## Volume 5 Withdrawals and the Return of Title IV Funds Table of Contents

Introduction to Volume 5	5–1
Notes on active links	5–1
COVID-19 Guidance and Waivers	5–1
Major changes for 2020–2021	5–2
Chapter 1—Withdrawals and the Return of Title IV Funds	5–5
Withdrawals	
General requirements	
When a student is considered to have withdrawn	
If a student remains enrolled only in non-Title IV-eligible courses	
When a student who fails to begin attendance in all the courses they were scheduled to attend	
Worksheets and the R2T4 Web product	
Consumer information	
General Title IV Principles With Special Applicability in the Return of Title IV Aid	
Definition of a Title IV recipient	
Verification	
When a student is selected after receiving a disbursement	
Graphic, When a student is selected for verification after withdrawing	
When verification is completed before the R2T4 deadlines	
When verification is completed after the R2T4 deadlines	
·	
Approved leave of absence	
Maximum time frame for an LOA	
Disbursement rules for students on an LOA	
Completion of coursework upon return in term-based credit-hour programs	
Completion of coursework upon return in clock-hour and credit-hour non-term-programs	
A student may return early from a leave of absence	
Leaves of absence versus the grade of incomplete	
No additional charges for students on an LOA	
No additional Title IV assistance while a student is on LOA	
Explanation of the consequences of withdrawal to loan recipients granted an LOA	5–18
When a student fails to return from a leave of absence	
Unapproved leaves of absence	
Institutional Charges	

Use of institutional charges in determining a school's responsibility for returning fundsfunds	5–19
Graphic, Three principles associated with institutional charges,	
Example of institutional charges versus non-institutional charges	5–20
Institutional versus noninstitutional charges	5–21
Returning equipment	
Demonstrating a real and reasonable opportunity to purchase books, supplies, and equipment	5–22
Effects of waivers on institutional charges	5–23
When to prorate charges	5–23
Treatment of Title IV credit balances when a student withdraws	5–25
Graphic, Example of a school performing an R2T4 calculation for a student whose account has a Title IV credit balance	5–26
Principles with Unique Applications in the Return of Title IV Aid	5–28
Date of determination at institutions not required to take attendance	
Date of determination at institutions required to take attendance	
Importance of date of determination	5–29
Graphic, When a student enrolled in a series of modules fails to return as scheduled	5–30
Use of Payment Period or Period of Enrollment	
Payment period	
Period of enrollment	
Applicability	
Rounding	5–32
Funds to include in an R2T4 calculation	5–33
FSEOG Program funds	5–33
If a resolved overaward becomes an overpayment	5–33
Graphic, Limits on Title IV funds that may be included as aid that could have been disbursed,	
Funds to include when a student enrolled in a crossover period withdraws	
before the higher Pell Grant is disbursed	5–34
When Students Withdraw from Certain Programs and Transfer to a New School	
or Reenter the Same School in a Similar Program	5–35
Reentry within 180 days	5–35
Graphic, Example of Reentry within 180 days	5–36
What to do when a student whose overpayment has been referred to Default Resolution	
Services reenters within 180 days	
Reentry after 180 days, return to the same school in a new program, or transfer to a new school	5–38
Graphic, Loan principles applicable to reentry 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)	
Eligibility of transfer students for additional Title IV funds	
Directions for Adjusting Direct Loans	5–41
Directions for Adjusting Pell Grants	5–42
Breaks in Attendance for Students Enrolled in Programs Measured in Credit Hours	
without Academic Terms	5–43
Changing or Correcting an R2T4 Calculation	
Annlicable Deadlines	5_44

Chapter 2—The Steps in a Return of Title IV Aid Calculation	5–45
Step 1: Student's Title IV Aid Information	5–45
Title IV Aid disbursed	
Title IV Aid that could have been disbursed	5–46
Examples	5–48
Exception to including funds as aid that could have been disbursed when a student has	
a disqualifying comment code	
Treatment of inadvertent overpayments	5–48
Graphic, Examples of second or subsequent Direct Loan disbursements and	
an example of a second payment period Pell Grant disbursement	
Late arriving aid for a prior completed payment period	
Step 2: Percentage of Title IV Aid Earned	5–52
Part 1—Withdrawal date	5-52
Withdrawal date for a student who withdraws from a school that is required to take attendance	5–53
Schools required to take attendance	
When a school has a requirement for taking attendance	
Requirements that can only be met by taking attendance	
Attendance taking requirements for some students	
When a school takes attendance for one day or a limited period	
When attendance taking is required only for some classes	
Determining a student's withdrawal date at a school that is not required to take attendance	
Official notification	
School's withdrawal process	
Otherwise provides official notification  When a student triggers both dates	
Official notification not provided by the student	
Withdrawal without student notification due to circumstances beyond the student's control	
Withdrawal date for administrative withdrawals	
Withdrawal date when a student dies	
All other withdrawals without student notification	
Time frame for the determination of a withdrawal date for an unofficial withdrawal	
When students fail to earn a passing grade in any class	5-62
Graphic, Example of a grading policy that could be used to determine whether a student	
unofficially withdrew	5_63
Last date of attendance at an academically related activity	
Withdrawals after rescission of official notification	
Academic attendance and attendance at an academically related activity	
Documenting attendance when students are enrolled in distance education courses	
Documentation of withdrawal date	
Withdrawals from programs offered in module	5–66
Graphic, How to determine whether a student enrolled in a program offered in modules	
has withdrawn	5–68
Graphic, Examples of using the three 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	5_69

Determining if a program is offered in modules	5–70
When a student who has withdrawn returns within a payment period or period of enrollment	5–71
Written confirmation of future attendance	
Changing dates of written confirmation of future attendance	
When a student drops all future classes between modules	
When a student drops classes on the same day he or she withdraws	5–73
When a student enrolled in modules within a term drops all future courses on the	
last day of a completed module	
Withdrawal date for a program offered in modules	5–/4
Determining the percentage of the payment period or period of enrollment completed for a student who withdraws from a program offered in modules	5 74
Graphic, When a student who failed hours in the payment period withdraws from a nonterm	3-/4
credit hour program offered in modules, the payment period must be extended	5_75
Graphic, When a student who was enrolled in a module within a term withdraws from the module,	5-75
and the school later determines that the student failed to begin the term-long courses	5–76
Aid to include in an R2T4 calculation	
Recalculation for students withdrawing from nonterm programs offered in modules	
Part 2—Percentage of Aid Earned	
Percentage of payment period or period of enrollment completed	
Scheduled breaks	
Determining the length of a scheduled break	
Credit-hour programs	
Graphic, Example of withdrawal date when a student withdraws during a	
scheduled break of five or more days	5-80
Graphic, Institutionally scheduled breaks of at least five consecutive days	
Graphic, Temporary closures beyond the control of the institution	
Percentage of Title IV aid earned for withdrawal from a non-term credit-hour program	
Graphic, Examples of calculating a completion date for a student who withdraws from a	
nonterm credit-hour program	5–83
When a school disburses Title IV aid to a student using different payment periods	
Graphic, Performing an R2T4 calculation for a student receiving aid under	
two payment period definitions, examples 1 and 2	5–87
Clock-hour programs	
When a student who received a loan with an abbreviated loan period withdraws	
Graphic, Example of an R2T4 Calculation With an Abbreviated Loan and	
Overlapping Payment Periods	5–93
When a student receiving Title IV aid dies during a payment period or period of enrollment	
Step 3: Amount of Title IV Aid Earned by the Student	5–96
Step 4: Total Title IV Aid to be Disbursed or Returned	
Part 1—Post-withdrawal disbursements	
Disburse grants before loans	
Summary of actions a school must take before making a post-withdrawal disbursement	
Post-withdrawal disbursement of Title IV grant funds	
Post-withdrawal disbursement of Title IV loan funds	
Separate authorization required for educationally related expenses	5–100

Crediting a student's account	5–100
Graphic, Example of the post-withdrawal disbursement requirements	5–102
Notice to a student offering a post-withdrawal disbursement—flexibility in notifying students	5–103
Part 2—Title IV aid to be returned	5–103
Step 5: Amount of Unearned Title IV Aid Due From the School	5–103
Aid disbursed to the student before institutional charges are paid	5–104
Institutional charges	5–104
Use of institutional charges in determining a school's responsibility for return	
Effects of a post-withdrawal reduction in charges	5–105
How the cash management regulations might affect the determination of institutional charges in an R2T4 calculation	5–106
Effects of waivers on institutional charges	5–106
Step 6: Return of Title IV Funds by the School	5–106
Order of return of Title IV funds	
Time frame for the return of Title IV funds	5–107
Return of Title IV funds when a school does not maintain a separate federal bank account	5–107
Downward adjustment of FSA grant disbursement records and Direct Loan	
disbursement records required	
Returning Direct Loan funds	
Step 7: Initial Amount of Unearned Title IV Aid Due from the Student	5–108
Step 8: Repayment of Student Loans	5–109
Step 9: Title IV Grant Funds to be Returned by a Student	5–109
Step 10: Return of Title IV Grant Funds by the Student	5–109
A School's Responsibilities in the Return of Title IV Funds by the Student	5–110
Grant Overpayments	5–110
Graphic, 45-Day period example, Examples of the relationship between the date of notification and the expiration of the 45-day period	5–111
When a student receives additional funds during the 45-day period of extended eligibility	
Student overpayments of \$50 or less	
Institutional payments on a student's behalf	
Recording student payments and reductions in the Title IV grant programs	
Recording student payments and reductions in the Direct Loan Program	5–115
Notifying the Department of student overpayments	
Using NSLDS	5–116
Reporting and referring overpayments	
Required referrals	5–117
Corrections or recalls of referred overpayments	
Chart, Withdrawal Dates for a School that is Not Required to Take Attendance	5–120
Sample Summary of the Requirements of 34 CFR 668.22 (To Provide to Students as Part of	
Consumer Information)	5–121
Chart, Return of Title IV Funds Requirements and Deadlines	
Chart Return of Title IV Funds Requirements for Notification	5_124

Chapter 3— Return of Title IV Aid Case Studies	5–125
Case Study 1: Penny Jones (Title IV aid partially disbursed; post-withdrawal disbursement)	5–126
Case Study 2: Bob Ellison (student and school return grant funds)	5–134
Case Study 3: Richard Sherman (unofficially withdrawn student; received grants and loans)	5–141
Case Study 4: Harry Springer (unofficially withdrawn student; clock hour program; R2T4	
based on period of enrollment)	5–149
Case Study 5: Jordan Aire (unofficially withdrawn student; clock hour program; R2T4	
based on payment period)	5–157
Case Study 6: Thompson S. Hunter (official withdrawal from a term with modules)	5–166
Case Study 7: Thompson S. Hunter (official withdrawal from a term with modules,	
returns and then withdraws again in the same term)	5–176
Case Study 8: Eli Kraut (official withdrawal from a nonterm modular program)	5–183
Case Study 9: Baker Jeffries (official withdrawal from a nonterm modular program,	
returns within 180 days and then withdraws again)	5–193
Appendix—Forms Associated with a Return of Title IV Aid Calculation	5–203
Worksheet—Treatment of Title IV Funds When a Student Withdraws From a Credit-Hour Program.	5-204
Worksheet—Treatment of Title IV Funds When a Student Withdraws From a Clock-Hour Program	5–207
Form—Information Required When a School Refers Student Overpayments to the	
Default Resolution Group	5–210