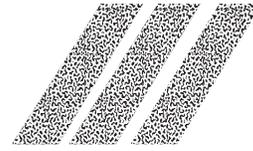


Case Study 2 Solution

Beemis Technical College



Important Points

- ◆ Although none of Beth's Direct Unsubsidized Stafford Loan was used to pay her institutional charges, a refund must be calculated. No repayment calculation is required because Direct Unsubsidized Stafford Loans (the only Title IV funds she received) are excluded from the repayment calculation.
- ◆ Because Beth is not attending college for the first-time, the Pro Rata refund policy does not apply. Because there is no state or approved accrediting agency refund policy, the school must calculate and compare the amount of refund that would be due under the school's refund policy and the Federal Refund Policy, and pay an amount that is at least as large as the larger of the refunds calculated.
- ◆ Because the college charges the tuition and fees for the entire program at the time of the student's enrollment, the entire length of the 900-clock-hour program is the period of enrollment for which she was charged.
- ◆ Beth withdrew after completing 10% of the clock hours for the period of enrollment for which she was charged (i.e., 90 clock hours divided by 900 clock hours). Therefore, she is due a 90% refund of her institutional charges under the Federal Refund Policy calculation.

WITHDRAWAL RECORD

1. Student Information

Beth **9/15** **10/3**
 Name Start Date Withdrawal Date/LDA

900 clock hours, 30 weeks **10/3**
 Social Security Number Length of Enrollment Period Date of WD/LDA Determination

2. Program Costs

	non- inst.								
<input checked="" type="checkbox"/>	<input type="checkbox"/>		1,825	<input type="checkbox"/>	<input type="checkbox"/>				
		Tuition/Fees				Personal/Living			
		Administrative Fee				Dependent Care			
<input checked="" type="checkbox"/>		Room & Board	6,000			Disability Costs			
<input checked="" type="checkbox"/>		Books & Supplies	150			Miscellaneous			
		Transportation				Miscellaneous			

USE TOTALS FOR PERIOD CHARGED*

TOTAL Inst. Costs: **1,825** **A**

TOTAL Noninst. Costs: **6,150** **B**

TOTAL Aid Paid To Inst. Costs: **0** **C**

TOTAL Paid To Inst. Costs: **1,825** **D**

TOTAL Aid Paid as Cash: **1,260** **E**

3. Payments/Disbursements

(Exclude work-study awards.)

DATE	SOURCE	Paid to Inst. Costs	Cash to Student	DATE	SOURCE	Paid to Inst. Costs	Cash to Student
9/2	student cash	1,825					
9/15	Direct Unsub. Staff		1,260				

***USE TOTALS AS CHARGED FOR THE ENROLLMENT PERIOD** (The following minimums apply: for term programs, use totals for the term; for all nonterm programs longer than or equal to the academic year, use totals for the payment period or for one-half of the academic year, whichever is greater. For all nonterm programs shorter than the academic year, use totals for the program length. If you charge by different periods for different charges, convert all totals to represent the longest period.)

4. Data for Pro Rata and Federal Refund

IS THIS STUDENT A FIRST-TIME STUDENT? A first-time student is one who has not previously attended at least one class at this school, or has received a 100 percent refund (less any permitted administrative fee) for previous attendance. (A first-time student remains so until he or she withdraws after attending at least one class at the school or completes the period of enrollment.)

YES NO

DID THIS STUDENT WITHDRAW ON OR BEFORE THE 60% POINT? For credit-hour programs, the 60% point is the point in calendar time when 60% of the enrollment period has elapsed. For clock-hour programs, it is the point when this particular student completes 60% of the hours scheduled for the enrollment period.

YES NO

IF THE ANSWER TO BOTH QUESTIONS IS "YES," a statutory pro rata refund calculation is required for this student. For this calculation, you must determine the Portion That Remains (of the enrollment period) and the institutional costs that may be excluded, if any.

TO DETERMINE THE PORTION THAT REMAINS, calculate as follows and round DOWN to the nearest 10%

*For credit-hour programs:

$$\frac{\text{WEEKS REMAINING}}{\text{TOTAL WEEKS IN}} = \dots\dots\dots$$

For clock-hour programs:

$$\frac{\text{HOURS REMAINING}}{\text{TOTAL HOURS IN}} = \dots\dots\dots$$

*For correspondence programs:

$$\frac{\text{LESSONS NOT SUBMITTED}}{\dots\dots\dots} = \dots\dots\dots$$

*DO NOT use scheduled hours. Also, excused absences can count as "hours completed."

TO DETERMINE EXCLUDABLE INSTITUTIONAL COSTS:

•Administrative Fee (up to \$100 or 5%, whichever is less)	+	0
•Documented Cost of Unreturnable Equipment	+	0
•Documented Cost of Returnable Equipment (if not returned in good condition within 20 days of withdrawal)	+	0
TOTAL EXCLUDABLE INST. COSTS (for Pro Rata and Federal Refund calculations only):	=	0

Pro Rata/Federal Refund Institutional Costs:

$$1,825 \text{ (A)} - 0 = 1,825 \text{ (A)}$$

Total Institutional Costs Total Excludable Inst. Costs



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REFUND CALCULATION WORKSHEET

Institutional

STEP ONE

Unpaid Charges

*Scheduled SFA payments and FFEL/Direct late disbursements that have not yet been received, for which the student is still eligible in spite of having withdrawn, must be counted to reduce the student's scheduled cash payment. This includes late State aid disbursements as allowed under written State policy. (Scheduled payments from sources other than those above cannot be counted in this manner.)

	1,825	Total Institutional Costs (from Withdrawal Record)	(A)
—	0	Total Aid Paid to Inst. Costs* (also from Withdrawal Record)	(C)
=	1,825	Scheduled Cash Payment (SCP) (attribution not allowable)	
—	1,825	Student's Cash Paid (from Withdrawal Record)	
=	0	UNPAID CHARGES	

STEP TWO

Amount Retained

*Use the percentage specified by the State, accrediting agency, Federal Refund Calculation, or institutional refund policy being used for this calculation. For first-time students who withdraw on or before the 60% point in the enrollment period (see Withdrawal Record for details), a statutory *pro rata* refund must also be calculated. For every student receiving SFA funds, the school must compare the possible refunds and use the calculation that provides the largest refund.

	1,825	Total Institutional Costs (from Withdrawal Record)	(A)
X	20%	% Allowed to Retain* (from refund policy being used)	
=	365	Initial Amount Retained By The School	
—	0	UNPAID CHARGES (from Step One)	if this amount is zero or negative, all SFA paid to school charges must be returned (exc. FWS).
=	365	AMOUNT RETAINED	

STEP THREE

Refund Amount

Generally, funds must be returned to the appropriate program account(s) within 30 days of the date of withdrawal, and to the lender within 60 days of the same.

	1,825	Total Paid to Institutional Costs (from Withdrawal Record)	(D)
—	365	Amount Retained (from Step Two)	
=	1,460	REFUND AMOUNT TO BE DISTRIBUTED	

REFUND DISTRIBUTION—Prescribed by Law and Regulation

TOTAL REFUND

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> 1. Federal SLS Loan 2. Unsubsidized Federal Stafford Loan 3. Subsidized Federal Stafford Loan 4. Federal PLUS Loan 5. Unsubsidized Federal Direct Stafford Loan 6. Subsidized Federal Direct Stafford Loan 7. Federal Direct PLUS Loan | <ol style="list-style-type: none"> 8. Federal Perkins Loan 9. Federal Pell Grant 10. FSEOG 11. Other Title IV Aid Programs 12. Other Federal, state, private, or institutional aid 13. The student |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



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FEDERAL REFUND CALCULATION WORKSHEET

STEP ONE*

Unpaid Charges

*Scheduled SFA payments and FFEL/Direct late disbursements that have not yet been received, for which the student is still eligible in spite of having withdrawn, must be counted to reduce the student's scheduled cash payment. This includes late State aid disbursements as allowed under written State policy. (Scheduled payments from sources other than those above cannot be counted in this manner.)

	1,825	Total Institutional Costs (from Withdrawal Record) (A)
-	0	Total Aid Paid to Inst. Costs* (also from Withdrawal Record) (C)
=	1,825	Scheduled Cash Payment (SCP) (attribution not allowable)
-	1,825	Student's Cash Paid (from Withdrawal Record)
=	0	UNPAID CHARGES

STEP TWO

Refund Amount

Generally, funds must be returned to the appropriate program account(s) within 30 days of the date of withdrawal, and to the lender within 60 days of the same.

	1,825	Federal Refund Calculation Inst. Costs (from Withdrawal Record) (A1)
X	90%	% to be Refunded (from the regulatory policy)
=	1,643	REFUND AMOUNT TO BE DISTRIBUTED

***NOTE:** Because calculating a Federal Refund in this manner does not show the amount retained by the school, the subtraction of unpaid charges from that amount is also not shown. However, the unpaid charges amount must still be calculated for the student because the refund process may result in the school not keeping the full amount it is allowed to retain under the Federal Refund Policy. In such a case, the school may collect the remaining balance from the student (the unpaid charges amount).

REFUND DISTRIBUTION—Prescribed by Law and Regulation

TOTAL REFUND	1,643
1. Federal SLS Loan	
2. Unsubsidized Federal Stafford Loan	
3. Subsidized Federal Stafford Loan	
4. Federal PLUS Loan	
5. Unsubsidized Federal Direct Stafford Loan	1,260
6. Subsidized Federal Direct Stafford Loan	
7. Federal Direct PLUS Loan	
8. Federal Perkins Loan	
9. Federal Pell Grant	
10. FSEOG	
11. Other Title IV Aid Programs	
12. Other Federal, state, private, or institutional aid	
13. The student	383



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