



# R2T4 Changes for Modules and Best Practices for Implementation

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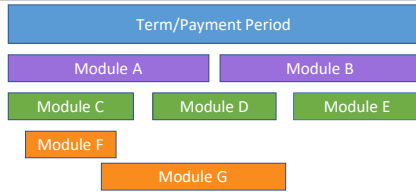
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## Program Offered in Modules



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## Pre-R2T4: Exemptions

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## Exemptions Applicable to All Program Types



### Graduation Exemption

- Completes all requirements for graduation from program before completing the days or hours in the period that the student was scheduled to complete

### Written Confirmation of Future Attendance Exemption

- Nonterm/Clock-Hour & Subscription-Based: Return within 60 calendar days after the student ceased attending
- Standard Term & Non-Standard Term: Return to the *same period* within 45 calendar days after the end of the module from which the student ceased attending

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## Exemptions Applicable to Standard and Non-Standard Term Programs Offered in Modules



### Successfully Completes

- Receiving a passing grade based on the school's general grading policy

### Half-Time Exemption

- Successfully completes Title IV-eligible coursework equal to or greater than coursework required for school's (financial aid) definition of a half-time student for the period

### 49% Exemption

- Successfully completes Title IV-eligible coursework in one module or a combination of modules that includes 49% or more of the number of countable days in the period

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## 49% Exemption Formula and Countable Days



Days in module successfully completed	=	Percentage of module successfully completed
Countable days in period		

### Countable days in the period:

- Includes all days in the period
- Excludes scheduled breaks of five or more consecutive days
- Excludes all days between modules when no coursework is taking place

### Reminders:

- Full term courses are ignored for this calculation
- Resulting percentage **cannot** be rounded up
- **NOT** same calculation as days in the period for the R2T4 denominator

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### 49% Calculation Example



106-Day Semester		
50-Day Module A	3-Day Break	53-Day Module B

- Registered for two 3-credit courses in Module A and one 3-credit course in Module B
- Receives 'B' and 'F' grades for Module A courses
- Drops Module B during the three-day break



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### 49% Calculation Example



106-Day Semester		
50-Day Module A	3-Day Break	53-Day Module B

Days in module(s)  
**successfully completed** =  $\frac{50}{106 - 3} = \frac{50}{103} = 48.5\%$   
 Countable Days  
 in period



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### Other Reminders for Students with Exemptions



- Since a student who meets a withdrawal exemption is considered to have completed the payment period:
- Schools *can and should* disburse any undisbursed Title IV aid for the payment period under normal disbursing rules.
    - Be sure to disburse before the end of the payment period. Otherwise, retroactive disbursement rules apply!
  - Schools must report the student's withdrawn effective date to NSLDS as the *final day of the payment period in which the student was last enrolled*.



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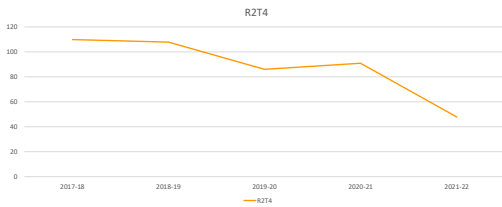
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### Exemptions Have Made Life Easier



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### Best Practices



- Make exemption processing 'separate' from the rest of the calculation.
- Does your registrar's office need training?
  - Communicate regularly. Consider documenting communication at least through training period.
- Create a checklist or cheat sheet (manual)
  - If you have a fancy software program – write some rules.
  - If you have a dedicated IT person – put filters on your report.

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## R2T4 Calculation

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### R2T4 Denominator: Days Scheduled to Attend



*Previously*, regulations required schools to use all days the student was scheduled to attend, even if the student did not begin attendance in a module

*Currently*, regulations may or may not require schools to use all days the student was scheduled to attend. **It depends...**

- Whether the schools use an R2T4 Freeze Date (RFD)
- On the type of Title IV aid the student was awarded

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### R2T4 Denominator: Days Scheduled to Attend



- Exclude scheduled breaks of five or more consecutive days
- Exclude breaks that occur after the student is no longer enrolled during the period
- Exclude breaks that, when combined with a module the student is not scheduled to attend, become five or more consecutive days
- Do not exclude breaks of less than five days, such as days between modules

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### Options for Determining Days Scheduled to Attend



- 1) R2T4 Freeze Date: Uses the student's enrollment schedule at a fixed point in the period
  - Must not occur prior to the timeframe when most students enroll in classes for the period
  - Must be consistent for all students within a program
  - Can have more than one RFD
  - Schools may change their policy regarding the RFD, but not DURING a period
- 2) No R2T4 Freeze Date: Uses the student's enrollment status that was used to determine the amount of Title IV aid for the period
  - Adding and dropping classes throughout the period can impact the number of days used

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### RFD Freeze Date



- Uses any module that the student was scheduled to attend as of the RFD
  - If student withdraws prior to the RFD, uses any module that the student was scheduled to attend as of the withdrawal date
- Uses any module in which the student began attendance
- Don't forget to determine if the school must perform a mandatory Pell recalculation

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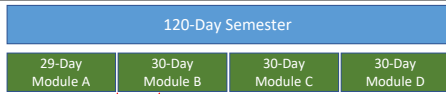
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### RFD Scenario



1-Day Between Modules      5-Day Break

- Enrolled in Module A and Module B as of RFD
- After RFD, adds a class in both Module C and Module D
- Receives an 'A' in Module A, an 'F' in Module B, begins attendance in Module C but withdraws on day 10 of Module C
- Module B contains a 5-day scheduled break

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### RFD Result



- Must include Modules A, B and C
- As of RFD, student was scheduled for Modules A and B.
- Even though Modules C and D were added after RFD, student had attendance in Module C

$$\frac{\text{Days completed}}{\text{Days scheduled to attend}} = \frac{(29 + 1 + 30 + 10 - 5)}{(29 + 1 + 30 + 30 - 5)} = \frac{65}{85} = 76.5\%$$

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### No RFD – Pell, IASG & TEACH



- Uses any module in which the student began attendance
- Don't forget to determine if the school must perform a mandatory Pell recalculation

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### No RFD Scenario – Pell, IASG & TEACH



120-Day Semester			
30-Day Module A	30-Day Module B	30-Day Module C	30-Day Module D

- Enrolled in Module A, Module B, Module C and Module D at the beginning of the term
- Receives an 'A' in Module A, begins attendance in Module B but withdraws on day 15 of Module B

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### No RFD Result – Pell, IASG & TEACH



- Must include Modules A and B
- Student had attendance in Modules A and B

$$\begin{array}{l} \text{Days completed} \\ \text{Days scheduled} \\ \text{to attend} \end{array} = \frac{(30 + 15)}{(30 + 30)} = \frac{45}{60} = 75.0\%$$

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### No RFD – Direct Loan & SEOG



- Uses any module in which the student began attendance
- Uses any module the student was scheduled for as of the first day of the period
- Uses any module the student adds at any time during the period
- Don't forget to determine if the school must perform a mandatory Pell recalculation

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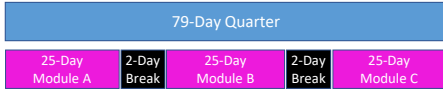
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### No RFD Scenario – Direct Loan & SEOG



- Enrolled in 2 courses for Module A at the beginning of the term
- Completes Module A and receives grades of 'B' and 'F'
- Adds a course for Module C during the first 2-day break
- Withdraws from school before Module C begins

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### No RFD – Direct Loan & SEOG



- Must include Modules A and C
- Student had attendance in Module A
- Student was scheduled for Module C after starting the term
- Must exclude Module B and the days before and after Module B since they combine to form a break of 5 or more consecutive days

$$\frac{\text{Days completed}}{\text{Days scheduled to attend}} = \frac{(25)}{(25 + 25)} = \frac{25}{50} = 50.0\%$$

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*To freeze, or not to freeze?  
That is the question –  
Whether 'tis nobler in the  
mind to suffer flexibility of  
scheduling, Or to take  
arms against an ever  
changing sea of enrollment,  
And, by opposing, cement  
it in place."*

*Erenda Hicks*



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## Resources

- NASFAA 22-23 Return of Title IV Funds Self-Study Guide (\$109/\$218)
- NASFAA On Demand Webinar: Always Never the Same: What's New with SAP and R2T4? (September 29, 2021)
- NASFAA Ask Regs – Search R2T4 (244 Q/A's)
- US DOE Training Center Learning Track on Student Withdraws:
  - E-Trainin[https://fsatraining.ed.gov/course/index.php?categoryid=103:StudentWithdrawals\(ed.gov\)](https://fsatraining.ed.gov/course/index.php?categoryid=103:StudentWithdrawals(ed.gov))
- US DOE Training Videos:
  - <https://fsatraining.ed.gov/course/view.php?id=107&section=5>
- US DOE Program Integrity Questions & Answers:
  - <https://www2.ed.gov/policy/highered/reg/hearulemaking/2009/return.html>



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## Contact Information

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