

## Return of Title IV Funds

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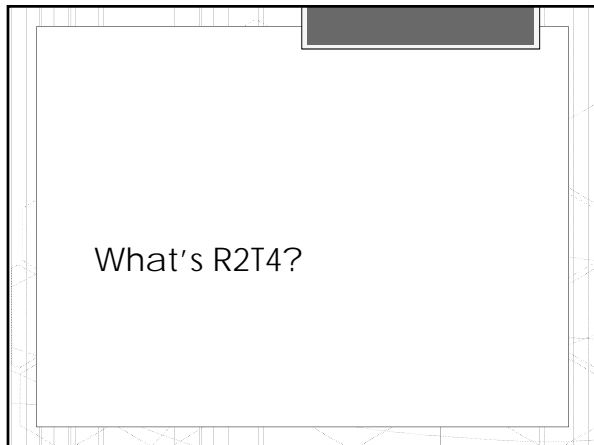
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## What's R2T4?

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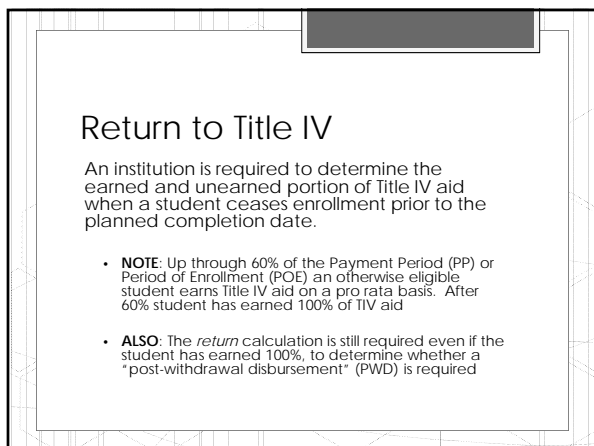
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## Return to Title IV

An institution is required to determine the earned and unearned portion of Title IV aid when a student ceases enrollment prior to the planned completion date.

- **NOTE:** Up through 60% of the Payment Period (PP) or Period of Enrollment (POE) an otherwise eligible student earns Title IV aid on a pro rata basis. After 60% student has earned 100% of TIV aid
- **ALSO:** The *return* calculation is still required even if the student has earned 100%, to determine whether a "post-withdrawal disbursement" (PWD) is required

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## Earned vs. Unearned Funds

- Earned** Title IV funds that exceed the amount that has been disbursed to the student are due as "Post-Withdrawal Disbursement."
- Unearned** Title IV funds that are the responsibility of the **INSTITUTION**:
  - Must be returned to the Title IV programs no later than 45 days after the date of determination that the student withdrew
- Unearned** Title IV funds that are the responsibility of the **STUDENT**:
  - If loan funds, they can be repaid under terms of the promissory note.
  - If grant funds, they are subject to a 50% reduction and the student may make satisfactory arrangements to repay.

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## Payment Period vs. Period of Enrollment

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

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## Is a Calculation Always Required?

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## R2T4 Calculation Not Required

- Never began attendance
- Continues to attend at least 1 Title IV-eligible class
- Is on an approved leave of absence
- Did not receive, and is not eligible to receive, any Title IV aid
- Has only received, or is only eligible to receive, FWS funds

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## Approved Leave of Absence

### The School:

- Must have a formal written policy for granting LOAs.
- Must publicize the LOA policy.
- Must have a reasonable expectation that the student will return from the LOA.
- Cannot assess any additional charges, process changes to the student's financial need or increase federal aid eligibility.
- May disburse Pell Grant, Iraq and Afghanistan Service Grant, Federal Supplemental Opportunity Grant, Perkins loan funds and Title IV credit balances to students on LOA.
- Cannot disburse Stafford and PLUS loans to students on LOAs.
- Must explain potential consequences of failing to return from an approved LOA if a Title IV loan recipient.
- Cannot grant more than 180 days or LOA in a 12-month period for a single student.

### The Student must:

- Submit an LOA request in writing (signed and dated), including the reason for the request.
- Follow the school's LOA policy.
- Resume the academic program at the same place (except clock hour or non-term credit hour programs).

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## What's Involved in the Calculation?

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### The Institution Must:

- Determine date of student's withdrawal
- Calculate percent of period completed
- Determine amount earned by applying percent completed to total of amounts disbursed and amounts that could have been disbursed
- Return unearned funds to Title IV programs, or pay student post-withdrawal disbursement
- Determine Title IV overpayment, if any

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### The Date

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### Required to Take Attendance

- An institution is required to take attendance if:
  - an outside entity (such as an accreditor or state agency) has a requirement that the institution take attendance
  - the institution has a requirement that its instructors take attendance
  - the institution or the outside entity have a requirement that could only be met by attendance taking
    - Could apply to a subset of students
    - Could apply for a short period of time
- Withdrawal Date:
  - Must use official attendance records
- Date of Determination:
  - Usually no later than 1 week after the last date of attendance
  - Based on Attendance Records
  - Date of Official Notification (if prior to that)
  - After end of school's Absence Policy

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## NOT Required to Take Attendance

- Not required to take attendance by an outside entity
- Withdrawal Date:
  - Date student began the formal withdrawal process or notified
  - Mid-point, if no notification
  - Date of illness, accident, etc.
  - Beginning of an approved LOA if student does not return
  - Last date at an academically-related activity
- Date of Determination:
  - Later of withdrawal date or date student provided official notification
  - If no notification, the date that the institution became aware that the student ceased attendance\*
  - The earlier of the end of approved Leave of Absence (LOA) if student does not return or the date the student contacted 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, (2) academic year, or (3) educational program.

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## Academically-Related Activity

- An institution **not** required to take attendance MAY ALWAYS use the last date of an academically-related activity as the withdrawal date.
- The school, not the student, must DOCUMENT:
  - That the activity is academically-related, and
  - The student's attendance at the activity
- Academically-Related Activities include:
  - Examinations or quizzes
  - Tutorials
  - Computer-assisted instruction
  - Completing an academic assignment, paper or project
  - Attending a school assigned study group
- Academically-Related Activities **DO NOT** include:
  - Living in institutional housing
  - Participating in the meal plan
  - Logging into an online class w/o active participation
  - Academic counseling or advisement

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## The Aid

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### Aid That Could Have Been Disbursed

- All aid for the period, if conditions for late disbursement were met before the student withdrew
- However, if limitations apply, that aid may not be paid to the student.

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### Conditions for a Late Disbursement

Condition	Applicable Aid Programs
Student must have a SAR/ISIR with an official EFC.	All aid programs
School made the award to the student.	FSEOG, Perkins
School originated the award.	TEACH, Stafford, PLUS
Student signed MPN before the return calculation was completed.	Stafford, PLUS

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### Limitations of Making Late Disbursement

- No second or subsequent disbursements of DL, unless student completes the period
- No DL unless student completes the 30-day delay period
- No Pell Grant without a valid SAR/ISIR by the deadlines in the Federal Register
- No additional Pell Grant if first payment period is not completed
- No second disbursements of DL unless student passes the midpoint or completes half the coursework

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## Importance of Aid that Could Have Been Disbursed

- If total aid (Aid That Could Have Been Disbursed plus Aid Disbursed) is greater, the amount earned will be greater
- Results in a smaller amount to be returned, or in a post-withdrawal disbursement
- Remember - Aid must correspond to the period for which you are doing the Return Calculation

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What else?

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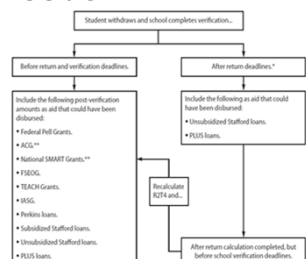
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## Verification




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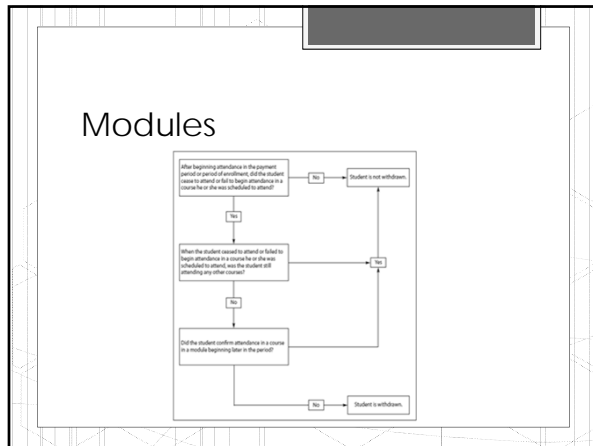
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- ## No Passing Grades
- School must have a process for determining if student completed.
  - At least one passing grade...
  - No passing grade, institution must document completion of period
  - Grading Policy that differentiates between Failing, Completed; and Failing, Did Not Complete

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## Questions?

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