



Return to Title IV (R2T4) Training For Clock Hour Programs.

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GEMCOR, Inc.



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AGENDA

• Basic R2T4 information

Step 1 - Determine amount disbursed or could have been disbursed at time of withdrawal.

Effective 7-1-2026 R2T4 Full refund withdrawal exemption

Step 2 – Calculate percentage of Title IV aid earned.

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

Step 4- Title IV aid to be disbursed or returned

Step 5- Amount of unearned Title IV aid due from school

Step 6- Return of Title IV funds due from the school

Step 7- Initial Amount of unearned Title IV aid due from the student.

Step 8- Repayment of the student's loans

Step 9- Grant funds to be returned

Step 10 – Return of grant funds by the student

Post withdrawal tracking sheet

Summary of applicable deadlines

Transfer students

Leave of absence (LOA)

BASIC R2T4 Information

The R2T4 calculation is necessary when a financial aid eligible student withdraws from a payment period or period of enrollment unless the school-

1-Applies the Full Refund Withdrawal Exemption. (eff. 7-1-2026)

2-Places the student on an approved Leave Of Absence (LOA)*

3-Or the student transfers into a new program at the same school*

- ❖ Student earns Title IV aid based on percentage of hours scheduled to be completed in the payment period or period of enrollment.
- ❖ Student earns 100% of Title IV funds with *more than* 60% of scheduled hours elapsed for the payment period or period of enrollment
- ❖ Institutional or other refund policies do not impact R2T4 calculation.

Basic R2T4 information

Withdrawal Date is the student's Last Day of Attendance (LDA) at the institution.

Date of Determination (DOD) is the date the institution became aware that student ceased attendance due to 14 consecutive calendar days of non-attendance, the day the student was scheduled to return from LOA but didn't or official notification from the student regarding their withdrawing from the program.

The R2T4 calculation must be completed no later than 30 days following *the DOD*.

Any required return of funds to the Department occurs no later than 45 days following the *DOD*.



Basic R2T4 information

- **Payment Period or Period of Enrollment**

Use of Payment Period or Period of enrollment on the R2T4 is at the discretion of the school. The choice must be applied to all students enrolled in the same program.

- *Payment Periods* for a 1500 program: 1-450, 451-900, 901-1200 and 1201-1500.
- *Periods of enrollment* for a 1500 program: 1-900 and 901-1500.

Monetary amounts should be in dollars and cents (rounded to the nearest penny).
When calculating percentages, round to three decimal places. (for example, .4486 = .449 = 44.9%)

STEP 1: Student's Title IV Aid Information

Title IV Grant Programs:

1. Federal Pell Grant
2. Academic Competitiveness Grant
3. National SMART Grant
4. FSEOG
5. TEACH Grant
6. Iraq-Afghanistan Service Grant

Amount Disbursed	Amount that Could Have Been Disbursed
\$3,698.00	
A. \$3,698.00	C. \$0.00
(Subtotal)	(Subtotal)

Title IV Loan Programs:

7. Unsubsidized Federal Direct Loan
8. Subsidized Federal Direct Loan
9. Perkins Loan
10. Federal Direct PLUS

Net Amount Disbursed	Net Amount that Could Have Been Disbursed
\$1,989.00	
\$1,782.00	
B. \$3,771.00	D. \$0.00
(Subtotal)	(Subtotal)

E.	Total Title IV Disbursed for the Period
A.	\$3,698.00
+ B.	\$3,771.00
= E.	\$7,469.00

F.	Total Title IV grant aid disbursed and that could have been disbursed for the period
A.	\$3,698.00
+ C.	\$0.00
= F.	\$3,698.00

G.	Total Title IV aid disbursed and that could have been disbursed for the period
A.	\$3,698.00
B.	\$3,771.00
C.	\$0.00
+ D.	\$0.00
= G.	\$7,469.00

Step 1
Aid disbursed or
could have been
disbursed for
payment period
or period of
enrollment.

Step 1

Aid disbursed or that could have been disbursed for payment period or period of enrollment.

- **Inadvertent Overpayments**
- Inadvertent overpayments—disbursements inadvertently made to a student after the student ceased attendance but prior to the date of the institution's determination that the student withdrew—are refunded in full and then included in the R2T4 calculation as aid that could have been disbursed rather than aid disbursed.

Step 1

Aid disbursed or could have been disbursed for payment period or period of enrollment.



AID THAT COULD HAVE BEEN DISBURSED

- Include aid that met late disbursement conditions prior to withdrawal.
- ED-processed SAR/ISIR with official SAI (for all programs)
- Direct Loan originated in school system on or before the student's last day of attendance.
- Federal portion of FSEOG award made to student

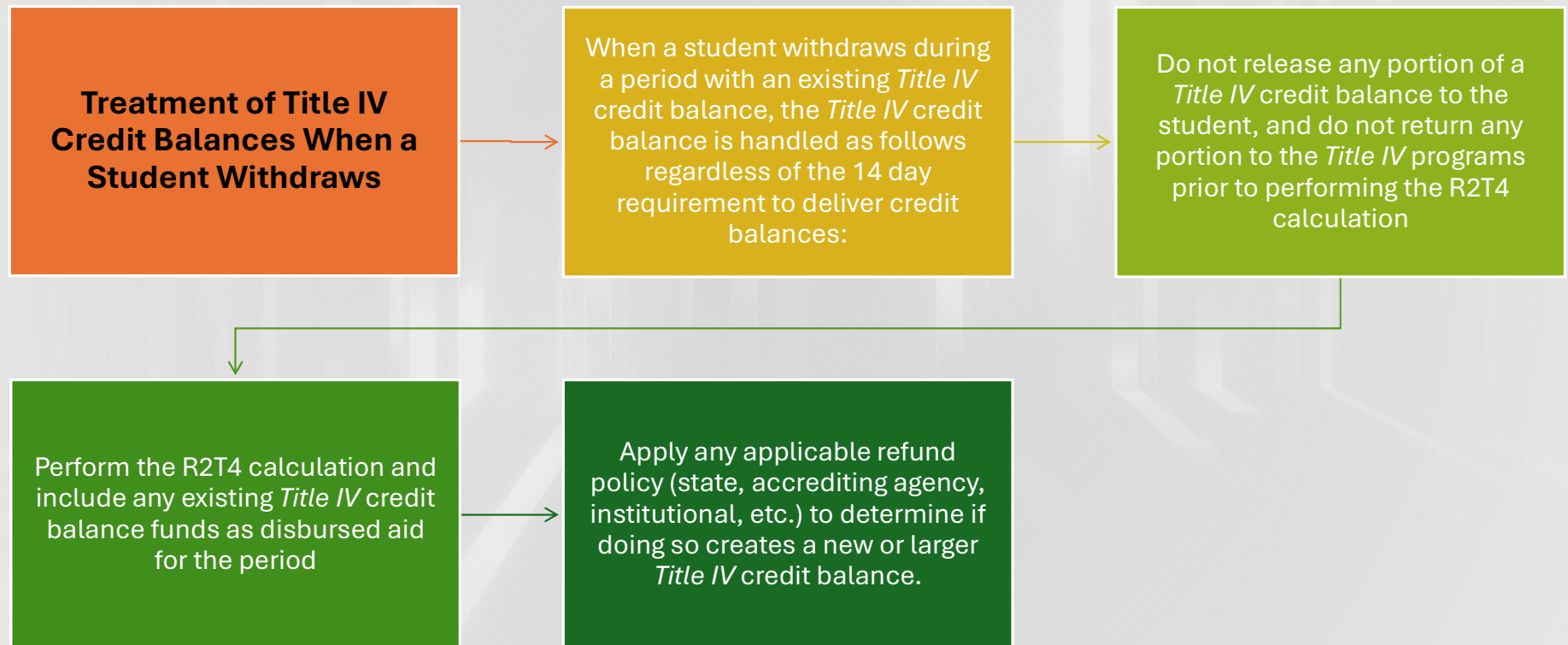
Step 1

Aid disbursed or could have been disbursed for payment period or period of enrollment.

- When a student is charged for a period longer than a payment period, the institutional charges incurred by the student for the payment period are the greater of:
 - The prorated amount of institutional charges for the payment period
 - or
 - The amount of *Title IV* assistance the institution retained as of the student's withdrawal date, which may exceed the prorated amount of institutional charges and is usually an unclaimed credit balance.

Step 1

Aid disbursed or could have been disbursed for payment period or period of enrollment.





Step 1

Aid disbursed or could have been disbursed for payment period or period of enrollment.

- School can choose the award year's ISIR that results in the greater Pell award on the R2T4.
- Abbreviated Loan Period. Loan amounts will have to be prorated up to the full length of the payment period or period of enrollment. The undisbursed difference is considered aid that could have been disbursed.

Step 2

- “Hours scheduled” excludes:
- Leaves of absence
- “Make-up” hours not part of normal schedule

STEP 2: Percentage of Title IV Aid Earned

PP = Payment Period

7/1/2027

PP or PoE
Begin Date

PoE = Period of Enrollment

9/1/2027

Last Date of
Attendance

Calculation Notes:

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

250.00	/	450.00	=	55.6%
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. 55.6%

Step 2

Determining scheduled hours for subsequent payment periods

- Days when one payment period ends and another begins
- Student scheduled for 8 hours a day
- 450 hour payment periods

	Hours at beginning of day	hours scheduled\completed	Total at end of day
7-1-2026	445	8	453

- If the student withdraws from the 451-900 payment period, then 3 scheduled hours from 7-1-2026 are included in the scheduled hour total on the R2T4.

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

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).

$$\begin{array}{c} \boxed{55.6\%} \\ \text{Box H} \end{array} \times \begin{array}{c} \boxed{\$7,469} \\ \text{Box G} \end{array} = \begin{array}{c} \boxed{\$4,153} \\ \text{Box I} \end{array}$$

Student's Name:

0

Step 4

- If a PWD is due, a school stops at Step 4, Box J on the worksheet.

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.

\$4,153	-	\$7,469.00	=	\$0
Box I		Box E		Box J

If there is an entry for "J", **Stop here**, and enter the amount

in Box 1 on page 3 (Post-withdrawal disbursement tracking sheet)

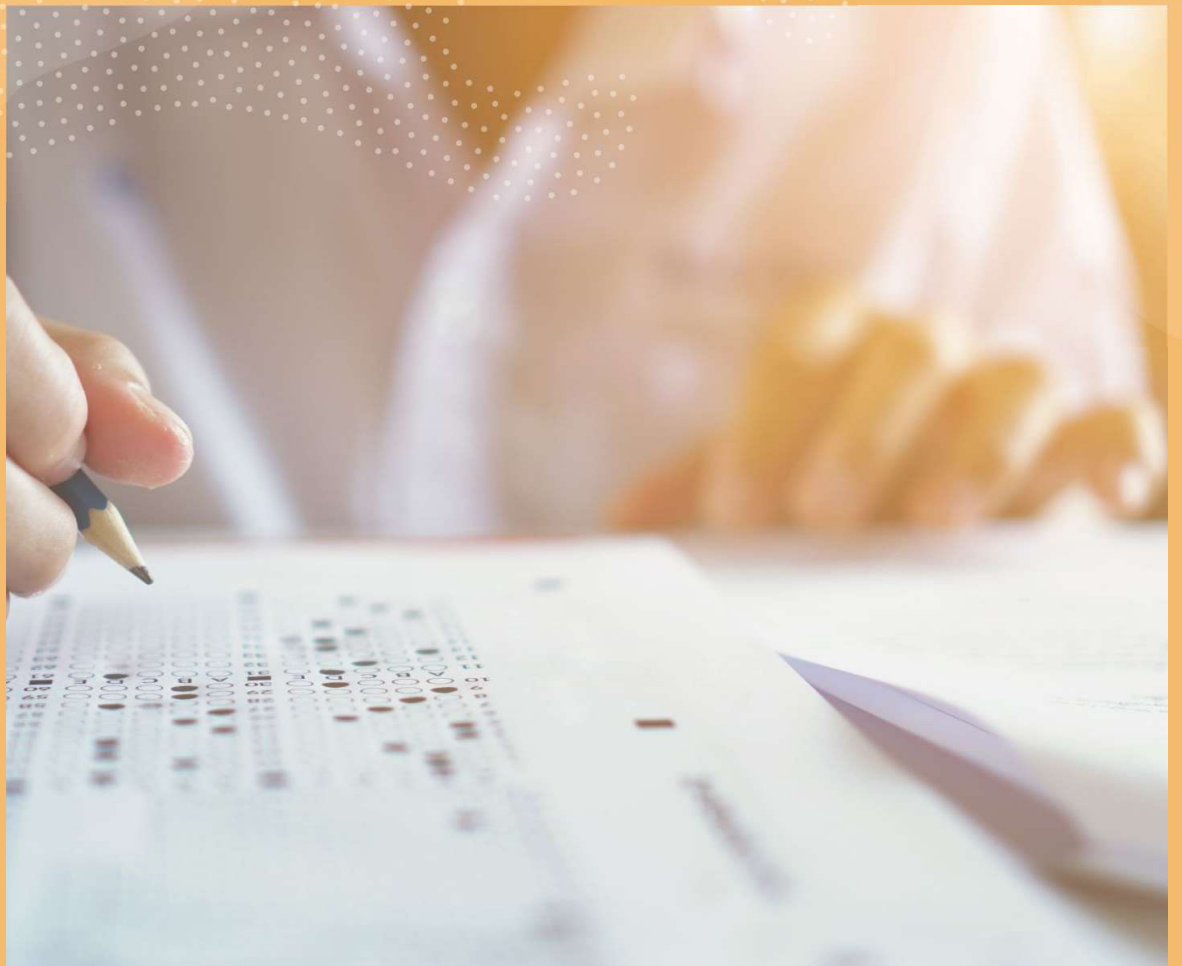
K. Title IV aid to be returned

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.

\$7,469.00	-	\$4,153	=	\$3,316
Box E		Box I		Box K

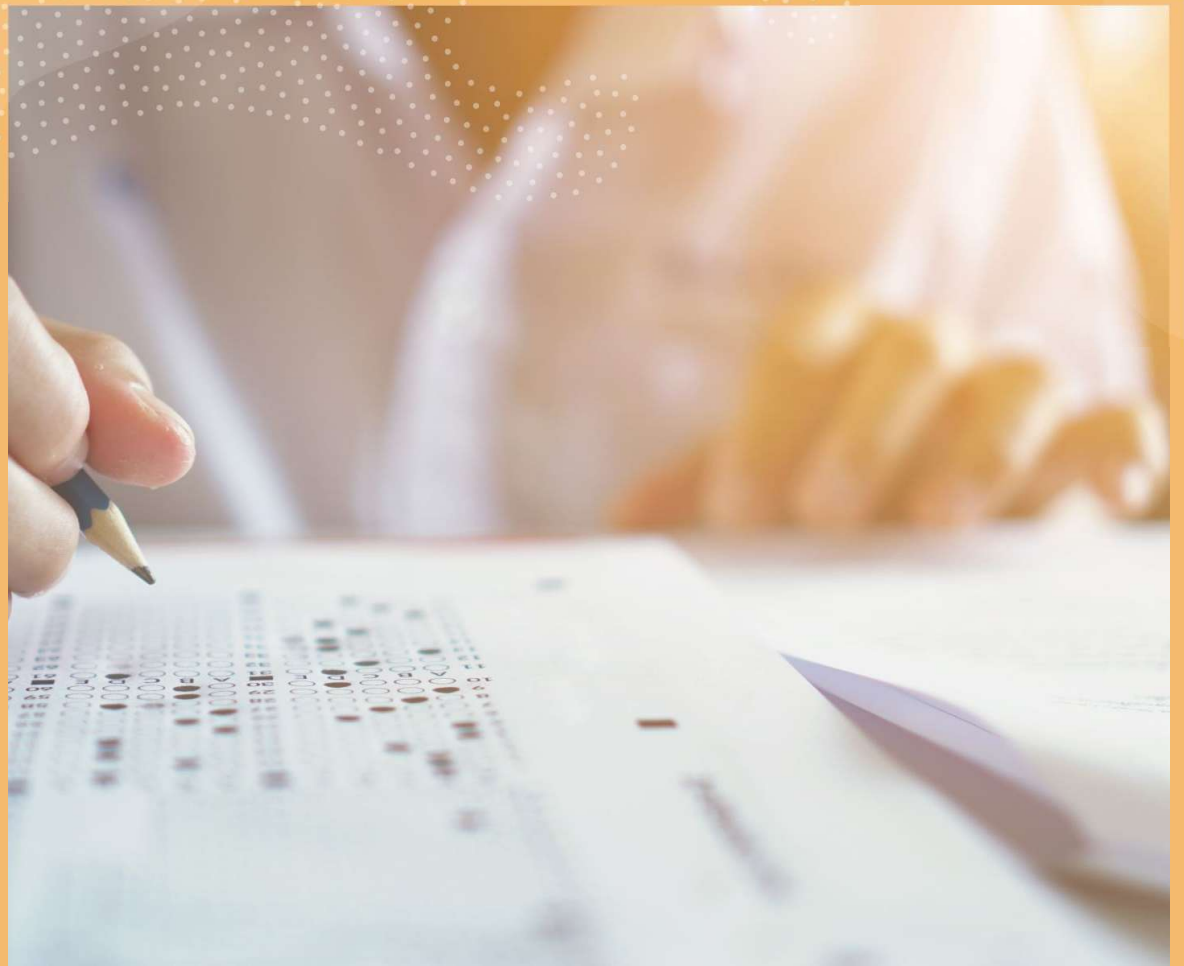
An institution is prohibited from disbursing

- A second disbursement of Direct Loan funds where the student has not successfully completed half of the number of credit hours or clock hours and half of the number of weeks of instructional time in the payment period
- A second or subsequent disbursement of Direct Loan funds unless the student has successfully completed the loan period
- A disbursement of Direct Loan funds for which the borrower has not signed a promissory note



An institution is prohibited from disbursing

- a disbursement of a Direct Loan to a first-year, first-time borrower who withdraws before the 30th day of the student's program of study except when this delay does not apply because of low default rates
- a disbursement of a Federal Pell Grant or TEACH Grant to a student for whom the institution did not have a valid FAFSA Submission Summary/ISIR by the deadline established by the Department.



Step 5:

Amount of
unearned Title
IV aid due from
the school

the School

**L. Institutional
Charges for
the Period.**

Tuition & Fees
Books & Supplies
Room
Board
Other
Other

5,000.00

500.00

2,000.00

2,000.00

Total Institutional Charges
(Add all the charges together)

L. \$9,500.00

M. Percentage of unearned Title IV aid

100.0%

-

55.6%

=

44.4%

Box H

Box M

N. Amount of unearned charges

Multiply institutional charges for the period (Box L) by the
Percentage of unearned Title IV aid (Box M).

9,500.00

x

44.4%

=

\$4,218

Box L

Box M

Box N

Step 5 Total institutional charges



Charges do not affect earned Title IV aid.



Includes charges initially assessed for period or adjusted *prior to* withdrawal Tuition refunds following a student's withdrawal have no impact on the amount of Title IV aid that the student has earned under an R2T4 calculation.



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.

INSTITUTION VS. NON-INSTITUTIONAL CHARGES

INSTITUTIONAL CHARGES

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graph TD; A[INSTITUTIONAL CHARGES] --> B[Tuition, fees, and room and board (if contracted with school)]; B --> C[Required course materials (books, kits, tools, supplies, etc.) if no real and reasonable opportunity to purchase elsewhere]; C --> D[Institution may exclude the documented cost of equipment from institutional charges if unreturnable or returnable but not returned in good condition within 20 days of withdrawal]; D --> E[Institution must notify students of equipment return policies when they enroll];
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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

Institution may exclude the documented cost of equipment from institutional charges if unreturnable or returnable but not returned in good condition within 20 days of withdrawal

Institution must notify students of equipment return policies when they enroll

Step 6: Return of Title IV Funds by the School

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 for each source.

Title IV Programs		Amount for School to Return
1. Unsubsidized Federal Direct Loan		1,989
2. Subsidized Federal Direct Loan		1,327
3. Perkins Loan		0
4. Federal Direct PLUS (Parent)		0
Total loans the school must return =		P. \$3,316
5. Pell Grant		0
6. Academic Competitiveness Grant		0
7. National SMART Grant		0
8. FSEOG		0
9. TEACH Grant		0

Step 6

Refunds must be made within 45 days from the Date of Determination(DOD)

Order of Return of Title IV Funds:

- Unsubsidized Direct Loans (other than Direct PLUS Loans)
- Subsidized Direct Loans
- Direct PLUS Loans (parent or graduate)
- Federal Pell Grants
- FSEOG

Steps 7 and 8

STEP 8: Repayment of the Student's loans

From the Net loans disbursed to the student (Box B) subtract the Total loans the school must return (Box P) to find the amount of Title IV loans the student is still responsible for repaying (Box R).

These loans consist of loans the student has earned, or unearned loan funds the school is not responsible for repaying. They are repaid to the loan holders according to the terms of the borrower's promissory note.

$$\begin{array}{ccc} \boxed{\$3,771} & - & \boxed{\$3,316} = \boxed{\$455} \\ \text{Box B} & & \text{Box P} \quad \text{Box R} \end{array}$$

- If Box Q is less than or equal to Box R, **STOP**.
The only action a school must take is to notify the holders of the loans of the student's withdrawal date.
- If Box Q is greater than Box R, Proceed to Step 9.

STEP 7: Initial Amount of Unearned Title IV Aid Due from the Student

From the amount of Title IV aid to be returned (Box K) subtract the Amount for the school to return (Box O).

$$\begin{array}{ccc} \boxed{\$3,316} & - & \boxed{\$3,316} = \boxed{\$0} \\ \text{Box K} & & \text{Box O} \quad \text{Box Q} \end{array}$$

- If Box Q is less than or equal to zero, **STOP**.
If greater than zero, go to Step 8.

Steps 9 and 10

STEP 9: Grant Funds to be Returned

S. Initial amount of Title IV grants for student to return

From the initial amount of unearned Title IV aid due from the student (Box Q) subtract the amount of loans to be repaid by the student (Box R).

\$0	-	\$455	=	\$0
Box Q		Box R		Box S

T. Amount of Title IV grant protection

Multiply the total of Title IV grant aid that was disbursed and that could have been disbursed for the period (Box F) by 50%.

\$3,698	-	50.00%	=	\$0
Box F				Box T

U. Title IV grant funds for the student to return

From the initial amount of Title IV grants for student to return (Box S) subtract the amount of Title IV grant protection (Box T) by the student (Box T).

\$0	-	\$0	=	\$0
Box S		Box T		Box U

► If Box U is less than or equal to zero, **STOP**. If not, go to Step 10.

STEP 10: Return of Grants Funds by the Student

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 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.

Note that the student is not responsible for returning funds to any program to which the student owes \$50.00 or less.

Title IV Grant Programs:

1. Pell Grant
2. Academic Competitiveness Grant
3. National SMART Grant
4. FSEOG
5. TEACH Grant
6. Iraq-Afghanistan Service Grant

Amount to Return

	0.00
	0.00
	0.00
	0.00
	0.00
	0.00

Post-Withdrawal Disbursement Tracking Sheet. (optional)

Post-Withdrawal Disbursement Tracking Sheet						
Student's Name: 0		Social Security #: 000-00-0000				
Date of school's determination that student withdrew: 1/0/1900						
I. Amount of Post-Withdrawal Disbursement (PWD)						
Amount from "Box J" of the Treatment of Title IV Funds When a Student Withdraws Worksheet				#DIV/0! Box 1		
II. Outstanding Charges For Educationally Related Expenses Remaining On Student's Account						
Total Outstanding Charges Scheduled to be Paid from PWD (Note: Prior-year charges can not exceed \$200.)				\$0 Box 2		
III. Post-withdrawal Disbursement Offered Directly to Student and/or Parent						
From the Post-withdrawal Disbursement due (Box 1), subtract the Post-withdrawal Disbursement to be credited to the student's account (Box 2). This is the amount you must make to the student (grant) or offer to the student or parent (loan) as a Direct Disbursement.						
#DIV/0! Box 1		-		\$0 Box 2		= #DIV/0! Box 3
IV. Allocation of Post-withdrawal Disbursement						
Type of Aid	Loan Amount School Seeks Credit to Account	Loan Amount Authorized to Credited to Account	Title IV Aid Credited to Account	Loan Amount Offered as Direct Disbursement	Loan Amount Accepted as Direct Disbursement	Title IV Aid Disbursed Directly to Student
Pell Grant	N/A	N/A		N/A	N/A	
ACG	N/A	N/A		N/A	N/A	
SMART Grant	N/A	N/A		N/A	N/A	
FSEOG	N/A	N/A		N/A	N/A	
TEACH Grant	N/A	N/A		N/A	N/A	
Irag/Afgan Svc Grant	N/A	N/A		N/A	N/A	
Perkins						
Subsidized FDSL						
Unsubsidized FDSL						
FDSL PLUS Grad						
FDSL PLUS Parent						
Totals	\$0	\$0	\$0	\$0	\$0	\$0

V. Authorizations and Notifications

Post-withdrawal disbursement loan notification sent to student and/or parent on

Deadline for student and/or parent to respond

☐ Response received from student and/or parent on

☐ Response not received

☐ School does not accept late response

VI. Date Funds Sent

Date Direct Disbursement mailed and transferred

Grant

Loan

Summary of applicable deadlines

- Inadvertent overpayments must be returned within 45 days from the date of determination.
- the date of the institution's determination that the student withdrew must be no later than 14 days after the student's last date of attendance as determined by the institution from its attendance records.
- Refunds must be made within 45 days from the Date of Determination(DOD)
- Within 30 days from the *date of determination* notify the parent or student of any DL post withdrawal disbursement and notify the student of any grant overpayments.

Summary of deadlines

- Post-withdrawal disbursement notifications made to students or disbursement to their accounts must be made within 180 from the date of determination.
- Written notification of a student's eligibility to receive a PWD of DL and to accept all or part of post-withdrawal disbursement of DL funds must be sent within 30 days from the date of determination.



R2T4 Full Refund Withdrawal Exemption

Exempt institutions from performing an R2T4 calculation if-

- ✓ A student is treated as never having begun attendance.
 - ✓ The institution returns all *Title IV, HEA* aid disbursed.
 - ✓ The institution refunds all institutional charges without exception to the student for that payment period or period of enrollment.
 - ✓ The withdrawal exemption is optional and can be applied on a student-by-student basis.
 - ✓ The school must still maintain documentation supporting the student's initial *Title IV, HEA* eligibility and attendance.
 - ✓ Schools should check with their accreditation and/or state agency before applying the full refund withdrawal exemption
- 

NSLDS Reporting Requirements for the Full Refund Withdrawal Exemption

When financial aid administrators apply the new withdrawal exemption to treat a student as never having attended, they must use an existing enrollment status code of 'X' or 'W'.

Schools will use 'X' for students who never attended their school, and they will use 'W' for students who have attended in prior periods.

When a 'W' code is used, the school is directed to backdate the withdrawal to the last date of attendance (LDA) of the prior attended period (since the student is treated as having never attended the current payment period).

When a R2T4 is not necessary for a transfer student.

- **A school may consider a student who transfers into a new program at the same school as remaining in the same payment period if five conditions are met:**
- 1. The student is continuously enrolled at the school.
- 2. The coursework in the payment period the student is transferring out of is substantially similar to the coursework the student will be taking when they first transfer into the new program.
- 3. The payment periods are substantially equal in length in weeks of instructional time and credit hours or clock hours, as applicable.
- 4. There is little or no change to the institutional charges to the student for the period.
- 5. The credits or clock hours from the payment period the student is transferring out of are accepted toward the new program.



LEAVE OF ABSENCE (LOA)

Temporary
interruption in
program of study
(instead of
withdrawal).

Conditions for approved LOA:

- Institution must have formal written policy.
- Student and institution must follow policy to request and approve LOA.
- Must be reasonable expectation student will return from LOA.
- Institution may not assess additional institutional charges.
- LOA must not exceed 180 days within 12-month period. The 12-month period begins with the first day of the first LOA.
- Student must resume training at same point they began LOA.
- Institution must explain effects on loan repayment and grace period if student borrower fails to return from LOA.