

Objective

To illustrate the determination of withdrawal date, the treatment of loan proceeds, and the calculation of institutional charges.



School Information

Apex Community College:

- ◆ Two-year, term-based, public community college
- ◆ Measures progress in credit hours
- ◆ AY consists of two 15-week semesters
- ◆ If a student withdraws from individual courses (i.e., not a complete withdrawal from the school), the tuition charge for the course(s) is reduced 100%



Case Study 1: Apex Community College (cont'd)

Repayment Policy

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

Student Information

- ◆ Adam is attending his second year at the school.
- ◆ Adam enrolls for 15 semester hours for the first semester and starts classes on August 25.
- ◆ On September 4, during the second week and the school's add/drop period, Adam withdraws from 6 semester hours.
- ◆ He officially withdraws on September 18 during the fourth week of the semester.

Program Costs

Costs for each semester:

Tuition	\$30 per semester hour
Fees	\$45
Books and supplies allowance	\$ 300
School's allowance for off-campus living expenses	\$2,750



Aid Awarded

Subsidized Federal Stafford Loan (total amount approved) . \$3,500

Case Study 1: Apex Community College (cont'd)

Aid Disbursed for the Payment Period

Subsidized Federal Stafford Loan \$1,680

The Federal Stafford Loan is scheduled to be disbursed in two equal installments of \$1,680 (i.e., half of the total amount approved minus the origination fee and insurance premium) at the beginning of each semester.

Because Adam paid his charges for tuition and fees from his savings when he registered on August 4, the school gave the Federal Stafford Loan check directly to him for his noninstitutional expenses. Adam used his loan proceeds to pay for his books and supplies. After the school adjusted Adam's tuition charges on September 4 for the 6 semester hours he dropped, it returned to Adam \$180 of his cash payment (i.e., the amount by which his tuition charges were reduced).

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.	
		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	



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.

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

—	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

- | | |
|--|--|
| <ul 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 | <ul 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.)

—		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

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.

X		Federal Refund Calculation Inst. Costs (from Withdrawal Record) (A1)
=		% to be Refunded (from the regulatory policy)
=		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

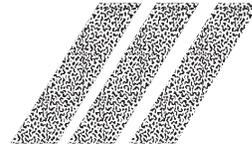
- | | |
|--|---|
| 1. Federal SLS Loan | 8. Federal Perkins Loan |
| 2. Unsubsidized Federal Stafford Loan | 9. Federal Pell Grant |
| 3. Subsidized Federal Stafford Loan | 10. FSEOG |
| 4. Federal PLUS Loan | 11. Other Title IV Aid Programs |
| 5. Unsubsidized Federal Direct Stafford Loan | 12. Other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



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Case Study 1 Solution

Apex Community College



Important Points

- ◆ Although none of Adam's Federal Stafford Loan was used to pay his institutional charges, a refund must be calculated. No repayment calculation is required because Federal Stafford Loans (i.e., the only Title IV funds he received) are excluded from the repayment calculation.
- ◆ Because Adam is not attending the school for the first-time, the Pro Rata refund 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.
- ◆ The amount of the Title IV refund is based only on the amount of institutional charges that remained after the school adjusted Adam's tuition charges on September 4 (i.e., \$495 minus \$180).
- ◆ Adam withdrew after completing 27% of the period of enrollment for which he was charged (i.e., 4 weeks divided by 15 weeks), which is after the first 25% but before the first 50%. Therefore, under the Federal Refund Policy calculation, he is due a 25% refund of his institutional charges.

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.)

	315	Total Institutional Costs (from Withdrawal Record)	(A)
—	0	Total Aid Paid to Inst. Costs* (also from Withdrawal Record)	(C)
=	315	Scheduled Cash Payment (SCP) (attribution not allowable)	
—	315	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.

	315	Total Institutional Costs (from Withdrawal Record)	(A)
X	80%	% Allowed to Retain* (from refund policy being used)	
=	252	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).
=	252	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.

	315	Total Paid to Institutional Costs (from Withdrawal Record)	(D)
—	252	Amount Retained (from Step Two)	
=	63	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
7. Federal Direct PLUS Loan	



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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.)

	315	Total Institutional Costs (from Withdrawal Record) (A)
—	0	Total Aid Paid to Inst. Costs* (also from Withdrawal Record) (C)
=	315	Scheduled Cash Payment (SCP) (attribution not allowable)
—	315	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.

	315	Federal Refund Calculation Inst. Costs (from Withdrawal Record) (A1)
X	25%	% to be Refunded (from the regulatory policy)
=	79	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	79
1. Federal SLS Loan	8. Federal Perkins Loan
2. Unsubsidized Federal Stafford Loan	9. Federal Pell Grant
3. Subsidized Federal Stafford Loan	10. FSEOG
79	11. Other Title IV Aid Programs
4. Federal PLUS Loan	12. Other Federal, state, private, or institutional aid
5. Unsubsidized Federal Direct Stafford Loan	13. The student
6. Subsidized Federal Direct Stafford Loan	
7. Federal Direct PLUS Loan	



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