

Case Study 7

Geiger State College



- ◆ State aid restricted to tuition and fees
- ◆ State refund requirements
- ◆ Cash disbursement to student

Objective

To illustrate the refund calculation based on requirements of state law, the repayment calculation, and allocation requirements.



School Information

Geiger State College:

- ◆ Four-year, term-based, public college
- ◆ Measures progress in credit hours
- ◆ AY consists of three 10-week quarters



Refund Policy

Institutional Refund Policy

If the student withdraws:	The school retains:
Before classes	0
First week	10%
Second week	25%
Third week	50%
Fourth week	75%
After fourth week	100%

The school does not exclude any administrative fee for students who withdraw.

State Refund Policy: Applies only to institutional charges for tuition and fees*

If the student withdraws:	The school retains:
Before classes	0
First week	10%
Second week	25%
Third week	50%
Fourth week	75%
After fourth week	100%

* Because the state refund policy speaks only to institutional charges for tuition and fees, the school extends the above state refund policy percentages to the student's other institutional charges.

Case Study 7: Geiger State College (cont'd)

Repayment Policy

Living expenses are prorated based on the number of weeks the student completed during the quarter. For students who begin classes, 50% of the books and supplies allowance is considered to be expended.

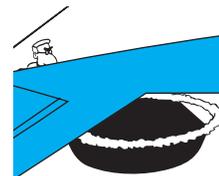
Student Information

- ◆ Gary transferred to the college at the beginning of the winter quarter, and is classified as a third-year student.
- ◆ Gary enrolls for 14 quarter hours and starts classes on January 5.
- ◆ Gary officially withdraws on January 16 (i.e., the end of the second week).

Program Costs

Costs for each quarter:

Tuition	\$875
Fees	\$30
Room	\$900
Board	\$750
Books and supplies allowance	\$150
Transportation allowance	\$50
Personal expenses	\$300



Case Study 7: Geiger State College (cont'd)

Aid Disbursed for the Payment Period

Federal Stafford Loan	\$1,760
Federal Pell Grant	\$300
FSEOG	\$400
State scholarship (does not include SSIG)	\$500

The Federal Stafford Loan is scheduled to be disbursed in two equal installments of \$1,760 (i.e., one-half of the total amount approved minus the origination fee and insurance premium) at the beginning of each quarter.

The state scholarship is restricted to the payment of tuition. All of the state scholarship and Federal Stafford Loan as well as \$295 of the FSEOG were used to pay Gary's institutional charges. All of the Federal Pell Grant and \$105 of the FSEOG were given to Gary in the form of a cash disbursement to help pay his noninstitutional costs. Gary paid for his books and supplies from the cash disbursement.

Task

- ◆ Calculate the amount of refund and repayment, if any.



WITHDRAWAL RECORD

1. Student Information

Name	Start Date	Withdrawal Date/LDA
Social Security Number	Length of Enrollment Period	Date of WD/LDA Determination

2. Program Costs

	non- inst.	inst.		non- inst.	inst.	
			Tuition/Fees			Personal/Living
			Administrative Fee			Dependent Care
			Room & Board			Disability Costs
			Books & Supplies			Miscellaneous
			Transportation			Miscellaneous

USE TOTALS FOR PERIOD CHARGED*

TOTAL Inst. Costs: **A**

TOTAL Noninst. Costs: **B**

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

TOTAL Paid To Inst. Costs: **D**

TOTAL Aid Paid as Cash: **E**

3. Payments/Disbursements

	DATE	SOURCE	Paid to Inst. Costs	Cash to Student		DATE	SOURCE	Paid to Inst. Costs	Cash to Student
Exclude work-study awards.)									

***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.)

<input type="checkbox"/>	<input type="checkbox"/>
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.

<input type="checkbox"/>	<input type="checkbox"/>
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:

WEEKS REMAINING
————— =
TOTAL WEEKS IN

For clock-hour programs:

HOURS REMAINING
————— =
TOTAL HOURS IN

*For correspondence programs:

LESSONS NOT SUBMITTED
————— =

*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) +
- Documented Cost of Unreturnable Equipment +
- Documented Cost of Returnable Equipment (if not returned in good condition within 20 days of withdrawal) +

TOTAL EXCLUDABLE INST. COSTS (for Pro Rata and Federal Refund calculations only): _____ =

Pro Rata/Federal Refund Institutional Costs:

A — _____ = **A**
 Total Institutional Costs Total Excludable Inst. Costs



PRO RATA 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.)

	Total Institutional Costs (from Withdrawal Record) (A)
	Total Aid Paid to Inst. Costs* (also from Withdrawal Record) (C)
	Student's Scheduled Cash Payment (SCP)
	Student's Cash Paid (from Withdrawal Record)
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.

	Pro Rata Institutional Costs (from Withdrawal Record) (A1)
X	% to be Refunded (from the Portion That Remains)
	Initial Refund Amount
	Unpaid Charges (from Step One)
ACTUAL REFUND TO BE DISTRIBUTED	If this amount is negative, the school may bill the student for that amount. No refund is due.

REFUND DISTRIBUTION—Prescribed by Law and Regulation

TOTAL REFUND

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



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United States Department of Education
Student Financial Assistance Programs

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.)

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

		Total Institutional Costs (from Withdrawal Record)	A
X		% Allowed to Retain* (from refund policy being used)	
=		Initial Amount Retained By The School	
—		UNPAID CHARGES (from Step One)	
=		AMOUNT RETAINED	

If this amount is zero or negative, all SFA paid to school charges must be returned (exc. FWS).

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.

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

REFUND DISTRIBUTION—Prescribed by Law and Regulation

TOTAL REFUND

- | | |
|--|---|
| 1. Federal SLS Loan | 8. Federal Perkins Loan |
| 2. Unsubsidized Federal Stafford Loan | 9. Federal Pell Grant |
| 3. Subsidized Federal Stafford Loan | 10. FSEOG |
| 4. Federal PLUS Loan | 11. Other Title IV Aid Programs |
| 5. Unsubsidized Federal Direct Stafford Loan | 12. Other Federal, state, private, or institutional aid |
| 6. Subsidized Federal Direct Stafford Loan | 13. The student |
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REPAYMENT CALCULATION WORKSHEET

STEP ONE

Living Expenses Incurred

Because schools' repayment policies differ, this step can be calculated two ways: the total noninstitutional costs ("B" from Withdrawal Record) may be retained at a flat percentage, or the itemized costs (listed on Withdrawal Record) may be retained at differing rates and then totalled.

NONINST. COSTS
(from Withdrawal Record)

EXPENSES ACTUALLY INCURRED
(from school's repayment policy)

- Room & Board
- Books & Supplies
- Transportation
- Personal/Living/Misc.

(B)

STEP TWO

Cash Paid to Student

*FFEL and Direct Loan funds are excluded from repayment—the student is already obligated to repay these funds to the lender.

—
=

.....

STEP THREE

Repayment Amount

—
=

Total Cash Paid to Student
(from Step Two)

.....
Total Costs Incurred
(from Step One)

**REPAYMENT AMOUNT
TO BE DISTRIBUTED**

