

BREAKOUT SESSION LMS #1

Return of Title IV Funds (R2T4) – Essentials

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2022 Virtual FSA Training Conference for Financial Aid Professionals

AGENDA

- 1 Basic R2T4 Principles
- 2 When R2T4 Does Not Apply
- 3 R2T4 Key Concepts
- 4 Steps of an R2T4 Calculation
- 5 Returning Funds & Post-Withdrawal Disbursements (PWDs)
- 6 Resources

BASIC R2T4 PRINCIPLES

BASIC R2T4 PRINCIPLES



- Student earns Title IV aid based on percentage of period completed
- R2T4 formula determines percent completed and differs between credit- and clock-hour programs
- Student earns 100% of Title IV funds with *more than* 60% completed
- Institutional or other refund policies do not impact R2T4 calculation

R2T4 – COVID-19 FLEXIBILITIES AND WAIVERS

CARES Act, enacted March 27, 2020

Electronic Announcements: [May 15, 2020](#), [August 21, 2020](#), [January 15, 2021](#),
[March 19, 2021](#)

CARES Act

- Waives requirement to return Title IV funds
- Reverses Pell LEU for aid received that period;
- Cancels Direct Loan and TEACH Grant funds received for the period

WHEN R2T4 DOES NOT APPLY

STUDENT DOES NOT BEGIN ATTENDANCE

**Institution cannot document attendance for period —
Student ineligible for Title IV aid**

34 CFR § 668.21

- Institution must return aid disbursed:
 - Federal Pell Grant and Iraq and Afghanistan Service Grant
 - Federal Supplemental Equal Opportunity Grant (FSEOG)
 - TEACH Grant
 - Direct Loan (DL) credited to student's account
 - DL disbursed directly to student if *knowledge of nonattendance* prior to disbursement
 - Must notify loan servicer if not returning funds disbursed directly to student

PARTIAL WITHDRAWALS AND COMPLETERS

R2T4 requirements do not apply

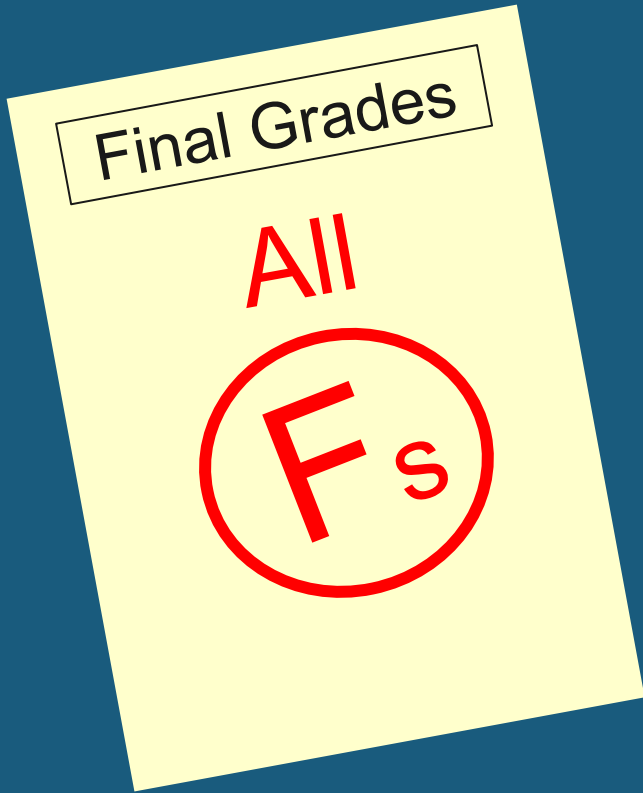
- Student stays enrolled in at least one course during period
- Student completes period and receives passing grade at end of last scheduled course or module
- Student completes all coursework scheduled to attend (even if only one module)
- Student qualifies for one withdrawal exemption

COMPLETERS EARNING ALL FAILING GRADES

R2T4 requirements do not apply

STUDENT HAS COMPLETED PERIOD ONLY IF...

- 1) Grading policy differentiates between *failing to meet course objectives* (“earned Fs”) **vs.** *failing to complete course* (unofficial withdrawal – “W”), and
- 2) Institution documents student completed and received “F” grade in full-term course of last module or course in which student was enrolled



WITHDRAWAL EXEMPTIONS

R2T4 requirements do not apply when student...

- completes all academic requirements for graduation and can graduate before completing all scheduled days or clock hours in period (all programs).
- successfully completes one or more ***modules*** comprising 49% or more of payment period.
- successfully completes coursework equal to at least half-time enrollment in modular program.

WRITTEN CONFIRMATION

R2T4 requirements do not apply when student...

Standard and nonstandard term programs

- provides written confirmation to begin another module in same payment period no later than 45 days after end of module student ceased attending.
- ! • If Student enrolled only in modules within term – no full-term courses
 - Must return within 45-day timeframe with written confirmation
- If School calculates R2T4 on payment period basis and student enrolled in both module and full-term courses
 - Student may return after 45-day time within same period with written confirmation
 - School may postpone R2T4 until determine that the student did not begin attendance in a future module within same payment period

WRITTEN CONFIRMATION

R2T4 requirements do not apply when student...

Subscription-based and nonterm programs

- Provides written confirmation to resume attendance in same period no later than 60 days after student ceased attending for subscription-based and non-term programs

KEY R2T4 CONCEPTS

R2T4 DEFINITIONS

- Withdrawal Date
 - Date student ceased attendance at institution
- Date of Determination
 - Date institution became aware that student ceased attendance



R2T4 ROUNDING RULES

Dollar amounts and percentages



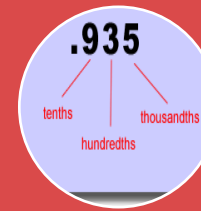
Round calculation to nearest penny

- $\$2,346.00 \times 44.6\% = \$1,046.316$ or $\$1,046.32$
- $\$2,346.00 \times 44.4\% = \$1,041.624$ or $\$1,041.62$



May round disbursement or refund to nearest dollar

- $\$1,046.32 = \$1,046$
- $\$1,041.62 = \$1,042$



Calculate out to four decimal places

- $45 \text{ days} / 101 \text{ days} = 0.4455$
- $199 \text{ hours} / 450 \text{ hours} = 0.4422$



Round to third decimal place for percentage

- $0.4455 = 0.446 = 44.6\%$
- $0.4422 = 0.442 = 44.2\%$



DATE OF DETERMINATION

DATE OF DETERMINATION

Regulatory definition

34 CFR § 668.22(I)(3)

- Date institution becomes aware that student ceased attendance
- Different for official vs. unofficial withdrawals

DATE OF DETERMINATION

Official Withdrawals

- Date of determination *later* of
 - Student's withdrawal date, or
 - Date of notification of withdrawal



DATE OF DETERMINATION

Unofficial Withdrawals

ATTENDANCE REQUIRED

Should be no later than 14 calendar days after student's last date of attendance.

- May have policy to determine withdrawal in fewer than 14 days
- Includes holidays, scheduled breaks and weekends

ATTENDANCE NOT REQUIRED

Must be no later than 30 days after the earlier of:

- End of payment period or period of enrollment, as appropriate
- End of academic year
- End of student's educational program

DATE OF DETERMINATION AND DEADLINES

WITHIN 30 DAYS OF DATE OF DETERMINATION

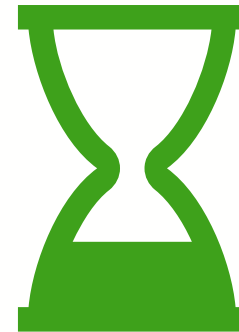
- Complete R2T4 calculation
- Notify student (or parent) of eligibility for Post-Withdrawal Disbursement (PWD) of Direct Loan funds
- Notify student of grant overpayment



DATE OF DETERMINATION AND DEADLINES

NO LATER THAN 45 DAYS AFTER DATE OF DETERMINATION

- School must return unearned Title IV funds as indicated by the calculation
- Disburse PWD of Title IV grant funds directly to student in excess of outstanding current (allowable) charges



DATE OF DETERMINATION AND DEADLINES

NO LATER THAN 180 DAYS AFTER DATE OF DETERMINATION

- Disburse PWD of grant or loan funds to student's account for allowable charges
 - Outstanding current allowable charges
 - Other allowable charges with student authorization
- Disburse PWD of DL funds directly to student in excess of outstanding current (allowable) charges



PAYMENT PERIOD OR PERIOD OF ENROLLMENT

PAYMENT PERIOD OR PERIOD OF ENROLLMENT

- Standard-term programs must use Payment Period (PP)
- Nonstandard term and non-term programs may use PP *or* Period Of Enrollment (POE)
 - Institution must use same basis (PP or POE) in R2T4 calculation for all students within program
- POE = Academic period established by institution for which institutional charges are generally assessed
 - Length of student's program or academic year
 - Must be consistent with loan period

PAYMENT PERIOD OR PERIOD OF ENROLLMENT

Examples

Payment Period



Aug 19th

Dec 6th

or



450 clock hours

Period of Enrollment – clock hours (900 clock-hour/26-week academic year)



450 clock hours



450 clock hours

PAYMENT PERIOD OR PERIOD OF ENROLLMENT

Credit-hour program

Total days

- Denominator for credit-hour R2T4 calculation
 - PP *or* POE
- “Total days” excludes:
 - Scheduled breaks of five days or more
 - Leaves of absence
 - Days in modules not factored in R2T4 calculation

H. Percentage of payment period or period of enrollment completed

Divide the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of five days or more **AND** days that the student was on an approved leave of absence).

<input type="text"/>	÷	<input type="text"/>	=	<input type="text"/>	.	%
Completed days		Total days				

► If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.

► If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H. . %

PAYMENT PERIOD OR PERIOD OF ENROLLMENT

“Total days” example

Our college has Thanksgiving break from Wednesday, November 25 to Friday, November 27. It does not offer weekend classes.

Should the break be excluded from R2T4?

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
22	23	24	25	26	27	28
29	30					

PAYMENT PERIOD OR PERIOD OF ENROLLMENT

Clock-hour program

“Total hours” in period

- Denominator for clock-hour R2T4 calculation
- Total number of hours in PP *or* POE

Examples of “Total hours”

- 450 clock hours in PP
- 350 clock hours in PP
- 900 clock hours in POE

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

<input type="text"/>	÷	<input type="text"/>	=	<input type="text"/>	.	%
Hours scheduled to complete		Total hours in period				

► If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.

► If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H. . %

LEAVE OF ABSENCE

LEAVE OF ABSENCE (LOA)

Temporary interruption in program of study (instead of withdrawal)

Conditions for approved LOA:

1. Institution must have formal written policy
2. Student and institution must follow policy to request and approve LOA
3. Must be reasonable expectation student will return from LOA
4. Institution may not assess additional institutional charges or increase student's need
5. LOA must not exceed 180 days within 12-month period
6. Student in term/nonstandard term program (excluding subscription-based programs) must resume training at same point student began LOA
7. Institution must explain effects on loan repayment and grace period if student borrower fails to return – *before approving LOA*

STEPS OF AN R2T4 CALCULATION

STEPS OF AN R2T4 CALCULATION

Step 1: Determine amount *disbursed* or *could have been disbursed* at time of withdrawal

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

AID THAT COULD HAVE BEEN DISBURSED



Include aid that met late disbursement conditions prior to withdrawal

- ED-processed SAR/ISIR with official EFC (for all programs)
- TEACH Grant/Direct Loan originated in school system
- FSEOG award made to student

Clock-Hour Programs

STEP 2: Percentage of Title IV Aid Earned

Withdrawal date / /

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

÷ = . %

Hours scheduled to complete Total hours in period

▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.

▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H. . %

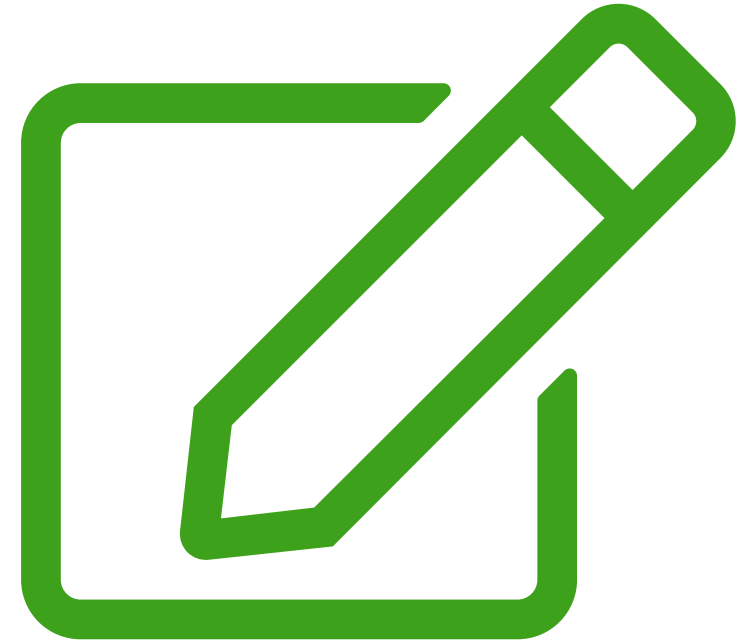
WITHDRAWAL DATE



DETERMINING WITHDRAWAL DATE

- Required to take attendance*
- vs.
- NOT required to take attendance

*Clock-hour programs are considered “required to take attendance for Title IV purposes.



**WITHDRAWAL DATE: REQUIRED TO TAKE
ATTENDANCE**

REQUIRED TO TAKE ATTENDANCE

When is an institution considered “required to take attendance”?

**OUTSIDE ENTITY
REQUIRES
INSTITUTION TO
TAKE
ATTENDANCE**



**INSTITUTION
REQUIRES
INSTRUCTORS
TO TAKE
ATTENDANCE**

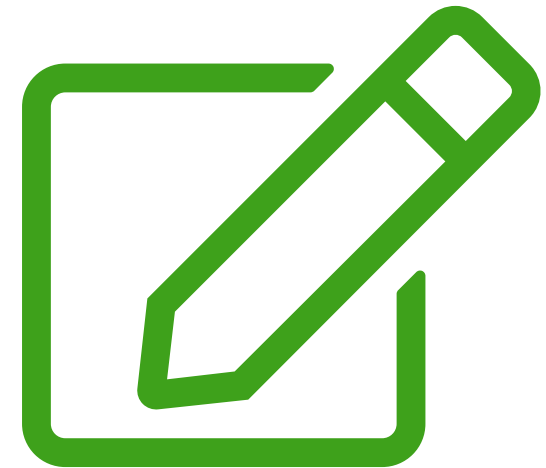


**INSTITUTION OR
OUTSIDE ENTITY
REQUIREMENT
MET ONLY BY
TAKING
ATTENDANCE**



REQUIRED TO TAKE ATTENDANCE

- Must use *official* attendance records for withdrawal date
- Special situation for limited-period attendance taking:
 - If student not in attendance on last day of limited period, *and*
 - Student officially withdraws after limited period, *and*
 - Institution demonstrates student attended after limited period, *then*
 - Institution processes withdrawal as *not required to take attendance*



**WITHDRAWAL DATE: NOT REQUIRED TO TAKE
ATTENDANCE**



NOT REQUIRED TO TAKE ATTENDANCE

INSTITUTION *NOT* REQUIRED TO TAKE ATTENDANCE IF –

- Attendance not required by outside entity
- No formal institutional attendance policy
- No institution or outside entity requirement only met by taking attendance (or comparable process)



NOT REQUIRED TO TAKE ATTENDANCE

INSTITUTION *NOT* REQUIRED TO TAKE ATTENDANCE IF FACULTY—

- Voluntarily take attendance
- Provide last date of attendance for students with all “F” grades to determine unofficial withdrawals



NOT REQUIRED TO TAKE ATTENDANCE

Institution is not required to take attendance if:

- It takes attendance on one specified day
 - For census reporting
 - For demonstrating student commenced attendance in period
- It has one census date per module



Institutions not required to take attendance have more options for determining when a student has withdrawn.

NOT REQUIRED TO TAKE ATTENDANCE

Options for determining withdrawal dates – Official Withdrawals

- Earlier of...
 - Date student began official withdrawal process *or*
 - Date student otherwise provided official notification of intent to withdraw
- Date institution administratively withdraws student
- Last date of *documented* academically-related activity



NOT REQUIRED TO TAKE ATTENDANCE

Options for determining withdrawal dates – Unofficial Withdrawals

- Date related to circumstance that prevented student from officially withdrawing
- Date student began LOA
- Midpoint of payment period or period of enrollment
- Last date of *documented* academically-related activity

STEPS OF AN R2T4 CALCULATION

Step 2: Calculate percentage of Title IV Aid earned

Credit-Hour Programs

Numerator

- Number of days student completed in period

Denominator

- Total days in period

*Student earned 100% aid if percentage completed **greater than** 60%*

STEP 2: Percentage of Title IV Aid Earned		
<input type="text" value="/"/>	<input type="text" value="/"/>	<input type="text" value="/"/>
Start date	Scheduled end date	Date of withdrawal
<p>A school that is not required to take attendance may, for a student who withdraws without notification, enter 50% in Box H and proceed to Step 3. Or, the school may enter the last date of attendance at an academically related activity for the "withdrawal date," and proceed with the calculation as instructed. For a student who officially withdraws, enter the withdrawal date.</p>		
<p>H. Percentage of payment period or period of enrollment completed</p> <p>Divide the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of five days or more AND days that the student was on an approved leave of absence).</p>		
<input type="text"/>	÷ <input type="text"/>	= <input type="text" value="."/> %
Completed days	Total days	
<p>▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.</p> <p>▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.</p>		
<p>H. <input type="text" value="."/> %</p>		

WITHDRAWAL DATE AND AMOUNT COMPLETED

Credit-hour program

Completed days

- Numerator of credit-hour R2T4 calculation
- Calendar days completed in PP or POE
- “Completed days” excludes:
 - Scheduled breaks of five days or more
 - Leaves of absence
 - Days in modules not factored in R2T4 calculation

H. Percentage of payment period or period of enrollment completed

Divide the calendar days completed in the period by the total calendar days in the period (excluding scheduled breaks of five days or more **AND** days that the student was on an approved leave of absence).

÷ = . %

Completed days Total days

► If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.

► If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H. . %

STEPS OF AN R2T4 CALCULATION

Step 2: Calculate percentage of Title IV aid earned

Clock-Hour Programs

Numerator

- Number of clock hours *scheduled* to complete in period

Denominator

- Total clock hours in period

STEP 2: Percentage of Title IV Aid Earned			
Withdrawal date	<input type="text"/> / <input type="text"/> / <input type="text"/>		
H. Determine the percentage of the period completed: Divide the clock hours scheduled to have been completed as of the withdrawal date in the period by the total clock hours in the period.			
<input type="text"/>	÷	<input type="text"/>	= <input type="text"/> . %
Hours scheduled to complete		Total hours in period	
<p>▶ If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.</p> <p>▶ If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.</p>			
H. <input type="text"/>			. %

*Student earned 100% aid if percentage completed **greater than** 60%*

WITHDRAWAL DATE AND AMOUNT COMPLETED

Clock-hour program

Hours scheduled to complete

- Numerator of clock-hour R2T4 calculation
- Scheduled hours completed in PP or POE
- Must use hours established by any state or accrediting agency requirements
- “Hours scheduled” excludes:
 - Leaves of absence
 - “Make-up” hours not part of normal schedule

H. Determine the percentage of the period completed:

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

$$\boxed{\text{Hours scheduled to complete}} \div \boxed{\text{Total hours in period}} = \boxed{\text{.}} \%$$

► If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.

► If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H. . %

WITHDRAWAL DATE AND AMOUNT COMPLETED

“Total scheduled hours” example

Our College offers a 1500 clock-hour cosmetology program. Students are scheduled to attend five clock hours each day, Monday – Friday.

One student withdraws on Day 35 of the program (not calendar days) and completed 135 clock hours.

How many hours do you enter in “Hours scheduled to complete”?

- a. 135
- b. 175
- c. 450

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

<input type="text"/>	÷	<input type="text"/>	=	<input type="text"/>	. %
Hours scheduled to complete		Total hours in period			

► If this percentage is greater than 60%, enter 100% in Box H and proceed to Step 3.
► If this percentage is less than or equal to 60%, enter that percentage in Box H, and proceed to Step 3.

H. . %

STEPS OF AN R2T4 CALCULATION

Step 3: Calculate amount of Title IV aid earned by student

Multiply percentage of Title IV aid earned (Box H) *by* Total Title IV aid disbursed and that could have been disbursed (Box G)

STEP 3: Amount of Title IV Aid Earned by the Student		
Multiply the percentage of Title IV aid earned (Box H) by the Total Title IV aid disbursed and that could have been disbursed for the period (Box G).		
<div style="border: 1px solid black; padding: 5px; text-align: center;"> <div>%</div> <div>Box H</div> </div>	<div style="font-size: 2em; vertical-align: middle;">X</div>	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <div>I. \$</div> <div>.</div> <div>Box G</div> </div>

STEPS OF AN R2T4 CALCULATION

Step 4: Determine Title IV post-withdrawal disbursement (PWD) *or* return

Compare Box I (Title IV earned by student) to Box E (Total aid disbursed)

- PWD required if amount earned *greater than* amount disbursed (Box J)
- Return of funds required if amount earned *less than* amount disbursed (Box K)
- No further action required if boxes are equal

STEP 4: Title IV Aid to be Disbursed or Returned

- ▶ If the amount in Box I is greater than the amount in Box E, go to Item J (Post-withdrawal disbursement).
- ▶ If the amount in Box I is less than the amount in Box E, go to Title IV aid to be returned (Item K).
- ▶ If the amounts in Box I and Box E are equal, **STOP**. No further action is necessary.

J. Post-withdrawal disbursement
From the amount of Title IV aid earned by the student (Box I) subtract the total Title IV aid disbursed for the period (Box E). This is the amount of the post-withdrawal disbursement.

	–		=	J.\$.
Box I		Box E			

If there's an entry for "J," **STOP here**, and enter the amount in Box 1 on Page 3 (Post-withdrawal disbursement tracking sheet).

K. Title IV aid to be returned
From the total Title IV aid disbursed for the period (Box E) subtract the amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned.

	–		=	K.\$.
Box E		Box I			

INSTITUTIONAL CHARGES

INSTITUTIONAL CHARGES

Total institutional charges

- Charges do not affect earned Title IV aid
- Include charges initially assessed for period or adjusted *prior to* withdrawal
- Charges may not be reduced if paid by non-Title IV sources
- Prorate any charges assessed for period longer than period used in R2T4 calculation

STEP 5: Amount of Unearned Title IV Aid Due from the School													
L. Institutional charges for the period	<table border="1"> <tr><td>Tuition</td><td></td></tr> <tr><td>Room</td><td></td></tr> <tr><td>Board</td><td></td></tr> <tr><td>Other</td><td></td></tr> <tr><td>Other</td><td></td></tr> <tr><td>Other</td><td></td></tr> </table>	Tuition		Room		Board		Other		Other		Other	
Tuition													
Room													
Board													
Other													
Other													
Other													
Total Institutional Charges (Add all the charges together)	= L. \$												
M. Percentage of unearned Title IV aid	100% - <input type="text"/> % = M. <input type="text"/> . % <small>Box H</small>												
N. Amount of unearned charges Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).													
<input type="text"/> <small>Box L</small>	x <input type="text"/> % <small>Box M</small> = N. \$ <input type="text"/> .												
O. Amount for school to return Compare the amount of Title IV aid to be returned (Box K) to amount of unearned charges (Box N), and enter the lesser amount.													
O. \$ <input type="text"/> .													

INSTITUTION VS. NON-INSTITUTIONAL CHARGES

INSTITUTIONAL CHARGES

- Tuition, fees, and room and board (if contracted with school)
- Required course materials (books, kits, tools, supplies, etc.) if no real and reasonable opportunity to purchase elsewhere

NON-INSTITUTIONAL CHARGES

- Required course materials if student had a real and reasonable opportunity to purchase elsewhere (EA March 5, 2019)
- Group health insurance fees if required for all students, and coverage remains in effect even after withdrawal
- Discretionary, educationally-related expenses (e.g., parking or library fines, etc.)

EQUIPMENT CHARGES



- Institution may exclude *documented cost** of equipment from institutional charges if:
 - Unreturnable
 - Returnable but not returned in good condition within 20 days of withdrawal
- Institution's return policies must be reasonable, consistent, and fair to all students
 - Institution must notify students in writing of these policies when they enroll

**Institution's cost – not amount charged to students*

STEPS OF AN R2T4 CALCULATION

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

Determine institution's responsibility to return

- Use charges assessed to student *prior to* withdrawal (Box L)
- Multiply total charges *by* percentage of unearned aid (Box L x Box M) for unearned charges (Box N)
- Institution returns *lesser of* unearned charges or total unearned Title IV aid (Box O)

STEP 5: Amount of Unearned Title IV Aid Due from the School										
L. Institutional charges for the period		<table border="1"> <tr><td>Tuition</td><td></td></tr> <tr><td>Room</td><td></td></tr> <tr><td>Board</td><td></td></tr> <tr><td>Other</td><td></td></tr> </table>	Tuition		Room		Board		Other	
Tuition										
Room										
Board										
Other										
K. Title IV aid to be returned From the total Title IV aid disbursed for the period (Box E) subtract the amount of Title IV aid earned by the student (Box I). This is the amount of Title IV aid that must be returned.										
<div>Box E</div>	<div>Box I</div>	<div>K.\$.</div>								
N. Amount of unearned charges Multiply institutional charges for the period (Box L) by the percentage of unearned Title IV aid (Box M).										
<div>Box L</div>	<div>Box M</div>	<div>N.\$.</div>								
O. Amount for school to return Compare the amount of Title IV aid to be returned (Box K) to amount of unearned charges (Box N), and enter the lesser amount.										
<div>O.\$.</div>										

STEPS OF AN R2T4 CALCULATION

Step 6: Return of funds by the school

Document order of return of funds

- New order of return effective July 1, 2021!
- Return up to net amount disbursed from each source

STEP 6: Return of Funds by the School	
The school must return the unearned aid for which the school is responsible (Box O) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.	
Title IV Programs	Amount for School to Return
1. Unsubsidized Direct Loan	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
2. Subsidized Direct Loan	
3. Direct Graduate PLUS Loan	
4. Direct Parent PLUS Loan	
Total loans the school must return = P. \$ <input type="text"/> . <input type="text"/>	
5. Pell Grant	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
6. Iraq and Afghanistan Service Grant	
7. FSEOG	
8. TEACH Grant	
<input type="text"/>	

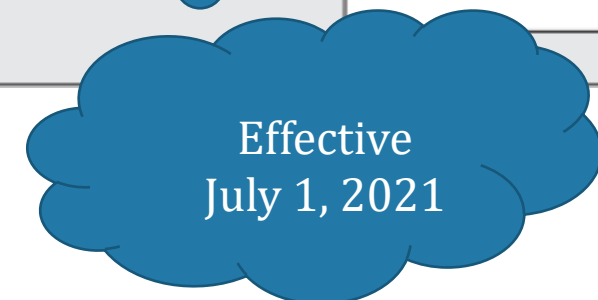
STEPS OF AN R2T4 CALCULATION

Steps 7 – 10: Determine amount of unearned Title IV aid due from the student

Student may be responsible to return funds

- Step 7: Determine initial amount due from student
- Step 8: Amount of loan funds student must repay (according to MPN)
- Step 9: Amount of grant funds student must repay (after 50% grant protection)
- Step 10: Grant funds order of return
 - Student not responsible for amounts of \$50 or less

STEP 10: Return of Grant Funds by the Student	
<p>Except as noted below, the student must return the unearned grant funds for which he or she is responsible (Box U). The grant funds returned by the student are applied in order as indicated, up to the amount disbursed from that grant program minus any grant funds the school is responsible for returning to that program in Step 6.</p> <p>Note that the student is not responsible for returning funds to any program to which the student owes \$50.00 or less.</p>	
Title IV Grant Programs	Amount To Return
1. Pell Grant	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
2. Iraq and Afghanistan Service Grant	
3. FSEOG	
4. TEACH Grant	



RETURNING FUNDS & POST-WITHDRAWAL DISBURSEMENTS

RETURNS BY INSTITUTION

- Made no later than 45 days after date of determination
- Timely return:
 - Deposits or transfers funds into “federal funds” bank account and disburses to another eligible student, *or*
 - Returns fund using “Refund” function in G5



RETURNS BY STUDENT

Grant Overpayments

- Notify student of overpayment within 30 days of date of determination
- Student retains Title IV eligibility for 45 days after overpayment notice
- Student extends Title IV eligibility by:
 - Paying overpayment in full, or
 - Signing repayment agreement with institution (optional) or ED



RETURNS BY STUDENT

Grant Overpayments

- Student not required to repay overpayment of \$50.00 or less
- Resolve overpayment through:
 - Full and immediate payment to institution
 - Signing repayment agreement with institution
 - Negotiating repayment with ED
- Return grant overpayment in new order



POST-WITHDRAWAL DISBURSEMENTS (PWD)

- Must meet late disbursement conditions in 34 CFR 668.164(j)
- Must be made from grant funds before loans
- May be applied to outstanding charges:
 - Tuition and fees
 - Room and board (if contracted with institution)
 - Other charges (with written authorization)

POST-WITHDRAWAL DISBURSEMENTS (PWD)

PWD criteria for Title IV *grant* funds

- Receive ED-processed SAR/ISIR with official EFC prior to withdrawal
- Disburse to **student's account** to cover current charges *within 180 days* of date of determination
 - Tuition and fees
 - Room and board (if contracted with institution)
 - Other charges (with written authorization)
- Disburse directly to student to cover allowable charges *no later than 45 days* of date of determination

POST-WITHDRAWAL DISBURSEMENTS (PWD)

Notification and disbursement of PWD for Title IV loan funds

- Written notification of PWD loan funds to student (or parent for PLUS loan)
 - Must send within 30 days of date of determination
 - Must specify loan type and amount
 - Must explain obligation to repay loan
 - Must request confirmation before disbursing funds
 - Must specify deadline to respond (at least 14 days)

POST-WITHDRAWAL DISBURSEMENTS (PWD)

Notification and disbursement of PWD for Title IV loan funds

- Late response from borrower
 - Institution choice to honor late response
 - Must send written notification explaining refusal to honor late response
- No response from borrower = no loan PWD
- Must disburse loan funds no later than 180 days after date of determination



RESOURCES & TRAININGS

RESOURCES

Return of Title IV Funds

- [2021–22 Federal Student Aid Handbook, Volume 5](#)
- [34 CFR 668.22 Treatment of Title IV funds when a student withdraws.](#)
- [Program Integrity Q&A - Return of Title IV Funds](#)
- [R2T4 Tool in Common Origination & Disbursement \(COD\) system](#)

TRAININGS

Return of Title IV Funds

- [FSA Training Center](#)
 - Learning Tracks – Student Withdrawals
 - R2T4 for Clock-Hour Programs
 - R2T4 for Credit-Hour Programs
 - Training Courses – FSA Basic Training for New Staff (Departures)
- 2021 [FSA Training Conference](#)
 - Breakout session #18
- [R2T4 Training on COD](#)

KNOWLEDGE CENTER

fsapartners.ed.gov/knowledge-center

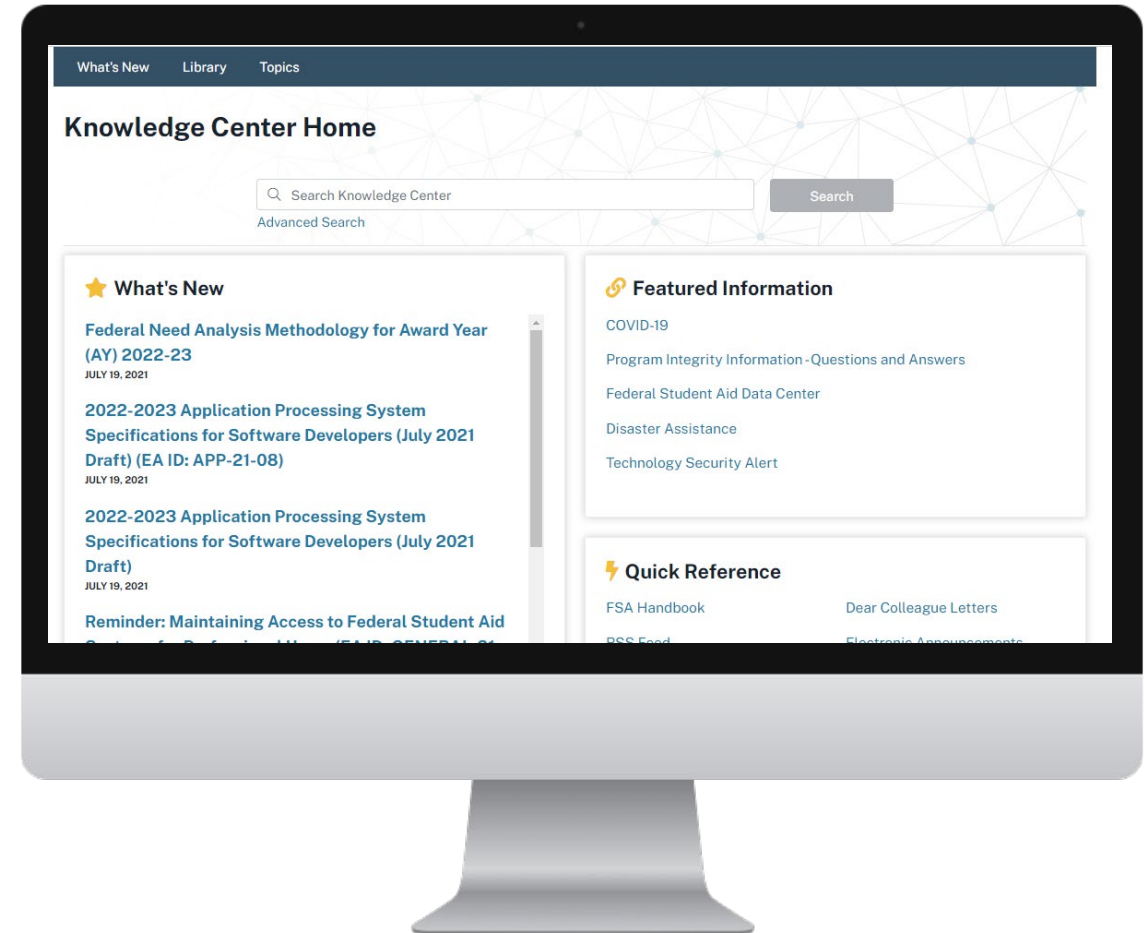
Use the Knowledge Center for
Title IV resources!

Subscribe for daily or weekly
email updates. ↓

Knowledge Center Subscription

Subscribe to get the latest news and updates from the Knowledge Center.

Subscribe

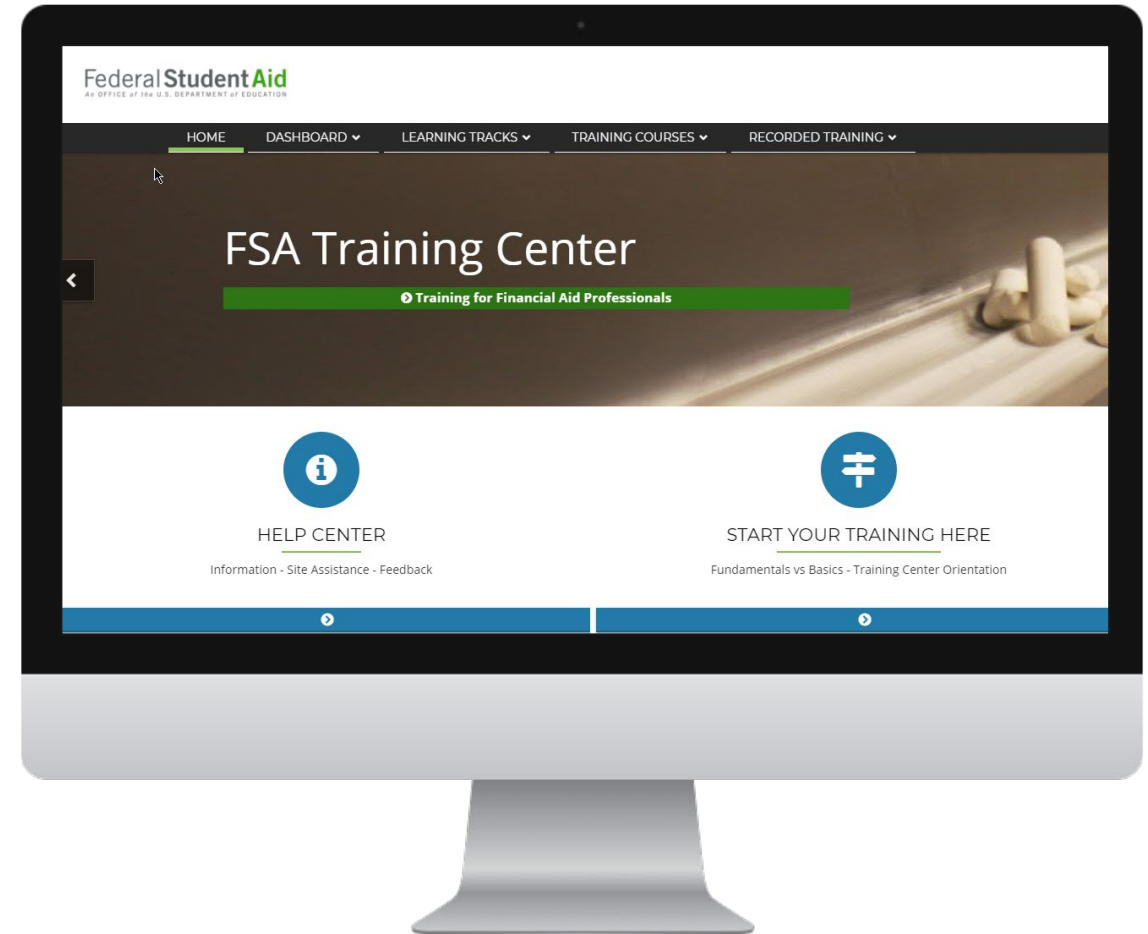


FSA TRAINING CENTER

fsatraining.ed.gov

Take advantage of the FSA Training Center!

- Learning tracks
- Training courses
- Recorded policy and how-to videos
- Software training

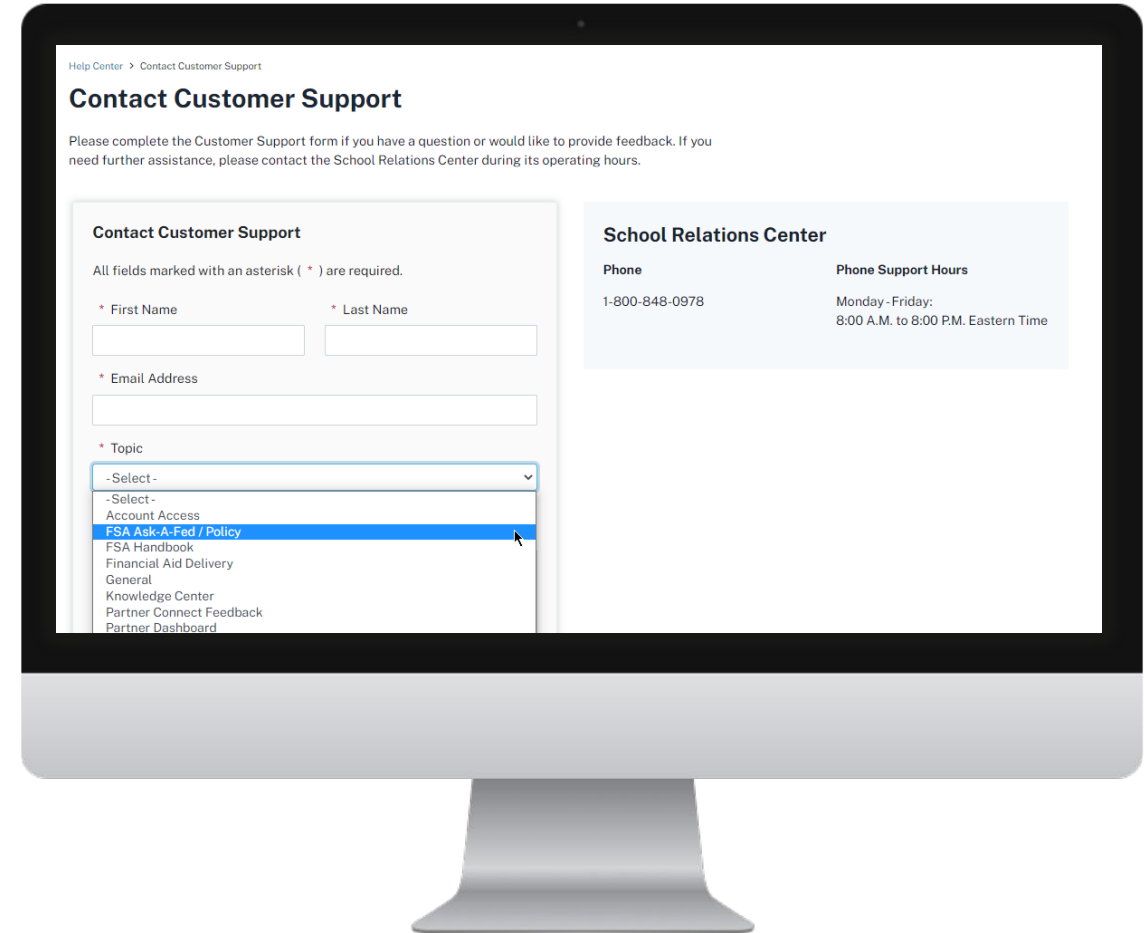


FSA PARTNER CONNECT HELP CENTER

fsapartners.ed.gov/help-center/

Use *Contact Customer Support Form* in Help Center to ask policy questions.

Choose “Ask A Fed/Policy” from Topic dropdown list.



The screenshot shows a computer monitor displaying the 'Contact Customer Support' form in the FSA Partner Connect Help Center. The browser address bar shows 'Help Center > Contact Customer Support'. The form title is 'Contact Customer Support'. Below the title, a message states: 'Please complete the Customer Support form if you have a question or would like to provide feedback. If you need further assistance, please contact the School Relations Center during its operating hours.' The form itself is divided into two main sections. The left section, titled 'Contact Customer Support', contains a note 'All fields marked with an asterisk (*) are required.' and several input fields: '* First Name', '* Last Name', '* Email Address', and '* Topic'. The '* Topic' dropdown menu is open, showing a list of options: '-Select -', '-Select -', 'Account Access', 'FSA Ask-A-Fed / Policy' (which is highlighted in blue), 'FSA Handbook', 'Financial Aid Delivery', 'General', 'Knowledge Center', 'Partner Connect Feedback', and 'Partner Dashboard'. The right section, titled 'School Relations Center', contains contact information: 'Phone: 1-800-848-0978' and 'Phone Support Hours: Monday-Friday: 8:00 A.M. to 8:00 P.M. Eastern Time'.

THANK YOU!

