



## Financial Aid Return to Title IV Funds (R2T4)

### Introduction:

Initial awarding of Title IV aid (federal student aid) is based on the assumption that the student will attend the entire period for which the award was made. When a student withdraws from the institution before the end of the award period, they have not earned all of their awarded aid. The percentage of earned amount is equal to the percentage of the award period attended (number of days attended divided by total number of days in the period). If more federal aid was disbursed than the student earned through attendance, the unearned funds must be returned to the Department of Education (ED). If less federal aid was disbursed than the student earned (aid that could have been disbursed but wasn't), then the student will be offered a post-withdrawal refund. R2T4 requirements only apply to students who received Title IV grant or loan assistance or who met the conditions for a late disbursement. 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 R2T4 requirements do not apply. In addition, there are institutional refund policies that affect institutional aid—those policies do not affect Title IV aid. The institution will use the best information available to determine the withdrawal date. Except for where the Office of the Registrar is specified, all R2T4 activities are completed by Student Financial Services (SFS).

### R2T4 Definitions:

1. **Academic attendance or attendance at an academically-related activity** – Academic engagement is active participation by a student in an instructional activity related to the student's course of study that:
  - a. Is defined by the institution in accordance with any applicable requirements of its State or accrediting agency;
  - b. Includes, but is not limited to –
    - i. 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;
    - ii. Submitting an academic assignment;
    - iii. Taking an assessment or an exam;
    - iv. Participating in an interactive tutorial, webinar, or other interactive computer-assisted instruction;
    - v. Participating in a study group, group project, or an online discussion that is assigned by the institution; or
    - vi. Interacting with an instructor about academic matters; and
  - c. Does not include, for example –
    - i. Living in institutional housing;
    - ii. Participating in the institution's meal plan;
    - iii. Logging into an online class or tutorial without any further participation; or
    - iv. Participating in academic counseling or advisement.

- 2. Leave of Absence/Written Confirmation** – A student is not considered to have withdrawn if the institution obtains written confirmation from the student at the time of withdrawal that he or she will attend a later module in the same payment period/period of enrollment and that module begins no later than 45 days after the end of the module the student ceased attending. A student may change the date of return provided that the student does so in writing prior to the return date that he or she had previously confirmed and that it is still within the 45 calendar days.
- 3. Modules** – A program is offered in modules if a course or courses in the program do not span the entire length of the payment period. If a student is taking even one modular course and the rest are full-term courses, that student's R2T4 evaluation will follow the rules for modular courses. Our Adult and Graduate studies modules at Eastern Nazarene College are considered nonstandard terms that are substantially equal in length. Our traditional undergraduate programs are considered standard terms.
- 4. Official Withdrawal** – The student has completed and signed the withdrawal form required by the Office of the Registrar. [This is moving to an online form with an electronic signature in 2022.]
- 5. Unofficial Withdrawal** – The student did not notify the Office of the Registrar of their intent to withdraw but has been discovered to be no longer in attendance.
  - a. Inactive for three or more months** – For the AGS programs, the Office of the Registrar will withdraw all students who have not been enrolled for three or more months.
  - b. All F's list** – The SFS counselor will request from the Office of the Registrar a list of students who received all Fs or Is in a term (a student with at least one passing grade may be considered to have completed the period). For each student on the All Fs list, a determination will need to be made of the last date of attendance or academic activity for each course (this information is provided by the professors). If a student stayed in even one course for the full term no R2T4 is required. If a student did not stay in any of the courses for the full term the student is considered an unofficial withdrawal for R2T4 purposes (even if they remain actively enrolled in the institution) and an R2T4 is completed (unless they have completed 60% of the term in at least one course).
- 6. Withdrawal** – For a student in a standard or nonstandard-term program, the student is considered withdrawn if the student ceases attendance in all courses that he or she was scheduled to complete and is not scheduled to begin another course within that same payment period or period of enrollment for more than 45 calendar days after the end of the module the student ceased attending. This includes cases where a student completes a module but does not drop out of a future module that he or she was scheduled to attend. A student who drops all future classes between modules he or she was scheduled to attend is considered to have withdrawn. If a student drops all future classes in a payment period on the *same day* the student completes a module, or prior to completing the module, the student is not considered a withdrawal. If a student completes all coursework scheduled to attend, even if only one module, no R2T4 is required.

## R2T4 Deadlines:

1. **R2T4 Calculation** – Within 30 days of the date of determination the institution must perform the R2T4 calculation and notify the student of any grant overpayment and request confirmation of acceptance for a post-withdrawal disbursement of loan funds.
2. **Return of Title IV funds** – The institution must return the Title IV funds it has a responsibility to return within 45 days of the date of determination.
3. **Post-Withdrawal Disbursement** – The institution must make a post-withdrawal disbursement of grant funds directly to the student within 45 days. The institution must make a post-withdrawal disbursement of grant funds to a student's account, or any loan funds, within 180 days.

## R2T4 Policies:

1. **Order of return** – Federal aid is returned in the following order:
  - Unsubsidized Direct Loans
  - Subsidized Direct Loans
  - Direct PLUS loans
  - Pell Grants
  - Iraq and Afghanistan Service Grants
  - FSEOG
  - TEACH Grants
2. **Attendance** – Eastern Nazarene College is an institution that is NOT required to take attendance. Therefore, all R2T4 policies are those of schools not required to take attendance. If the student began attendance in at least one course and then withdraws, an R2T4 must be performed, unless the student qualifies for one of the exceptions listed below. If a student completes 60% of the payment period, all aid will have been earned, and no R2T4 will have to be calculated (unless it is necessary to determine if the student is due a post-withdrawal disbursement, i.e. not all aid was disbursed that could have been disbursed before the student withdrew). If the student completed 60% and no R2T4 is required, this should be noted in the comments for the student. If a student does not begin attendance in any courses, all disbursed Title IV funds must be returned. R2T4 does not need to be completed if a student withdraws at the end of a full term.
3. **Withdrawal date** – The withdrawal date will be the last date of attendance (LDA) or academically-related activity as determined by the Office of the Registrar with input from the student's professors. This date can be found on STAC.
4. **Date of Determination** – This will be the date that the student submitted a signed withdrawal form to the Office of the Registrar or the date that the Office of the Registrar completed an unofficial withdrawal for a student. The date of determination can be found on SWTH as the registration end date or on the notification from the Office of the Registrar (copy of withdrawal form or Registrar's email). A determination must be made no later than 30 days after the end of the earlier of the payment period, the academic year, or the student's educational program.
5. **Denominator** – For modular programs, the denominator only includes days in coursework that was used to determine eligibility for TIV funds for the payment period.

6. **Freeze date** – Eastern Nazarene College does not use an R2T4 freeze date. The Office of the Registrar will monitor changes in a student’s enrollment throughout the term.
7. **FWS** – Federal Work Study is not included in R2T4 calculations.
8. **Grant overpayment** – Remaining unearned Title IV grant funds, if greater than 50% of the total grant assistance disbursed for the period, are considered grant overpayments. The institution must notify the student within 30 days of the date of determination of the obligation to repay those funds. The student then has 45 days to repay it in full or to enter into a satisfactory repayment agreement.
9. **Grant protection allowance** – Before any portion of the student’s share is allocated to a grant program, a 50% grant protection allowance is applied that limits the total amount the student must return to all grant programs to no more than 50% of the total of Pell, FSEOG, TEACH, and IASG disbursed. This also includes aid that could have been disbursed for the payment period. A student’s calculated grant protection allowance is subtracted from the initial amount of Title IV grants disbursed/could have been disbursed. The end result is the maximum amount of grant funds the student must repay. For any Title IV grant program, the student is not required to return unearned funds of \$50 or less. The \$50 de minimis amount is grant specific (applied to each grant program separately).
10. **Leave of Absence** – An approved or unapproved interruption in a student’s program of study, during which a student is not in academic attendance for a period for which attendance is a scheduled part of the student’s program. Eastern Nazarene College does not have a leave of absence policy. A student must be fully withdrawn and readmitted. This means that the Written Confirmation R2T4 exception does not apply to Eastern Nazarene College.
11. **Post-withdrawal disbursement** – A post-withdrawal disbursement is a disbursement made when the student earned aid that had not yet been disbursed. The conditions for eligibility for that aid are listed below under procedures. Pell can be disbursed without obtaining permission from the students, but written acceptance must be obtained from the student before direct loans can be disbursed. A post-withdrawal disbursement for a direct loan can only be made for the first disbursement. A school may not make a late second or subsequent direct loan disbursement unless the period was successfully completed. The school must notify the student within 30 days of the date of determination of withdrawal of the post-withdrawal disbursement. The notification must identify the loan type and amount, explain that the student may decline all or a portion of a loan disbursement, request confirmation of any amount of loan to disburse, and explain the obligation to repay the loan. The school must specify a deadline of 14 days for required response/confirmation. If the response is late, the school may decide not to disburse but must notify the borrower in writing. If there is no response from the borrower, there can be no disbursement of the loan portion of the post-withdrawal disbursement.

## R2T4 Exceptions:

- 1. Written Confirmation**— A student in a modular program gives written confirmation that he/she will be attending a later module in the same payment period and that module begins no later than 45 calendar days after the end of the module the student ceased attending. Written confirmation must be received close to the date that the student actually ceased attendance (within 2 or 3 days of withdrawal) and before the time that the institution is required to return funds or take any other R2T4 action. If at the time of withdrawal, the student enrolled in a course in a later module in the same payment period (that the student was not previously scheduled to attend), the newly added course would count as positive confirmation of future attendance. NOTE: This is included as a regulatory R2T4 exception, but Eastern Nazarene College does not have a leave of absence/written confirmation policy.
- 2. Graduation** – A student completes all the requirements for graduation before completing the days or hours in the period that he or she was scheduled to complete (for example, the student had enrolled in two modules but only needed one for graduation). This should be a very rare occurrence.
- 3. 49% completion** – A student in a modular program successfully completes at least 49% of the days in the payment period (in one or more modules) *excluding scheduled breaks of five or more consecutive days and all days between modules*. No rounding up is allowed. The 49% is based on the number of days in the overall payment period, not 49% of the modules the student was enrolled in for a particular payment period. Remember, this is not the R2T4 calculation but rather the determination of the exception. Successful completion means earning a passing grade.
- 4. Half-time completion** – A student in a modular program successfully completes coursework equal to or greater than the coursework required for the institution's definition of a half-time student (6 credit hours for an undergraduate student or 3 credit hours for a graduate student). Successful completion means earning a passing grade.

## R2T4 Procedures:

- 1. Notification** – The Office of the Registrar will notify Student Financial Services of all withdrawn students, as well as their withdrawal date (date of last attendance or last academic activity) and the date of determination (date the student submitted the signed withdrawal form or date the Office of the Registrar initiated an unofficial withdrawal) by email.
- 2. Do Not Refund Hold** – The SFS counselor will place a hold on all Title IV credit balances until the R2T4 is calculated (put a DNRF hold on PERC with a comment). SFS must release the credit balance within 14 days.
- 3. TIV Recalculation** – The SFS counselor will determine if a Pell or Direct Loan recalculation needs to be done before the R2T4 calculation (particularly for modular programs). Pell is based on the student's enrollment status on the earlier of the Pell recalculation date or the withdrawal date.

- 4. Determine if the R2T4 exceptions apply** – use the following questions to determine if the student qualifies for one of the R2T4 exceptions:
- a.** 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?
    - If yes, go to the next question
    - If no, student is not a withdrawal
  - b.** 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 the next question
  - c.** 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 the next question
  - d.** When the student ceased to attend or failed to begin attendance in a scheduled course, did the student successfully complete a module or 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 part of the question, student is not a withdrawal but Pell recalculations may apply
    - If no, go to the next question
  - e.** Did the student confirm attendance in a later module in the payment/enrollment period within the 45-day rule? [This will always be ‘no’ for Eastern Nazarene College as we do not have a Leave of Absence/Written Confirmation policy.]
    - If yes, student is not a withdrawal but Pell recalculations may apply
    - If no, student is a withdrawal. Proceed to R2T4 calculation. If a student does not meet any of the exceptions, all normal R2T4 requirements apply.
- 5. Title IV Credit Balance** -- When a student withdraws and there is a TIV credit balance (refund) due to the student, the institution has some decisions to make. The school must hold the credit balance until it determines the effect of both the return of TIV funds calculation and any applicable refund policy. The school must first perform the R2T4 calculation and include only the TIV credit balance from the current payment period as disbursed aid. Then, the school must apply any applicable refund policy and allocate the total credit balance (including any credit balance from a prior payment period) within 14 days of performing the R2T4. The school must first allocate funds to repay any TIV grant overpayment and then allocate any remaining credit balance to pay authorized institutional charges.

- 6. Identify aid eligibility** – A school can only include aid for the period for which the institution does the R2T4 calculation.
- a. Disbursed aid** – use net amount not gross. We have an FSEOG waiver, so we include the full FSEOG amount in disbursed aid.
  - b. ‘Could Have Been Disbursed’ aid** – use net amount not gross. Aid that could have been disbursed may include funds the school can never disburse to the withdrawn student because of statutory and/or regulatory requirements, such as a second or subsequent direct loan disbursement (i.e. a second disbursement is included in aid that could have been disbursed calculation, but is not part of a post-withdrawal disbursement). The following conditions must have been met before the date the student became ineligible (and the student must meet other eligibility requirements).
    - Pell** – There must be an accepted processed ISIR with an EFC.
    - DL** – The loan must have been originated (before withdrawal) and an MPN must be completed before the R2T4 is done (can be completed after the withdrawal but before the R2T4 calculation is done).
    - FSEOG** – The grant must have been awarded.
    - TEACH** – The grant must have been awarded.
    - PLUS** – A satisfactory credit check was received and an MPN completed (can be completed after the withdrawal but before the R2T4 calculation is done).
  - c. Verification** – If aid had been disbursed the school is required to perform the R2T4 calculation promptly using only Title IV aid not subject to verification (unsubsidized loan, PLUS loan, or TEACH grant). If any Pell or FSEOG had been disbursed, it must be returned within 45 days of the date of determination. The student has until Sept. 15 or 120 days after the end of enrollment (whichever comes first) to submit verification documents. The school must then complete verification, adjust the student’s awards if necessary, and complete a new R2T4 including as aid that could have been disbursed any Title IV aid for which the student established eligibility after verification and for which he or she meets the conditions for a late disbursement. A post-withdrawal disbursement can then be made.
- 7. Identify charges** – Use the original allowable charges or adjusted charges from before the withdrawal or any refunds of charges were done. The charges are those assessed for the entire payment period. The initial charges may only be adjusted by those changes the school made before the student withdrew (for example, health insurance waiver or a dropped course). Allowable charges are tuition, room, board, student fee, health insurance, and academic fees such as lab fees, directed study, and internship fees. Fines are not allowable charges. Charges can be obtained from ARSP, ARTI, or SFAV.
- 8. Determine calendar** – Traditional undergraduate students will all have the same fall and spring calendars which will be determined from the Academic Catalog. AGS students will each have their own individual calendar based on their module start and end dates.

- 9. Payment period** – Our R2T4 calculations will be based on payment period, not on period of enrollment. The payment period for a traditional undergraduate is the term. The payment period for an AGS student has a start date that is the first date of class for that student for that term. The payment period end date is the last day of the last module for which the student is enrolled. You must consider also if the modules were used to determine eligibility for TIV funds for the payment period. All breaks of five or more days will be entered in the COD R2T4 tool. A break is measured from the first day of class missed to the day before classes start again after the break.
- 10. Scheduled days for modules** – 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 TIV aid for the payment period*. The numerator in the formula includes the number of the total calendar days in the payment period that the student has completed. The denominator in the formula is the total number of calendar days in the payment period the student was scheduled to complete prior to ceasing attendance. A school includes the days in a module in the denominator of the R2T4 calculation IF the student attended at least one day in the module OR the student did not attend at least one day in the module, but the module was included in the institution's determination of the student's TIV eligibility.
- 11. R2T4 Tool on COD** – Disbursed or could have been disbursed aid, charges, and calendar are all entered in the R2T4 tool on COD and the tool makes all of the calculations. The produced report will indicate amount of aid to be returned (if any) by the school or by the student. If there is a post-withdrawal disbursement, an additional section needs to be completed.
- 12. Return of funds** – The amount of unearned aid is calculated by subtracting the amount of earned aid from the amount of Title IV aid actually disbursed. The school's share is determined first and is the lesser of the total amount of unearned aid or an amount equal to institutional charges multiplied by the percentage unearned. The school must fully allocate its share before the student's share. No minimum applies to the school's amount that must be returned. The student's share is the difference between the total unearned aid and the school's share, and the student is responsible for returning these funds to the ED. Apply the grant protection allowance if required. The school's share of unearned portions of Title IV funds is returned to ED by reducing the grant or loan amounts in Colleague as directed on the R2T4 report and running CODE to export the reduced amounts to COD. If necessary, a post-withdrawal disbursement may be made and CODE run to export the disbursed aid. Although not part of the R2T4 (which deals with federal student aid), the institutional aid may be reduced by the same percentage as the refund of charges based on when the student withdrew.
- 13. Notify the student** by email and enter the appropriate comments on AIDE or FASI. Notify the student if there is a grant overpayment.



### **R2T4 Record Keeping:**

- 1. COD** – Because the R2T4 is currently being completed using the tool on COD, there will be a permanent record of the R2T4 on COD.
- 2. Financial Aid Drive** – A electronic copy of the R2T4 worksheet done by the SFS counselor and a copy of the R2T4 report from COD will be saved to the finaid drive under the year and in the R2T4 folder.
- 3. Student File** – A hard copy of the R2T4 worksheet done by the SFS counselor and a copy of the R2T4 report from COD will be saved in the student’s file in the SFS office.

### **COVID-19 Flexibilities:**

Under the CARES Act, institutions were required to perform R2T4s but were not required to return TIV funds if the student withdrew as a result of COVID-19-related circumstances. Eastern Nazarene College utilized this flexibility only during 2020 Spring term.