




Awarding and R2T4

2012 MASFAP Fall Conference

David A. Bartlett
U.S. Department of Education
Training Officer




US Department of
Education




Agenda

- Review Awarding and Disbursing
 - Standard Terms
 - Nonstandard Terms
 - Nonterm
- Return of Title IV Funds in Modules
 - Examples
 - A few more examples
 - And lastly, one or two more examples...





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Academic Calendar & Terms

- Standard Terms
 - Semester & Trimester
 - Generally 14-17 weeks
 - Progress measured in credit hours
 - Academic Year is 24 credit hours/30 weeks
 - Quarters
 - Generally 10-12 weeks
 - Progress measured in quarter hours
 - Academic Year is 36 quarter hours/30 weeks



Enrollment Status

- Pell
 - Must recalculate if student doesn't begin attendance in all classes
- Loans
 - Are not required to recalculate loan need based on a change in enrollment status after origination
 - May not deliver undisbursed proceeds if student drops below half-time



Delivering Pell & Loan

Standard Terms

- Pell –Traditional Calendar may use Formula 1(if FT is 12) or Formula 3
- DL – If loan period is more than one payment period, must disburse at least once per payment period
- DL – If loan period is one payment period, must make at least two disbursements with second after calendar midpoint*

* Unless meets low CDR exception




Academic Calendars

Nonstandard Terms

- Nonstandard Terms
 - All coursework is expected to begin and end within a set period of time that are not semester, trimester or quarter terms
 - May not be able to use standard term's dates for disbursement purposes*

* Is becoming more of a compliance issue recently







Enrollment Status

Nonstandard Terms


- Undergraduate program must be calculated for each term based on:
 - Academic Year in weeks and hours, and
 - Weeks of Instructional Time in the term
- When calculating full-time and other enrollment statuses, all fractions are rounded up




Enrollment Status

Nonstandard Terms

- Pell
 - Must recalculate if student doesn't begin attendance in all classes
- Loans
 - Not required to recalculate based on change in enrollment status
 - May not deliver undisbursed proceeds if student drops below half-time







Delivering Pell & Loan

Nonstandard Terms

- Pell – Non-Traditional Calendar *MUST* use Formula 3
- DL – Minimum loan period is generally lesser of academic year or program
 - May be greater than an academic year
- DL – If terms are substantially equal, the loan period may be a term




Delivering Pell & Loan

Nonstandard Terms

- DL – Loan Period may not exceed 12 months
- DL – If terms are substantially equal in length, delivery is in substantially equal amounts by payment period
- DL – If loan period is one payment period, must be at least two disbursements* and second must be after midpoint


* Unless meets low CDR exception



Delivering Pell & Loan

Nonstandard Terms

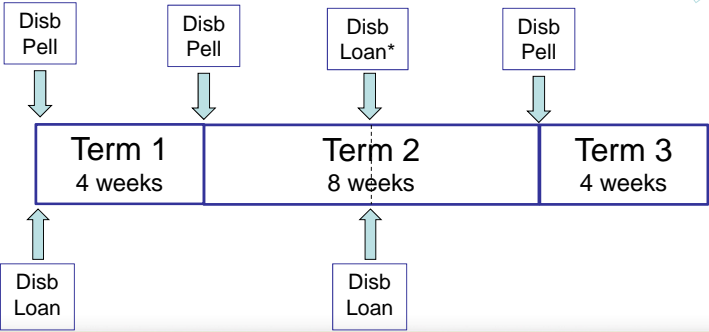
- DL – If terms are not substantially equal in length, delivery is not by payment period
- DL – Delivery of the second half of the loan proceeds after the later of –
 - Calendar midpoint between start and last scheduled days in the loan period
 - The date the student has completed half of academic coursework in the loan period




Nonstandard Term Disbursement Timing

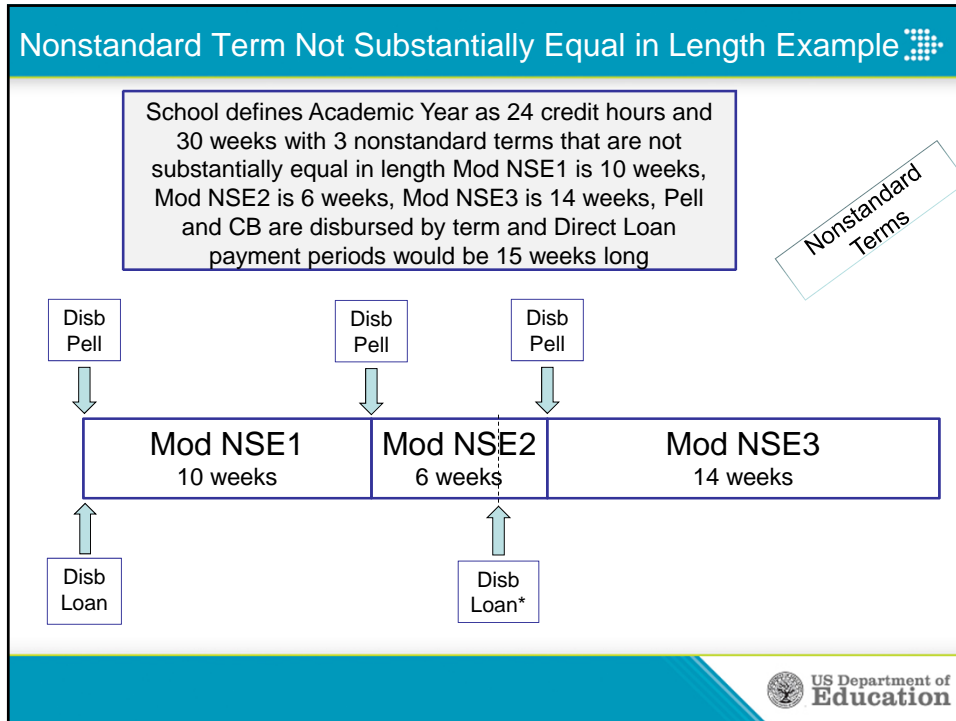
Nonstandard Terms

16 week semester, Nonstandard Terms, not substantially equal in length and timing of disbursements, FALL ONLY and 2 disbursements required, Pell by term and Loans after ½ weeks and ½ hours



* Later of successful completion of hours/weeks as seen on previous slide






Academic Calendars

Nonterm


- Nonterm characteristics
 - Clock hour programs are always nonterm
 - Progress measured in successfully completed credit hours is nonterm if it has:
 - Courses that don't begin & end in a set period of time;
 - Courses that overlap terms;
 - Self-paced and independent study that overlap terms;
 - or
 - Sequential courses that do not begin and end within a term

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Academic Calendars

- Nonterm characteristics
 - Payment periods are divisions of the academic program based on hours and, if clock hours, weeks of instructional time




Nonterm




Enrollment Status

- Full time = academic year definition
- Pell:
 - Clock hours – Full time
 - Credit hour, Nonterm – Must be at least half-time or less-than-half-time for COA
- Loans: at least half-time for determining eligibility




Nonterm



Delivering Pell & Loan

Nonterm

- Pell – Formula 4
- DL – Loan Period
 - Minimum loan period is the lesser of:
 - The academic year, or
 - The length of the program
 - If program is greater than an academic year, the remaining portion, if less than academic year, may be a loan period



Delivering Pell and Loan


Nonterm

- DL
 - The school may not deliver the 2nd half of the loan proceeds until the later of:
 - The calendar midpoint between the first and last scheduled days of the loan period; or
 - The date that the student has completed half of the academic coursework in the loan period

Nonterm program Example

School has a nonterm credit hour program comprised of scheduled 4 week courses. School doesn't consider the program to be self-paced. Academic Year is 24 credit hours and 32 weeks with 8 nonterm modules. School can't make 2nd disbursement until student successfully completes ½ the hours and ½ the weeks.

Mod 1 4 weeks	Mod 2 4 weeks	Mod 3 4 weeks	Mod 4 4 weeks
Mod 5 4 weeks	Mod 6 4 weeks	Mod 7 4 weeks	Mod 8 4 weeks



Disbursement by Payment Period Required Chart

2011-12 FSA Handbook
Page 3-18


Volume 3 — Calculating Awards & Packaging, 2011-12


Program Type	Direct Loan	Pell, TEACH, FSEOG, & Perkins Loan
Credit-hour programs offered in standard terms & nonstandard term programs offered in terms that are substantially equal in length.	Term	Term
Credit-hour programs offered in nonstandard terms that are not substantially equal in length. ¹	The payment period is the successful completion ² of: • half of the weeks of instructional time in the academic year/program less than an academic year; and • half of the credit hours in the academic year/program less than an academic year. For the remainder of a program equal to or less than half of an academic year, the payment period is the remainder of the program.	Term
Clock-hour programs and nonterm credit-hour programs.	The payment period is the successful completion ² of: • half of the weeks of instructional time in the academic year/program less than an academic year; and • half of the clock/credit-hours in the academic year/program less than an academic year. For the remainder of a program equal to or less than half of an academic year, the payment period is the remainder of the program.	The payment period is the successful completion ² of: • half of the weeks of instructional time in the academic year/program less than an academic year; and • half of the clock/credit-hours in the academic year/program less than an academic year. For the remainder of a program equal to or less than half of an academic year, the payment period is the remainder of the program.

¹Successful completion means that the student has earned a passing grade or otherwise received credit for the credits or clock-hours in the payment period. If a program is offered in a combination of standard and nonstandard terms and the program does not qualify to use "SAC" time for Direct Loan purposes, the program is subject to the disbursement requirements that apply to nonstandard programs that are not substantially equal in length.

The payment period is the **successful completion** of:

- half of the weeks of instructional time in the academic year/program less than an academic year; **and**
- half of the clock/credit-hours in the academic year less than an academic year.







Program offered in Modules


- 668.22(l)(6)
 - 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
- Student considered to be a withdrawal if does not complete ALL days scheduled to complete within payment period

GEN-11-14

Examples of Modules

Semester 16 Weeks			
Mod 1 4 weeks	Mod 2 4 weeks	Mod 3 4 weeks	Mod 4 4 weeks
Mod A 8 weeks		Mod B 8 weeks	
Mod 1a 5 weeks	Mod 2a 5 weeks	Mod 3a 5 weeks	J term 1 week
Mod 1b 4 weeks	Mod 2b 8 weeks		Mod 3b 4 weeks



Timing of Disbursement

- Standard Terms
 - Generally 10 days before the first day of classes for that payment period
 - Student's period of enrollment begins with their first day of attendance
 - Doesn't enroll in the first module of the semester
- Credit Hour nonterm & clock hour
 - 10 days before first day of classes for payment period, or
 - The date the student completed the previous payment period for which they received FSA funds



Not enrolled in first module



- When does this student's loan period begin?
 - First day of class of Mod 2
 - Actual first day of expected attendance
 - How early can you disburse?
 - Cash Mgmt Rules: Disburse 10 days before
 - New borrower, 30 days start on day 1 of Mod 2



Disbursement Timing Citations

- Disbursement by payment period:
 - 34 CFR 668.164(b),
 - HEA Sec. 428G(a)
- Early disbursements: 34 CFR 668.164(f)
 - 30-day delay for 1st-time Stafford borrowers:
 - 34 CFR 685.303(b)(3)
- Disbursement of 2nd & subsequent disbursements:
 - 34 CFR 685.301(b)(3)



Credit Hour Programs Offered in Modules

- Student in modular program ***not*** considered a withdrawal if
 - Provides written confirmation of intent to attend a future module in period of enrollment
 - Must be provided at the time of withdrawal
 - Student may change return date in writing
 - Must provide change prior to original return date
- Future module must begin within 45 calendar days from ***end*** of module ceased attending in a *nonstandard and nonterm program*



Is Student A Withdrawal?

1. Did the student cease to attend before completing or fail to begin attendance in a course scheduled to attend?
 - If yes, go to question 2.
 - If no, student not a withdrawal
2. When ceased to attend or failed to begin attendance in a scheduled course, was the student attending other courses?
 - If yes, student not a withdrawal
 - If no, go to question 3
3. Did the student confirm attendance in a later module in the payment/enrollment period (45 day rule, if applicable)?
 - If no, student is a withdrawal.
 - If not a withdrawal, Pell recalculations may apply



R2T4 Calendar Days Modular Programs

- Total calendar days include all days on which the student was scheduled to attend
 - Days of completed courses count if course does not span length of term
 - Exclude scheduled breaks of at least 5 consecutive days when student not scheduled to attend a module or other course offered during that period
- For a withdrawn student who has made schedule changes
 - *Do not count days of courses officially dropped prior to complete cessation of attendance*



Examples of Modules

Semester 16 Weeks			
Mod 1 4 weeks	Mod 2 4 weeks	Mod 3 4 weeks	Mod 4 4 weeks
Mod A 8 weeks		Mod B 8 weeks	
Mod 1a 5 weeks	Mod 2a 5 weeks	Mod 3a 5 weeks	J term 1 week
Mod 1b 4 weeks	Mod 2b 8 weeks	Mod 3b 4 weeks	

Counting days is strictly a 7 day week

Standard Semester – No Modules

Disburse
-10 Days

School Disburses

Semester
16 Weeks

Student Withdraws
On Day
35


16 Weeks, School Disburses 10 days prior to start of semester, 112 calendar days in payment period, 7 day scheduled break

R2T4 calculation, Step 2: 35/105
(112 – 7 day break)

Examples of Modules

Semester 16 Weeks			
Mod 1 4 weeks	Mod 2 4 weeks	Mod 3 4 weeks	Mod 4 4 weeks
Mod A 8 weeks		Mod B 8 weeks	
Mod 1a 5 weeks	Mod 2a 5 weeks	Mod 3a 5 weeks	J term 1 week
Mod 1b 4 weeks	Mod 2b 8 weeks	Mod 3b 4 weeks	

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Four 4-week modules

16 Weeks, School Disburses 10 days prior to start of semester, 112 calendar days in payment period, 3 day scheduled break in Mod 3, Student is enrolled in all modules, Student withdraws on day 35


Disburse
-10 Days

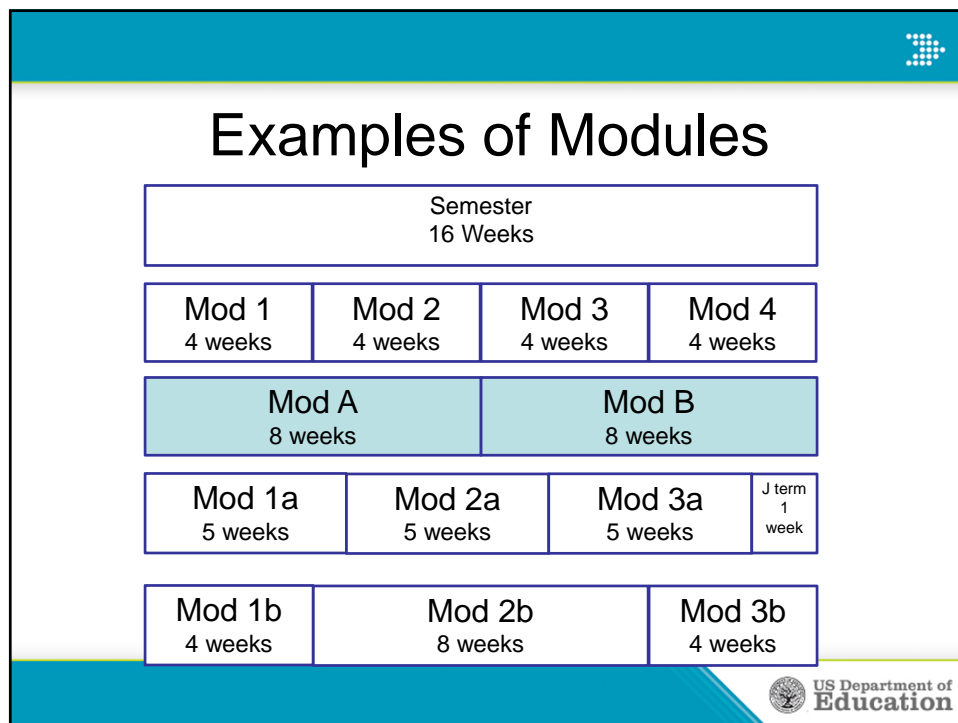
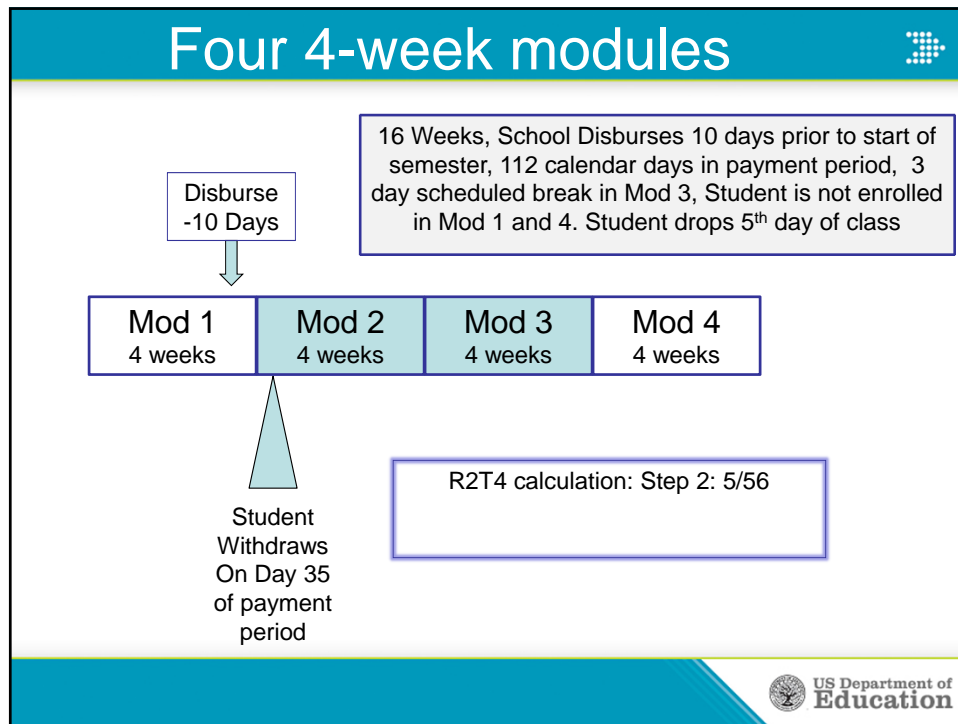
<div style="border-top: 1px solid black; width: 100%;"></div>			
Mod 1 4 weeks	Mod 2 4 weeks	Mod 3 4 weeks	Mod 4 4 weeks

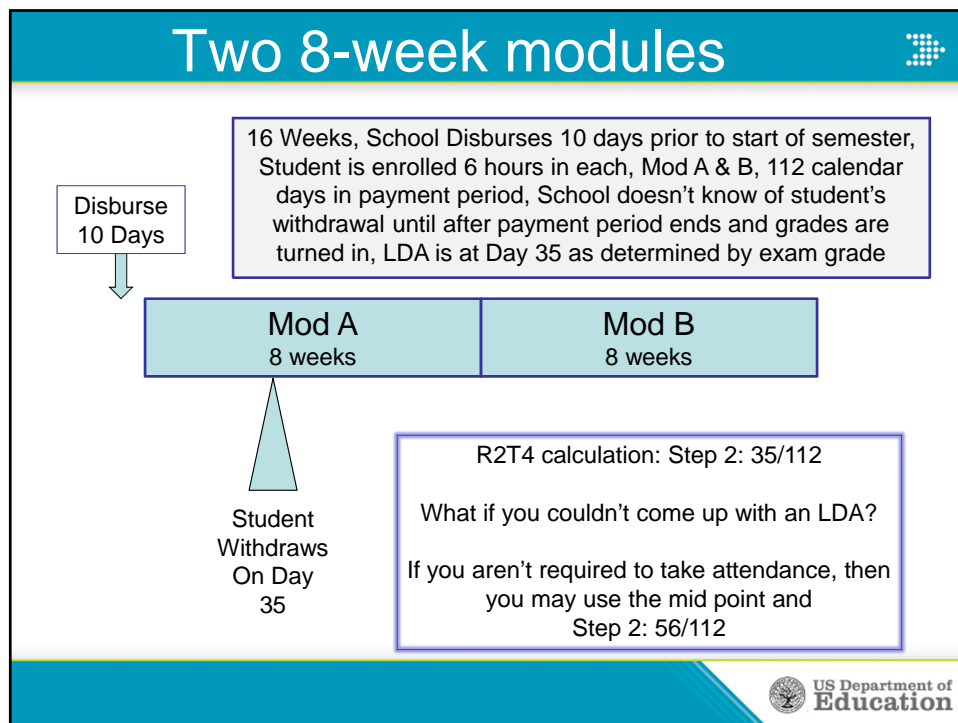
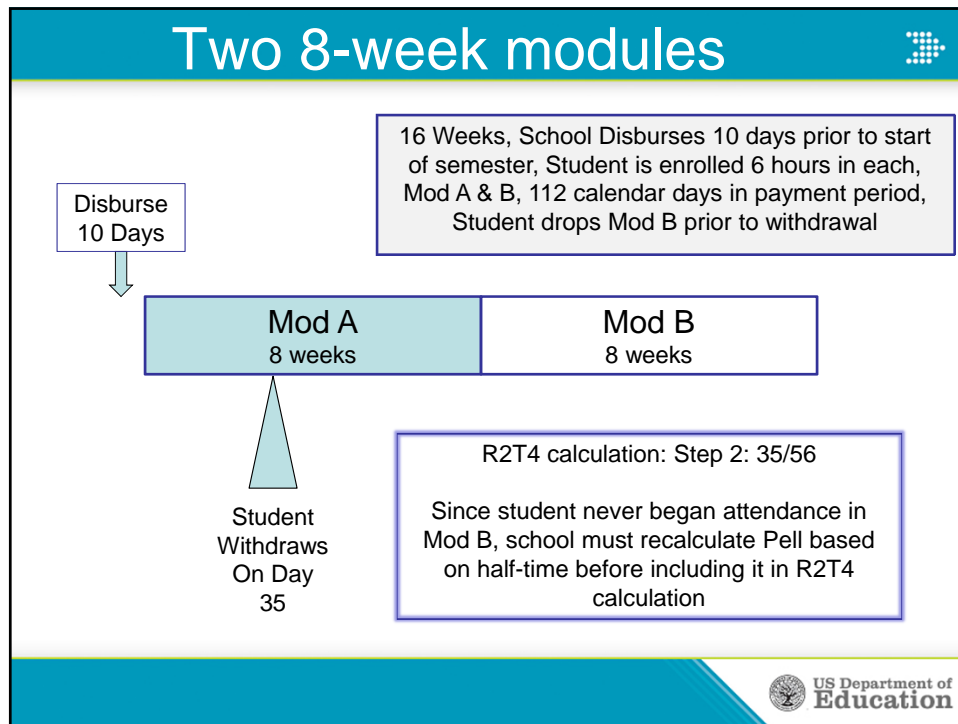
Student
Withdraws
On Day
35

R2T4 calculation: Step 2: 35/112

This student didn't drop Mod 3 & 4 prior to withdrawal
Institution Policy & Procedure Review Opportunity








Examples of Modules

Semester 16 Weeks			
Mod 1 4 weeks	Mod 2 4 weeks	Mod 3 4 weeks	Mod 4 4 weeks
Mod A 8 weeks		Mod B 8 weeks	
Mod 1a 5 weeks	Mod 2a 5 weeks	Mod 3a 5 weeks	J term 1 week
Mod 1b 4 weeks	Mod 2b 8 weeks	Mod 3b 4 weeks	

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Three 5-week modules & J-term

16 Weeks, School Disburses 10 days prior to start of semester, Student is enrolled 3 hours in each module, 112 calendar days in payment period, Student drops J-term prior to withdrawal and provides in writing to come back for Mod 3a while dropping J-term


Disburse
-10 Days

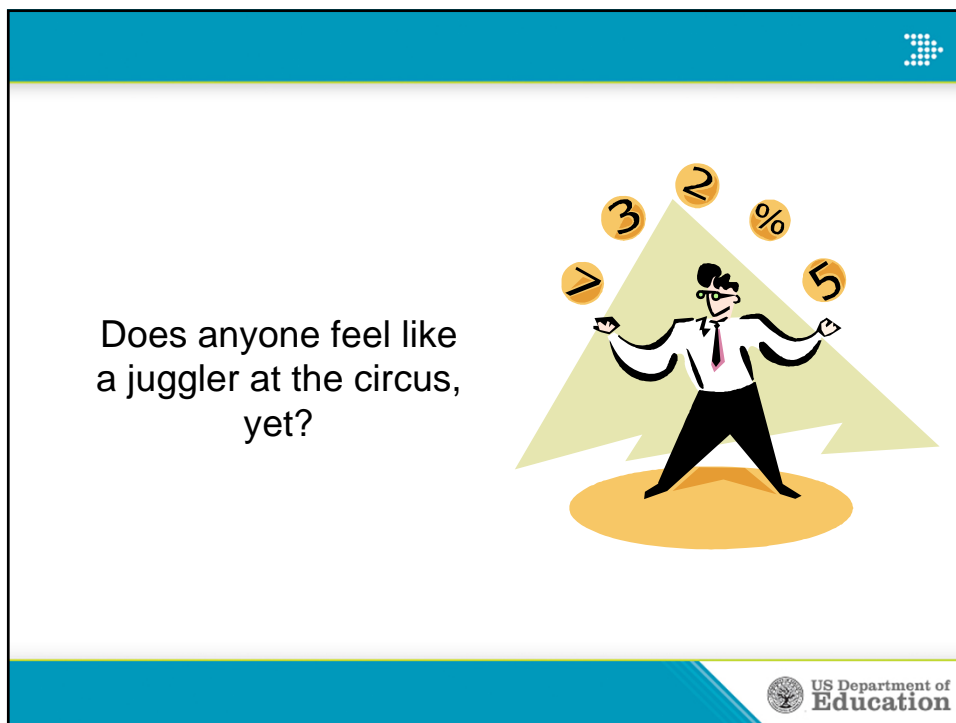
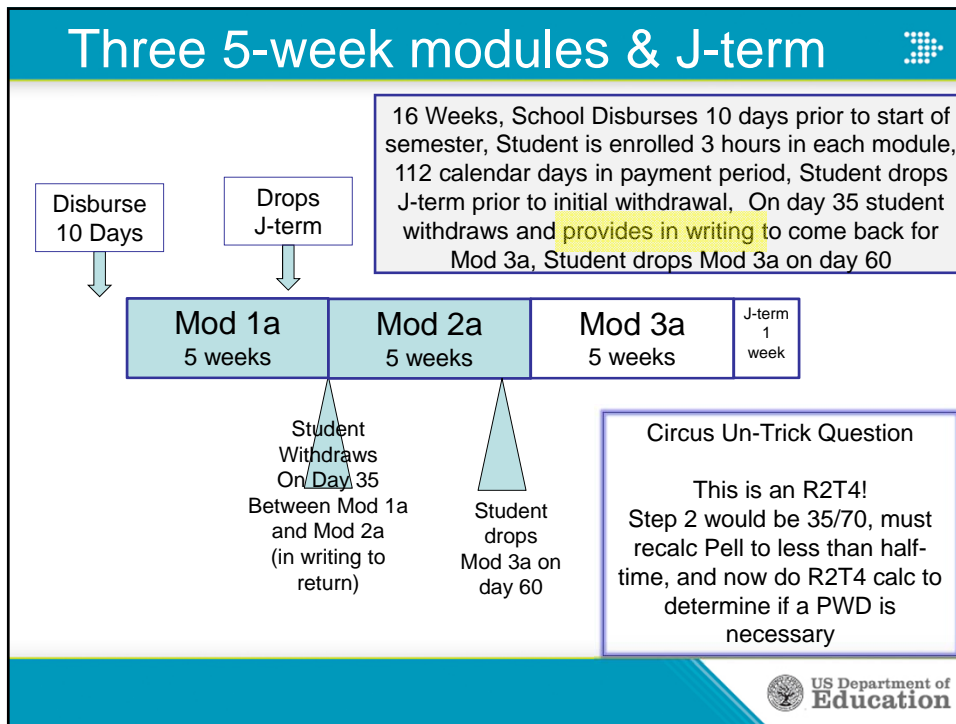
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Mod 1a 5 weeks	Mod 2a 5 weeks	Mod 3a 5 weeks	J-term 1 week
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Student Withdraws
On Day
35
Between Mod 1a
and Mod 2a


Circus Trick Question
This isn't an R2T4

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Examples of Modules

Semester 16 Weeks			
Mod 1 4 weeks	Mod 2 4 weeks	Mod 3 4 weeks	Mod 4 4 weeks
Mod A 8 weeks		Mod B 8 weeks	
Mod 1a 5 weeks	Mod 2a 5 weeks	Mod 3a 5 weeks	J term 1 week
Mod 1b 4 weeks	Mod 2b 8 weeks	Mod 3b 4 weeks	

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Modules of Uneven Length

16 Weeks, School Disburses 10 days prior to start of semester, Student is enrolled 3 hours in each, Mod 1b & Mod 3b and 6 hours in Mod 2b, 112 calendar days in payment period, Student drops Mod 3b prior to withdrawal

Disburse
-10 Days


↓

Mod 1b 4 weeks	Mod 2b 8 weeks	Mod 3b 4 weeks
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Student
Withdraws
On Day
35

R2T4 calculation: Step 2: 35/84
Since student never began attendance in Mod 3b, school must recalculate Pell based on $\frac{3}{4}$ time before including it in R2T4 calculation

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Modules of Uneven Length

Disburse 10 Days

16 Weeks, School Disburses 10 days prior to start of semester, Student is enrolled 3 hours in each, Mod 1b & Mod 3b and 6 hours in Mod 2b, 112 calendar days in payment period, Student drops Mod 3b prior to withdrawal

Student enrolls and attends Mod 3b

Mod 1b 4 weeks	Mod 2b 8 weeks	Mod 3b 4 weeks
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Student Withdraws On Day 35

R2T4 calculation: Step 2: 35/112
 Since student never began attendance in Mod 3b, school must recalculate Pell based on $\frac{3}{4}$ time before including it in R2T4 calculation, and....

Student is now enrolled full time, school must undo R2T4 and provide appropriate Title IV funds that may have been returned

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Student withdraws, comes back, & withdraws again

Disburse 10 Days

16 Weeks, School Disburses 10 days prior to start of semester, Student is enrolled 3 hours in each, Mod 1b & Mod 3b and 6 hours in Mod 2b, 112 calendar days in payment period, Student drops Mod 3b prior to withdrawal, no written confirmation, Student enrolls and attends Mod 3b, then withdraws from Mod 3b on day 98

Mod 1b 4 weeks	Mod 2b 8 weeks	Mod 3b 4 weeks
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Student Withdraws On Day 35

Student Withdraws On Day 98

Student withdrew on day 35, came back for Mod 3b, Student withdraws on day 98.


It is past the 60% point in the payment period, is an R2T4 calculation?

Yes, it is an R2T4 calculation: Step 2: 49/112 (Day 35 + 14 days of Mod 3b = 49)

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Return After Withdrawal ("undo" R2T4)

- Modular term-based credit hour program
 - Withdrawn student may return to same program prior to end of payment period/period of enrollment
 - Student eligible for any Title IV funds for which eligible prior to withdrawal
- Clock hour/nonterm credit hour program
 - Withdrawn student may return to same program within 180 calendar days
 - Student eligible for any Title IV funds for which eligible prior to withdrawal



Examples of Modules

Semester 16 Weeks			
Mod 1 4 weeks	Mod 2 4 weeks	Mod 3 4 weeks	Mod 4 4 weeks
Mod A 8 weeks		Mod B 8 weeks	
Mod 1a 5 weeks	Mod 2a 5 weeks	Mod 3a 5 weeks	J term 1 week
Mod 1b 4 weeks	Mod 2b 8 weeks	Mod 3b 4 weeks	



Semester & Two 8-week modules

16 Week Semester, School Disburses 10 days prior to start of semester, Student is enrolled 6 hours in 16 week semester, 3 hours in each Mod A & B, 112 calendar days in payment period, Student withdraws from Mod A on day 35 and tells school they will not return for Mod B.

Disburse
-10 Days

R2T4 calculation: ?????

Student didn't withdraw from the 2 classes they were taking during the 16 week semester, so it isn't an R2T4

Examples of Modules

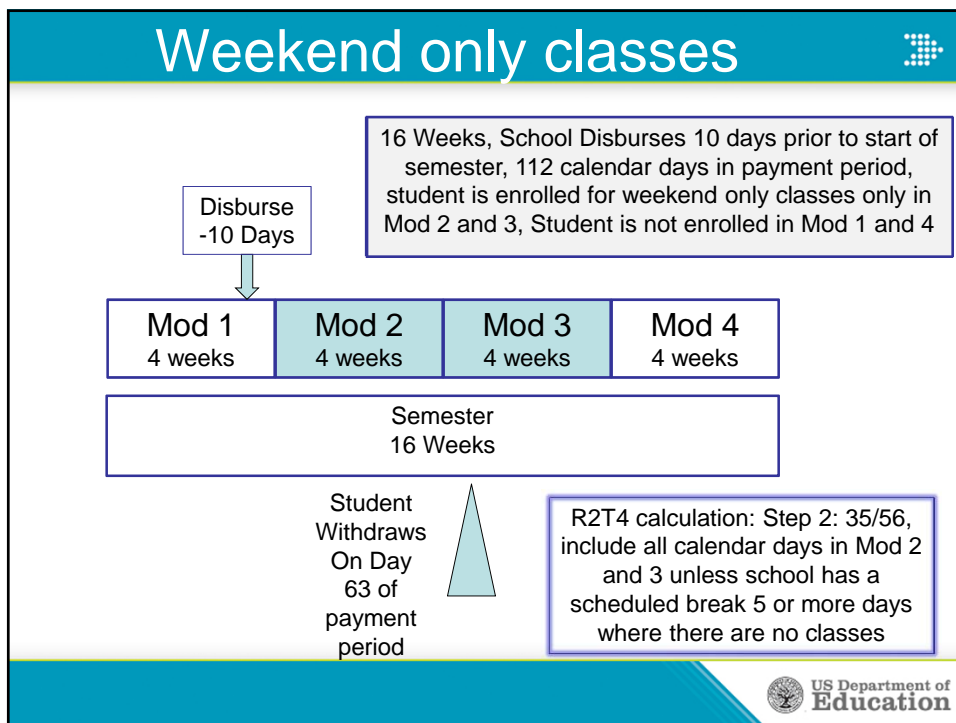
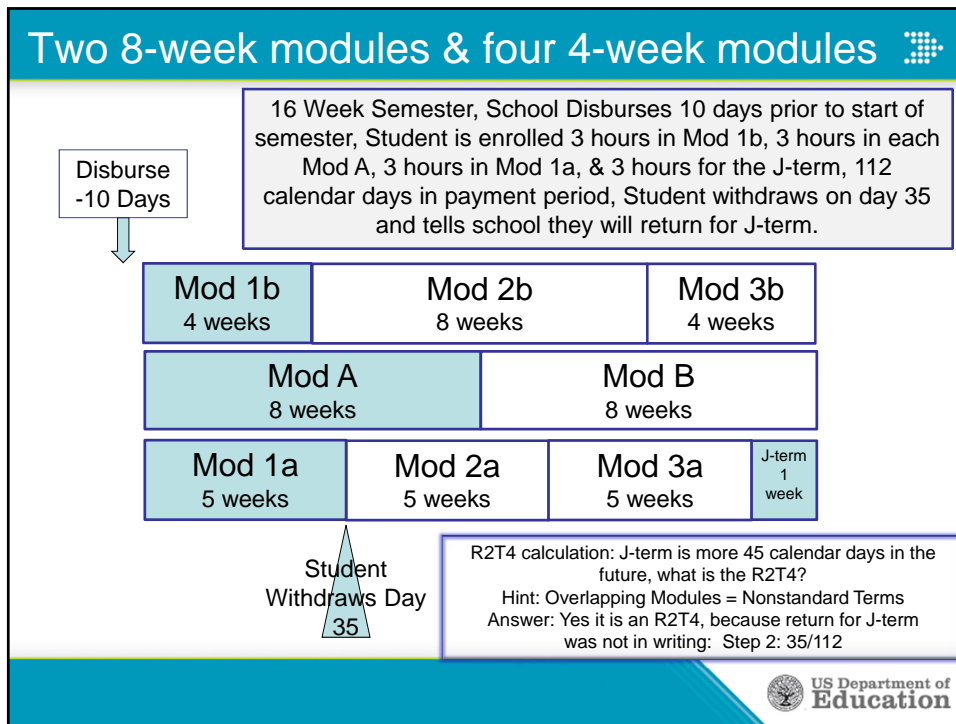
Semester
16 Weeks

Mod 1 4 weeks	Mod 2 4 weeks	Mod 3 4 weeks	Mod 4 4 weeks
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Mod A 8 weeks	Mod B 8 weeks
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Mod 1a 5 weeks	Mod 2a 5 weeks	Mod 3a 5 weeks	J term 1 week
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Mod 1b 4 weeks	Mod 2b 8 weeks	Mod 3b 4 weeks
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Nonterm R2T4 when student fails a class

School has a **nonterm** credit hour program comprised of scheduled 4 week courses. School doesn't consider the program to be self-paced. Academic Year is 24 credit hours and 32 weeks with 8 nonterm modules. Student failed Mod 2. School is completing R2T4 by payment period basis

Mod 1 4 weeks	Failed Mod 2, 4 weeks	Mod 3 4 weeks	Mod 4 4 weeks	Mod 2 4 weeks
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Student Withdraws On Day 70

R2T4 calculation: School must include the failed Mod 2 and also add it to the period for which the R2T4 calculation is being completed.
Step 2: 70/140

Mod 5 4 weeks	Mod 6 4 weeks	Mod 7 4 weeks	Mod 8 4 weeks
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Nonstandard Term Not Substantially Equal in Length R2T4

School defines Academic Year as 24 credit hours and 30 weeks with 3 nonstandard terms that are not substantially equal in length Mod NSE1 is 10 weeks, Mod NSE2 is 6 weeks, Mod NSE3 is 14 weeks, Pell is disbursed by term and Direct Loan payment periods would be 15 weeks long

Pell = \$4,731 (1st of 3 Disb \$1,577) and FFEL/DL of \$3,500 (1st Disb \$1,741), Both 1st Disbursements have been made, R2T4 is on payment period basis

School will need to pro-rate Pell for Mod NSE2

Disb Pell ↓	Disb Pell ↓	Disb Pell ↓
Mod NSE1 10 weeks	Mod NSE2 6 weeks	Mod NSE3 14 weeks
↑ Disb Loan	↑ 2 nd Disb Loan*	

Student Withdrew On Day 50

Nonstandard Term Not Substantially Equal in Length R2T4

Pell payment period NSE1 is 10 weeks
 $\$4,731 \times 10/30 = \$1,577$
 Pell payment period NSE2 is 6 weeks
 $\$4,731 \times 6/30 = \946
 Pell payment period NSE3 is 14 weeks
 $\$4,731 \times 14/30 = \$2,208$

The first 5 weeks of Mod NSE2 overlap the first 15 week DL loan payment period. School needs to calculate amount of Pell student would be eligible for as ATCHBD for the payment period
 $\$946 \times 5/6 \text{ weeks} = \788
 \$788 would be entered in Step 1 for Pell ATCHBD

Questions ???

Contacts

- Kansas City Training Officers
 - David Bartlett – 816-268-0434
 - Scot Davisson – 816-268-0510

- Kansas City School Participation Team
 - Main Number: 816-268-0410
 - Tom Beckerle (IIS) - 816-268-0418
 - Jan Brandow (IIS) – 816-268-0409

- Email – `firstname.lastname@ed.gov`



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THANK YOU

Feedback on Training

Presentation Evaluation Survey for this presentation:
<https://s.zoomerang.com/s/DavidBartlett>

Jo Ann Borel
Supervisor of Training Officers
281-758-8122; joann.borel@ed.gov

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