State Grant:	$500.00
College Grant:	$100.00

Although the student is grateful for the assistance, they are concerned about meeting their living costs for the year.

On October 8, the student came to the Financial Aid Office to advise that they don't think they are doing very well and is considering dropping out prior to November 1, the last day to withdraw from classes without academic penalty. To help decide, they request information on the withdrawal process. You are fairly certain that the student is having a hard time adjusting to college life and want to encourage them to continue until the end of the semester, December 10. After you provide them preliminary information, you ask if it is their intent to withdraw. The student says they need some time to think it over and makes a follow-up appointment for October 13.

When the student comes to see you on October 13, they indicate that the last class they attended was on September 30. Because the student doesn't see how they can get caught up on the work they've missed, they are adamant about withdrawing, so you give them instructions on completing the college's official withdrawal process and advise them where they can get the appropriate forms. The student picks up the forms from the registrar on October 14 and turns in the completed forms on October 15.

Let's review some basic information about the student as well as our learning objectives for this case. The student attended a two-year community college, which was on the semester system. Students earn academic credits based on credit hours successfully completed. Before withdrawing, the student received their Pell Grant disbursement but not their Direct Loan.

Solution

The first thing we'll need to do is to decide on the date of the school's determination that the student withdrew. Then, we'll complete Step 1: Student's Title IV Aid Information, which includes:

- Title IV aid disbursed, and
- Title IV aid that could have been disbursed.

The date of the institution's determination is the date you were advised by the student that they had decided to withdraw (October 13). On the earlier date, October 8, the student was only thinking about withdrawing.

Date of the institution's determination that the student withdrew = October 13.

Note that for a student who provides notification to the institution of their withdrawal, the ***date of determination*** is the student's withdrawal date, or the date of notification of withdrawal, whichever is later (34 CFR 668.22(l)(3)(i)). In this case the dates are identical, October 13.

The withdrawal date for Title IV purposes, October 13, is discussed in ***Step 2***.

Step 1: Student's Title IV Aid Information

Box A.

Title IV grants aid disbursed

Pell Grant	$1,000.00
A. =	$1,000.00

Box B.

Net Title IV loans disbursed = $ 0.00

Box C.

Title IV grants that could have been disbursed = $ 0.00

Box D.

The student's Direct Loan had not been disbursed yet. But, they were eligible for the disbursement. Net Title IV loans that could have been disbursed = $ 1,700.00

D =	$1,700.00

Box E.

Although the student also received disbursements of state and institutional aid, only Title IV aid is considered in the return of funds calculation. Title IV aid disbursed = $1,000.

E =	$1,000.00

Box F.

Box F is equal to the $1,000.00 from Box A plus $0.00 from Box C. Box F = $1,000.

F =	$1,000.00

Box G.

Both the disbursed Pell (Box A) and undisbursed Direct Loan (Box D) are included in Box G. Total Title IV aid disbursed plus Title IV aid that could have been disbursed = $2,700.

Pell Grant (Box A)	$1,000.00
Net Direct Subsidized Loan (BoxD)	$1,700.00
Total Title IV aid disbursed plus could have been disbursed (Box G)	$ 2,700.00

G =	$ 2,700.00

Step 2: Percentage of Title IV Aid Earned

1. Payment period start date = August 23
2. Payment period end date = December 10
3. Withdrawal date = October 13

Note: Since the school does not take attendance and is not required by an outside entity to take attendance, the withdrawal date is the date the student began the official school withdrawal process. Since the school includes the financial aid office as one of those places where the student can begin the withdrawal process, the withdrawal date is October 13.

Although the school's refund policy is that the withdrawal date is the date a student turns in the signed withdrawal forms —which they did on October 15— the school must use the date the student begins the withdrawal process or otherwise provides official notification (October 13).

Although the student stopped attending classes on September 30, they didn't notify the school (begin the official withdrawal process) until October 13. When they came to see you on October 8, they were only thinking about withdrawing.

Of course, the school could have documented a last date of attendance at an academically-related activity and used that as the student's withdrawal date if it so chose.

Box H.

Percentage of payment period completed

- Since the student attended a credit-hour school, the percentage of aid completed is calculated by dividing the number of calendar days completed by the total number of calendar days in the payment period. Number of calendar days completed in payment period = 52 (August 23–October 13).
- Because the semester does not include a scheduled break of five or more consecutive days, all of the calendar days in the period from August 23 to December 10 are counted. Number of calendar days in payment period = 110.

  Note: Days in a period are counted as follows:

  1. the first day of the payment period is the first scheduled day of an academically related activity;
  2. the last day of the payment period is the last scheduled day of an academically related activity;
  3. the school must count the date of withdrawal as a date of attendance.
- 52 days ÷ 110 days = .4727, rounded to .473, or 47.3%. Percentage of payment period completed = 47.3%.

H. Because this percentage is less than or equal to 60%, the percentage of Title IV aid earned in Box H = 47.3%.

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

Box I.

47.3% (Percentage of Title IV aid earned from Box H) **X** $ 2,700.00 (Total Title IV aid disbursed plus Title IV aid that could have been disbursed from Box G) = $1,277.10. Amount of Title IV aid earned by the student (Box I) = $1,277.10.

I. = $1,277.10

Step 4: Total Title IV Aid to Be Disbursed or Returned

Box J.

Because the total aid earned (Box I) is greater than the total aid disbursed (Box E), the student is due a PWD. $1,277.10 (Box I) – $1,000.00 (Box E) = $277.10. PWD (Box J) = $277.10.

J. = $277.10

If a PWD is due the student, you stop here on the worksheet (page 2 is not required as shown in our worksheet walkthrough). Your next step is to begin compiling the information a school must maintain in its files when a student is eligible for a PWD (the school has chosen to use FSA's -*Withdrawal Disbursement Tracking Sheet*) and provide the required notifications to the student.

The Post-Withdrawal Disbursement Tracking Sheet

The school performed the R2T4 calculation on October 15 and determined that the student was eligible for a PWD of $277.10 (Step 4, Box J).

However, the COD system will not accept requests for other than whole dollars (no cents) for the Direct Loan Program. Therefore, the school must round down to, request, and disburse $277.00.

Because the PWD would be composed entirely of loan funds, the school could not credit any funds to the student's account or disburse any funds to them directly without sending them written notification advising them of their

responsibility to repay the funds and obtaining their confirmation that they still want them.

Therefore, on October 20, the school sent the student a letter explaining that:

- they were eligible for a PWD of Subsidized Direct Loan funds in the amount of $277.00;
- they could accept some or all of the funds;
- the student was obligated to repay any loan funds they accepted;
- if they accepted the disbursement, $100 would be credited to their account for unpaid charges and that they could not receive that $100;
- if they accepted the disbursement, the school would make a direct disbursement directly to them of $177.00; and
- they have until November 13 (24 days from the day the school mailed the letter)[1] to accept the disbursement, and that if their response was received after that date, the school did not have to make the disbursement.

On November 13, the school received confirmation from the student that they accepted all of the funds.

On November 15, the school drew down $277.00 in Subsidized Direct Loan funds through G5, credited the student's account $277, retained $100 for unpaid charges and sent the student a check for the credit balance of $177.00. (Note that the school could have drawn down the funds, credited the student's account with $100.00, and sent the student the balance of $177.00, but we do not require a school to deviate from its normal cash management procedures and establish a different type of audit trail for PWDs.)

The school included a record of the calculation and communications described above in the student's financial aid file.

[1] The regulations allow a school to set a deadline later than 14 days, provided the later deadline applies to both confirmation of loan disbursements to the student's account and direct disbursements of a PWD of loan disbursements to the student's account and direct disbursements of a PWD.

Case Study 1- R2T4 worksheet for a Student who Withdraws from a Credit-Hour Program

Case Study 2:

In this case study scenario, a student withdraws from a two-year semester based public community college that measures progress in credit hours. The student has been disbursed Title IV grants and both the school and the student must return grant funds.

Learning Objectives

Learn to complete Steps 1–10 of the Credit-Hour R2T4 worksheet and be able to:

- identify the basic information needed to complete the R2T4 worksheet, including the withdrawal date and date of the institution's determination that the student withdrew for a student who officially withdraws;
- calculate the percentage of the payment period or period of enrollment the student completed;
- calculate both the percentage and the amount of Title IV aid earned by the student;
- determine if the student is due a PWD of Title IV aid or if Title IV aid must be returned to the Department;
- determine the amount of any PWD due to the student or any amount that must be returned to the Department;
- apply the Title IV grant protection; and
- apply the *de minimis* grant repayment provision.

School Profile	
Academic Year:	24 semester hours, 32 weeks, 2 semesters
Payment Period Length:	16 weeks, 110 calendar days
Payment Period Start Date:	January 8
Payment Period End Date:	May 4

Institutionally Scheduled Break:	Yes, 7 days
Taking Attendance Required:	No
Method for Matching FSEOG:	Fund-specific
Period used in Return calculation:	Payment Period

Student Profile

The student is a first-time freshman at the school. Charges to their account are as follows:

Tuition and Fees:	$1,000.00/16-week semester
School Authorized to Credit Account for Other Charges:	Yes (all charges)

The student's financial aid package includes the following annual awards:

Pell Grant:	$2,800.00
FSEOG:	$2,400.00

Discussion

On the first day of the spring semester, January 8, the student received the following disbursements to their student account:

Pell Grant:	$1,400.00
FSEOG:	$1,200.00

The student enrolled as a freshman at the school for the spring semester on January 8. On January 18, the student received a call from the state treasurer informing them that the programming job they had applied for six months ago was theirs for the taking. That same day, they contacted the Financial Aid Office to: (1) advise them that they were withdrawing from their program, (2) begin the formal withdrawal process (11 calendar days into the semester), and (3) find out what to do next. All of their financial aid for the semester had been disbursed.

Solution

The date of the institution's determination that the student withdrew is the day they contacted the Financial Aid Office to advise the school that they were withdrawing from the school: January 18.

Step 1: Student's Title IV Aid Information

Box A.

Because the school uses the fund-specific method of matching FSEOG funds, 100% of the student's FSEOG grant is used in the calculation. Title IV grant aid disbursed = $2,600.00.

Pell Grant:	$1,400.00
FSEOG:	$1,200.00

A. = $2.600.00

Box B.

Net Title IV loans disbursed = $0.00.

Box C.

Grants that could have been disbursed = $0.00.

Box D.

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

Box E.

Total Title IV aid disbursed for the payment period = A + B = $2,600.00 + $0.00 = $2,600.00.

Box F.

Total Title IV grant aid disbursed and could have been disbursed for the payment period = A + C = $2,600.00 + $0.00 = $2,600.00.

Box G.

Total Title IV aid disbursed and could have been disbursed for the payment period = A + B + C + D = $2,600.00 + $0.00 + $0.00 + $0.00 = $2,600.00.

Step 2: Percentage of Title IV Aid Earned

1. Payment period start date = January 8.
2. Payment period end date = May 4.
3. Date of withdrawal = January 18.
4. Percentage of payment period completed:
    - Number of calendar days completed = 11 calendar days.
    - Number of calendar days in payment period = 110 calendar days.
      Note: Although the total number of days in the payment period is 117 days, remember that you must exclude scheduled breaks of five days or more from the denominator.
    - 11 days ÷ 110 days = 0.100. Percentage of payment period completed = 10.0%.

Box H.

Because this percentage is less than or equal to 60%, the percentage of Title IV aid earned in Box H = 10.0%.

Step 3: Amount of Title IV Aid Earned by Student

Box I.

Multiply 10.0% (Percentage of Title IV aid earned from Box H) **X** $2,600.00 (Total Title IV aid disbursed plus Title IV aid that could have been disbursed from Box G) = $260.00 Amount of Title IV aid earned by student = $260.00.

I. =	$260.00

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 aid disbursed (Box E), no PWD is due, and we proceed to Box K. PWD= N/A.

Box K.

Because the total aid disbursed (Box E) is greater than the total aid earned (Box I), Title IV aid will need to be returned.

$2,600.00 (Box E) – $260.00 (Box D) = $2,340.00. Title IV aid to be returned = $2,340.00.

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

Box L.

Institutional charges for the payment period or period of enrollment = $1,000.00.

Tuition and Fees	$1,000.00

Box M.

Subtract 10.0%, the percentage of Title IV aid earned (Box H), from 100% (100% – 10.0% = 90.0%). Percentage of Title IV aid unearned = 90.0%.

Box N.

First, calculate the unearned institutional charges. $1,000.00 (institutional charges from Box L) **X** 90.0% (% Title IV aid unearned from Box M) = $900.00. Amount of unearned institutional charges = $900.00.

Box O.

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

Box K =	$2,340.00
Box N =	$900.00

Amount of unearned Title IV aid due from the school = $900.00.

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

The student's Pell Grant ($1,400.00) exceeds the amount the school must return ($900.00), so the school must return $900.00 to the Federal Pell Grant program. The school must return the funds as soon as possible, but no later than **45 days** from the date it determined the student withdrew.

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

Box Q.

Subtract the amount of Title IV aid that the school must return ($900.00 from Box O) from the total amount of Title IV aid that is to be returned ($2,340.00 from Box K). $2,340.00 – $900.00 = $1,440.00. Initial amount of unearned Title IV aid due from student = $1,440.00.

Step 8: Repayment of the Student's Loans

Box R.

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

Step 9: Grant Funds to be Returned

Box S.

Initial amount of Title IV grants for the student to return

Subtract the amount of loans to be repaid by the student ($0.00 from Box R) from the initial amount of unearned Title IV aid due from the student ($1,440.00 from Box Q) to find the initial amount of Title IV grants for the student to return. $1,440.00 – $0.00 = $1,440.00.

Box T.

Amount of grant protection

Multiply the total of Title IV grant aid that was disbursed and that could have been disbursed for the payment period or period of enrollment ($2,600.00 from Box F) by 50%. Amount of grant protection = $2,600.00 **X** 50.0% = $1,300.00.

Box U.

Title IV grant funds for the student to return

Subtract the protected amount of Title IV grants ($1,300.00 from Box T) from the initial amount of Title IV grants for student to return ($1,440.00 from Box S). Total grants for student to return = $1,440.00 – $1,300.00 = $140.00.

Step 10: Return of Grant Funds by the Student

Amount of Title IV grants for the student to return

- Subtract the amount the school had to return to the Federal Pell Grant program ($900.00) from the amount of Federal Pell Grant disbursed to the student ($1,400.00). Remaining unearned Pell Grant balance = $1,400.00 – $900.00 = $500.00.

- Since the $500 remaining in Pell Grant funds exceeds the $140.00 for the student to return, the school informs the student that they must repay the $140.00 and that they have 45 days to make repayment arrangements or repay their overpayment. The school also informs the student that if they fail to repay or make arrangements to repay the overpayment, they will be referred to the Department and will lose eligibility for additional Title IV aid.

The school included a record of the calculation and communications described above in the student's financial aid file.

Case Study 2- R2T4 worksheet for a Student who Withdraws from a Credit-Hour Program

Case Study 3:

In this case study scenario, a student unofficially withdraws from a four-year semester-based public institution that measures academic progress in credit hours.

Learning Objectives

Learn to complete Steps 1–9 of the Credit-Hour R2T4 worksheet and be able to:

- identify the basic information needed to complete the R2T4 worksheet, including the withdrawal date and date of the institution's determination that the student withdrew for a student who withdraws unofficially;
- calculate the percentage of the payment period or period of enrollment the student completed;
- calculate both the percentage and the amount of Title IV aid earned by the student;
- determine if the student is due a PWD of Title IV aid or if Title IV aid must be returned to the Department;
- determine the amount of any PWD due to the student or any amount that must be returned to the Department; and
- apply the Title IV grant protection.

School Profile

Academic Year:	30 weeks, 24 semester hours, 2 semesters
Payment Period Length:	15 weeks, 100 calendar days
Payment Period Start Date:	September 1
Payment Period End Date:	December 9
Institutionally Scheduled Break:	None
Required to Take Attendance:	No
Method for Matching FSEOG:	Aggregate method
Period used in Return calculation:	Payment Period

Student Profile

The student is a third-year student.

Tuition and fees:	$4,000.00/15-week semester
Housing:	$1,000.00/15-week semester
Food:	$1,000.00/15-week semester
Books and Supplies: (credit voucher at school	$500.00/15-week semester

store)

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

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

Pell Grant:	$5,500.00
State Grant:	$1,000.00
FSEOG:	$4,000.00
Subsidized Direct Loan:	$4,000.00

Discussion

On the first day of classes, September 1, the student received the following disbursements to their student account:

Pell Grant:	$2,750.00
Net Direct Subsidized Loan:	$1,930.00
FSEOG:	$2,000.00
State Grant:	$500.00

The student is in the third year of their program. Over the summer between their second and third year, the student developed and submitted a new product idea to a company. In October, the student received an offer for employment and immediately accepted it. They ceased attendance in all courses without notifying anyone at the school that they were leaving.

Instructors at the school must report a last date of attendance (LDA) whenever they submit a non-passing grade, and those dates appear on a report provided to the financial aid office at the end of each grading period, indicating the Title IV recipients who failed to earn a passing grade in any of their classes.

On December 16, after grades have been submitted for the fall semester, the school ran the report that identified Title IV recipients who failed to earn a passing grade in any of their classes. When the financial aid office received and evaluated the report for the fall semester, it found that the student's LDA was October 10. Because they did not provide official notification of their withdrawal, they are considered an unofficial withdrawal.

Solution

The institution's date of determination that the student withdrew is the date the financial aid office received and processed the report. The institution's date of determination that the student withdrew = December 16.

Note: For a student who withdraws without providing notification to a non-attendance taking school, the school must determine the withdrawal date no later than 30 days after the end of the earlier of (1) the payment period or the period of enrollment (as applicable), (2) the academic year, or (3) the student's educational program.

Step 1: Student's Title IV Aid Information

Box A.

The school enters the following data in Step 1.

Title IV grant aid disbursed

Pell Grant:	$2,750.00

FSEOG:	$2,000.00
A. =	$4,750.00

Box B.

Net Title IV loans disbursed, Subsidized Direct Loan = $1,930.00.

Box C.

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

Box D.

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

Box E.

Total Title IV aid disbursed for the payment period = A + B = $4,750.00 + $1,930.00 = $6,680.00.

Box F.

Total Title IV grant aid disbursed and could have been disbursed for the payment period = A + C = $4,750.00 + $0.00 = $4,750.00.

Box G.

Total Title IV aid disbursed and could have been disbursed for the payment period = A + B + C + D = $4,750.00 + $1,930.00 + $0.00 + $0.00 = $6,680.00.

Step 2: Percentage of Title IV Aid Earned

Because the student did not officially withdraw and the school is a non-attendance taking institution, it may use either the midpoint of the payment period or the student's last date of attendance in an academically related activity as the withdrawal date. The school elects to choose the midpoint of the period as the withdrawal date.

1. Payment period start date = September 1
2. Payment period end date = December 9
3. Date of withdrawal = October 20[1]
4. Percentage of payment period completed
    - Number of calendar days completed = 50[2]
    - Number of calendar days in the payment period = 100
    - 50 days ÷ 100 days = 0.5000. Percentage of payment period completed = 50.0%

1, 2 The midpoint of the period, or 50 of 100 days.

Box H.

Because this percentage is less than or equal to 60%, the percentage of Title IV aid earned in Box H = 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) X $6,680.00 (Total of the Title IV aid disbursed and that could have been disbursed for the payment period or period of enrollment from Box G) = $3,340.00. Amount of Title IV aid earned by the student = $3,340.00.

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 aid disbursed (Box E), no PWD is due, and we proceed to Box K. PWD = 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.

$6,680.00 (Box E) – $3,340.00 (Box I) = $3,340.00. Title IV Aid to be returned = $3,340.00.

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

Box L.

Institutional charges for the payment period or period of enrollment = $6,500.00.

Tuition and fees:	$4,000.00
Housing:	$1,000.00
Food:	$1,000.00
Books:	$500.00

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. $6,500.00 (institutional charges from Box L) **X** 50% (% of Title IV aid unearned from Box M) = $3,250.00.

Amount of unearned institutional charges = $3,250.00.

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 =	$3,340.00

Box N =	$3,250.00

Amount of unearned Title IV aid due from the school = $3,250.00.

Step 6: Return of Funds by the School

Box P.

The only Title IV loan disbursement the student received was a Subsidized Direct Loan disbursement of $1,930.00. Since $1,930.00 is less than $3,250.00 (Box O) the school must return the entire $1,930.00. Box P = $1,930.00.

After the school returns $1,930.00 to the Direct Loan program, $1,320.00 remains to be returned by the school ($3,250 (from Box O) – $1,930 (from Box P)). The student received $2,000.00 in Pell Grant funds, so the school returns $1,320.00 to the Pell Grant Program.

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 ($3,250.00 from Box O) from the total amount of Title IV aid that is to be returned ($3,340.00 from Box K) to find the initial amount of Title IV aid due from the student. $3,340.00 – $3,250.00 = $90.00.

Step 8: Repayment of the Student’s Loans

Box R.

Subtract the Total Loans the school must return ($1,930.00 from Box P) from the net loans disbursed to the student ($1,930.00 from Box B) to find the total of the loans the student must repay $1,930.00 – $1,930.00 = $0.00.

Step 9: Grant Funds to be Returned

Box S.

Initial amount of Title IV grants for the student to return

Subtract the amount of loans to be repaid by the student ($0.00 from Box R) from the initial amount of unearned aid due from the student ($90.00 from Box Q) to find the initial amount of Title IV grants for the student to return. $90.00 – $0.00 = $90.00.

Box T.

Amount of grant protection

Multiply the total of Title IV grant aid disbursed or that could have been disbursed for the payment period or period of enrollment ($4,740.00 from Box F) by 50.0%. $4,750 **X** 50.0% = $2,375.00.

Box U.

Title IV grant funds for the student to return

Subtract the amount of grant protection ($2,375.00 from Box T) from the initial amount of Title IV grants for the student to return ($90.00 from Box S) to find the Title IV grant funds for the student to return. $90.00 – $2375.00 = -$2,285.00[1].

[1] If this amount is less than or equal to $0.00, stop here. The student is not required to return any Title IV grant funds.

Case Study 3- R2T4 worksheet for a Student who Withdraws from a Credit-Hour Program

Case Study 4:

In this case study scenario, a student unofficially withdraws from a proprietary school that measures academic progress in clock hours. The student has been disbursed Title IV grants and loans.

Learning Objectives

Learn to complete Steps 1–8 of the Clock-Hour R2T4 worksheet and be able to:

- determine withdrawal date for student who did not provide notification of intent to withdraw at a school required to take attendance;
- determine the scheduled clock hours;
- calculate the percentage of the period of enrollment the student completed;
- calculate both the percentage and the amount of Title IV aid earned by the student;
- determine if the student is due a PWD of Title IV aid or if Title IV aid must be returned to the Department; and
- determine the amount of any PWD due to the student or any amount that must be returned to the Department.

School Profile

Academic Year:	900 clock hours, 30 weeks
Payment Period Length:	450 clock hours, 15 weeks
Period of Enrollment Start Date:	January 8
Period of Enrollment End Date:	August 3
Institutionally Scheduled Break:	None
Required to Take Attendance:	Yes
Method for Matching FSEOG:	None
Period used in Return calculation:	Period of Enrollment

Student Profile

The student enrolled in a 900 clock-hour, 30-week program. The first payment period is 450 clock hours. Charges to the student's account are as follows:

Tuition and fees:	$8,000.00/30-week program
Housing:	$ non-residential program
Food:	$ non-residential program
Books and Supplies:	$500.00/program
School Authorized to Credit Account for Other Charges:	Yes (all charges)

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

Pell Grant	$4,000.00
Subsidized Direct Loan	$3,500.00

Discussion

On the first day of the winter period, January 8, the student received the following disbursements to their student account:

Pell Grant:	$2,000.00
Net Subsidized Direct Loan:	$1,700.00

On January 26 the school discovered the student hadn't been attending classes and didn't plan on returning. The Director of Student Services notified the financial aid office that the student's last date of attendance was January 17 (through which time the student was scheduled to have attended 45 hours), and the financial aid office began the withdrawal process and required calculations.

Solution

The date of the institution's determination that the student withdrew (January 26) is the date the financial aid office received the information from the Director of Student Services. Because the school is required to take attendance, the student's withdrawal date is his last date of attendance at an academically related activity, January 17.

Step 1: Student's Title IV Aid Information

Box A.

Title IV grant aid disbursed

Pell Grant:	$2,000.00
A. =	$2,000.00

Box B.

Net Title IV loans disbursed

Net Subsidized Direct Loan	$1,700.00
B. =	$1,700.00

Box C.

Because the school uses the period of enrollment as the basis for its R2T4 calculation, the $2,000 in Pell funds the student was scheduled to receive once they had completed the first payment period is included as Title IV grants that could have been disbursed.

C. =	$2,000.00

Box D.

Because the school uses the period of enrollment as the basis for its R2T4 calculation, the $1,700 in Subsidized Direct

Loan funds the student was scheduled to receive once they had completed the first payment period is included as Title IV loans that could have been disbursed.

D. = $1,700.00

Box E.

Total Title IV aid disbursed for the period = A + B = $2,000.00 + $1,700.00 = $3,700.00.

Box F.

Total Title IV grant aid disbursed and that could have been disbursed for the period = A + C = $2,000.00 + $2,000.00 = $4,000.00.

Box G.

Total Title IV aid disbursed and that could have been disbursed for the period = A + B + C + D = $2,000.00 + $1,700.00 + $2,000.00 + $1,700.00 = $7,400.00.

Step 2: Percentage of Title IV Aid Earned

Because the school is required to take attendance by an outside agency, it must use the last date of the student's attendance in an academically related activity as determined from its attendance records as the withdrawal date. The student's last date of attendance was January 17.

1. Period of enrollment start date = January 8.
2. Period of enrollment end date = August 3.
3. Date of school's determination that student withdrew = January 26.
4. Withdrawal date = January 17.

Box H.

Percentage of period completed

Only scheduled hours are used to determine the percentage of the period completed by a student withdrawing from a clock-hour program. The percentage of the period completed by a student in a clock-hour program is determined by dividing the number of clock hours the student was scheduled to complete as of the withdrawal date in the period by the total clock hours in the period.

- Number of clock hours the student was scheduled to complete by January 17 = 45.
- Number of clock hours in the period of enrollment = 900.
- 45 clock hours ÷ 900 clock hours = 0.050.

Percentage of the period completed = 5.0%.

Because this percentage is less than or equal to 60%, you enter that percentage in Box H = 5.0%.

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

Box I.

5.0% (Percentage of Title IV aid earned from Box H) **X** $7,400.00 (Total of the Title IV aid disbursed and could have been disbursed for the period from Box G) = $370.00. The amount of Title IV aid earned by the student = $370.00.

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 PWD is due, and we proceed to Box K.

PWD = 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.

$3,700.00 (Box E) – $370.00 (Box I) = $3,330.00. The amount of Title IV Aid to be returned = $3,330.00.

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

Box L.

Institutional charges for the period = $8,500.00.

Tuition and fees:	$8,000.00
Books & Supplies:	$500.00

Box M.

Subtract the percentage of Title IV earned from Box H (5.0%) from 100.0%. 100% – 5.0% = 95.0%. The percentage of unearned Title IV aid = 95.0%.

Box N.

Calculate the amount of unearned charges. $8,500.00 (institutional charges from Box L) **X** 95% (Percentage of Title IV aid unearned from Box M) = $8,075.00.

Amount of unearned institutional charges = $8,075.00.

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 =	$3,330.00
Box N =	$8,075.00

Amount of unearned Title IV aid due from the school = $3,330.00.

Step 6: Return of Funds by the School

Box P.

The only Title IV loan disbursement that the student received was a Subsidized Direct Loan disbursement of $1,700.00. Since $1,700.00 is less than the $3,330.00 (Box O) the amount for the school to return, the school must return the entire $1,700.00 to the Direct Loan Program.

P =	$1,700.00

After the school returns $1700.00 to the Direct Loan program, the remaining balance to be returned by the school is $1,630.00 ($3,330.00 [from Box O] – $1700.00 [from Box P]). Since the student received $2,000.00 in Pell Grant funds, the school returns the $1,630.00 to the Pell Grant Program.

The school must return any unearned funds within 45 days from the date of the institution's determination that the student 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 ($3,330.00 from Box O) from the total amount of Title IV aid that is to be returned ($3,330.00 from Box K) to find the initial amount of Title IV aid due from the student. $3,330.00 – $3,330.00 = $0.00.

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

Case Study 4- R2T4 worksheet for a Student who Withdraws from a Clock-Hour Program

Case Study 5:

In this case study scenario, a student unofficially withdraws from a school that measures progress in clock hours. The student has been disbursed Title IV grants and loan funds.

Learning Objectives

Learn to complete Steps 1–8 of the Clock-Hour R2T4 worksheet and be able to:

- determine withdrawal date for student who did not provide notification of intent to withdraw at a school required to take attendance;
- determine the scheduled clock hours;
- 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 if the student is due a PWD of Title IV aid or if Title IV aid must be returned to the Department;
- prorate the student's charges to determine the correct amount of institutional charges for the payment period;
- determine whether the cost of unreturned equipment can be excluded; and
- determine the amount of any PWD due to the student or any amount that must be returned to the Department.

School Profile	
Academic Year:	900 clock hours, 26 weeks
Payment Period Length:	450 clock hours, 13 weeks

Payment Period Start Date:	April 3
Payment Period End Date:	June 30
Institutionally Scheduled Break:	None
Required to Take Attendance:	Yes
Method for Matching FSEOG:	None
Period Used in Return Calculation:	Payment Period

Student Profile

The student enrolled at the school for a 26-week program of study consisting of 900 clock hours offered over 26 weeks. The first payment period is 450 clock hours. Charges to the student's account are as follows:

Tuition and fees:	$6,000.00/26-week program
Housing:	non-residential program
Food:	non-residential program
Books and Supplies:	$500.00/program

The student's financial aid package included the following annual awards:

Pell Grant:	$4,000.00
Subsidized Direct Loan:	$3,500.00

Discussion

On the first day of the period, April 3, the student received the following disbursements to their student account:

Pell Grant:	$2,000.00
Net Subsidized Direct Loan:	$1,700.00

On May 1, the Retention Specialist at the school is informed by the director of the student's program that since April 20, the student has not been attending classes. The Retention Specialist contacts the student who tells them that they've been ill but plans on coming back to school during the next week. Since this falls within the time period for excused absences allowed by school policy, as well as absences allowed by the state and the school's accrediting agency, the school delays taking any action. However, on May 8 when the Retention Specialist follows up with the Program Director, they find that the student has not returned to school. The student has now exceeded the number of absences allowed by school policy and must be administratively withdrawn from school.

Note: Remember that institutions that are required to take attendance are expected to have a procedure in place for routinely monitoring attendance records to determine in a timely manner when a student withdraws. Except in unusual

instances, the date of the institution's determination that the student withdrew should be no later than 14 days from the student's last date of attendance.

The institution is not required to administratively withdraw a student who has been absent for 14 days. However, after 14 days, it is expected to have determined whether the student intends to return to classes or has withdrawn. Moreover, the institution must return any unearned funds within 45 days after the date of the institution's determination that the student withdrew (May 4).

As part of the student's enrollment agreement, the school provided the student with a kit that included all the books and supplies that they would need throughout the entire program . The kit is returnable, but the student failed to return the kit after they withdrew.

Solution

The student's withdrawal date is his last date of attendance as determined from the school's attendance records, April 20.

The school must use May 4 (14 days after the student's last date of attendance) as the date of determination that the student withdrew.

Step 1: Student's Title IV Aid Information

Box A.

Title IV grant aid disbursed –

Pell Grant:	$2,000.00
A. =	$2,000.00

Box B.

Net Title IV loans disbursed –

Subsidized Direct Loan =	$1,700.00
B. =	$1,700.00

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 = $2,000.00 + $1,700.00 = $3,700.00.

Box F.

Total Title IV grant aid disbursed and that could have been disbursed for the payment period = A + C = $2,000.00 + $0.00 = $2,000.00.

Box G.

Total Title IV aid disbursed and could have been disbursed for the payment period = A + B + C + D = $2,000.00 + $1,700.00 + $0.00 + $0.00 = $3,700.00.

Step 2: Percentage of Title IV Aid Earned

Because the school is required to take attendance by an outside agency, the school must use the student's last date of attendance in an academically related activity as determined from its attendance records as the withdrawal date. The student's last date of attendance was April 20.

1. Payment Period start date = April 3.
2. Payment Period end date = June 30.
3. Date of withdrawal = April 20.

Box H.

Percentage of payment period completed

Only scheduled hours are used to determine the percentage of the period completed by a student withdrawing from a clock-hour program. The percentage of the period completed by a student is determined by dividing the number of hours the student was scheduled to complete in the payment period or period of enrollment as of the student's last date of attendance, by the total number of clock hours in the same period.

- Number of clock hours the student was scheduled to complete by April 20 = 90
- Number of clock hours in the payment period = 450
- 90 clock hours ÷ 450 clock hours = 0.20

Percentage of payment period completed = 20.0%

Because this percentage is less than or equal to 60%, the percentage of Title IV aid earned in Box H = 20.0%.

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

Box I.

20.0% (percentage of Title IV aid earned from Box H) **X** $3,700.00 (Total of the Title IV aid disbursed and that could have been disbursed for the payment period or period of enrollment from Box G) = $740.00. Amount of Title IV aid earned by the student = $740.00.

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 PWD is due, and we proceed to Box K.

PWD = 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.

$3,700.00 (Box E) – $740.00 (Box I) = $2,960.00. Title IV Aid to be Returned = $2,960.00.

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

Box L.

Total institutional charges for the payment period

Before entering data in Step 5, Part L, of the R2T4 a school that charges by the period of enrollment but performs its R2T4 on a payment period basis must determine whether it must enter: (a) the prorated amount of all institutional charges, or (b) the amount the school retained. To do this, first, the school prorates all institutional charges. Then, the school determines the amount actually retained. The school compares the two results and enters in Step 5, Part L, the greater of the two amounts (per the provisions in 34 CFR 668.22(g)(3)(ii)). The school did not obtain an authorization to retain funds in excess of the prorated amount. Therefore, in this case the amount retained and the prorated amount are the same. The school enters $250.00 as the charge for books and supplies.

Prorated Charges

Tuition and fees:	$3,000.00
Books & supplies:	$250.00

Total initial prorated institutional charges for the payment period = $3,250.00.

Now, the school determines whether it can exclude the cost of the student's kit from the amount it enters in Step 5, Part L. The equipment was returnable, but the student did not return it in good condition within 20 days of withdrawing. Since a school may exclude from institutional charges the documented cost to the school (what the school paid for the items) of unreturnable equipment and returnable equipment not returned in good condition, the school can exclude the documented cost of the kit from the student's total institutional charges for the payment period. When the school originally purchased the kit, it documented that the kit cost was $300.00, so it excludes $300.00 from institutional charges, resulting in an adjusted final total of $2,950.00 ($3,250.00 –300.00) that the school will enter in Step 5, Part L.

L = $2,950.00

Box M.

Subtract the percentage of Title IV earned from Box H (20.0%) from 100.0%. 100% – 20.0% = 80.0%. percentage of Title IV aid unearned = 80.0%.

M = 80.0%

Box N.

Calculate the amount of unearned charges. $2,950.00 (institutional charges from Box L) X 80% (percentage of Title IV aid unearned from Box M) = $2,360.00.

N = $2,360.00

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 =	$2,960.00
Box N =	$2,360.00

O = $2,360.00

Step 6: Return of Funds by the School

Box P.

The student received a Subsidized Direct Loan disbursement of $1700.00. Since $1,700.00 is less than the $2,360.00 (Box O) the school must return $1,700.00 to the lender. Box P = $1,700.00.

After the school returns $1,700.00 to the Title IV loan programs, the balance to be returned by the school is $660.00 ($2,360.00 [from Box O] – $1,700.00 [from Box P]). The student received $2,000.00 in Pell Grant funds, so the school returns $660.00 to the Pell Grant Program.

The school must return any unearned funds within 45 days from its date of determination that the student withdrew (May 4).

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 $2,360.00 from Box O) from the total amount of Title IV aid that is to be returned ($2,960.00 from Box K) to find the initial amount of Title IV aid due from the student. $2,960.00 – $2,360.00 = $600.00.

Q =	$600.00

Step 8: Repayment of the Student’s Loans

Box R.

Subtract the total loans the school must return ($1,700.00 from Box P) from the net loans disbursed to the student ($1,700.00 from Box B) to find the total of the loans the student must repay $1,700.00 – $1,700.00 = $0.00.

R =	$0.00

Box S.

Subtract the amount of loans to be repaid by the student in Box R ($0.00) from the initial amount of unearned Title IV aid due from the student Box Q ($600.00) to find the initial amount of Title IV grants for the student to return $600.00 – $0.00 = $600.00.

S =	$600.00

Box T.

Multiply the total Title IV grant aid disbursed and could have been disbursed for the period in Box F ($2,000.00) by 50% to find the amount of grant protection.

$2,000.00 **X** 50% = $1,000.00.

T =	$1,000.00

Box U

Subtract the amount of grant protection in Box T ($1,000.00) from the initial amount of Title IV grants for the student to return in Box S ($600.00) to find the Title IV grants for the student to return $600.00 – $1,000.00 = – $400.00.

U =	$-400.00

Since the amount in Box U is less than or equal to zero, the student does not have to return any Title IV grant funds, and the calculation is complete.

Case Study 5- R2T4 worksheet for a Student who Withdraws from a Clock-Hour Program

Return of Title IV (R2T4) Funds Case Studies - Part 2

Case Studies 6 and 7:

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.

Case Study 8:

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.

Case Study 6:

In this case study scenario, a student officially withdraws from a public residential school that utilizes a term-based modular course structure and measures progress in credit hours. The student has been disbursed Title IV grant funds.

Learning Objectives

Learn to complete Steps 1–10 of the Credit-Hour R2T4 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 if the student is due a post-withdrawal disbursement (PWD) of Title IV aid or if Title IV aid must be returned to the Department; and
- determine the amount of any PWD due to the student or any amount that must be returned to the Department.

School Profile

Academic Year:	24 semester credit hours, 32 weeks, 2 semesters
Payment Period:	16 weeks/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
Method for Matching FSEOG:	Aggregate
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.

The school 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, the school 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

The student is an independent, third-year student and as of the school'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 the student's case, each course is worth three credits.

Charges to the student'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)

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

Tuition:	$2,400.00
Housing:	$2,800.00
Food:	$1,600.00
Books & Supplies:	$800.00
Personal Expenses:	$800.00
Travel:	$800.00

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

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

Discussion

On the first day of the period, August 22, the student received the following disbursements to their student account:

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

On October 17, the student comes to see you. Even though they fully attended his first two modules, they struggled with their coursework and earned Fs in both modules and is unsure if this is the correct career path for them. They need some

time to think about their future and feels it is best if they withdraw 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 ask 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 this student'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 this student'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 this student'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 this student'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 this student's Case, the answer is ***No***; you must treat the student as a withdrawal.

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

Because the student failed to begin attendance in all of the classes on which their Pell Grant was based, before performing the required Return calculation, the school must perform a mandatory Pell recalculation for the student's Pell based on their enrollment in just the two modules they began—six credits or half time. The student's scheduled annual Pell award as a half-time student is $2,775. Their revised first semester award is $1,388. The school must return $1,387 (the difference between the student's initial Pell disbursement of $2,775 and their new award of $1,388), and include only their new award of $1,388 in the Title IV return calculation. The school returns the $1,387 through G5 and reduces the student's Pell Grant in COD to $1,388.

In addition, since the student was receiving FSEOG, the school has to recalculate the student's eligibility for Campus-Based funds, eliminating the costs attributable to the modules that they did not begin attending to see whether a

reduction of the Campus-Based aid is necessary. Based on a revised COA for the fall semester and revised Pell Grant of $1,388, the student's remaining first semester need is more than the student's FSEOG award of $1,825.00. Therefore, the school does not need to reduce the student's FSEOG award before performing the Title IV return calculation.

The school performed an R2T4 calculation using the student's last date of attendance of October 14 as their withdrawal date (as per school policy); $1,388 as the amount of Pell Grant disbursed; and $1,825 as the amount of FSEOG funds disbursed. On October 24, the school returned the funds for which it was responsible to the appropriate programs, and made the appropriate adjustments in COD.

Solution

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

Step 1: Student's Title IV Aid Information

Box A.

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

Pell Grant:	$1,388.00
FSEOG:	$1,825.00
A. =	$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

The school 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. the student'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 days ÷ 108 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) × $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 PWD is due, and we proceed to Box K.

PWD = 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 the student's account are the charges initially assessed for the payment period. Note that books and supplies are not included because the student had an opportunity to purchase them elsewhere, and did.

Tuition and fees:	$1,200.00
Housing:	$1,400.00
Food:	$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

The student 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 the student'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 the student 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.

Case Study 6- R2T4 worksheet for a Student who Withdraws from a Credit-Hour Program

Case Study 7:

In this case study scenario, a student (the same student from case study 6) who had previously officially withdrawn from a public residential school that utilizes a term-based modular course structure and measures progress in credit hours, returns within the same payment period and withdraws again. The student has been disbursed Title IV grant funds.

Learning Objectives

Learn to complete Steps 1–10 of the Credit-Hour R2T4 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 same 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 PWD of Title IV aid or if Title IV aid must be returned to the Department; and
- determine the amount of any PWD due to the student or any amount that must be returned to the Department.

School Profile

Academic Year:	24 semester credit hours, 32 weeks, 2 semesters
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
Method for Matching FSEOG:	Aggregate
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.

The school 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, it 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

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

Charges to the student'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)

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

Tuition:	$2,400.00
Housing:	$2,800.00
Food:	$1,600.00
Books & Supplies:	$800.00
Personal Expenses:	$800.00
Travel:	$800.00

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

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

Discussion

On the first day of module four, November 14, the student received the following disbursements to their student account:

Pell Grant:	$2,081.50
FSEOG:	$218.50 (restoring the student's total to $1,825)

On November 11, the same student from Case Study 6, walks into your office and tells you that they would like to re-enter the program when the fourth module begins on November 14.

When the student 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 they 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 they were in at the time of the withdrawal and retains their 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 the student'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 the student's enrollment status;
- disburse any Title IV, HEA program funds for which the student was otherwise eligible that had not yet been disbursed at the time they withdrew, adjusting for the change in enrollment status; and
- cancel any Title IV overpayments assessed the student as a result of the prior withdrawal.

When the student returns in module four, the three credits for that module are added to the six credits that they completed previously. Nine credits at at the school are the minimum number required for three-quarter-time enrollment status. Therefore, the school must recalculate the student's eligibility for Title IV assistance as a three-quarter time student. The student'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 the student's eligibility from full time to half time when they withdrew previously, the school returned $1,387.00 (the difference between the student's initial Pell disbursement of $2,775.00 and their halftime award of $1,388.00). The school then included only the student's 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 the student's Pell award in COD to $0.00. When the student returns, the school must once again adjust their award in COD (this time to his three-quarter-time award of $2,081.50) and draw down and disburse $2,081.50 to their account.

In addition, the school has to recalculate the student's eligibility for FSEOG, adding the costs attributable to the additional module that they have begun attending, to see whether a modification of the student's FSEOG is necessary. Based on a revised COA for the fall semester and revised Pell Grant of $2,081.50, the student's remaining first-semester need is greater than their 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 the student.

When the financial aid administrator reviews the results of the previous Title IV return calculation, they find that the student had not been required to return any Title IV aid; therefore, there are no student overpayments to cancel.

After class on December 5, the student once again comes to see you and tells you they have 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 this student'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 this student'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 this student'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 this student'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 this student's case, the answer is **No**; and you must treat them as a withdrawal.

The student began attendance in all of the classes on which their Pell Grant was based (modules 1,2, and 4). Therefore, the school did not need to perform a mandatory Pell Grant recalculation. In addition, since the student began attendance in all of the classes on which FSEOG was based, the school did not have to recalculate their FSEOG eligibility.

Solution

Per school policy, the student's withdrawal date is his last date 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 the student had begun all modules (classes) on which their Pell and FSEOG was based, the Title IV grant aid disbursed was –

Pell Grant:	$2,081.50
FSEOG:	$1,825.00
A. =	$3,906.50

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 that 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 that 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, the school has a 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 the student was enrolled in module three as of the school's R2T4 Freeze Date (September 10), module three is considered to have been used to determine the amount of the student's eligibility for Title IV aid, 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 R2T4 calculation, we know that the student completed 54 days in modules one and two. The student 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 days ÷ 108 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 if the student was due a PWD.

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 that 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.

Case Study 7- R2T4 worksheet for a Student who Withdraws from a Credit-Hour Program

Case Study 8:

In this case study scenario, a student officially withdraws from a proprietary school that utilizes a nonterm program structure and measures progress in credit hours. The student has been disbursed Title IV grant funds, Federal Work Study (FWS), loans and is not scheduled to return within 60 days.

Learning Objectives

Learn to complete Steps 1–10 of the Credit-Hour R2T4 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 if the student is due a PWD of Title IV aid or if Title IV aid must be returned to the Department; and
- determine the amounts of any PWD due to the student or returned to the Department.

School Profile

Academic Year:	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
Method for Matching FSEOG:	Aggregate
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

The student is a dependent, fourth-year student enrolled in four courses 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 this student's case, each course is worth three credits.

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

Tuition and fees:	$3,200.00/12 credits
School Authorized to Credit Account for Other Charges:	Yes (all charges)

The student's financial aid package is based on the following nine month academic year cost of attendance (COA).

Tuition:	$6,400.00
Housing:	$3,200.00
Food:	$3,200.00
Books:	$1,600.00
Personal Expenses:	$3,200.00
Travel:	$800.00
Total COA:	$18,400.00

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

Pell Grant	$5,550.00
FSEOG	$4,000.00
Subsidized Direct Loan	$5,500.00
Federal Work Study (FWS)	$3,350.00

Discussion

On the first day of the period, August 1, the student received the following disbursements to their student account:

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

On August 25, the student comes to see you and tells you thatthey intend to drop courses two and three, and return for the original fourth course on October 26. On August 26, the student completes their 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, the school'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: 34 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 school obtains written confirmation from the student at the time that would have been a withdrawal of the date that they will resume attendance, and that date is *no later than 60 calendar days after the student ceased attendance*. The course in which this student will be returning does not start until October 26. That is 61 days from August 26, the end of the first course. Therefore, in this student's case, since they are unable to provide written confirmation that they will return within 60 days after ceasing attendance, the student must be treated as a withdrawal.

Because the student failed to begin attendance in all of the classes on which their Title IV aid was based, before performing the required Return calculation the school must recalculate the student's Title IV eligibility based on their enrollment in just the one course they 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 the student's eligibility for Campus-Based aid (FSEOG and FWS), eliminating the costs

attributable to the courses that they 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 the student's enrollment in the first course was $2,600.00. The loan funds that the student had already received (and for which their eligibility does not have to be recalculated—$2,700.00) plus their Pell Grant ($2,775.00), plus the $500.00 in FWS the student has earned to date equal $5,975.00. Since $5,975.00 exceeds the revised COA of $2,600.00, the financial aid administrator determined that the student was not eligible for any FSEOG funds, so the school had to reduce the student'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 their 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 costs associated with any classes the student failed to begin in the COA. 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.

The school performed an R2T4 calculation using the student's last date 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, the school returned the funds for which it was responsible to the appropriate programs.

Solution

The student's withdrawal date is their last date of attendance at an academically related activity as determined from the school's attendance records, August 26.

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
A. =	$2,775.00

Box B.

Net Title IV loans disbursed

Subsidized Direct Loan:	$2,700.00
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 that 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 that 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, the student's withdrawal date is August 26, the day they dropped their second and third courses and notified the school that they would not be returning until the start of their 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 days ÷ 110 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 that 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 PWD is due, and we proceed to Box K.

PWD = 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 the student's account are the charges initially assessed for the payment period. Note that books and supplies are not included because the student had an opportunity to purchase them elsewhere, and did.

Tuition and fees:	$3,200.00
Housing:	$1,600.00
Food:	$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 the student 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 the student 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.

Case Study 8- R2T4 worksheet for a Student who Withdraws from a Credit-Hour Program

Appendix

Return of Title IV Aid Worksheets

Below are sample forms that can be utilized for:

- Calculating the treatment of Title IV funds when a student withdraws from a credit-hour program
- Calculating the treatment of Title IV funds when a student withdraws from a clock-hour program
- Tracking a required post-withdrawal disbursement
- Information required when referring student overpayments to the default resolution group

These forms should be used for any student whose withdrawal date is on or after July 1, 2023.

- Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program.pdf
- Treatment Of Title IV Funds When A Student Withdraws From A Clock-Hour Program.pdf
- Information Required When a School Refers Student Overpayments.pdf

These forms should be used for any student whose withdrawal date is between July 1, 2021 and June 30, 2023.

- Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program.pdf
- Treatment Of Title IV Funds When A Student Withdraws From A Clock-Hour Program.pdf
- Information Required When a School Refers Student Overpayments.pdf

These forms should be used for any student whose withdrawal date is between July 1, 2018 and June 30, 2021.

- Treatment Of Title IV Funds When A Student Withdraws From A Credit-Hour Program.pdf
- Treatment Of Title IV Funds When A Student Withdraws From A Clock-Hour Program.pdf
- Information Required When a School Refers Student Overpayments.pdf