

Male 1:

So, Return of Title IV Funds, like I said, R2T4, we've given it that wonderful nickname. I tend to think of that little robot from Star Wars every time I see it – see the acronym, but for some reason we didn't come up with a catchy little logo to go along with R2T4 other than just the acronym. But if you notice, we like acronyms; for those of you who haven't noticed that, enjoy. And it's your turn, your chance, because I tell people all the time unlike many of you, who probably speak multiple languages, I only speak two languages, poor English and financial aid. Those are the only languages that I know. Unfortunately, one is a job skill.

So, we're going to start out today and go through some of the basic principles that are part of Title IV or Return of Title IV Funds. It's kind of a little overview for those of you who have been doing this a little bit and you can just kind of hang out and enjoy the ride. We'll talk about the principles of attendance that go into the Return of Title IV Funds and things you have to think about and look at it. And then we're going to go through the calculation, and then what you have to do after the calculation, because sometimes the actions after the calculation may be more of a task than just the calculation itself. And then, lastly, we're going to talk about our Return of Title IV Funds and the modules. How many of you have modular programs at your institutions? A programmable module is a program where – where a class that does not last the entire length of your standard term. So now we'll do the hands again to make sure or see where we're at. All right. So we have a few. Wonderful.

Oops. I think I hit the button. I went too far.

Male 2:

If you want to go back, David –

Male 1:

I got it. There we go. All right. I got it.

So, the basic principle of Title IV aid and awarding Title IV aid is that you're awarding Title IV aid to pay the student for attendance for that particular payment period or a period of enrollment. That's the whole – that's the idea behind Title IV. That's very general, very in a nutshell, if you will. But when a student withdraws they only get to keep what they've earned, so the amount of time that they've been in class is what they get to keep. Equal to the amount and based upon the calculation that we're going to go through. So that's how that part works and looking at that and it's basically what they were scheduled to receive.

Do we have any institutions that use clock hours hear in the room?
All right. A couple. Okay. So, Mr. Martin, when we get to that part in the calculation, FYI.

Male 2: Yeah. Thank you.

Male 1: The student earns Title IV through attendance. If they don't ever start class they never are eligible to receive Title IV aid, so that's a very important principle. On that – we've got a regulatory slide in your handout and you'll be able to find that when you get back if you want to look that up, but it's very important for you to know whether or not the student actually starts, because if a student doesn't start they weren't eligible for that total amount of aid or if they don't start all of their classes. That's another key part of that is they may have started some of their classes, but not all of their classes and what we're looking for is a percentage of aid equal to the percent of time they were in class or the time they actually attended.

So, the last bullet on that slide is if a school has disbursed more than the student was eligible for, you may have to send some money back. You'll be sending it back the particular program. In your instance, as foreign schools, you'll be sending back to the Direct Loan Program, whether it be unsubsidized loans or subsidized loans.

So, now what if you – the student, is eligible for more aid than what you've actually dispersed to them based upon the percentage of attendance? Then you may have to make what's called a Post-Withdrawal Disbursement. So the student has already left your institution, but you have to disburse more aid money to them. This could be the instance where the first time borrower, who has never borrowed before, you have to wait 30 days at the start of the term. Well, if they drop out of withdrawal within that first 30 days they were never eligible to have received that aid, but you have to include that aid in the calculation, okay? So you might do a Post-Withdrawal Disbursement.

Now, the 60 percent point. That's very important when you think about the calculation, because the 60 percent point is the point at which we, at the Department of Education and through the regulations, consider that the student has earned 100 percent of their aid and having earned 100 percent of their aid, then there is no more action on your part, other than to make sure that you don't owe the student any money, because we've got a lot of domestic schools that believe that, "Oh, I can look at my calendar. They've

passed the 60 percent point. I don't have to do anything." That's not the case. You still have to do the calculation to ensure that you don't owe them any money, okay? And you're probably only going to go as far as Step Four just to make sure that you are not in that particular situation, but you still have to do the calculation.

You may have an institutional refund policy at your campus. This institutional refund policy may be implemented by your country. It could even be implemented by your Border Agency, that has a particular way that you refund money to students if they don't complete the term. That institutional refund policy or creditor or state-based refund policy has no impact on Return of Title IV Funds. Okay? What the student was initially charged and initially awarded is how you'll do your Return of Title IV Funds calculation. So even if in your computer system it looks as though you didn't charge the student any and there are no charges, because you've erased those charges, because they left within the first ten days, for example, that has no bearing on our calculation. So you would still have to be able to prove that you charged that student. What you would indicate in your institutional charge is part of the calculation. We always tell schools to use the best information they have available as of the withdrawal date. Okay?

Now, in an instance where you've wiped the slate clean, if you will, then you would need to be able to prove what you actually charged the student. So if your computer system doesn't show it, you would need to have some sort of documentation that proves that you did have it, that you did charge that student and what you did charge them for the hours that they had signed up for.

Now, consumer information: **Byron** talked about consumer information yesterday at great length and in his consumer information he talked about, all of these wonderful policies that you have to tell your students about or tell your American students about. And one of them is if you have a refund policy at your institution and what rules go along with it. Well, you do have a refund policy, because you're awarding Title IV aid and that's the refund policy we're going to really be looking for is if you've told your student about that refund policy. And it can be as simple as kind of laying down those ground rules: It's you're going to earn your aid for what you – well, you'll receive aid for what you've earned and if you withdraw then we're going to do a calculation. So some money may be due back from you, the student; some money may be sent back to the programs; and so, just let them know about that.

If you have a tuition refund policy that also needs to be in your consumer information and also what requirements or contact information or what you're going to need if they withdraw and how to get a hold of them and what may happen after they withdraw.

And that last item on this slide is very important: The official procedure for withdraw. How many of you have that procedure in some other office other than your own? Right. And that's usually where schools get in one of those little jams, where you get caught, is by the fact that your office is not the one that is actually doing or in charge of the admissions, the registration, registrar's office, whatever it may be called in your institution. But that's the office where they go to do this. Well, there needs to be some sort of a process in place at your campus that you will know when that student withdraws so that if they'll maybe do a second disbursement very shortly, you need to be able to know not to give them their second disbursement or perhaps, to do a Return of Title IV Funds calculation.

Audience: _____.

Male 1: I'm sorry?

Audience: _____.

Male 1: I'll turn it off first. Hold on. Okay. Thank you. Technical difficulties. Thank you for your help, sir.

So, yeah – so that's just important to know what office may be doing this and that – I know that we've talked about in the past conflicting information and one of these processes that your institution needs to know about and be aware of. Well, if one office on campus knows something about the student's aid and the awarding, all the campuses or all the offices on campus know about that student's information. We at the department have made that part of our completed information rules and, therefore, this is not truly conflicting information, but it kind of falls in the same category as if one person knows, everybody knows. So you need to have some sort of a process in place.

Return of Title IV Funds. This process applies to any student that has received Title IV at your institution. Your non-Title IV aid students at your institution, this will not apply to them.

Now I'm going to give you a regulatory site that goes along with this particular slide if you're ready. 668.21. That's 668.21. 668.21 is the regulatory site where a student must have begun attendance to be eligible to receive Title IV aid. Your institutions need a way to prove that the student actually began attendance. And this is something that American schools have trouble with as well is knowing that the student actually started in their class. One of my colleagues back in Kansas City charmingly refers to this as the hind in seat. We need proof that their behind actually hit that chair. He doesn't say it in quite so diplomatic terms, but that's the essential of it is that – that they actually show up, because a student could enroll for classes, but never actually show up. You ever have that happen? Anybody? Nobody? Oh, okay, there I see a couple hands come up. I was like, "Wait a minute. Hold on. I know better than that."

So, if they never establish eligibility, they never showed up for any class, they never established the eligibility, therefore, they never earn any Title IV aid. So, if you've already drawn it down, pulled it down, you need to send all of that money back to the Department of Ed, okay, using our electronic refund process that Mr. Martin talked about yesterday during cash management.

So, when you do a Return of Title IV Funds calculation, it's when the student hasn't completed their attendance – oh, I'm sorry. This is – there's the citation. I got ahead of myself. My apologies. But even if you've already credited this student's account and paid your accounts receivable charges, you'll have to back that off, okay? That would have to be backed out and sent back to us or the Department of Education.

Now, if you had sent those direct loan funds directly to the student, which is the case for most institutions, most foreign institutions that's how you do it. You send the money to them early on. You're going to need to notify the servicer or the Department of Education servicer and let them know and you do that through the COD process – or excuse me, through the process that we have outlined in the regulation, and Greg will talk about a little bit, but to let them know that the student didn't complete, but you already gave them the money. So now the student, because they signed a promissory note, the student is on the hook to pay that money back, okay? And the promissory note has all those wonderful legal ramifications in it that say that if you don't commence attendance and so on like that, that the amount will be due and so on.

In your institutions, how many of you are standard, term-based institutions? You have like fall/spring, fall/winter/spring, something like that? Most of you. All right. In that case, you're required to use the payment period and when I say payment period I mean fall, spring, summer. Those are payment periods in our eyes. If you use quarters – I don't know if there's any quarter schools or not, but that would be fall/winter/spring is how yours would be set up.

And then if you're non-term or non-standard-term you have the option of choosing the payment period itself, like I mentioned the fall semester, or you could do the entire period of enrollment. So for my clock-hour schools – I know you raised your hand somewhere over there. Wonderful. So, for my clock-hour friends, you could choose to do the payment period, so the zero to 450 hours or you could choose zero to 900 hours the entire length of that particular academic year, your period of enrollment. You could choose either.

I kind of recommend you go through and do some calculations, just some play calculations, as if you want to play with calculations, right? Am I the only one that's geeky enough to play calculations and actually run through scenarios? Unfortunately, I have to do it for my job and I suspect that might help you when you determine whether or not you're going to do clock hours or how you're going to do that. But you can choose to do that on a program-by-program basis, so one program you may do period of enrollment. Another program you may do just by the payment period, but that's up to you – but, however you do it, you can't switch around while their program is going on, while the student's in that program. You can't switch around. You have to stay one way for the entire program.

Aid that could have been disbursed. Are you ready for your fun acronym of the day? I know it's early in the morning and I apologize. Hopefully you've all had your caffeine to start your day. If you haven't, I'm going to tell you one of these fun acronyms. I'm not going to use the acronym, because I don't like it, but you will see this in presentations. You'll see this referenced. This acronym for this particular item is ATCHBD; aid that could have been disbursed. So there's your fun acronym for the morning. You can talk about that tonight over a frosty beverage, all right?

So, to include aid in the Return of Title IV Funds calculation it has to meet the late disbursement requirements listed on this particular

regulation, 668.164.G2. I'm sure some of you have seen the regulatory guidance in the books and what not – well, there's no need to actually print these books out or to have them, because everything's online, so I highly recommend you get them online and keep them online. If you want to see what the actual books look like and you think it would add to your bookshelf at home, you're welcome to order those books and have them at home. I have two sets; one for my work at home and one for the office, so I can flip those books open and read those and what not and this part right here I spend a lot of time in, 668.164. I'm there a lot. So you might want to just print these few pages, because there's some good pages there, good information.

But, the student – the two things that I want you to take away from this particular late disbursement piece – you must have a valid **SAR** or **ISOR** at your institution with an official **EFC**. If you have an **ISOR** in your institution that has a C-code beside it, that's not a valid **EFC** unless you've cleared the C-code, unless you've fixed or you've documented why you have a C-code. In that case, then you have a valid, official **EFC**, okay?

And the other one is you must have originated the loan. You must have originated the direct loan. Those are the two key components to know whether or not you would include it as aid that could have been disbursed, because there's aid disbursed, what you've already provided to the student, and aid that could have been disbursed. That would be that instance of that first-time, first-year borrower, who is not eligible until they've been in class for 30 days.

Now, I mentioned that first-time borrower. You can include it – you have to include it in the calculation, because the calculation is more than just what the borrower may have to repay. The calculation is also what your institution may have to return to the Department of Education. So, you're going to include that money for that first-time borrower, who hasn't made it to the end of that 30 days yet, but you're not going to be able to actually give that to the borrower if they're due a Post-Withdrawal Disbursement – because they didn't make it to the end of the 30 days they weren't eligible, but it affects the calculation. So – and if there's a second or subsequent disbursement, if you're using the period of enrollment; all right, I mentioned period of enrollment earlier; so if you're going to do it that way, then any second or subsequent disbursements can't be made to the student, because they didn't complete the period for which that disbursement was intended. Or if they haven't signed their master promissory note – now, most of

your institutions I would guess are having the students sign the master promissory note electronically, right?

Audience: Yes. Yeah.

Male 1: Vigorous head nods mean yes this early in the morning. Wonderful. Wonderful. I wish I had some music that would be appropriate to vigorous head shaking, but I don't.

So, yeah, if you're doing that they've already signed the master promissory note long before they get to your institution, but – and I don't know of any institutions or places where they wouldn't, especially with some of the restrictions that some of your Border Agencies may have to require the student to be able to have proof before they get there.

And then the valid ISOR requirements I mentioned on a previous slide have not been met – yes?

Audience: Just a quick question on bullet number one under there. I'm sorry. I heard, but if they were then for ten days they earned a piece of the pie?

Male 1: Right.

Audience: And does that say the same thing?

Male 1: Okay. I think it does. Let me repeat your question and then we'll go through it from there, all right? The question is I'm reading this slide and you said earlier if they're in class for ten days, but they never made it to their 30 days they've earned aid, right?

Audience: Yeah.

Male 1: Okay. That's the first part, right? So, yes, they've earned aid. You're not going to be able to disburse it to them because they didn't make the 30 days, but you have to include it in the calculation, okay? Because they did earn some of their aid. So when you see the calculation I hope it becomes more clear, but yes, that's the wonderful regulation that is in place for this. You have to include it, because, like I said, it's not just the calculation of what you may owe the student. It's also what your institution may have to pay back. So we're including that as a possibility that they were eligible for it, so it's aid that could have been disbursed. Okay?

If it doesn't become clear when we do the calculation let me know or let Greg know. He's going to be doing the calculation, but I'll also be glad to visit with you.

We also have a Foreign Schools Ask a Fed desk for those of you – has anybody visited the desk?

Audience: Not yet.

Male 1: Yeah. Not yet, but you're thinking now you will, huh? *[Laughter]*
Well, this is a great thing to go talk to them about.

All right. Now, we had some new regulations that came into play with Return of Title IV Funds. Those went into effect July 1, 2011 and they're for students who withdraw after or are in a payment period of period of enrollment that begins after July 1, 2011. I'm going to talk about those in just a moment or so, but it doesn't apply to any crossover payment periods for summer of 2011. Now, that's old news, right?

Well, 2011 did happen and it's long gone, but we still want to cover the new items that happened then, just in case maybe you haven't seen them or if there's some new folks here. Any of you been in – or been working with this for less than a year? Oh, wonderful. Then this is not old to you. You know this or you will know this soon.

Well, as I mentioned, it's based upon the attendance and your attendance records, but some schools are not required to take attendance. Well, your Title IV aid is going to be based upon the days or hours that the student actually attended. But, your school's going to use the best information you have. If the student took an exam, you know that that student took an exam. That's an academically related activity and we actually go very far in our regulations and our documentations to describe what an academically related activity is.

Now, these changes that took effect, like I said, took effect on July 1, 2011 and there's a change to the requirement to take attendance. It used to be you were only required to take attendance if an outside entity required you to take attendance. Now, those regulations have changed a bit. It is that first, when the outside entity – it could be your Border Agency; it could be the particular program, maybe you have an engineering program that requires attendance records to be kept; or if you have your own policy that the institution will take attendance for all students, for all

American students, who would be foreign students for you, who would take – take attendance for those students, then your institution has an attendance policy and you must use the attendance records to indicate when they began or when they ceased attendance.

Or – I love how this keeps going with or and or – the outside entity or school has a requirement that can only be met if you take attendance. Okay? It can only be met by taking attendance. Our friends in the clock-hour world – by virtue of clock hours you are schools that are required to take attendance. You have to have proof they completed the clock hours. So in that instance you would be required to take attendance.

I mentioned here what the example of an outside entity may be. How many of you are required to take attendance? How many of you are not, obviously, which should be the rest of the room? The people that are not required attendance raise their hand a little higher because I think they're more excited about it. I just noticed that. The people – they raise their hand really high – “I don't have to do it. Yay!” All right. Wonderful.

Did you have a question?

Audience: Yeah. At our institution it's not policy to take attendance, but a lot of professors do take attendance as part of the grading system. So some do, some don't, but it's not a policy.

Male 1: It's not a policy where your institution is specifically doing it?

Audience: But some professors will.

Male 1: Okay. The question is, for the recording – remember, you can all listen to this later because we're recording all of the sessions, audio recording only, thank goodness – anyway – because I have a face for radio, you know? *[Laughter]* I understand that. I know that.

Anyway, what the question was: Some instructors at our institution do take attendance because it's part of the grading policy. I think I need to visit with you a little bit more detail to find out about it, but I want to ask a couple questions. Maybe Greg and I can figure it out while we're right up here.

Your grading policy that requires attendance to be taken, is that built into all of the classes or not?

Audience: No.

Male 1: Okay.

Audience: Just different faculty.

Male 1: Different faculty choose to take attendance, some don't.

Audience: That's right.

Male 2: I would say no in that instance.

Male 1: I think no. Yeah. I'm thinking no too. I just want to know a little bit more about your policy, because if it was an institution wide policy that required grading and included attendance, then I would say yes. But it's not an institution wide policy, so I'd say no.

Audience: Thank you.

Male 1: Okay. All right. Now, for those students – and there may be some students on your campus that you have to take attendance for and some you don't. Does anybody have a program like that, where you're required to take attendance for a particular program on your campus that a student might be enrolled in? No. Well, I'll cover that rather quickly then – or there may be a limited period of time – do any of you have a particular, like maybe add/drop period where you take attendance during that add/drop period? Yeah. I see a lot of heads nodding now on that one.

During that add/drop period, if a student withdraws during that period, we at the Department of Education would consider you required to take attendance for that add/drop period, but not for the rest of the semester. Okay?

I see people like, "Aha!" I like when I see aha moments through the room. It makes me feel really good.

Obviously, you must be able to document the student's attendance during that time frame and then after that time frame you're not required. You would be considered a not required to take attendance school from that point forward.

How many of you have a census date, where you look to see what the student's enrollment is on a particular day, but not any other time of the year or time of the semester? Right. In that instance we don't consider you are required to take attendance, because

that's one day. Okay? That's just you're looking at what their enrollment status is and how you're going to determine what they're eligible for on that particular day. So we don't consider you're required to take attendance if that's your policy.

Yes?

Audience: _____ before us to monitor the attendance _____ students with a student VISA, but it isn't an institutional policy. So obviously, most of the American students at our university have the student VISA –

Male 1: Right.

Audience: So which applies?

Male 1: All right. No – very good question. The U.K. Border Agency, which I got to meet with a lovely woman with the U.K. Border Agency while we were there in England – and we kind of worked out how that would all work. Since the U.K. Border Agency does require attendance for students that are there on a student VISA then you are required to take attendance in that example, because you have an outside entity and that trumps all of the other policies. If an outside entity says you must, then you must.

Yes?

Audience: _____ attendance and the way you do attendance, we have to have ten touch points through the year. That's how that works. It's not on a regular basis.

Male 1: Not a regular? Oh.

Audience: You have ten touch points _____ that we need to know that a student is on campus and had contact with us, but it's not regular –

Male 1: Not regular, daily attendance or class attendance?

Audience: Registration. Perhaps examination.

Male 1: All right.

Audience: So you can pick touch points.

Male 1: Right.

Audience: Different institutions are doing this in very different ways –

Audience: Yeah.

Male 1: All right.

Audience: It can also be electronically, so it's not standard attendance. Are you here today _____.

Male 1: All right. All right. Oh, thank you for filling us in on that.

Audience: _____ institution that chose not to have a hand in to monitor all –

Male 1: All. For you it's definitely –

Audience: Yeah.

Male 1: Because you've chosen to monitor all that, so you're definitely required to take attendance. Do we want to check on that one, Greg, or do you have an answer right off the top of your head?

Male 3: Touch points.

Male 1: I will be glad to visit with Mr. Baker and we can cover that during the Q&A tonight.

Male 3: Yeah, we might want to look into that one.

Male 1: I will do that. I'll make sure we talk about that tonight.

Audience: For touch points, as well, could just simply be handing in an assignment.

Male 3: I want to say no.

Male 1: It could be handing –

Audience: _____.

Male 1: That's where I'm leaning too, but I'm going to let the big man make the decision, okay? The big man on campus or on convention center. I don't know – how would I make that into an acronym? I have to figure that out. Hey, you know, it's all about the acronyms.

Male 3: The big guy. That's all.

Male 1: The big guy, yeah. I mean – you know – I actually had one school refer to him – I heard refer to him as the rock star of FSA and I told them, “Don’t tell him that.” You know?

Male 3: We’re the opening act.

Male 1: The opening act.

Male 3: No one wants to see it, but you know –

Male 1: I’m the opening act. That’s good. Okay. Yeah.

All right. So, we also go so far as to define what academic attendance is and we consider academic attendance is academic really related, something that’s related to their academics, physically attending class – like you mentioned, that they turned in an exam or that they turned in a paper that was due. Something like that or I mean it could even be like an interactive tutorial that they had to log in to complete; that you have proof that they did that, something along those lines. That is what we would consider academic attendance.

We also have this other part where we go a little bit further and say attendance in an academically related event or activity. Well, here are some examples of what that might be: It might be attending a school assigned study group, not meeting with their friends at the coffee shop. That may not be a school assigned activity group, okay? Even though I’m sure there are some nice coffee shops on your campuses where students would want to meet and gather. Participate in an online discussion; perhaps it’s an online type forum where they all have to log in at the same time. Maybe it’s a technology course that would require that or initiating contact with a faculty member to say, “Okay, Professor, I need to know about X.” Well, that’s obviously a documentable trail.

Now, this is the one – this is one of my favorite slides and everything I talk about with Return of Title IV Funds – what is not an academically related activity? Well, it’s not the stuff I already mentioned. But, living in a residence hall, eating in the school cafeteria – we don’t consider that an academically related activity. Can you imagine that?

Logging into an online course, but not actually doing anything – no participation. We call that substantial interactivity. Isn’t that a great phrase? Substantial interactivity. Or if they go to academic

counseling or advising and they go into that office – we don't consider that an academically related activity, okay?

All right. And, Mr. Martin, are you ready, sir?

Male 3: Yes.

Male 1: All right. Well, I will now turn the floor to Mr. Martin and let him go from there.

Male 3: Okay. You might want to read this thing –

Male 1: _____.

Male 3: Okay. Okay. I'd like to add my welcome to today. It's great to be here and good to see all of you and I have a lot of wander lust, so wherever you're from, I'm jealous that you've been there and I haven't. So it's great to see everybody – especially if you live somewhere warm and it's the wintertime. I get very – I get very jealous of those people that live in palm tree type areas when I have to suffer through snow and gloom. Then when the spring comes again I'm always happy to be where I live and when it gets hot in those areas I laugh, but right now I want to be somewhere nice. Okay.

Oh, I should have gone back. That won't work, right?

Male 2: Do you need me to do it?

Male 3: Yeah, Dave.

Male 2: Sure.

Male 3: Put it back. Put it back to where – the one you had it on. I was – didn't realize Dave had put it to the next slide, so I should have realized that. Okay. Excellent.

So we're talking about looking at the withdrawal data. When you determine a student has withdrawn is important, because you need the withdrawal date to do the calculation. So we'll first look at schools that are required to take attendance and we still have that outstanding issue for Britain _____ maybe there could be a gem in the handbook or two. I kind of remember something about limited circumstances, so we might have to – as I said, I'm inclined to say no on that one, but I don't want to be – I don't want to commit too much.

The – for schools required to take attendance, the last day of attendance must be the withdrawal date, so the withdrawal date is something you're going to use in the calculation and that's going to have to be based on that last day of attendance, which is based on what your attendance records would say. If you're required to take attendance, you've got attendance records, so the last day the student was there per those records is going to be the withdrawal date. And we do have guidance out there that says that if you do take attendance or you're required to take attendance, the day of determination of withdrawal cannot be more than 14 days after the actual withdrawal date. As you'll see when we go through this, the date you determine the withdrawal is what dictates whether the calculation is timely or not. You'll return the funds – you have to return the funds – you have to do the actual R2T4 calculation within 30 days of your day of determination that the student withdrew. The money has to be back within 45 days.

So what do we key that timeliness off of? Well, that timeliness is keyed off your day of determination the student withdrew. So the day the student did withdraw and the day you actually determined the student to have withdrawn could be two different days – maybe not, but it could be. But in the case of a school required to take attendance, you've only got a 14 day period there to make that determination. And we do that because we consider that it's not – that you don't need any more time than that. If you have attendance records it shouldn't take you any more than two weeks to determine the student's no longer there.

For the majority of you probably fall into the next category, the withdrawal date is an official withdrawal date, but the school is not required to take attendance. What do we mean by an official withdrawal date? Well, that would mean the student actually came in and said, through some means, "I am withdrawing," you know, "I'm going to leave." They tell you they're going to leave or you expel them. That's also an official withdrawal date. If you terminate the student then that would also be official, because you know that that student's going at a certain point. So if there is an official withdrawal date and you're not required to take attendance, let's look at what the requirements are.

Let me move this down a little bit. The date the student began the official withdrawal process or the date the student otherwise provided official notification to the institution and if both dates are triggered, use the earlier date. So you're really looking at something that comes from the law, which is that the student is

considered to have begun this process as soon as they've given you notification of some sort. The intent of this was so that a school couldn't put into place – well, you could put into place a withdraw process that says in order to withdraw from this institution you must take this form to this official and get it signed and then it has to be countersigned by somebody else and go to three instructors or whatever. You can do all that, but however long that process takes, the date you're going to use as the withdrawal date is going to be the date the student began that process. So it's probably best, whatever your practice is at your institution, that when a student goes to a specific office to withdraw – and you need to designate at least one office – there has to be one office on your campus that a student would go to to withdraw. It could be, you know, whatever your equivalent of financial aid is or a fees office, whatever you want to do, registrar.

When the student goes to that office and says, "I withdraw," then really what ought to happen is at that point whoever is responsible should take out the form and start the process by indicating the date the student has indicated he or she wants to withdraw. This can be verbal. It can be over the phone. It can be any indication that he's going to withdraw or she's going to withdraw – not I'm thinking about withdrawing or I'm having a lot of problems, but I'm withdrawing. And then put that date down and however long it takes the student to go through that process then, when it's – the withdraw date's going to be the date the student began that process.

So it can be either in writing, official process, or otherwise provided notification and it has to be notification to the designated office. So, if the student goes to the chaplain at the university and says, "You know, I'm having trouble. I want to withdraw," that obviously is not an official withdraw, because that's not going to the person to whom you need to to make that withdrawal, that withdraw notification rather.

Let's talk about – yes?

Audience: I have a question. So if the student with financial aid on this –

Male 3: Mm-hmm.

Audience: The student actually notifies us _____ they're withdrawing –

Male 3: Yes.

Audience: The official place to withdraw is the faculty. We tell them to contact the faculty –

Male 3: Yes, you would do that. If that's your official designation point you would say, "You know, well, we're not the official office to contact to withdraw. That would be the faculty office that you need to contact."

Audience: But they don't actually do that for many months, but they've returned to the U.S., have they begun that process?

Male 3: No. The withdrawal process is when they – when they make the withdrawal – when they say – the official withdrawal process is when they're going to go to the dedicated office, the indicated office, which there must be one; you can have multiple ones; and say, "I'm going to withdraw," at that point that's an official withdraw.

Now, in your situation, your question was what if the student comes to the financial aid office and says I'm going to withdraw, but you're not the designated office. The faculty office is. The student never goes to the faculty office, but disappears. That would be an unofficial withdraw. It would still be a withdraw and you'd be responsible for knowing about it, but in that case, because the student didn't go through the – to the right office, that would be an unofficial withdraw. It doesn't mean you're resolved from knowing the student withdrew. It just means it's unofficial.

So let's talk about – on the next slide we'll look at that then, withdrawal date unofficial for schools not required to take attendance. So in the case where you have an unofficial withdraw, and that would just simply be the student walks – in your case flies, whatever, goes home, but you know what I mean. That will often happen. I think a lot of people at that age – I know when I was 19 or 20 I used to think that the best way to deal with a problem was simply to, you know, walk away from it or put your head in the sand or however you dealt with it. A lot of people that age do that. They don't inform you. They just leave. So how do you – what do you do at that point?

Well, because you're not really ever going to know if you're not required to take attendance when the student was last there – you might not know. You are allowed by law to use the midpoint of the payment period or that 50 percent point of the payment period. So no matter when the student really left, if the student didn't do it

officially, which means it was unofficial, you may use the calendar mid-point or 50 percent point. So you're not required to try to go and find out by polling professors or whatever or instructors when the last day the student was there actually was.

You can also – you can use the mid-point if you want to, but sort of as a trump, you can also use the documented last day of activity at an academically related event. You can actually always use the last day of activity at an academically related event, even in the case of an official withdrawal. If I come in and say I'm withdrawing on this date and you start the process, but you have academic records that indicate I took an exam two weeks hence, right, or I was in a study group or something like that, an academically related activity, then you can use that date.

If you have an unofficial withdrawal and you might say the student withdrew unofficially, you can use the 50 percent point, but perhaps you have some indication that the last day the student was there was a date that the student took a midterm or something like that. In the case of an unofficial withdrawal, you may always use the midpoint, even if you know the last date the student was there. So let's just say that you know absolutely that the last date the student was there was, you know, October 23rd, but the student was an unofficial withdrawal. You may always use the calendar midpoint. We would like you to use the date that best reflects when the student was last there, but the law gives you this latitude.

If you have – your withdrawal date must be documented, whether you're using the 50 percent point or whether you're using a day of attendance at an academically related activity. And for this date of attendance at an academically related activity, the student's self certification is not adequate documentation. The student coming in and saying, "Yes, I was here until this point." The only thing a student can do is say I withdraw. If you're going to use documentation of attendance at an academically related activity it has to be from a source other than the student just saying, "Yes, I took a test," or, "Yes, I was here for midterms," or whatever – whatever you do.

Yes?

Audience:

There are some instances where a student may complete a term, but then due to medical reasons that withdrawal date is backdated

–

Male 3:

Right.

Audience: They _____ or something –

Male 3: Right.

Audience: So would we still use the documented last date that the student was _____?

Male 3: I'm glad you asked that question, because that does come up. You know, you have a situation where a student has completed a term or maybe is beyond the point where you would have to do an R2T4 calculation, but you – for humanitarian reasons – are going to retroactively withdraw that student.

We don't recognize that. Remember that this calculation is based upon the percentage of time a student was there, so you can't undo that situation. You can go ahead and say the student was in an auto accident or became ill, because of that we're going to forgive all the charges for the semester and for academic reasons, we're going to give the student a 100 percent refund of tuition and fees. That's all well and good, but it does not affect the R2T4 calculation.

In the example you gave, where the student was there for the entire term, that student has earned 100 percent of all the aid that was disbursed or could have been disbursed and if you take off all the charges, you've just created one giant credit balance that you must offer to the student. Okay?

The idea – and we get this in this country a lot. I don't know whether it's a concept which you deal with where you come from, but we have a lot of business office, fees office, accounting people in this country who like to say things like, "Well, we treat the term as if it never occurred," right? That's what we're going to do. We're going to wipe it out, as if it never occurred.

But it did occur, okay? In our minds you can't do that, because the student was there for the term, physically there. We don't care what you did. You want to give them a 100 percent refund? You want to wipe the academic record clean? Whatever. You can do that, but the event occurred, you know?

I always joke with people that it's like a bad relationship. You want to say I'm going to pretend as if those five years didn't happen, but they did. You wasted that part of your life. That's it, you know? It's sort of like this. You can't undo it, right?

So I hope that answered your question about that. Yeah.

Audience: Yes it did.

Male 3: Okay. Let's talk about the date the school determines a student withdrew for a school not required to take attendance. The – we've already kind of talked about this already. For the official withdrawal you're going to use the withdrawal – the withdrawal date or the date of notification if later. So remember that for the student who is officially withdrawing. You're looking at the date the student begins the process. We don't care that – if the student comes in and says to you, for instance, "Today is October," say today is October 15th, "I'm withdrawing, oh and by the way, the last day I attended classes was September 10th." You don't care about the last day he attended classes unless you've got documentation, you know, of academically related – of attendance at an academically related event. What's important is the student saying now I am withdrawing and the date he's withdrawing is October 15th.

For the unofficial withdrawal, and we're talking here about your determination that the student withdrew, so there are two things here in play: The actual day the student withdrew. You're going to use the withdrawal date or determine the withdrawal date, what that date is, and when you determine that date.

If I come in and officially withdraw and say, "I'm withdrawing today," then that's the day you determined I withdrew, right? If I come in and say, this is November 28th and I say, "I'm withdrawing," then obviously today is the day you determine I withdrew. There's no – you can't really say, "Well, it took us 25 days to determine Greg Martin withdrew," when I walked in and told you, right?

In the case of an unofficial withdraw I just leave, so you don't really know when I was there or when I left. I just left. I didn't tell anybody. So it's going to be hard for you to determine that I did withdraw, but we don't absolve you from that. You still must determine that I withdrew, even though I didn't tell you. I just left. But we give you a little bit of latitude there, because it was unofficial. So if it's unofficial, no later than 30 days after the end of the payment period or academic year or the student's educational program, whichever comes earlier. For most of you it will be the end of the term and when will you find out? Generally speaking, you're going to find out about the unofficial withdraw

when grades come in, right? And you're going to look at me and say, "Okay. Greg Martin got all Fs." That would seem to indicate that he's a withdrawal. Usually people who get all Fs, whatever your failing grade equivalent is, stopped attending at some point. You think that most people who completed would get at least one passing grade.

In the case where you have all Fs you have to make a determination at that point. You know, are these Fs earned? It's possible that a student actually completed the semester and earned all the Fs, right? But in the absence of anything that would suggest they were earned, you're going to have to assume that's an unofficial withdrawal. The student left. Now, you may have other ways of determining there was an unofficial withdrawal, but that must be done within 30 days of the end of that payment period.

So, I'm thinking about an American example here. Most of our fall terms end at some point in mid-December. If in mid-December the term ends and the school has 30 days to make the determination the student withdrew, they go away for that little bit of a holiday break. They come back, say on January 3rd, and make the determination that I withdrew, that's acceptable, right? That's within 30 days of the end of the term.

Now, I'm an unofficial withdrawal. So they might say, "Okay, we're going to use the calendar mid-point for the actual withdrawal date for the calculation." Using the mid-point, and that mid-point might be October 20th, so for the calculation they're using the date October 20th, but for determination of whether that return is timely, you're using January – my example was what, January 3rd? So that's the day that you determined that I withdrew and that's within 30 days of the end of the term and so you've got 45 days from January 3rd to actually return those funds and 30 days from January 3rd to do the calculation. So it gives you a little bit of latitude there where you have unofficial withdrawals and that's intentional, because it is difficult to determine if they withdrew.

Percentage of Title IV aid earned, because that's what we're talking about here: What is the percentage of aid that the student has earned? We're looking at counting every schedule day in the denominator, including weekends and holidays. So the denominator is going to be the total number of days in the period and we'll see that in your examples – we're going to get to an example fairly quickly, but if you wanted to look at the example, for instance, and see that denominator. In my example I have 38 completed days and my denominator is 79 days, so that's the total

number of days in the term and it is inclusive of weekends and holidays, except where you have a scheduled break of five or more consecutive days where no classes are offered. And this has to be a break that occurs during the term, right, that you're using. It's not a break that occurs between terms.

Again, you know, because I'm familiar with this country, I'm thinking mostly the way we work things, but we normally have a fall and you've got a break of about three weeks between fall and spring and then during spring we have the infamous American spring break, right? All of you, even if you didn't grow up here, have probably watched MTV and all the debauchery and, you know, back when it also occurred in beaches in Florida. The spring break period is normally the only period of time we have where there's a five-day or more break that occurs within a term and you have to think about what you do or where you are from – do you have this? It's only if you've got that five-day break that you're going to exclude that from the denominator.

Yes?

Audience: A lot of Australian institutions have study vacation, which happens, say, a week before the exam period –

Male 3: Right.

Audience: So they can go in say ____ exception to this has to be studying somewhere for the exams the following week. Is that considered to be five days? Would that be considered a –

Male 3: A break? Talking about a situation in Australia where they have a study break prior to exams, right? And it's a five-day period of time – would that be considered a break?

Well, I would say if it isn't – I mean regardless of what they're supposed to be doing, they can attend a lecture or whatever, but if it's an official break and they could go home and they're not required to be on campus and they could go over to, you know, somewhere and surf if they wanted to and I'm sure some do, right? Not all, but some do. Yes, I would consider that to be a break. You're giving them a five-day break during which period you're saying they should be studying. In this country we drop all pretense of anybody studying during that period of time. So, you know, it's – I'm waiting for my daughter to get to that age so I can just say no. I know what happens there and you're not going. Okay. So, yeah, in that case I would say that definitely is a break.

So the numerator then is the – then that's the denominator, the total number of days. The numerator is going to be the number of days the student actually completed. So that's how we're going to make our determination of the percentage of aid the student earned.

David asked you a little earlier – I wish he hadn't, because then I could of presumed maybe nobody had modules, but he had to go ahead and do it. Do you have modules? There are new rules for R2T4 in modules. As if it wasn't complicated enough to do this, we had to go and make it a little more complicated. So there probably aren't enough rules associated with this, so we needed new rules for programs offered in modules.

And just to repeat what Dave said, those modules would – if you have a program and you want to know if you've got modules, think of your term. Think of any classes within that term that do not go for the entire term, do not last over the entire term. If you've got any such situation, then you have a module. So if you've got a term that lasts, you know, say four months, but it's possible for me to take a class, which is only three weeks – you know, I can enroll for a class that goes – maybe meets multiple hours every day for three weeks and then that class is over, you can do it. No problem, but we're going to consider that you do have a program offered in modules.

And it doesn't matter what you call those modules: Mini sessions; late starts; inter-sessions; there's just a couple of the things that we call them here in this country.

And the general determination of – general requirements for whether a student withdrew – a student's considered withdrawn on a credit hour program if the credit – if the student does not complete all of the days in the period, clock-hour program if the student does not complete all the clock hours and weeks of instructional time in the period. And we've always said that passing grades document the completion of a course. The thing with passing grades, again – I think I referenced this before, it is possible for a student to get all Fs, you know, and have completed it. I could complete my entire term and get all Fs, but it is not the usual occurrence and the thing about an all F situation is if you get an auditor coming in and looking at that and saying, "Well, I see here that you've got, you know, you've got a record for Greg Martin and he received all Fs," and then the auditor could say, "All Fs could indicate that he withdrew, you know, because you could withdraw and get all Fs." And you might say, "Well, he could

have stayed. He could have been here the whole time.” But that’s not the point. The Fs don’t document attendance.

If I have one D grade it does document that I completed something. You’d like to think you’d have to complete to get a D. I remember some professors where that probably wasn’t the case, but generally speaking, if you get a passing grade you completed. That’s going to document completion of something.

With all else you have to look at that carefully and make – how are you going to determine did a student actually complete or are those Fs indicative of somebody who just withdrew?

Determining if a student withdrew in modules; this becomes pretty complicated with a modular situation. And what we say is if a student does not receive a passing grade in the course in a final module, the school must determine if the student completed that module. If at the time of withdraw the student obtains or the school obtains a written confirmation the student will attend a module beginning in a later period he’s not considered to have withdrawn.

Now, we offer whole sessions on modules and so it’s hard to do in the time we’ve got now. But essentially and I just want to make it as an overview – if you’ve got – how many of you think you do have modules again? A couple of you do. If I enroll – and I’ll just give you an example – if I enroll in a term and that term consists of module one, two, and three and that means I’m enrolled for all three modules and that’s what’s expected, that I will complete all three modules. If I complete module one and I complete module two, but I don’t return for module three, I’m an R2T4, because that was my expected enrollment. All right? So you’ve got to keep that in mind. If I’m only enrolled for modules one and two and I attend and complete those, then I’m not an R2T4. If I’m enrolled for modules one, two, and three and I attend module one and I attend module two and before module two ends, I withdraw from the courses of module three, I’m not an R2T4, but if I don’t do that, then I am going to be an R2T4.

So it’s important for those of you who have modules to stress to your students, “Fine. You’re enrolled for these modules. If at any point you think you’re not going to attend a subsequent module, you need to withdraw from those classes before the previous module ends.” That’s an important thing to consider when dealing with modules.

We have said that if a student's in a module – and I'll use an example of modules one, two, and three. I'm in module one and I withdraw from module one, but I'm still enrolled in module three, but I withdraw module one. I'm not going to come to module two, but I plan to come to module three. If you get written confirmation of future attendance in the module, then the student's not considered to have withdrawn. So, if at the time of withdraw you obtain written confirmation the student will attend a module beginning in a later period, the student's not considered to be withdrawn. So, I withdrew from module one, but I say I'm coming back for module three. You're okay, unless of course, I don't actually come back for module three.

If the student does not return as scheduled, the student is considered to be withdrawn and the withdrawal date is the total number of days in the calculation that would have applied if written confirmation not been provided. So in that case, I said I was coming back for module three. I withdrew partially in module one, so it's going to be the total number of days inclusive of modules one and three would be the total number of days in the denominator. Okay.

We do have these questions and these are very – these look kind of strange, but I tell everybody when you're trying to determine if students – if a student withdrew from a module, just ask yourself these questions. Don't ask about whether these questions are fair. Don't ask about whether these questions make any sense or whether there's any logic to it. The answer to those questions is well, sort of, kind of, maybe, but not always. They are not – this isn't algebra, okay? It's just – they're just questions.

Did the student begin or attend – to attend or fail to begin attendance in that course scheduled to attend? If the answer to that question is yes, go on to question two. If no, it's not a withdrawal. If the student didn't cease to attend or fail to begin something then it's not a withdrawal. But we're going to assume the answer to that question is yes and move on to question two.

When the ceased to attend or failed to be in attendance in his scheduled course was the student attending other courses? If yes, not a withdrawal. If no, go to question three. This is very important, because if you have overlapping modules within a term, the student withdrawals from one. You have to ask yourself this question. Is the student attending another course? Was he attending another course when he ceased enrollment in the one he

withdrew from? If the answer to that is yes, then it's not a withdrawal and you go on to question three.

Did the student confirm attendance in a later module within the period? If no, the student is a – if not, then that student is going to be a withdrawal.

So, for those of you who have a withdrawal in a modular situation, just yank out those three questions. Ask those questions. Do not ask any more questions and don't inquire as to whether it's fair or treats everybody the same. It doesn't necessarily do that. It just is what it is. I hate to say that, but you know – it's where we stand.

For R2T4 the total number of calendar days – the total calendar days that you're going to use for purposes of the calculation and the denominator includes all days in which the student was scheduled to attend. So courses officially dropped prior to ceasing attendance are not days scheduled to attend unless the student was enrolled in other courses on those days. So anything the student dropped prior to ceasing attendance is not going to be counted. Days of completed courses count if the course does not span the entire length of the term, so you're going to look at – you're going to look at the total number of days the student was scheduled to attend if you're looking at a modular situation. So if I enroll for one, two, and three, you're going to include all of the days from all three of those modules.

Let's talk about a return after a student withdraws and that's a possibility as well. For a term based program if the student re-enters in the same program within the term, didn't confirm, but does come back the student is eligible to receive any Title IV aid, which he was eligible to receive prior to the withdraw. So if he leaves, he withdraws in module one you do an R2T4 and he comes back in module three, you undo it. He receives all the aid back and it's as if he never left.

Yes?

Audience: _____ at what point do the _____?

Male 3: Okay. The question was what happens if at some point in this process are students dropping below half-time and remember that dropping below half-time is not an R2T4. R2T4 has to completely withdraw.

Dropping below half-time could be an issue for whether or not you can disburse, you know, your direct fund disbursement, but it is not an R2T4 situation. He can drop – he can drop everything but three credits – however, in a modular situation it just has to be if he withdraws from – doesn't complete all those modules. You have to ask yourself that question and it's irrespective of his enrollment status. So I wouldn't get caught up with the half-time thing, because it really wouldn't make any difference.

For non-term credit hour and clock-hour programs, if a student returns after withdraw, if the student returns, re-enters the same program within 180 days he basically picks up right where he left off. He's back in the same payment period. You restore the funds. And if it's after 180 days or a student is transferring, he is beginning a new payment period upon re-entry at that point, so you treat him as if he's back into a new program. I'm not going to take too much time with that.

Some resources for you to consider about what we talked about here: The Handbook, Volume 5, Chapter 2 has pretty extensive discussion of this. There is the regulation, a couple of dear colleagues. I would caution you about those Dear Colleague letters. Some of those – some of the things in those Dear Colleague letters are out of date, especially how to treat – how to treat modules is now out of date. The most recent Federal Register on October 29th is up to date and our R2T4 demo site.

Any questions on the process, before we take a look at our example? Yes, ma'am?

Audience:

Right now we have a policy and then, you know, _____ the register fee and we have never used the fee _____ if a student withdraw we didn't get back the register fee. That is our policy. We didn't get the student back the register fee.

Male 3:

The fee? Okay. She's talking about a situation where a student withdrew and what they're going to give the student back. They're not going to refund the registration fee or anything.

What's important to remember with the R2T4 process is it's entirely separate from any refund process you may have. So, if your process at your school is you're not going to give me back a registration fee or you're not even going to give me any adjustment at all on my tuition, it doesn't affect the R2T4 process at all. Remember, the R2T4 process is simply what percentage of the period of enrollment did the student complete. That's the

percentage of aid he earned. Irrespective of anything you charge or don't charge. You could say to me – your policy could be if you sit in this class one day you owe 100 percent or it could be we'll refund 100 percent. It wouldn't make any difference in the R2T4 calculation, which is simply a calculation of percentages. What percentage of the time was the student there? If I'm there 50 percent of the time I've earned 50 percent of the aid. End of story, regardless of whether you refund anything to me or not. It makes no difference, so if you don't want to refund the fee then you don't refund the fee; but it won't make any difference in this calculation whatsoever. Okay?

Yes?

Audience: If a student takes a leave of absence and they fail to come back within 180 days –

Male 3: Right.

Audience: And we don't need to do R2T4 do we and we can keep _____?

Male 3: Okay. Your question has to do with a leave of absence and the first thing I would ask is what type of a program are you talking about here? Is this a term-based –

Audience: Yeah.

Male 3: A term-based program. Okay. In a term-based environment with leave of absence it is possible to take a leave of absence, but it is not – it usually doesn't work with our – the way we have our leave of absence rules, because our leave of absences require – leaves of absence – I'm sorry – leaves of absence; Attorneys General, leaves of absence require that it be an approved leave of absence, okay, an approved leave of absence, which means that in a – and think about your situation as a term-based program. For a student taking leave of absence we require that the student be able to come back and pick up at the same point he left off. That's almost impossible to do in a term-based situation, because your term exists in a set period of time. It's never going to come again. It's gone. So if I take a 180 day leave of absence in the middle of spring I'm coming back when, in the following fall or whatever? At that point it becomes – it becomes very difficult if not impossible to say that I'm really going to be allowed to come back where I left off and complete that course work.

We don't negate it completely. Now, I've seen one school in the United States do it and the only – the way they do it, they do it in very rare situations – the other thing I need to point out is you cannot charge the student any additional money for it. So what they allow is for the student to leave, say, in the fall semester, take a leave of absence, come back in the spring semester. They'll allow the student to take all the exact same courses he took in the previous term and they will not charge him or her any more money for it.

There's a couple of things there: Most fees offices or business offices aren't going to go for a new semester with no charges. That's one that's not – that's not going to pass muster. And we've had some schools say, "Well, can't we just give the student all incompletes," but is that really feasible? First of all, incompletes aren't really meant for that purpose and if you're going to give me a bunch of incompletes for 12 credits I took in the fall, or 15 credits, is it really reasonable to expect I'm going to come back in the spring, take 12 additional credits and finish up 15 incomplete credits from the previous term? That really isn't going to happen.

So I'd say in most cases where you have a student who needs to leave in the middle of a term, at a term-based school, that's going to be an R2T4. You can have an institutional policy to call it a leave of absence, but for our purposes it's going to be an R2T4 because they can't come back where they left off.

Audience: But say though a Ph.D. _____ and then they can come back _____ where they left off?

Male 3: Because they're taking like dissertation credits or whatever, they can come back and pick up? If it's possible for them to do that – it might be possible at your school and you're correct; in a leave of absence situation where there is an official, approved leave of absence there would not be an R2T4. The student would come back and pick up where he or she left off, but I caution all of you at term-based institutions to take care about allowing that to happen, because you're going to be asked those questions. You know, was it possible for the student to come back and finish up where he left off? And it may well be – with dissertation credit it's a possibility to do that. We don't say you can't do it, but I do caution you.

Okay. Let's move on to our case study and if you don't like this case study, as Dave said, I wrote it, so you can –

Male 1: Actually, if you want to go ahead and handle our question here, I found it –

Male 3: Thank you, Dave. I knew it was in there.

Male 1: It's in a side bar here. It's right there.

Male 3: Side bar.

Male 1: However –

Male 3: However. Okay. All right. Here we go.

Male 1: Yeah. We found an answer to that question from earlier.

Male 3: Yeah. I'm just going to – I'm not going to read the whole paragraph for you, but, "However, if a school takes attendance throughout a period in order to determine when students are and are not present, then the school is taking attendance for a limited period and the school is one that is required to take attendance for Title IV purposes for that limited period."

So that would be you take attendance throughout the period in order to determine when a student is or isn't present, then we would consider you to be a school required to take attendance. Again, going back to the way it is in Britain, yeah, I don't know – your requirement seems to be to be – to document if the students are on campus, right? Whether that's going to be a requirement to take attendance –

Male 1: I sent it forward to Mr. _____.

Male 3: Yeah. We'll see if we can get Jeff to answer that, because there is – that is a gray area. You know, is it –

Male 1: Yeah.

Male 3: Is it taking attendance in classes or is it just really meant to be certain that the students are still physically present, you know, at the school? So – but if the requirement can't be met any other way besides taking attendance it's probably going to be taking attendance. We'll let – we'll let Jeff make a call on that, because I'm just too much of a coward to do it.

Male 1: But we're honest about that.

Male 3:

We are indeed. Okay. Yeah. What's that _____ thing, a man's got to know his limitations?

Okay. We're going to look at this Sebastian flight case study and like a lot of Americans I – you know, I'm rather obsessed with PBS specials and all things BBC, so that's where this came from. I sit at home and watched reruns of _____ and waste time that way. So I've kind of had that bent – in case you don't know where this case study came from.

So we're taking a look at the case study here and I try to make them kind of a little bit fun rather than just have like Sally Student or something like that. So we have our student, Sebastian and for those of you who actually know the way things work at Christ Church College Oxford, please forgive me. I try to follow the way their academic enrollment works, but I may have screwed up.

Despite having had many advantages, best boarding schools, wealth, privilege, etcetera, success at University, at least the _____ aspect of it has proved elusive for our student, Sebastian. A dissipated lifestyle, couple with mental anguish over his friend's increasing fascination with Sebastian's family has caused him to withdraw from university and place himself in the care of Tunisian Monks, which if any of you have read the book, you know that's the way it goes, right?

And so I figured out how to put at the end here, how to make this an American theme because it's an American student. So I put at the end here, though American, his situation almost brings to mind the plot of a mid-20th century British novel. So for all of you – probably most of you figured out what the book is. I'm a big _____ fan, so it's basically trying to follow in some lame way *Bride's Head Revisited*. A great movie, by the way, right? The one with Jeremy Irons. I can't get enough of that. You watch it over and over again.

So, we're going to look at the institution's information. And again, I tried to follow – I tried to follow – I went online trying to follow Oxford's academic schedule, so if those of you familiar with it, forgive me if I took license or didn't quite get it right, but it doesn't affect the calculation. You'll get the point.

We have his information here and I gave you his total A package for the term. His gross disbursement amounts you can see what they are. I gave you the total loan amounts and I gave you the gross disbursement amounts. It seems as if this university works

sort of like on a quarter-type system or the equivalent of what would be our quarters.

He has unsubsidized loan for the period. I gave you the \$667.00, \$1,833.00 in subsidized Stafford and plus the loan of \$11,333.00. I gave you the total loan amounts and I gave you the expected proceeds for the term. The net disbursed amounts, which we're going to use in the calculation in a moment and so those are listed there for you.

I also said that the student here followed the official withdrawal process and began the withdrawal process on November 7, 2012. The last day he was in class was also November 7, 2012.

So we can take a look at our case study then based on the information you see there. This is a credit hour, term-based case study. At the very top we have some information, sort of demographic information for our student. We have his name, the date the form was completed, the student number, and the date of the institution's determination that the student withdrew. This was an official withdrawal, right? He came in and said on November 7th I'm withdrawing, so the school knew when, on November 7th that he was withdrawing, so in this case the withdrawal date and date of determination are one and the same, as you'll see at the top of the calculation there.

We can then move on to step one, the student's financial aid information. And, if you look in column A it says amount disbursed for Title IV grant programs. We don't have any grant issues with you, right? Because the only program any of you are in is what? Direct loans. So, grants are never going to be an issue, so you're always going to have not applicable there. You shouldn't have any grants. If you do, there's a problem. If you have anything in that block you're not doing it correctly. That I can tell you, okay? So A should be nothing. Grant A that could have been disbursed, again, not applicable. Grant A is not applicable.

Let's now move down to B, which is the Title IV program's – loan programs rather, and look at net amount disbursed. We have in our situation here disbursed all the funds to our student, so all of the loan funds we've disbursed go in the net amount disbursed. We don't have anything in the area that could have been disbursed, because we've disbursed it all. And you'll note that I've moved over the figures. There's \$661.00 in unsubsidized **FFEL** – I'm sorry, Direct Loan. Subsidized direct loan of \$1,815.00 and the

plus loan of \$10,880.00 for a total amount of Title IV loan disbursed of \$13,356.00.

If you move up to E, total aid disbursed for the period, we're going to add in, first of all, our aid that was disbursed. That's what we're looking at now, just aid that was disbursed. There was no grant aid disbursed, right? You see A comes from our column A, which was zero, so you should know where we got that.

B, we're looking at total loans disbursed and we're going to get that from B, which is the \$13,356.00. Move that over there.

So, E, then is our total amount disbursed, \$13,356.00.

And then we're going to go down to F, the total Title IV grant aid disbursed and that could have been disbursed. Remember, grant aid is not an issue for us, so you should have all zeroes in there. It's just not applicable. I could have put not applicable, but I put zeroes in there, so there was no grant aid that was either disbursed or that could have been disbursed.

Now we go down to G, which is an important figure. The total Title IV aid disbursed or that could have been disbursed for the period. In our case, all we have is B, which is our grant – our loan disbursements and they were all disbursed for \$13,356.00. So, G, total Title IV aid that was disbursed or could have been disbursed, \$13,356.00.

Now, go back to David's situation where he was talking about 30-day delay, right? If we had a 30-day delay situation here we may have had some aid in the could have been disbursed column. The question came up well why is that important? Well, we're going to see that in a minute when we get to step three.

But for step two we're looking at the percentage of Title IV aid earned. We have a start date for our term of September 3rd and we have a scheduled end date of December 18th and we have a date of withdrawal of November 7th.

Now, if you go down to – well, if you look at the text below there and it does say that if the student completed or rather the student – the school is not required to take attendance and the student withdraws without notification then you could just go with 50 percent, but we didn't have that here. We had an official withdrawal, right?

So let's go down to H then. We know the student completed 38 days. There are 79 days in this term, so 38 divided by 79 is 48.1 percent and you see what the rounding conventions are. When calculating percentages, round out to three decimal places; 0.4486 becomes 0.449 or 44.9 percent. So in this case you go out four places and round back to three, convert to a decimal, 48.1 percent goes in block H. That's the amount of aid that our student has earned.

Now, go to step three. We're going to figure out how much the student has earned and that's an important figure, because whatever the student hasn't earned you have to return, right? So now, going back to Dave's question of why do you want to use the aid that could have been disbursed even though you can't disburse it if it's a post-withdrawal disbursement? It does increase the amount of aid a student has earned. It wouldn't make any difference if you hadn't disbursed any of the aid and it was all in there, aid that could have been disbursed and you hadn't disbursed any of it and you can't disburse any of it, because then it would all be a wash.

But say you had disbursed some and not disbursed others – other areas, other sources of aid, it would make a big difference, because you take the 48.1 percent and multiply it, not just by the amount that was disbursed, but by the amount that was disbursed and could have been disbursed, which increases the amount of aid earned by the student and therefore, decreases the amount you have to return. So it is an important concept.

In this case we have an amount earned of \$6,424.24. I want to point out that while you're going through the calculation you must use cents. When it gets to the end and you talk about just returning the money you return it in whole dollars, but while you're going through the calculation you must use the cents and you may not round to dollars.

Step four is looking at Title IV aid to be disbursed or returned. And essentially what this is asking you is has the student earned more money than was disbursed or has there been more money disbursed than the student earned? If you had a situation where the student had earned more money than had actually been disbursed, you would have to do a post-withdrawal disbursement and that would be in box – that would be in box J. So you would take what is in – what is in box I, which would be the amount of money that the student has earned, subtracted from box E, which would be the

amount that was actually disbursed, and if box E was less than box I you'd have to do a post-withdrawal disbursement.

But that's not the case here. We know that we disbursed \$13,356.00 and our student only earned \$6,424.00, right? So there's not going to be a post-withdrawal disbursement here. In fact, we're going to have to return some money.

So if you go over to the next page with step four you'll see we enter \$13,356.00 in box E and we subtract from that the amount of aid that the student actually earned, \$6,424.24. Once you do that calculation you'll see then what needs to go back. If \$13,356.00 was disbursed, the student earned \$6,424.24, we need to return – I shouldn't say that – we don't know who has to return it yet. We simply know that \$6,931.76 must go back.

If you look at step five, step five is the calculation of what portion of the amount that has to go back needs to be returned by you, the school? All right. And this all comes from statute, so before anybody asks why do we do it this way, the law says you do it this way. The first thing you do is take your institutional charges for the period and I put the institutional charges in there and the total institutional charges for this institution, for this program were \$13,748.00.

And then I'm going to look at the amount or rather the percentage of unearned aid. So now that I have the institutional charges I'm going down to block M and I'm taking 100 percent and I'm going to subtract from that amount, from that percentage rather, the percentage of aid the student earned. So the percentage of aid the student earned was 48.1 percent, which means 51.9 percent was unearned.

And then it instructs you in block N to take the total institutional charges, again, \$13,748.00 and multiply it by the percentage unearned and that gives you the dollar figure the school is responsible for returning. Why do we do this? Because the law says that the school and the student are jointly responsible for returning the aid; however, who has the primary responsibility?

Audience: School.

Male 3: The school, right? It shouldn't come as a great shock to you. The school has the primary responsibility for returning that amount of money, so \$7,135.21 is the school's portion.

But then go down to box O and it says compare the amount of Title IV aid to be returned; that's box K; to the amount of unpaid charges in box N and enter the lesser amount. So what the law says is the school has to return whatever's in box N, that calculation or whatever has to go back, whichever is less. So if the actual amount that has to go back is less than what you see in box N then you only have to return the amount to go back. We never make you return more than needs to go back.

It could be possible that what is in box N is less than what's in box O. If that's the case then the school has to return less than the total amount that has to go back and who would have to return the remainder?

Audience: The student.

Male 3: The student. If you think about the way this calculation works, based on the school's institutional charges, with a school with very low institutional charges, often times it will be the case that the school has to return less than has to go back. I don't know what your situations are. I know that in some countries the tuition and fees and institutional charges are very low, so it could be in that case – I mean if you took this example and say what was in _____ was only \$5,000.00. Then you would have a situation where the amount the school has to return is less than what has to go back. That's not what I did here, because I think in the majority of situations you're going to be returning all of it, okay?

So we just go down then to the amount returned by the school. I'm not going to spend too much time with this. You simply go down the programs, returning everything you can to each program in a statutory order until you run out of money. So we return all of the unsubsidized Stafford, we returned all of the subsidized, and the rest we put in plus. So the total amount of loans the school has to return, \$6,932.00.

If you go up to step seven, which is going to be the last step that we're concerned with, you take from the amount of Title IV aid to be returned, which is box K, subtract the amount the school has to return. The school has to return all of it. What amount does the student have to return in this case? Zero. Okay.

The beauty of – well, if there's any beauty to this at all it's that you don't have any grants, okay? So the only situation it can be is that you returned all of the loan or else the student might have to return some loans. If there winds up being an amount in box Q, forget it.

I mean we have all these other steps, so if I were doing this for domestic schools I have to go into all this. Don't worry about it, okay? Just blow it off. You don't need to do it, all right? So just blow that off. Don't have to worry about it. If there was an amount there, the student simply returns that according to the promissory note. All right? So you've only got to go to step seven. It's actually very simple.

Any questions on what we discussed? We'll be around. You can feel free to talk to us. Dave's going to try – we'll try to get an answer to you on that question for those of you in the U.K.

Male 1: And Jeff asked if it doesn't come up during the Q&A, somebody bring it up.

Male 3: We will address it and make Jeff answer it.

Male 1: Yes.

Male 3: Thanks for coming.