

Lesson 4 - Percentage of Title IV Aid Earned

Objectives

In this lesson you will:

- Calculate the percentage of aid earned for a student who withdraws from a clock-hour or credit hour program, using payment period or period of enrollment.
- Understand how the percentage of time the student spent in school affects the percentage of aid earned.

Key Terms

Aid Disbursed

Title IV program funds are disbursed when a school credits a student's account with funds or pays a student or parent directly with:

- Title IV funds received from the Department of Education
- Federal Family Education Loan (FFEL) Program funds received from a lender
- Institution funds used before receiving Title IV program funds

Payment Period

A school-defined length of time for which a specific payment of Title IV aid is made available to a student. For programs using academic terms, a payment period is equal to a term. For programs not using academic terms, schools must designate at least two payment periods within an academic year, pursuant to all applicable regulations (34 CFR 668.4).

Percentage of Aid Earned

The percentage of aid earned is the proportion of the Title IV aid a student earned before withdrawing. It is based on the proportion of the period attended to the period for which the aid was awarded.

Period of Enrollment

The academic period established by the school for which institutional charges are generally assessed (for example, the length of the student's program or the academic year, but consistent with the period for which loans generally are certified, not to exceed twelve months).

Using Payment Period or Period of Enrollment

The use of payment period or period of enrollment is important for many aspects of the return calculation. For example, if a school is determining the treatment of Title IV funds on a payment period basis, the student's Title IV program assistance to be used in the calculation is the aid that is disbursed or that could have been disbursed for the payment period. Also, the institutional charges used in the return calculation would have to reflect the charges for the payment period.

R2T4 on the Web requires you to indicate whether the calculation is on the basis of a payment period or a period of enrollment. The institution must use the same basis (payment period or period of enrollment) in its calculations for all students within a program who cease attendance with the following two exceptions:

- For students who transfer to or re-enter a non-term-based or non-standard term-based educational program, a school may use either payment period or period of enrollment when performing a return calculation.
- A school may use one basis for transfer students and another for re-entry students in the same program, provided all transfer or re-entry students as a cohort within a program have their return calculation made on the same basis. For example, a school may choose to use payment period for all transfer students in its nursing program, and use period of enrollment for all re-entry students in the same nursing program.

Notes:



- *For those students who attended a standard term-based (semester, trimester, or quarter) educational program, the R2T4 calculation must be determined on a payment period basis. Note that making multiple disbursements within a payment period does not create a new or additional payment period.*
- *For those students who withdraw from a non-standard term-based or non-term-based educational program, the school has the choice of performing the return calculation on either payment period or period of enrollment basis.*

Percentage of Aid Earned

According to the Title IV regulations, the percentage of Title IV aid earned by a student is equal to the percentage of the period completed by the student.

$$\text{Percentage of Period Completed} = \text{Percentage of Title IV Aid Earned}$$

Step 2 of the return calculation calculates the percentage of Title IV aid earned. The percentage of the period (payment period or period of enrollment) completed by the student is determined by using the period begin and end dates. The withdrawal date is used to determine the point in time that the student withdrew, thus creating an end date for the number of days completed.

The percentage of the period completed is calculated as follows:

Percentage of Period Completed: Clock-Hour Programs	Percentage of Period Completed: Credit Hour Programs
<u>Number of hours scheduled to complete[^]</u>	<u>Number of days completed in the period*</u>
<u>Total number of hours in the period[^]</u>	<u>Total number of calendar days in period*</u>
<i>[^]Excused absences do not get counted as completed hours</i>	<i>*Excluding 5 or more consecutive days of institutionally scheduled breaks AND days that the student was on approved leaves of absence</i>
Example: Step 2 of clock-hour return calculation from R2T4 on the Web:	Example: Step 2 of credit hour return calculation from R2T4 on the Web:
Step 2: Percentage of Title IV Aid Earned	Step 2: Percentage of Title IV Aid Earned
Withdrawal Date: 09/29/2006	Withdrawal Date: 10/15/2006
Hours scheduled to complete: 650	Payment period/period of enrollment start date: 08/21/2006
Total hours in period: 72.2 %	Payment period/period of enrollment end date: 12/15/2006
H. Percentage of payment period completed: 100 %	Number of completed days: 56
	Total number of days in the period: 117
	H. Percentage of payment period completed: 47.9 %

R2T4 on the Web calculates the days and percentage earned based on the school calendar and withdrawal date parameters you assign to the student's record.

Note:



If the percentage of payment period completed for either clock-hour or credit-hour program is greater than 60%, then the student is considered to have earned 100% of the student's Title IV aid.



Software Activity – Create a Record and Calculate Percentage of Title IV Aid Earned

In this exercise, you use the setup records you created for Institutional Charges and a School Calendar to create a new student record and calculate the percentage earned for this second-year student enrolled in a credit hour program.

The student was enrolled in the fall term and has notified you of her withdrawal date of 9/29/2006. You will be using the School Calendar and Institutional Charges records you set up in Lesson 1.

Step	Action
1	Open a browser window to the FAA Access demo site: http://fafsademo.test.ed.gov Click the FAA Access to CPS Online Demo System button at the bottom of the page.
2	Click Next .
3	Log in using the User ID: eddemo and Password: fafsatest
4	You are now logged into FAA Access to CPS Online. Click Next . (You may be prompted to enter the User ID and Password again.)
5	At the Confirming Your Identity screen, enter the following: SSN: 999999999 First 2 letters of Last Name: XX Date of Birth: 01011900 PIN: 9999 Click Submit .
6	From the FAA Main Menu, select Return of Title IV Funds on the Web .
7	Type the TG number: 99999 Type the school code: E01002 Click Next .

Create a New Record

1	Click Create New Record in the menu on the left side of the screen.
2	Type the student's Social Security Number: 300-11-2467 (or a number assigned by your instructor) . Click the Submit button .
3	The record will open to the Demographics tab. Complete the Student Information and Permanent Address sections using the following (or make up your own data): Ordonez for Last Name Amy for First Name 300 11 2467 for Social Security Number 02161984 for Date of Birth R321654 for Driver's License Number 123 Main St. for Permanent Address Pleasant for City MI for State 48109 for Zip Code Click the Submit button .
4	Click the R2T4 tab.
5	Select 2007 for Award Year.
6	Click the Calendar Profile button to select the School Calendar value.
7	Click on 2007 next to the Profile Code 06UNGR. Note that 06UNGR is a Profile Code that is based on Payment Periods.
8	Type 09292006 for Withdrawal Date. Note the information on the screen relating to Withdrawal Date: <i>If you do not know the date of withdrawal and intend to select Withdrawal Type 3 (Unofficial Withdrawal), you must still provide an approximate withdrawal date so the correct R2T4 calculation is performed.</i>
9	Click the Next button.
10	Select No for Is the school required to take attendance by an outside entity?

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<p>11</p>	<p>Since the student notified you of her intention to withdraw, select 1 – Began official withdrawal process for Withdrawal Type.</p> <p>QUESTION A: What constitutes <i>official notification</i>? _____</p> <p>_____</p> <p>_____</p>
<p>12</p>	<p>Select the Grade Level value: 2 – 2nd yr./sophomore.</p>
<p>13</p>	<p>There are no Leave of Absence days in the period, so leave the field blank.</p>
<p>14</p>	<p>Since the student is officially withdrawing and you are completing the R2T4 calculation on the same day, type 09292006 for Date Form Completed.</p>
<p>15</p>	<p>Also, type 09292006 for Date of the school’s determination that the student withdrew.</p>
<p>16</p>	<p>Under Title IV Grant Programs, Pell Grant: Type 875 for Amount Disbursed</p> <p>Under Title IV Grant Programs, Academic Competitiveness Grant: Type 650 for Amount Disbursed</p> <p>Under Title IV Loan Programs, Subsidized FFEL/Direct Stafford Loan: Type 1455 for Net Amount Disbursed</p> <p>Since this calculation is based on payment periods, note that you do not enter any Amount That Could Have Been Disbursed information.</p> <p>QUESTION B: The Total Title IV Aid Disbursed is automatically calculated for you. What is the amount of Total Title IV Aid Disbursed that is calculated? _____</p>
<p>17</p>	<p>Step 2 is where the tool helps you determine the percentage of aid earned based on the withdrawal date. Note that the Withdrawal Date already contains 09292006 from what you entered when you first started to add this R2T4 record.</p>
<p>18</p>	<p>Under Step 5, click the Charges button.</p> <p>An Institutional Charges window opens. You may modify the charges for this student here.</p> <p>Click the Submit button to accept the charges displayed.</p>
<p>19</p>	<p>Click the Submit button at the bottom of the screen (you may need to scroll down).</p>

20	The page entitled Return of Title IV Fund Worksheet, Record 1 of 1 displays. Click the View Printable Page button to view, save, and/or print a copy of the information.
21	Scroll to view Step 2. QUESTION C: What is the calculated number of completed days? _____ QUESTION D: What is the calculated number of days in the period? _____
22	QUESTION E: What is the calculated percentage of the payment period completed? _____

Business Process Worksheet

How does your school ensure timely entry of student records for return calculations and accurate data entry?
