

Return to Title IV

FINANCIAL AID WARRIORS

TRANSFORMING STUDENT LIVES ONE AT A TIME

SPRING 2026



Agenda

KEY CONCEPTS

THE R2T4 FORMULA

TIMEFRAMES

BEST PRACTICES



Key Concepts

Withdrawal

- Student ceased attendance in all classes during payment period/period of enrollment

Title IV Recipient

- Received federal grant or loan funds
- Meets the requirements to receive a late disbursement of federal grant or loan funds

Title IV Aid

- Subject to R2T4:
 - Federal Pell Grant
 - TEACH Grant
 - FSEOG
 - Direct Loan
- Non-Title IV aid is exempt



Key Concepts

Earned Aid

- Disbursed or undisbursed federal funds the withdrawn student may keep

Post-Withdrawal Disbursement

- Undisbursed federal funds the withdrawn student earned and could receive

Unearned Aid

- Disbursed federal funds for which the withdrawn student does not qualify



When R2T4 Requirements Do Not Apply

Situation	Perform R2T4 Calculation	School Returns Funds	Student Returns Funds
Partial withdrawal	No	No	No
Completes graduation requirements	No	No	No
Did not establish Title IV eligibility	No	No	No
Deceased student	Yes	Yes	No



Required to Take Attendance

A SCHOOL IS REQUIRED TO TAKE ATTENDANCE IF:

Requirement imposed by outside entity

Voluntarily takes attendance, including limited periods in excess of a single day

Requirement that can only be met by taking attendance

INCLUDES TAKING ATTENDANCE FOR:

A limited period of time

Certain populations



Not Required to Take Attendance

WITHDRAWAL DATE DEPENDS ON WHETHER THE STUDENT IS AN:

Official withdrawal

Unofficial withdrawal



Official Withdrawals

OCCURS WHEN A STUDENT USES THE SCHOOL'S OFFICIAL WITHDRAWAL PROCESS OR OFFICIALLY NOTIFIES THE SCHOOL OF INTENT TO WITHDRAW

- School designates an office or website
 - Notification may be written or verbal
 - Includes date of withdrawal
-



Unofficial Withdrawals

OCCURS WHEN A STUDENT DROPS OUT WITHOUT NOTIFYING THE SCHOOL

SCHOOLS HAVE A CHOICE:

Midpoint of the payment period or period of enrollment; or

Last date of attendance in an academically related activity, whether earlier or later than the midpoint



Early Implementation Option

A RECENT PROVISION IN THE RETURN OF TITLE IV (R2T4) FUNDS REGULATIONS ALLOWS INSTITUTIONS TO FORGO PERFORMING AN R2T4 CALCULATION UNDER SPECIFIC CONDITIONS:

THE STUDENT IS TREATED AS NEVER HAVING BEGUN ATTENDANCE.

THE INSTITUTION RETURNS ALL TITLE IV, HEA ASSISTANCE DISBURSED TO THE STUDENT FOR THAT PAYMENT PERIOD OR PERIOD OF ENROLLMENT.

THE INSTITUTION REFUNDS ALL INSTITUTIONAL CHARGES TO THE STUDENT FOR THAT PAYMENT PERIOD OR PERIOD OF ENROLLMENT.

THE INSTITUTION WRITES OFF OR CANCELS ANY BALANCE OWED BY THE STUDENT TO THE INSTITUTION DUE TO THE RETURN OF TITLE IV, HEA FUNDS.



Early Implementation Option (Cont.)

THIS EXEMPTION SIMPLIFIES THE PROCESS FOR INSTITUTIONS WHERE STUDENTS ARE CONSIDERED NOT TO HAVE BEGUN ATTENDANCE, PROVIDED ALL TITLE IV FUNDS ARE RETURNED, INSTITUTIONAL CHARGES ARE REFUNDED, AND ANY RESULTING BALANCES ARE CANCELED.

IT'S IMPORTANT TO NOTE THAT THESE REGULATIONS WILL TAKE EFFECT ON JULY 1, 2026. HOWEVER, THE DEPARTMENT OF EDUCATION PERMITS EARLY IMPLEMENTATION AT THE INSTITUTION'S DISCRETION.



Academic Engagement Includes

ATTENDING A SYNCHRONOUS CLASS, LECTURE, FIELD ACTIVITY OR LABORATORY ACTIVITY, EITHER PHYSICALLY OR ONLINE, WHERE THERE IS AN OPPORTUNITY FOR DIRECT INTERACTION BETWEEN THE INSTRUCTOR AND STUDENTS

SUBMITTING AN ACADEMIC ASSIGNMENT

TAKING AN EXAM OR ASSESSMENT

PARTICIPATING IN AN INTERACTIVE TUTORIAL, WEBINAR, OR OTHER INTERACTIVE COMPUTER-ASSISTED INSTRUCTION

PARTICIPATING IN A SCHOOL-ASSIGNED STUDY GROUP, ONLINE DISCUSSION, OR GROUP PROJECT

INTERACTING WITH A FACULTY MEMBER REGARDING THE ACADEMIC SUBJECT STUDIED IN THE COURSE



Academic Engagement Does Not Include

LIVING IN INSTITUTIONAL HOUSING

USING SCHOOL'S MEAL PLAN

LOGGING INTO AN ONLINE CLASS OR TUTORIAL WITHOUT ACTIVE PARTICIPATION

PARTICIPATING IN ACADEMIC COUNSELING OR ADVISING



Student Fails to Earn a Passing Grade in Any Course

SCHOOLS NOT REQUIRED TO TAKE ATTENDANCE MUST BE ABLE TO DETERMINE IF STUDENT COMPLETED PAYMENT PERIOD

INCOMPLETE “I” GRADES

FAILING “F” GRADES

CONSIDERED AN UNOFFICIAL WITHDRAWAL IF:

- Fails to earn a passing grade in any course; and
- Cannot document requirements for one course completed



R2T4 Calculation

IDENTIFY THE STUDENT'S TITLE IV AID DISBURSED AND NOT YET DISBURSED

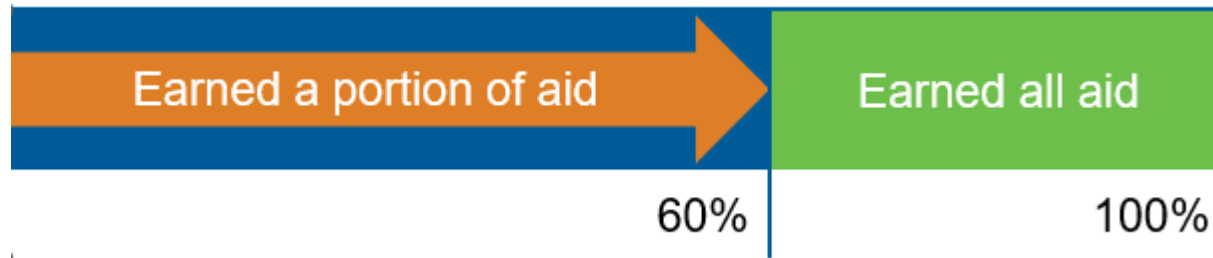
CALCULATE THE PERCENTAGE OF TITLE IV AID EARNED

DETERMINE THE AMOUNT OF TITLE IV AID EARNED



Calculate the Percentage of Title IV Aid Earned

TITLE IV AID IS EARNED BASED ON PERCENTAGE OF PERIOD COMPLETED



WHEN ROUNDING, CARRY THE DECIMAL OUT TO FOUR PLACES

Earned all aid for any decimal above 0.6000



Calculate the Percentage of Title IV Aid Earned

EXCLUDE SCHEDULED BREAKS OF AT LEAST FIVE CONSECUTIVE DAYS

Spring
Break



March						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

22
calendar
days



Determine the Amount of Earned Aid

$$\text{Total aid} \times \% \text{ completed} = \text{Earned aid}$$



$$\text{Disbursed aid} + \text{Aid that could have been disbursed}$$

Note: The amount earned should be rounded to the nearest penny



Example

JOHN IS ENROLLED AT BRIGHTSIDE COLLEGE FOR THE SPRING SEMESTER, WHICH BEGINS ON JANUARY 17 AND ENDS OF MAY 5. BRIGHTSIDE HAS A NINE-DAY SCHEDULED BREAK IN MARCH. AT THE BEGINNING OF THE SEMESTER, THE SCHOOL DISBURSED \$3,247.50 IN FEDERAL PELL GRANT* AND \$1,000 FSEOG TO HIS STUDENT LEDGER ACCOUNT. HE HAS NO UNDISBURSED AID ON FEBRUARY 10 WHEN HE BEGINS THE OFFICIAL WITHDRAWAL PROCESS.

THE SCHOOL DETERMINES HE COMPLETED 25 PERCENT OF THE PAYMENT PERIOD, EARNING 25 PERCENT OF HIS TITLE IV AID.

Earned Aid

$$\text{\$ } \underline{4,247.50} + \text{\$ } \underline{0} \times \underline{25 \%} = \text{\$ } \underline{1,061.87}$$

Disbursed aid

Aid that could have
been disbursed

Percentage
completed

Earned aid

**Amount listed is for training purposes and may not correspond to the actual amount the student is eligible for according to the most recent maximum and/or minimum Pell for the award year represented.*



Determine the Amount of Aid to Be Disbursed or Returned

$$\text{Disbursed aid} - \text{Earned aid} = \text{Unearned aid}$$

RETURN UNEARNED TITLE IV AID

RESOLVE ANY INADVERTENT LATE DISBURSEMENTS

ROUND FINAL PAYMENT AMOUNT TO NEAREST WHOLE DOLLAR



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 OR PERIOD OF ENROLLMENT

THIS DETERMINATION IS STUDENT SPECIFIC



Modules: Withdrawal Exemptions

1. WITHDRAWAL EXEMPTION FOR GRADUATES/COMPLETERS

A STUDENT WHO COMPLETES ALL THE REQUIREMENTS FOR GRADUATION FROM THEIR PROGRAM BEFORE COMPLETING THE DAYS OR HOURS IN THE PERIOD THAT THEY WERE SCHEDULED TO COMPLETE IS NOT CONSIDERED TO HAVE WITHDRAWN

THIS EXEMPTION APPLIES TO ALL TYPES OF PROGRAMS (INCLUDING THOSE WITH OR WITHOUT MODULES)

2. WITHDRAWAL EXEMPTIONS FOR PROGRAMS OFFERED IN MODULES

A STUDENT IS NOT CONSIDERED TO HAVE WITHDRAWN IF THE STUDENT **SUCCESSFULLY COMPLETES ONE MODULE THAT INCLUDES 49 PERCENT OR MORE OF THE NUMBER OF DAYS IN THE PAYMENT PERIOD**, EXCLUDING SCHEDULED BREAKS OF FIVE OR MORE CONSECUTIVE DAYS AND ALL DAYS BETWEEN MODULES

A STUDENT IS NOT CONSIDERED TO HAVE WITHDRAWN IF THE STUDENT **SUCCESSFULLY COMPLETES A COMBINATION OF MODULES THAT CUMULATIVELY CONTAIN 49 PERCENT OR MORE OF THE NUMBER OF DAYS IN THE PAYMENT PERIOD**, EXCLUDING SCHEDULED BREAKS OF FIVE OR MORE CONSECUTIVE DAYS AND ALL DAYS BETWEEN MODULES

A STUDENT IS NOT CONSIDERED TO HAVE WITHDRAWN IF THE STUDENT **SUCCESSFULLY COMPLETES COURSEWORK EQUAL TO OR GREATER THAN THE COURSEWORK REQUIRED FOR THE INSTITUTION'S DEFINITION OF A HALF-TIME STUDENT UNDER [34 CFR 668.2\(B\)](#)** FOR THE PAYMENT PERIOD



Modules: Withdrawal Exemptions (cont.)

3. WITHDRAWAL EXEMPTION TREATING STUDENTS AS NEVER ATTENDED (FOR THOSE SCHOOLS THAT CHOOSE TO EARLY IMPLEMENT THE JANUARY 3, 2025 FINAL REGULATIONS)

IF A SCHOOL MEETS SEVERAL CONDITIONS WITH RESPECT TO RECORD KEEPING, INSTITUTIONAL CHARGES AND *TITLE IV* RETURNS, A SCHOOL WILL HAVE THE ABILITY TO TREAT A STUDENT WHO STARTED A PAYMENT PERIOD OR PERIOD OF ENROLLMENT AS IF THEY NEVER ATTENDED FOR R2T4 PURPOSES

UNLIKE THE OTHER WITHDRAWAL EXEMPTIONS LISTED ABOVE, THIS EXEMPTION IS OPTIONAL AND APPLIES TO ALL TYPES OF PROGRAMS (INCLUDING THOSE WITH OR WITHOUT MODULES)

- PLEASE NOTE THAT THE WITHDRAWAL EXEMPTIONS APPLY TO BOTH UNDERGRADUATE AND GRADUATE STUDENTS AS LONG AS THE STUDENT AND PROGRAM MEET THE UNDERLYING EXEMPTION CRITERIA (I.E., THE PROGRAM IS OFFERED IN MODULES, THE STUDENTS ARE GRADUATES, ETC.). FINALLY, A STUDENT ONLY NEEDS TO MEET ONE OF THE WITHDRAWAL EXEMPTIONS TO BE EXEMPT FROM R2T4.



Modules Example 1 (Pell Grant Recipient)

STUDENT ENROLLED IN A SEMESTER WITH TWO 8-WEEK MODULES

STUDENT ENROLLED IN 6 HOURS IN MODULE 1 AND 6 HOURS IN MODULE 2

AS OF DISBURSEMENT DATE, STUDENT STARTED 6 HOURS AND WAS ENROLLED IN 12 HOURS

SCHOOL DISBURSED A 100% INTENSITY PELL GRANT TO THE STUDENT

STUDENT ENDS UP WITHDRAWING DURING MODULE 1 AND NEVER ATTENDS MODULE 2

SCHOOL MUST PERFORM A MANDATORY PELL RECALCULATION AND PAY THE STUDENT A 50% INTENSITY PELL AMOUNT BASED ON THE STUDENT'S ATTENDANCE IN MODULE 1

SINCE THE STUDENT ONLY RECEIVED PELL GRANT FUNDS AND THE SCHOOL DID NOT USE AN R2T4 FREEZE DATE, THE SCHOOL WILL ONLY USE THE DAYS FROM THE MODULE(S) THAT THE STUDENT ACTUALLY ATTENDED. SINCE THE STUDENT ONLY ATTENDED MODULE 1, THE NUMBER OF DAYS IN MODULE 2 ARE NOT INCLUDED IN THE DENOMINATOR OF THE R2T4 CALCULATION.



Modules Example 2 (Direct Loan Recipient)

STUDENT ENROLLED IN A SEMESTER WITH FOUR, 4-WEEK MODULES

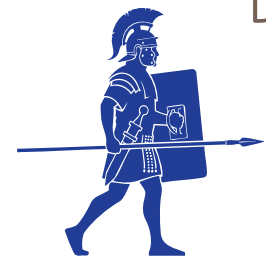
STUDENT ENROLLED IN A 3-HOUR COURSE IN MODULES 1, 3, AND 4 FOR A TOTAL OF 9 HOURS

SCHOOL MADE A DIRECT LOAN DISBURSEMENT

STUDENT COMPLETED MODULE 1, STARTED ATTENDING MODULE 3, AND THEN COMPLETELY WITHDREW (NEVER ATTENDED MODULE 4)

SCHOOL DOES NOT HAVE TO ADJUST LOAN FUNDS SINCE THE STUDENT STARTED A CLASS AND WAS REGISTERED HALF-TIME AT THE TIME OF DISBURSEMENT

SINCE THE SCHOOL DID NOT USE AN R2T4 FREEZE DATE AND THE STUDENT WAS AWARDED A DIRECT LOAN, THE SCHOOL WILL FACTOR IN THE DAYS OF ANY MODULE OR COURSE THE STUDENT ENROLLED IN AS OF THE FIRST DAY OF THE PERIOD OR DURING THE PAYMENT PERIOD. IN THIS CASE, THE STUDENT ENROLLED IN COURSES IN MODULES 1, 3, AND 4 AND THEREFORE, THE NUMBER OF DAYS IN MODULES 1, 3, AND 4 ARE INCLUDED IN THE DENOMINATOR OF THE R2T4 CALCULATION.



Modules: Schedule Change or Withdrawal?

1. 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 OR PERIOD OF ENROLLMENT?

IF YES, GO TO QUESTION 2

IF NO, STUDENT IS NOT A WITHDRAWAL

2. 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 QUESTION 3

3. 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 QUESTION 4



Modules: Schedule Change or Withdrawal? (cont.)

4. WHEN THE STUDENT CEASED TO ATTEND OR FAILED TO BEGIN ATTENDANCE IN A SCHEDULED COURSE, DID THE STUDENT SUCCESSFULLY COMPLETE:

A MODULE OR COMBINATION OF 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 QUESTION, STUDENT NOT A WITHDRAWAL, BUT PELL RECALCULATIONS MAY APPLY

IF NO, GO TO QUESTION 5

5. DID THE STUDENT CONFIRM ATTENDANCE IN A LATER MODULE IN THE PAYMENT OR ENROLLMENT PERIOD (45-DAY RULE FOR STANDARD OR NONSTANDARD TERM PROGRAMS OFFERED IN MODULES)?

IF YES, NOT A WITHDRAWAL, BUT PELL RECALCULATIONS MAY APPLY

IF NO, STUDENT IS A WITHDRAWAL



Return of Funds by the School

1. Federal Loans

- Direct Unsubsidized
- Direct Subsidized
- Federal PLUS

2. Federal Grants

- Federal Pell Grant
- FSEOG
- TEACH Grant



Timeframe for Return of Unearned Aid

RETURN OF UNEARNED FUNDS

TITLE IV UNEARNED FUNDS MUST BE RETURNED WITHIN 45 DAYS AFTER THE WITHDRAWAL DETERMINATION TO COMPLY WITH REGULATIONS.

GRANT OVERPAYMENT NOTIFICATION

STUDENTS MUST BE NOTIFIED OF GRANT OVERPAYMENTS WITHIN 30 DAYS TO ENSURE TRANSPARENCY AND COMPLIANCE WITH REGULATIONS.

POST WITHDRAWAL DISBURSEMENT TIMELINES

GRANTS MUST BE DISBURSED WITHIN 30 DAYS. LOANS WITHIN 180 DAYS UPON ACCEPTANCE TO MEET FEDERAL REQUIREMENTS.



Best Practices: Double-Check Calculations

STANDARDIZED CALCULATION TOOLS

USE OF FEDERAL WORKSHEETS OR APPROVED SOFTWARE ENSURES CALCULATION CONSISTENCY AND ACCURACY.

SECOND-PERSON REVIEW

A SECOND-PERSON REVIEW PROCESS PROVIDES AN EXTRA VERIFICATION LAYER TO CATCH ERRORS AND DISCREPANCIES. THIS STRATEGY IS ONE OF THE MOST COMMON RECOMMENDATIONS FROM AUDITORS/REVIEWERS.

COMPARISON TO PRIOR TERMS

COMPARING CURRENT AND PRIOR TERM CALCULATIONS HELPS IDENTIFY ANOMALIES AND IMPROVE ACCURACY.



Best Practices: Cross-Department Collaboration

COORDINATED COMMUNICATION

R2T4 PROCESSING REQUIRES EFFECTIVE COMMUNICATION BETWEEN FINANCIAL AID, REGISTRAR, BURSAR, ADVISING, AND FACULTY DEPARTMENTS.

CONSISTENT POLICIES

SHARED POLICIES ACROSS DEPARTMENTS REDUCE ERRORS AND MINIMIZE CONFUSION AMONG STUDENTS DURING R2T4 PROCESSING.

ALIGNED ROLES AND RESPONSIBILITIES

COLLABORATION ENSURES STAKEHOLDERS UNDERSTAND THEIR ROLES, LEADING TO MORE EFFICIENT AND ACCURATE PROCESSING.

