



Return of Title IV Funds

Basic Training

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US Department of Education
MASFAA Conference, Northport, ME
October 20-21, 2014



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Topics

- Basic Concepts and Requirements
- Institutional Parameters
- Key Dates and Timeline
- R2T4 Calculation Process
 - Aid That Could Have Been Disbursed
 - Earned vs. Unearned Aid and Charges
- R2T4 Outcomes and Common Findings
- Special Cases and Resources



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Basic Concepts



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Basic Concepts and Requirements

- Title IV funds awarded to student with assumption that student will attend for entire period for which assistance is awarded
- When student ceases attendance prior to planned ending date, student may not be eligible for full amount of Title IV funds student was scheduled to receive



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Basic Concepts and Requirements

- Student earns Title IV aid equal to amount of attendance (or in the case of clock hour programs scheduled hours)
 - Percentage of aid earned = % of payment period or period of enrollment completed



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Basic Concepts and Requirements

- If school has disbursed more aid than student has earned, Title IV aid must be returned to programs
- If school has disbursed less Title IV aid than student has earned, a post-withdrawal disbursement (PWD) must be calculated and offered if certain conditions are met



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Basic Concepts and Requirements

- After student completes more than 60%, student has earned 100% of Title IV funds
- Institutional or other refund policies (state, accreditor) do not impact amount of Title IV aid earned under a Return to Title IV funds (R2T4) calculation
- Schools should use best information available to determine withdrawal date



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Basic Concepts and Requirements

- If student never begins attendance
 - student is not an eligible student for Title IV funds
 - R2T4 (34 CFR 668.22) does not apply
 - 34 CFR 668.21 applies
 - All Pell, FSEOG, Federal Perkins, Iraq Afghanistan Service Grant and TEACH funds must be returned
 - DL funds credited to student's account must be returned
 - DL loan servicer must be notified when funds were disbursed directly to student



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Consumer Information

- Any refund policy with which school must comply for the return of unearned funds
 - State / Accreditor
- School's refund policy
- Requirements for treatment of Title IV funds after withdrawal
- School's requirements & procedures for officially withdrawing



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Institutional Parameters



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Two Types of Institutions

- Institutions Required to Take Attendance
 - All clock hour programs fall into this category
 - Some credit hour programs fall into this category
- Institutions Not Required to Take Attendance
 - Only credit hour programs fit here





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Required to Take Attendance

- Outside entity requires that attendance be taken
- Institution has its own requirement that instructors take attendance
- Outside entity or institution has a requirement that can only be met by taking attendance
 - Clock hour programs
- Must use its official attendance records to determine withdrawal date (WD)



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Not Required to Take Attendance

- Not required to take attendance by an outside entity
- If institution has requirement to take attendance for limited period of time
 - Considered required to take attendance for that period of time *only*
 - Must use last date of attendance for students who withdraw during that time



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Census Date

- A single date where institution takes a snapshot of attendance
 - Having census date does not automatically make school "required to take attendance"
 - For programs with modules – may have up to one census date in each module



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Payment Period / Period of Enrollment

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



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Key Dates and Timeline



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Withdrawal Date

- Date used by institution to determine earned and unearned amounts of Title IV funds
- For institution required to take attendance
 - Last date of attendance
 - Based on attendance records institution is required to maintain
 - Must have process to make determinations of when a student has ceased attendance
 - GEN-04-12



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Withdrawal Date

- Withdrawal date for institution not required to take attendance
 - Date student began formal withdrawal process or provided official notification
 - Mid-point, if no notification
 - Date of illness, accident, etc.
 - Beginning of LOA if student does not return
 - Last date of an academically-related activity



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Academically Related Activity

- Includes but is not limited to
 - Physically attending a class with direct interaction
 - Academic assignment submission
 - Taking an exam, interactive tutorial, or a computer-based instruction
 - Attending a school-assigned study group
 - Participating in an online discussion that is academically-related
 - Interacting online with faculty about subject matter or to ask course-related questions



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Academically Related Activity

- Does not include
 - Living in institutionally provided housing or participating in the meal plan
 - Logging into an online course without active participation
 - Participating in academic counseling or advisement





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Academically Related Activity

- Institution not required to take attendance may always use last date of an academically related activity as withdrawal date
- School must document
 - Activity is academically related, AND
 - Student's attendance at activity

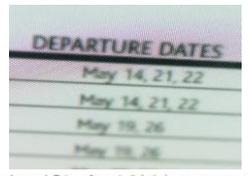




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Failure to Return from an LOA

- Withdrawal date
 - At institution not required to take attendance is date LOA began
 - At institution required to take attendance is last date of attendance (LDA)



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Deadlines

- Within 30 days institution must
 - Perform R2T4 calculation
 - Notify student of any grant overpayment
 - Notify student of eligibility for post-withdrawal disbursement (PWD)
- Institution must
 - Return Title IV funds it has responsibility to return within 45 days
 - Make PWD to student &/or parent within 45 days for grants and 180 days for loans



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R2T4 Calculation Process



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Aid that Could Have Been Disbursed

- Aid that could have been disbursed included in R2T4 calculation if
 - Conditions for late disbursements were met prior to withdrawal date
 - ED processed ISIR/SAR with an official EFC
 - Perkins/FSEOG – school made award
 - Direct Loan – school originated loan
 - TEACH – school originated grant



Earned & Unearned Title IV Aid

- Earned funds = percentage of Title IV grant and loan assistance equal to percentage of payment period or period of enrollment student completed
- Unearned funds = percentage of Title IV grant and loan assistance that has not been earned



Amount of Title IV Aid Earned

Calculations based on withdrawal date

Programs measured in credit hours
 $\frac{\# \text{ of days in attendance}}{\# \text{ of days in PP or POE}} = \% \text{ of TIV aid earned}$

Programs measured in clock hours
 $\frac{\# \text{ of scheduled clock hours}}{\# \text{ of clock hours in PP or POE}} = \% \text{ of TIV aid earned}$



Institutionally Scheduled Breaks

- Institutionally scheduled breaks of 5 or more consecutive days are excluded from both numerator and denominator of R2T4 calculation



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Calculation Outcomes



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Possible R2T4 Outcomes

- Amount of Title IV funds disbursed exceeds amount earned so funds must be returned
- Amount of Title IV funds is less than amount earned so post-withdrawal disbursement must be made
- Amount of Title IV funds equals amount earned



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PWD – Grant Funds

- No confirmation required to pay current outstanding charges for tuition, fees, room, and board or for minor prior year charges
- Written confirmation required for all other current charges
- If disbursed directly to student, must be disbursed as soon as possible, but within 45 days of date of determination



PWD – Loan Funds

- If Title IV loan funds are part of PWD
 - Must be disbursed within 180 days of date of determination
 - Cannot be a second or subsequent disbursement of Direct Loan (DL)
 - School cannot make late disbursement of DL if student was first year, first-time borrower unless student completed first 30 days of program or school was not subject to that restriction



PWD – Loan Funds

- If Title IV loan funds are part of PWD
 - Must offer the student (or parent in the case of a PLUS) PWD within 30 days of date of determination and request confirmation that PWD is accepted
 - Must obtain authorization to pay for charges other than current charges





Special Cases and Resources



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FSEOG

- Three matching types
- Type A = only the 75% Federal portion of the award goes into R2T4 calculation
 - 1. Individual recipient match – 75% of FSEOG funds are matched with 25% of qualified nonfederal funds
 - 2. Aggregate match - school ensures that the sum of all FSEOG disbursed consists of 75% federal dollars and 25% of qualified nonfederal dollars on aggregate basis, rather than by individual



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FSEOG

- Type B = 100% of the FSEOG award is used in R2T4 calculation
- 3. Fund-specific match – the school establishes an account and deposits the FSEOG allocation at the same time the qualified nonfederal funds are deposited. Once comingled the differentiation cannot be determined, instead it is a “mixed fund”



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Modules: Calendar Days

- Total calendar days include all days in which the student was scheduled to attend
 - Days of attendance in courses count regardless of whether module(s) were completed
 - Exclude scheduled breaks of at least 5 consecutive days when student is not scheduled to attend a module or other course
 - Includes allowable breaks between modules (as long as not attending other courses during the break)
- *When a student who has made schedule changes withdraws, do not count attendance in courses officially dropped prior to withdrawal*



Modules: Confirmation Of Return

- Student in a modular program not considered a withdrawal if:
 - Provides written confirmation of intent to return
 - Must be provided at the time of withdrawal
 - Can be paper or electronic process
 - Registration for future modules does *not* constitute written confirmation
 - Student may change return date in writing
 - Must provide change prior to original return date



Modules: Confirmation Of Return

- Nonstandard term and Non-term programs
 - Student considered to be withdrawal if not scheduled to begin another course in period of enrollment for more than 45 calendar days
 - 45 days measured from end of module ceased attending





Questions?

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Thanks!



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- <https://www.surveymonkey.com/s/ZacharyGoodwin>

This evaluation tool provides a means to inform us of areas for improvement, and to support an effective process for listening to our customers.

Additional feedback about training can be directed to anmarie.weisman@ed.gov.



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