

---

# Withdrawals (Refunds)

## CHAPTER 6

*This chapter explains how SFA Program funds are handled when a recipient of SFA Program funds withdraws from school.*

---

The Higher Education Amendments of 1998, Public Law 105-244 (the Amendments of 1998) changed substantially the way funds paid toward a student's education are to be handled when a recipient of SFA Program funds withdraws from school. Schools are not required to implement these new provisions until October 7, 2000. However, a school may choose to implement the new provisions prior to that date. Therefore, this chapter provides information for both the current requirements (those in effect for all schools prior to the Amendments of 1998) and the new requirements (those in the Amendments of 1998) for the treatment of funds when a student withdraws.

### Withdrawal Cites

*Sec. 484B, 485(a)(1)(F), 34 CFR 668.22*

Amendments  
of 1998

### THE AMENDMENTS OF 1998

#### Major Changes

The current provisions require all schools participating in the SFA Programs to use specific refund policies when a student who receives SFA Program funds ceases attendance. In addition, the current provisions specify an order of return of unearned funds from all sources of aid, not just the SFA Programs.

Amendments  
of 1998

The new requirements do not prescribe the use of any refund policy. Instead, a statutory schedule is used to determine the amount of *SFA Program funds* a student has earned when he or she ceases attendance based on the period the student was in attendance. As a result, the order of return of unearned funds no longer includes funds from sources other than the SFA Programs.

Up through the 60% point in each payment period or period of enrollment, a pro rata schedule is used to determine how much SFA Program funds the student has earned at the time of withdrawal. After the 60% point in the payment period or period of enrollment, a student has earned 100% of the SFA Program funds.

The new requirements do not prohibit a school from developing or complying with refund policies that determine the amount of institutional costs that a school has earned when a student withdraws.

Schools are still required to provide students with the details of the school's refund policy in addition to providing information on the SFA Program requirements for determining the amount of SFA Program funds a student has earned when he or she withdraws.

### *General Requirements*

In general, the Amendments require that if a recipient of SFA Program assistance withdraws from a school during a payment period or a period of enrollment in which the recipient began attendance, the school must calculate the amount of SFA Program assistance the student did not earn and those funds must be returned.

### *Withdrawal Date*

If a school is required to take attendance the withdrawal date is the date determined from the attendance records.

If a school is not required to take attendance, the withdrawal date is

- The date that student began the withdrawal process prescribed by the school;
- The date that student otherwise provided official notification to the school of the intent to withdraw; or
- If the student did not begin the withdrawal process or otherwise notify the school of the intent to withdraw, the midpoint of the payment period for which SFA Program assistance was disbursed or a later date documented by the school.

If the school determines that a student did not begin the withdrawal process or otherwise notify the school of the intent to withdraw due to illness, accident, grievous personal loss, or other circumstances beyond the student's control, the school may determine the appropriate withdrawal date.

### *Leave of Absence*

A school may grant a student a leave of absence of up to 180 days in any 12-month period during which the student is not considered withdrawn and no refund calculation is required. The following conditions must be met:

- The school has a formal policy regarding leaves of absences;
- The student followed the school's policy in requesting the leave of absence; and

- The school approved the request in accordance with the school's policy.

If a student does not return to the school at the end of an approved leave of absence, the school is required to calculate the refund based on the date the student withdrew.

### ***Calculation of Amount of SFA Program Assistance Earned***

The amount of SFA Program assistance earned is the percentage of SFA Program assistance that has been earned multiplied by the total amount of SFA Program assistance that was disbursed (and that could have been disbursed) for the payment period or period of enrollment as of the day the student withdrew.

The percentage earned is one of the following:

- If the day the student withdrew occurs on or before the student completed 60 percent of the payment period or period of enrollment for which the assistance was awarded, the percentage earned is equal to the percentage of the payment period or period of enrollment for which assistance was awarded that was completed.
- If the day the student withdrew occurs after the student has completed 60 percent of the payment period or period of enrollment, the percentage earned is 100 percent.

The percentage and amount not earned is the complement of the percentage of SFA Program assistance earned multiplied by the total amount of SFA Program assistance that was disbursed (and that could have been disbursed) to the student, or on the student's behalf, for the payment period or period of enrollment, as of the day the student withdrew.

### ***Percentage of the Payment Period or Period of Enrollment Completed***

If a program is measured in credit hours, the percentage of the payment period or period of enrollment completed is the total number of calendar days in the payment period or period of enrollment for which the assistance is awarded divided into the number of calendar days completed in that period as of the day the student withdrew.

If the program is measured in clock hours, the percentage is the total number of clock hours in the payment period or period of enrollment for which assistance is awarded divided into the number of clock hours that are either—

- Completed by the student in that period as of the day the student withdraws; or
- If the clock hours completed in the period are not less than a percentage of the hours that were scheduled to be completed by the student in the period, the number of clock hours that are

scheduled to be completed by the student as of the day the student withdrew in the period. The percentage of the hours that were scheduled to be completed is to be determined by the Department in regulations.

***Disposition of Differences between Amount Earned and Amount Received***

If the student receives less SFA Program assistance than the amount earned, the school must comply with the procedures for late disbursement specified by the Department in regulations.

If the student receives more SFA Program assistance than the amount earned, the school, or the student, or both, must return the unearned funds as required, and in the order specified, below.

***Return of Unearned SFA Program Funds***

The school must return the lesser of—

- The amount of SFA Program funds that the student does not earn; or
- The amount of institutional costs that the student incurred for the payment period or period of enrollment multiplied by the percentage of funds that was not earned.

The student (or parent, if a Federal PLUS loan) must return or repay, as appropriate, the remaining unearned SFA Program grant and loan funds. However, a student is not required to return 50 percent of the grant assistance received by the student that it is the responsibility of the student to repay.

***Method of Return of Funds by the Student***

The student (or parent, if a Federal PLUS loan) must return the unearned funds for which they are responsible to loan programs in accordance with the terms of the loan, and to grant programs as an overpayment. Grant overpayments are subject to repayment arrangements satisfactory to the school, or overpayment collection procedures prescribed by the Secretary.

***Order of Return of SFA Program Funds***

Funds credited to outstanding loan balances for the payment period or period of enrollment for which a return of funds is required must be returned in the following order:

- Unsubsidized Federal Stafford loans.
- Subsidized Federal Stafford loans.
- Unsubsidized Direct Stafford loans (other than PLUS loans).
- Subsidized Direct Stafford loans.

- Perkins loans.
- Federal PLUS loans.
- Direct PLUS loans.

If funds remain after repaying all loan amounts, those remaining funds must be credited in the following order:

- Federal Pell Grants for the payment period for which a return of funds is required.
- Federal Supplemental Educational Opportunity Grants (FSEOG) for the payment period for which a return of funds is required.
- Other assistance under this Title for which a return of funds is required.

## CONSUMER INFORMATION

The Amendments of 1998 require that every participating school provide to prospective and enrolled students a statement of the requirements

- of any refund policy with which the school must comply,
- for the return of SFA Program funds, and
- for officially withdrawing from the school.

## CURRENT REFUND REQUIREMENTS

### *When the Requirements Apply*

The SFA refund and repayment requirements apply when a student receives SFA Program funds and withdraws, drops out, takes an unapproved leave of absence, fails to return from an approved leave of absence, is expelled, or otherwise fails to complete the period of enrollment for which he or she was charged.

The SFA refund and repayment requirements do not apply to a student who

- withdraws, drops out, or is expelled before his or her first day of class (see 34 CFR 668.21, 685.303, and 682.604.)
- withdraws from some classes, but continues to be enrolled in other classes, or
- does not receive SFA Program funds for the period in question. (Students whose parents received a PLUS Loan are considered to have received SFA Program funds and so are covered by the SFA refund and repayment requirements.)

A student has “received” SFA Program funds if a disbursement of SFA Program funds has been made. An SFA disbursement occurs even when a school credits a student’s account with institutional funds labeled as SFA Program funds (for more information on SFA disbursements, see Chapter 5). If a student ceases attendance after the account is credited but before the SFA Program funds are actually drawn down, the student is an SFA recipient, and the SFA refund requirements apply. The school must draw down the SFA Program funds, perform any required refund calculations, and return any refund to the proper source. If, however, the entire refund will be returned to the same program from which the draw down will occur, the school may draw down the net amount of funds. For example, institutional funds in the amount of \$1000 are credited to a student’s account and labeled as Pell Grant funds, creating a Pell Grant disbursement. Before the school draws down the Pell Grant funds, the student withdraws. The Pell Grant is the student’s only source of SFA

Program funds. The refund due to the Pell Grant Program is \$500. The school may modify its draw down request to \$500 in Pell Grant funds.

Some schools may refer to a return of funds to the SFA Programs for students who do not attend at least one class or who withdraw from some (but not all) classes as a “refund” or “repayment.” Also, many schools refer to a “refund” as the direct disbursement to a student (after the school has credited the student’s account for institutional costs). But the terms “refunds” and “repayments,” as discussed in this chapter, have specific meanings.

**Refund Situation**



Student enrolls and pays school charges (tuition and fees, etc.).



Student withdraws from school; school gives refund to student.

A “refund” is the unearned amount of institutional charges that must be returned to the SFA Programs, other sources of aid, and the student, for a student who received SFA Program funds and who has ceased attending school after attending at least one class.

A refund is defined as the difference between the amount paid towards institutional costs (including financial aid and/or cash paid) and the amount the school may retain under the appropriate refund policy.

|  |                 |
|--|-----------------|
| <i>Total Amount Paid</i>                           | <b>\$668.22</b> |
| - <i>Amount Retained</i>                           |                 |
| <b>= REFUND AMOUNT</b><br><i>(amount unearned)</i> |                 |

|                                   |                 |
|-----------------------------------|-----------------|
| <i>Aid Disbursed as Cash</i>      | <b>\$668.22</b> |
| - <i>Living Expenses Incurred</i> |                 |
| <b>= REPAYMENT AMOUNT</b>         |                 |

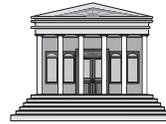
A “repayment” is the unearned amount of a direct disbursement to a student that the student (who received SFA Program funds and who has ceased attendance after attending at least one class) must pay back. (Usually, the school will use incoming aid to pay institutional costs and will disburse any remaining aid directly to the student.) If the school determines that the student received a direct disbursement in excess of the living expenses he or she could have

reasonably incurred while still enrolled, then a portion of the disbursement was not earned and must be repaid by the student to the SFA Programs.

**Treatment of FWS, FFEL, and Direct Loan Funds**

Two other important points: because wages under work-study programs are earned by the student and cannot be recovered, work-study funds are never considered in the refund and repayment process. (However, a recipient of Federal Work-Study funds is an SFA recipient so the SFA refund requirements apply.) Also, FFEL and Direct Loan funds are excluded in the repayment process because the student is already required to repay them to the lender. This is one reason that the school must have a way of determining which program funds were used to credit the student's account and which were paid to the student for living costs.

**Repayment Situation**



School makes cash disbursement to student at beginning of payment period.



Student withdraws from school; school determines amount of cash disbursement to be returned by student.

**CONSUMER INFORMATION**

A school is required to provide a written statement explaining its refund policies and procedures to prospective students prior to enrollment or prior to execution of an enrollment agreement (or other document that legally binds a student to pay the school), whichever is earlier. This information must also be provided in writing to currently enrolled students, and must include details on how refunds will be calculated and distributed, including an explanation of the various factors that will impact a student's refund (whether the student is a first-time student, what the state policy is, the concept of unpaid charges, etc.). If the school changes its refund policies or procedures at any time, it must provide this information to all current and prospective students. This information may be provided through a school catalog or included in a schedule of fees if these publications are distributed to all current students and prospective students at no charge. A school is not providing the information to all students if it is only including the information in a school newspaper or a flyer that is available on campus.

The school must make examples of common refund situations available, although it is not necessary to provide an example of every possible refund situation. The written statement must inform the student that these examples are available. Additionally, the school must provide a detailed explanation of the procedures a student must follow to receive a refund. Note, however, that an SFA school is required to comply with all SFA refund rules and regulations, regardless of whether students follow the school's required refund procedures or not.

Schools must also publish the student's costs for required supplies and equipment (including books). In addition, schools must substantiate to the Department, upon request, that those costs are reasonably related to the school's cost for those supplies.

### **FAIR AND EQUITABLE REFUND REQUIREMENT**

Every participating SFA school must have a fair and equitable refund policy.

The Higher Education Amendments of 1992 define a "fair and equitable refund policy" as one that provides for a refund of at least the largest amount under

- applicable state law;
- specific refund requirements established by the school's nationally recognized accrediting agency, as approved by the Department; or
- the pro rata refund calculation defined in the Higher Education Amendments of 1992 if the student is attending the school for the first time, and withdrew on or before the 60% point of the period of enrollment for which the student has been charged. (Pro rata refunds are discussed later in this chapter.)

If none of the three options above applies to a particular student, the school must then calculate a refund according to the Federal Refund Policy found in the regulations. The school must compare the Federal Refund Policy refund with the refund amount under its own institutional refund policy (if any), and issue the larger of the two refunds. For each SFA student who does not complete the enrollment period for which they were charged, the school must calculate all applicable refunds to see which is the largest.

#### ***First-time Student***

For those SFA students who are first-time students and who withdraw on or before the 60% point in time of the enrollment period for which they were charged, the school must calculate a statutory pro rata refund and compare this amount to the refund amount from the applicable state and accrediting agency policies (if any) to determine the largest available refund to the student. (For more details on pro rata requirements, see page 114.) If both the state and the accrediting agency policies do not exist or are not applicable, the student's refund is the pro rata refund amount.

#### ***Continuing Student***

If a student is a continuing student (not a first time student) who withdrew, or a first time student who withdrew after the 60% point of the enrollment period for which he or she is charged, the school must calculate the student's refund amounts using the applicable state and accrediting agency policies (if any), compare the resulting refunds, and use the calculation that provides the largest refund. If the state

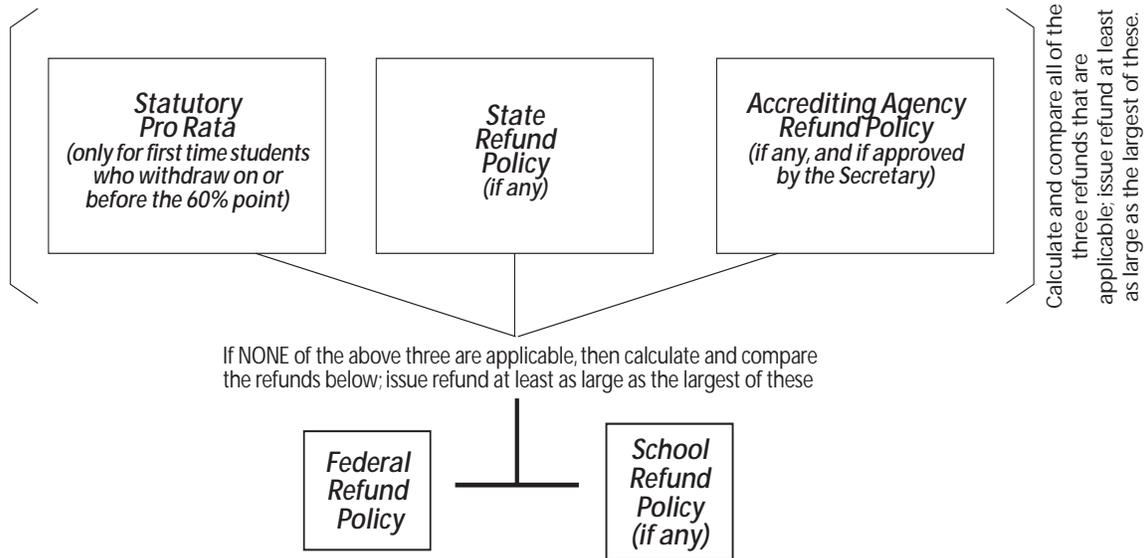
and accrediting agency policies do not exist or are not applicable, the school must calculate the refund under the Federal Refund Policy and the school's policy (if any) and provide the largest refund.

The flowchart below illustrates the various required refund calculations and comparisons that may be required.

---

### Fair and Equitable Refund Requirement

---



The Department must specifically approve an accrediting agency's refund policy before it may be used in the refund comparison. As this publication goes to print, no accrediting agency refund policies have been approved by the Department.

A state refund policy refers not only to laws enacted by the state's legislature, but also to refund regulations of a state agency, if the regulations were established through a legally enforceable regulatory process and carry the force and effect of law. If a school is using a policy as a state refund policy, the school must be able to refer to a state law or state regulation that establishes those refund requirements.

### COMPARING TO DETERMINE THE LARGEST REFUND

Let's look at a sample refund situation. St. Mark's Academy (SMA) charges by the 10-week semester. Bob is a first-time student at SMA and received federal SFA Program funds. He withdraws in the third week ( $3 \div 10 = 30\%$ ), so the statutory pro rata refund requirements apply. SMA must calculate the student's refund according to its state guidelines (if any), its accrediting agency guidelines (if approved by the Department), and the statutory pro rata requirements.

### ***State Guidelines***

SMA's state guidelines allow it to retain institutional costs proportional to the portion of the enrollment period completed by the student. Because Bob attended 30% of the semester, SMA may keep 30% of the institutional costs. (This modified pro rata refund is voluntary, not statutory [i.e., it is not required by federal law]—so it is nonpro rata and must be calculated according to the unpaid charges requirements. The refund regulations require that unpaid charges must be subtracted from the amount retained by SMA, but this issue was effected by litigation. For details on this topic, see page 110.)

### ***Accrediting Agency Guidelines***

SMA's accrediting agency refund policy is not approved by the Department. Therefore, calculation and comparison of the accrediting agency refund is not applicable.

### ***Statutory Pro Rata Requirements.***

The statutory pro rata rules require SMA to refund institutional costs proportional to the portion of the enrollment period for which the student has been charged that remains, rounded down to the nearest 10%. (Notice that the state policy dictated how much SMA is allowed to retain, but statutory pro rata requirements are written in terms of how much the school must return.) The portion of the enrollment period for which the student has been charged that remains is calculated according to statutory formula (discussed on page 116). Using that formula, SMA calculates that 70% of the enrollment period for which Bob has been charged remains. Accordingly, SMA must refund 70% of institutional costs under the statutory pro rata refund calculation and retains 30%.

### ***Calculating and Comparing the Refunds***

In determining which calculation provides the largest refund, it is not enough to simply compare the refund percentages dictated by each policy. The school must completely calculate each refund separately, and then compare the resulting amounts. Even though the state and pro rata refund policies provide for the same percentage refund, the school must perform both calculations and compare, because requirements specific to each policy may affect an individual's refund amount. Also, it is not safe to automatically assume that the statutory pro rata calculation provides the largest refund—that is not always the case.

In addition to the amounts the school is allowed to retain under each policy, SMA needs the following figures to calculate both refunds: (1) total institutional costs, (2) total amount paid to those charges, and (3) Bob's total unpaid charges.

(1) Bob's institutional costs for the semester total \$1,500.

(2) Bob received an \$850 Federal Pell Grant disbursement and a \$300 FSEOG payment; both are credited to cover institutional costs. Bob also made a \$200 cash payment. A total of \$1,350 was paid toward institutional costs ( $\$850 + \$300 + \$200 = \$1,350$ ).

(3) Unpaid charges are calculated by subtracting the total amount paid to institutional costs from the total institutional costs. Bob's unpaid charges equal \$150 ( $\$1,500 - \$1,350 = \$150$ ). (For a details on unpaid charges and the impact on a refund calculation, see page 109.)

### *The State Refund Calculation*

The state refund policy allows SMA to keep 30% of its institutional costs ( $\$1,500 \times .30 = \$450$ ). The unpaid charges (\$150) must be subtracted from the amount SMA could otherwise retain (\$450).

Thus, SMA is actually entitled to retain only \$300 ( $\$450 - \$150 = \$300$ ). SMA then subtracts the amount retained (\$300) from the amount paid to institutional costs (\$1,350) to figure the refund ( $\$1,350 - \$300 = \$1,050$ ). The refund under the state policy is \$1050.

### *The Statutory Pro Rata Refund Calculation*

The statutory pro rata policy dictates that SMA's refund be proportional to the portion of the enrollment period for which the student has been charged that remains, rounded downward to the nearest 10%. As explained previously, 70% of the enrollment period for which Bob has been charged remains, so SMA must refund 70% of the institutional costs ( $\$1,500 \times .70 = \$1,050$ ). The regulatory requirements regarding unpaid charges do not apply to a statutory pro rata calculation; rather, the statutory pro rata allows SMA to subtract Bob's unpaid charges (\$150) from his initial refund amount (\$1,050). Thus, the statutory pro rata refund would actually be \$900 ( $\$1,050 - \$150 = \$900$ ).

After calculating all the applicable refunds, the school must use the calculation that provides the largest refund—in this case, it is the state calculation resulting in a refund of \$1,050. Of that amount, \$850 must be returned to the Pell Grant Program, and the remaining \$200 goes to the FSEOG account in accordance with the law and regulations. (For more on the required distribution of refunds and repayments, see page 120.)

Because SMA earned \$450 but received only \$300, SMA may bill the student for the \$150 of unpaid charges.

## **WITHDRAWAL DATE**

A key component needed in order to determine if a refund of institutional costs is required is the date the student stopped attending classes and, therefore, was no longer receiving the instruction for which he or she was charged. This date is generally referred to as the withdrawal date. The withdrawal date is also critical in determining the amount of a student's refund. The General Provisions regulations define the withdrawal date as the earlier of

- the date that the student notifies a school of the student's withdrawal, or the date of withdrawal specified by the student, whichever is later, or

- if the student drops out of the school without notifying the school (does not withdraw officially), the last recorded date of class attendance by the student, as documented by the institution.

In all cases, whether or not the student notifies the school that he or she is withdrawing or has withdrawn, this definition is used to determine a student's withdrawal date by determining the student's last date of class attendance. In some cases, a school may use the last date of attendance as specified by the student; in others, the last date of attendance must be documented by the school. For example:

Scenario 1: For a student who never notifies the school that he or she has stopped attending classes, the withdrawal date is the student's last recorded date of attendance, as documented by the school.

Scenario 2: In those instances when the student informs the school that he or she will stop attending classes at a later date, the last date of attendance may be determined by using the date supplied by the student. If, however, the school has conflicting information and can document that the student attended beyond the date he or she specified, the last date of attendance is the date which the school documented was the student's last day of attendance.

Scenario 3: When a student stops attending classes and subsequently notifies the school that he or she withdrew, the withdrawal date is the last recorded date of class attendance by the student as documented by the school, except that the Department allows a school to use the last date of class attendance as specified by the student. The regulations address such cases by the use of the word "earlier" which acknowledges that two situations could exist for the same student during the same enrollment period. That is, a student who stopped attending classes without notifying the school may, at a later date, notify the school that he or she has withdrawn. The rule requires the school to establish the withdrawal date under both conditions and use the earlier date. Again, if the school has conflicting information and can document a date other than the date he or she specified, the last date of attendance is the date which the school documented was the student's last day of attendance.

**CLARIFICATION**

To aid schools in the determination of the time frames for the return of funds, the withdrawals described above are characterized here as official withdrawals or unofficial withdrawals (see "Time Frames For Return Of Funds" later in this chapter). For this purpose, a student is considered to have officially withdrawn if he or she notifies the school of his or her withdrawal during the period of enrollment for which the student has been charged. Therefore, Scenario 1 described above is an unofficial withdrawal, and Scenarios 2 and 3 are official withdrawals. A school is required to determine the withdrawal date for an unofficial withdrawal within 30 days of the end of the period of enrollment for which the student has been charged, the academic year, or the program, whichever is earliest.

For a student who is expelled from school or a student who fails to return from an approved leave of absence, (see the discussion on leave of absence on page 101) the withdrawal date is the last date of attendance, as documented by the school. If a student takes an unapproved leave of absence, the withdrawal date is the last date of attendance prior to the leave of absence, as documented by the school.

If a school uses the last date of attendance as provided by the student, and the school has reason to believe that the information provided by the student is inaccurate, it must resolve any conflicting information between the student's statement and its records.

Participating SFA schools are expected to monitor student attendance for the purpose of determining a withdrawal date in cases of unofficial withdrawal. The school must demonstrate that the student has remained in academic attendance through a specified point in time. The school's determination of the student's last day of attendance must be based on an event that the school routinely monitors and must be confirmed by an employee of the school. If these conditions are met, the following are acceptable forms of such documentation: exams, records of attendance, tutorials, computer-assisted instruction, counseling, academic advisement, or study groups.

For a correspondence program, the withdrawal date is normally the date of the last lesson submitted, if the student failed to submit the subsequent lesson on schedule.<sup>1</sup>

## APPROVED LEAVE OF ABSENCE

A student who takes an approved leave of absence is considered not to have withdrawn from the school. A leave of absence is approved if

- the student has made a written request for the leave of absence,
- the leave of absence does not exceed 60 days,
- the school has granted only one leave of absence to the student in any 12-month period, and
- the school does not charge the student for the leave of absence.

If a student's leave of absence is not approved or the student fails to return to the school at the end of an approved leave of absence, the student is considered to have withdrawn from the school, and the refund requirements apply.

These leave of absence requirements also affect a student's in-school status for the purposes of deferring SFA loans. A student on an approved leave of absence is considered to be enrolled at the school

1. If within 60 days of the last lesson submission, the student states in writing that he or she wishes to continue in the program and understands that subsequent lessons must be submitted on time, the school may restore the student to in-school status. Only one such restoration can be granted to a particular student.)

and would be eligible for an in-school deferment for his or her SFA loans. A student who takes an unapproved leave of absence or fails to return to the school at the end of an approved leave of absence is no longer enrolled at the school and is not eligible for an in-school deferment of his or her loans.

### PERIOD OF ENROLLMENT FOR WHICH THE STUDENT HAS BEEN CHARGED

The refund and repayment amounts are also determined in part by the period of enrollment used in the calculation. The regulations require that a school use the actual period for which the student was charged, with the following minimums:

- For all term programs, use the semester, trimester, quarter, or other academic term.
- For all nonterm programs, for programs that are longer than or equal to the academic year, use the payment period or one-half of the academic year, whichever is greater; for programs that are shorter than the academic year, use the program length.

How the student is billed, such as on an installment or monthly payment plan, does not automatically determine how much the student was “charged.” The “period of enrollment for which the student was charged” is the period for which the student is contractually liable by having signed an enrollment agreement or similarly binding document.

If a school charges by different periods for different costs, all charged amounts should be converted to represent the longest period.

#### CLARIFICATION

### DETERMINING INSTITUTIONAL AND NON-INSTITUTIONAL COSTS

A Policy Bulletin, published on the Information for Financial Aid Professionals web site on January 7, 1999, provides clarification of the definition of institutional costs.

The policy bulletin provides specific guidance on how to determine whether a charge is an institutional cost when calculating an institutional refund. That guidance is repeated here.

#### *Institutional versus Non-Institutional Costs*

When a student receives SFA Program funds to attend a school and subsequently withdraws, drops out, takes an unapproved leave of absence, fails to return from an approved leave of absence, is expelled, or otherwise fails to complete the period of enrollment for which he or she was charged, federal law and regulations require the school to make a timely refund of “unearned tuition, fees, room and board, and other charges” assessed the student by the institution. When a student withdraws, the school must also determine if the student owes a repayment of unearned funds that the school either disbursed to the

student directly or, with the student's permission, credited to the student's account to pay for "noninstitutional costs." Tuition, fees, room and board, and "other charges" have been collectively and historically referred to as "institutional costs." However, for the purposes of this guidance, "institutional costs" will hereafter be referred to as "institutional costs" to clarify that institutional and noninstitutional expenses are not defined by whether an actual charge has been made to a student's institutional account. As a general rule, institutional costs are defined as expenses that a school assesses a student for educational expenses that are paid to the school directly.

Since a repayment calculation involves only noninstitutional costs and a refund calculation includes only institutional costs, a critical step in calculating an accurate refund and/or repayment involves determining whether the costs are institutional or noninstitutional.

### *Common Misconceptions about Institutional Costs*

The most frequently asked refund question the Department receives is: May this charge be considered a noninstitutional cost? In the process of defining what may be considered a noninstitutional cost, it seems some institutions have become confused about what constitutes an institutional cost. Therefore, note the following general refund principles about institutional costs.

#### ***Refund Principle 1: Most Costs Are Institutional***

The most important principle to keep in mind is that current federal law and regulations provide that all tuition, fees, room and board, and other charges a school assesses a student are institutional costs, unless demonstrated otherwise. Thus, a school is never compelled by federal law and regulations to classify a charge as noninstitutional if it wishes to classify the charge as institutional. However, if a school wishes to exclude specific charges or costs from a refund calculation, it must demonstrate that the charges are either noninstitutional costs or are designated as excludable costs under the regulations. Noninstitutional and excludable costs are discussed under "General Guidelines for Defining Institutional Costs."

#### ***Refund Principle 2: An Institutional Cost Does Not Need To Be Assessed to all Students***

Institutions sometimes mistakenly assume that a charge is not an institutional cost because it was not assessed to all students, or the charge was not included in the enrollment agreement. For example, the regulations in 34 CFR 668.22(c)(5)(i) and (d)(3)(i) provide general guidance that "other charges assessed the student by the school include, but are not limited to" all items issued by the school to the student when those charges are specified in the enrollment agreement as separate charges. However, it should be noted that the regulations recognize that other charges are not limited to items that are listed in the enrollment agreement. While a charge must be assessed to all students carrying the same academic workload to be considered an allowable cost of attendance, and SFA Program funds may only be used to pay allowable cost of attendance charges, it is not true that a charge must be assessed to all students, or be listed in an

enrollment agreement, to be considered an institutional cost for refund purposes.

***Refund Principle 3: Institutional Costs May or May Not Be Charged to a Student's Account***

Note the following points about institutional costs:

1. All charges to a student's account are not necessarily institutional costs.

With the student's permission, a school may credit a student's account with SFA Program funds to pay for noninstitutional costs. Consequently, if a student withdraws from the school with charges for noninstitutional costs on his or her account, the school must use those charges to determine if the student owes a repayment. Specific charges that may be classified as noninstitutional costs are defined in the discussion on "General Guidelines for Defining Institutional Costs."

2. Charges that do not appear on the student's institutional account may still be institutional costs.

For example, a student does not have to charge the purchase of required course materials to his or her institutional account for the course materials to be classified as "institutional costs." If a school disburses funds to a student to buy equipment that he or she is required to have by the first day of class, but the disbursement is so late that the student only has time to purchase the equipment at the school, those costs must be classified as institutional costs because the student does not have "a real and reasonable opportunity" to purchase the equipment from someplace other than the school.

***General Guidelines for Defining Institutional Costs***

The following educational expenses must be considered institutional costs:

- All charges for tuition, fees, and room and board (if contracted with the institution); and
- Expenses for required course materials, if the student does not have a "real and reasonable opportunity" to purchase the required course materials from any place but the institution.

***Exceptions***

The total amount of all institutional costs must be used in the calculation of a refund, including the calculation of unpaid charges, if they are specifically designated as excludable.

"Excludable" costs are defined as costs that the regulations permit a school to exclude from the total amount of institutional costs when calculating a refund, such as an administrative fee (34 CFR 668.22(c)(4) and (d)(2)), documented cost of unreturnable equipment, and the documented cost of returnable equipment, if not

returned in good condition within 20 days of withdrawal (34 CFR 668.22(c) (5) (ii) and (d) (3) (ii)).

Noninstitutional costs include:

- A charge for any required course materials that a school can document are noninstitutional because the student had “a real and reasonable opportunity” to purchase them elsewhere (See the discussion that follows.);
- A charge to the student’s account for room charges that are collected by the school but are “passed through” to an unaffiliated entity;
- A charge to student’s account for group health insurance fees, if the insurance is required for all students and the coverage remains in effect for the entire period for which the student was charged, despite the student’s withdrawal; or
- A charge to a student’s account for discretionary educationally related expenses (e.g., parking or library fines, the cost of athletic or concert tickets, etc.).

***Demonstrating “Real and Reasonable Opportunity”***

Final regulations published November 29, 1994, provided an exception to the refund rules to allow a school to treat certain charges as noninstitutional costs when the school can show that its students have the option of obtaining required course materials from the school or receiving payment of the funds from the school to purchase the items from alternative sources.

This exception was discussed in the preamble discussion to the November 29, 1994 regulations on page 61163:

If a school does not have a separate charge for equipment and the student has the option [emphasis added] of purchasing the equipment from more than one source, the school would not have to include the equipment charge in the pro rata calculation.

With regard to this exception, note that if an school wishes to classify the cost of required books, supplies, and equipment as noninstitutional costs, it must be able to substantiate that an option actually existed for its students. For example, the school must be able to demonstrate that: 1) the required course materials were available for purchase at a relatively convenient location unaffiliated with the school; and 2) the school did not restrict the availability of financial aid funds, so its students could exercise the option to purchase the required course materials from alternative sources.

A school would not be able to demonstrate that a student had a real and reasonable opportunity to purchase his or her required course materials from alternative sources if one of the following is true:

- The required course materials are not available elsewhere (i.e., they were only available at the institution), or they are not conveniently available for purchase from another vendor unaffiliated with the institution;
- When financial aid is available to the school for disbursement to the student, the school does not make those funds available to the student in time to purchase the required materials from another vendor before those materials are required for academic purposes;
- The institution's practices do not allow or discourage a student (e.g., the use of vouchers that are only good at the campus bookstore or the late disbursement of funds to students to pay for noninstitutional costs) from exercising his or her option to purchase the required course materials from another vendor; or
- The school has the student sign a statement saying that the student has the option to purchase course materials from someplace other than the school, but the school is unable to document that an option truly existed.

***Excludable Institutional Costs***

The regulations also allow institutions to exclude the following costs from pro rata and Federal refund calculations if the school's return policies are reasonable, consistent, and fair to all students, and students were notified, in writing, of the school's policies when they enrolled.

- An administrative fee (up to \$100 or 5% of the total institutional costs, whichever is less);
- The institution's documented cost for nonreturnable equipment; and
- The institution's documented cost of returnable equipment, if not returned in good condition within 20 days of withdrawal.

Note that the school is responsible for demonstrating that its policy on nonreturnable equipment is reasonable, consistent, and fair to students. For example, it is not reasonable or fair to students to classify all used books or equipment as nonreturnable. A school must be able to demonstrate that there are specific circumstances that would prevent the school from selling the books or equipment to other students. Also, if the institution's students are not notified in writing about the school's return policy when they enroll or the policy is not consistent with federal regulations on excludable costs, the school may not exclude the documented cost of books, supplies, and equipment from any refund calculations.

***Applying the Rules: Is this an Institutional Cost?***

To see how the guidelines for defining institutional costs can be applied, consider how a school would determine whether a charge for tools is noninstitutional or institutional. A student is required to purchase certain types of high quality tools for his program of study by the first day of class. The institution's enrollment agreement does not contain a charge for the tools, and it does not say that the student is required to purchase the tools from the school or a vendor affiliated with the school. The required tools are available for purchase from the school and from a retailer across the street from the school. As a routine practice, the school obtains permission to credit all financial aid to students' institutional accounts, and establishes a line of credit for students at the campus bookstore so they can purchase the required tools by the first day of class. All students buy the tools at the campus bookstore and charge the purchase to their institutional accounts.

The first step would be to determine if the purchase of the tools falls under the category of expenses that are generally considered institutional costs. Although the cost of the tools is not listed as a charge in the student's enrollment agreement, the school requires the student to purchase the tools for his program of study. Therefore, as a general rule, the tool charges will be considered institutional costs. However under the exceptions rule, the tool charges may be considered noninstitutional if the school can document that its students had a "real and reasonable opportunity" to purchase the tools from someplace other than the institution. The real and reasonable test would be if the school could demonstrate the following: 1) the tools were available for purchase elsewhere; 2) the school made financial aid available to students in time to purchase the tools from another vendor before the first day of class; and 3) the institution's practices provide students with an equal opportunity to purchase the tools from the campus bookstore or the retailer across the street.

In this case, the school meets the first criterion: the tools are available at the store across the street, so an opportunity could exist. However, the school fails to satisfy the second and third criteria because the institution's routine practice of crediting students' accounts with all financial aid, and extending lines of credit for purchases at the campus bookstore, does not allow its students the option of purchasing the required tools from the retailer across the street. Therefore, the only choice this institution's students have is to purchase the tools at the campus bookstore. As a result, the cost of the tools must be classified as institutional costs.

***Summary***

The following summarizes the key points for determining institutional and noninstitutional costs:

1. Institutional costs are defined as charges that a school assesses a student for educational expenses that must be paid to the school directly.

2. A school either disburses financial aid to the student directly to pay for noninstitutional costs, or the school may, with the student's permission, credit the student's account to pay for noninstitutional costs.

3. Institutional costs are used to calculate institutional refunds.

4. Noninstitutional costs are used in repayment calculations.

5. Current federal law and regulations governing institutional refunds provide that all tuition, fees, room and board, and other charges a school assesses a student are institutional costs, unless demonstrated otherwise.

6. If a school wishes to exclude specific charges or costs from a refund calculation, it must demonstrate that the charges are either noninstitutional costs or are excludable costs under the regulations.

7. An institutional cost does not have to be charged to all students or be listed as a charge in an enrollment agreement to be classified as an institutional cost.

8. All charges to a student's account are not necessarily institutional costs.

9. If a charge does not appear on the student's institutional account, it may still be an institutional cost.

10. Tuition, fees, room and board (if contracted with the institution) are always institutional costs.

11. Expenses for required course materials are institutional costs, if the student does not have a real and reasonable opportunity to purchase the required course materials from any place but the school he or she is attending.

12. The total amount of all institutional costs must be used to determine the student's unpaid charges and the refund due the student.

13. If a school wishes to classify the cost of required course materials as noninstitutional costs, it must be able to substantiate that: 1) the required course materials were available for purchase at a relatively convenient location unaffiliated with the school; and 2) the school made financial aid funds available to students in a timely manner, so its students could exercise the option to purchase the required course materials from alternative sources.

14. "Excludable" costs are costs that the regulations permit a school to exclude from the total amount of institutional costs when calculating a refund, such as an administrative fee, documented cost of unreturnable equipment, and the documented cost of returnable equipment, if not returned in good condition within 20 days of withdrawal.

15. Noninstitutional costs include: charges for any required course materials that a school can document are noninstitutional because the student had “a real and reasonable opportunity” to purchase them elsewhere; a charge to the student’s account for room charges that are collected by the school but are “passed through” to an unaffiliated entity; a charge to student’s account for group health insurance fees, if the insurance is required for all students and the coverage remains in effect for the entire period for which the student was charged, despite the student’s withdrawal; and a charge to a student’s account for discretionary educationally related expenses (e.g., parking or library fines, the cost of athletic or concert tickets, etc.).

### UNPAID CHARGES

Before calculating a refund, schools must first determine the student’s unpaid charges, according to the regulatory formula given below. The “Unpaid Charges” amount is used differently in nonpro rata refunds than it is in pro rata refunds, but the unpaid charges calculation is exactly the same, no matter what type of refund is involved:

|   |
|---|
| Total Institutional Costs for the Enrollment Period |
| - Total Aid Paid to Institutional Costs             |
| = <i>Student’s Scheduled Cash Payment (SCP)</i>     |
| - Student’s Cash Paid                               |
| = <b>UNPAID CHARGES</b>                             |

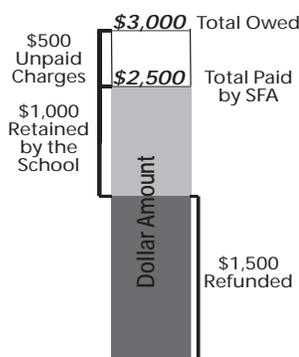
A school may choose to request any late SFA disbursements or permissible late disbursements of state student aid for which the student is still eligible and will receive in spite of having withdrawn. Note that if a school elects to receive a late disbursement, the late disbursement must be taken into account when determining the total aid received. The late disbursement amount should be counted in “Total Aid Paid to Institutional Costs.” (For more on late disbursements, see page 111.)

For all refunds other than a statutory pro rata refund required by law, any unpaid charges must be subtracted from the amount the school could otherwise retain, as shown below. (However, the applicability of this requirement to state calculations was under litigation; see page 110.)

#### Unpaid Charges Example

AnneMarie’s institutional costs for the semester total \$3,000. SFA pays for \$2,500. Her scheduled cash payment is \$500 (\$3,000 - \$2,500 = \$500). AnneMarie withdraws without making any payments. Therefore, her unpaid charges equal \$500. The school’s state policy allows it to retain 50% of the total school costs (\$3,000 x .50 = \$1,500).

The unpaid charges rule requires that the school subtract AnneMarie’s unpaid charges from the amount it could otherwise retain (\$1,500 - \$500 = \$1,000). Thus, the school would refund \$1,500 (\$2,500 paid - \$1,000 retained = \$1,500 refund).



This treatment of unpaid charges reaffirms the principle that the student is primarily responsible for financing his or her own education.

In a nonpro rata refund situation, if the student's unpaid charges are equal to or greater than the amount that can be retained by the school, then the school must return all of the SFA Program funds (other than FWS) that were used to pay institutional costs. Also, if the school is not able to retain the full amount allowed under the applicable refund policy, it may collect the remaining balance from the student (the unpaid charges amount). If there are no unpaid charges, the school may retain the full amount allowed and cannot charge the student for any additional amount. (The underlying assumption is that the school is entitled to get only the money it earned during the student's enrollment, as determined by the applicable refund policy.)

After the refund is calculated, if a student who is due to receive directly a portion of a refund owes unpaid charges to the school, the school may automatically credit the refund amount to the student's account up to the amount owed by the student. If a school chooses to implement this policy, it must publicize it as part of its written refund statement provided to current and prospective students. In addition, the school must notify a student in writing when any portion of the refund that was due the student is applied to unpaid institutional costs.

As stated previously, the "Unpaid Charges" total is used differently in the statutory pro rata refund calculation. For details, see "Pro rata Refund Calculations" on page 114. (Note that if the school voluntarily elects to calculate a pro rata refund in situations where it is not required by federal law—such as if the school's state guidelines require it—it is a nonpro rata refund. As explained above, the unpaid charges must be subtracted from the amount the school could otherwise retain.)

"Dear Colleague" letter GEN-95-22 (DCL), published April 1995, provided information on litigation of the "unpaid charges" rule as it relates to the calculation of state refunds. The DCL stated that the courts have imposed a preliminary injunction against the Department prohibiting it from enforcing certain provisions of the regulations until the lawsuits are resolved. The DCL stated that the Department will limit the scope of program reviews and audits (provided the school was and is in compliance with all other aspects of the refund regulations) as follows:

For refunds calculated prior to November 28, 1994 (the date of the first preliminary injunction): Program reviews and audits will determine and report on whether state refund calculations incorporate the treatment of unpaid charges; however, no monetary liabilities will be assessed while the injunctions are in effect.

For refunds calculated on or after November 28, 1994 (until further notice): The Department will not assess any liabilities against schools that calculate refunds under the state policy and do not include the treatment of unpaid charges.

At this time, the guidance issued in DCL GEN-95-22 remains in effect.

### AID "RECEIVED"

To calculate a student's refund, a school must use the amount of aid received by the student as of his or her withdrawal date. As mentioned earlier, a student has "received" SFA program funds if a disbursement of SFA Program funds has been made (for information on disbursements, see Chapter 5).

A school may not retroactively change the amount of any disbursement of aid or funds received from the student as of the date of withdrawal. When determining the amount of aid received, a school must consider late disbursements, credit balances, and institutional scholarships and loans.

CLARIFICATION

### *Late Disbursements*

A student who withdraws or otherwise ceases attendance has lost SFA eligibility and generally may not be paid further funds for the enrollment period. However, in some cases, a late disbursement may be made. A late disbursement may affect the refund calculations. (For more information on late disbursements, see Chapter 5.)

In the past, schools have sometimes used their institutional refund policy to determine what institutional costs could reasonably have been incurred. Because the late disbursement amount is a factor in the refund calculation, this method doesn't work well. Therefore, the Department recommends that schools simply determine, prior to calculating any refund amounts, what educational costs exist (for the period charged) that have not been satisfied by the student or by other sources of aid.

For instance, if institutional costs for the enrollment period total \$2,000, and at the time of withdrawal only \$1,500 had been paid, then institutional costs of \$500 exist. Assuming the student is otherwise eligible, a late Pell disbursement of \$500 could be credited to the student's account. (Even if the student was eligible for a larger Pell Grant, only \$500 could be credited to institutional costs. Any remaining Pell funds for which he was eligible could be disbursed to the student, but only for noninstitutional costs incurred.)

Once a school determines the student's reasonably incurred costs, it can calculate how much if any late SFA Program funds may reasonably be disbursed to the student. (Some states also allow late disbursements of state aid in certain circumstances.) Schools should determine late disbursement amounts prior to any refund or repayment calculations. Schools should develop a policy for such determinations and must ensure that the policy is consistently applied to all withdrawal situations that involve a late disbursement of SFA and state funds.

When calculating a refund, any SFA late disbursement amount that will be credited to institutional costs must be counted as already paid toward institutional costs, thereby reducing the student's scheduled cash payment and unpaid charges. (For more on unpaid charges, see page 109.) The repayment calculation should also consider late disbursements of SFA Program funds that will be paid directly to the student for living expenses (in the case of a student's institutional costs being paid in full).

Late disbursements of state aid may also be counted as already paid toward institutional charges, thereby reducing the student's scheduled cash payment and unpaid charges, under the following circumstances:

- the late disbursement is made according to the state's written late disbursement policies, and the student is eligible for the disbursement in spite of having withdrawn, and
- the disbursement is made within 60 days of the student's withdrawal. (If the late disbursement of state aid does not come in within 60 days, the school must recalculate the SFA refund and return any additional amounts to the appropriate SFA accounts or the lender as required.)

Late disbursements of aid from sources other than the federal SFA Programs or applicable state aid may not be counted as already paid for purposes of the SFA refund and repayment calculations. Generally, all earned aid disbursements will have been received by the time a student's SFA refund and repayment amounts are calculated. In the rare case that a student aid payment from another source is received after the SFA refund and repayment have been calculated and processed, the funds should be handled according to the policies of the agency or entity providing the aid. In many cases, the student will still have unpaid charges or unmet living expenses for which the aid may be used.

### *Credit balances*

Credit balances are handled separately from the refund and repayment process. Before calculating a student's refund, a school must resolve any existing credit balance. If a student who withdraws has a credit balance, the school may determine if the student has incurred noninstitutional costs that have not been paid by other sources of aid. If the school does determine that such noninstitutional costs exist, the school may disburse to the student directly the portion of the credit balance needed to cover the incurred costs. If such noninstitutional costs do not exist, or the full amount of the credit balance is not needed to cover the costs, the school must return the balance to the SFA Programs. FFEL funds would be returned to the lender; Pell and Direct Loan funds would be returned to the appropriate school accounts (with corresponding adjustments to disbursement records sent to the Department); and FSEOG and Perkins Loan funds would be returned to the appropriate accounts at the school, for possible awarding to other students.

Obviously, a school will have to determine which SFA Program funds created a credit balance before it can return funds to the SFA Programs. At this time, the Department does not specify how a school must determine which SFA Program funds create a credit balance. However, the Department encourages schools to return SFA Program funds to loan programs first to reduce the likelihood of default. (For more information on credit balances, see Chapter 5.)

The Department does not address the treatment of credit balances that are created by non-SFA Program funds. However, under the current refund requirements, when a student withdraws, all credit balances must be eliminated before a refund calculation is performed.

### *Institutional Scholarships and Loans*

An institutional scholarship that is applied up-front may not be regarded as contingent upon the student's completion. Once an institutional scholarship has been credited to a student's account, it must be counted in the refund process as having been received and the school may not retract the scholarship after the student withdraws to keep it out of the refund calculation.

CLARIFICATION

Note that if a school awards institutional scholarships to all students who attend or graduate from the school, the part of the tuition charge that is covered by the institutional scholarship is not considered a real charge for SFA purposes. This is because the law defines the tuition and fees component of the student's cost of attendance as "tuition and fees normally assessed a student carrying the same academic workload..." If every student receives a scholarship, then no student who completes the program ever pays the stated tuition and fee charges.

If a school has an installment payment agreement with the student which extends beyond the enrollment period, such that payments toward an unpaid balance would not be considered due at the time the refund calculation is performed, the school must nevertheless consider the unpaid balance as a scheduled cash payment that offsets the amount that the school may retain. It does not matter whether or when the school considers the balance due from the student.

The school may, however, set up a payment plan whereby the student's charges are covered in full by an institutional loan. If the student owes money on the loan at the point he or she withdraws, the amount owed on the loan does not constitute unpaid charges. The school's accounting procedures and records must clearly support the claim that the institutional loan was in fact made at or near the time of enrollment and that those loan funds paid the institutional costs in full. All standard lending procedures must have been followed by the school and the student. In that case, the institutional loan is treated as institutional aid received. However, it is inappropriate to establish such an arrangement after the student's



If both of the above conditions apply to the student in question, then a statutory pro rata refund must be calculated and compared to other applicable refunds (state and/or accrediting agency).

However, if the school has no applicable state or accrediting agency policies, no refund comparisons are required for any first-time student who withdrew on or before the 60% point in the enrollment period for which the student has been charged. The only applicable option for these students is pro rata, so no other calculation is necessary. For all other SFA students at a school with no applicable state or accrediting agency policies (those who are not both first-time and have withdrawn on or before the 60% point in the enrollment period for which the student has been charged), the school would have to calculate a Federal Refund Policy refund and an institutional refund, compare the two, and issue the largest refund.

As mentioned in the discussion of institutional and noninstitutional costs (see page 105), some different rules apply when calculating a pro rata refund. Some institutional costs can be excluded from the proration that results in the refund amount. Therefore, the amount of institutional costs that is used in a nonpro rata refund calculation may be different than the amount used for a pro rata calculation. The following amounts may be excluded from the institutional costs used to calculate a pro rata refund:

- A reasonable administrative fee, not to exceed \$100 or 5% of the total institutional costs, whichever is less. This does not have to be an actual fee; a school may exclude an administrative fee (within the above limits) without specifically identifying it as a separate charge.
- The documented cost to the school (in other words, what the school paid for the items) of any unreturnable equipment issued to the student or any returnable equipment that was not returned in good condition within 20 days after withdrawal.

The school must indicate clearly (as part of the written statement explaining its refund policies to students) that a withdrawing student's refund will be reduced by the exclusion of an administrative fee from the refund calculation.

The school must notify the student in writing prior to enrollment that return of equipment will be required within 20 days of withdrawal. Also, the school must disclose in the enrollment agreement any restrictions on the return of equipment, including the identification of unreturnable items. The school cannot delay the payment of a refund by reason of the equipment return process.

A school may determine whether equipment may be returned to be reissued. However, a school is responsible for demonstrating that its

policies for unreturnable equipment are reasonable, consistent, and fair to the student.

The school is entitled to bill the student for any of the charges discussed above that were excluded from the pro rata calculation and that were left unpaid. The school is entitled to retain 100% of those costs, and if they were not paid in full by the student or other sources, the school is entitled to bill the student. A school may also bill a student for any unpaid noneducational charges, such as an application fee. These charges are excluded entirely from the refund calculations because they cannot be paid for with SFA Program funds.

Another step unique to the pro rata refund calculation is the determination of the “portion that remains.” Under a pro rata refund, the school must refund an amount proportional to the portion of the enrollment period for which the student has been charged that was not completed by the student. This “portion that remains” percentage is calculated using the following formula and may be rounded down to the nearest 10%.

---

**To Determine the Portion that Remains**

---

*Schools that use credit hours*

$$\frac{\text{Weeks remaining}}{\text{Total weeks in period}}$$


---

*Schools that use clock hours\**

$$\frac{\text{Hours remaining to be completed}}{\text{Total hours in period}}$$


---

*Correspondence course*

$$\frac{\text{Lessons not submitted}}{\text{Total lessons in period}}$$


---

*\*Excused absences count as hours completed*

---

Note that, because of the required rounding, this “portion that remains” figure will not necessarily correspond to the “percentage point in time” used to determine if a student withdrew on or before the 60% point. For instance, if a student withdraws at the 35% point in time, the portion that remains—65%—would be rounded down to 60%.



As a general rule, the Department has always allowed clock-hour schools to count excused absences when determining hours completed by the student if the school has a written excused absence policy allowing for a reasonable number of absences which do not need to be made up to complete the program, and if the school can document that the hours were actually scheduled and missed by the student prior to the student's withdrawal.

However, the “cash management” regulations published November 29, 1996 were more specific as to the number of excused absences that could be counted when determining completed hours for purposes of determining disbursements of SFA Program funds.

Instead of a “reasonable” number of absences, the regulations permit clock-hour schools to count excused absences of no more than 10% of the clock hours in the payment period as completed hours.

For consistency, the 10% limit applies to refund calculations made on or after July 1, 1997 (the effective date of the cash management regulations) except that schools may count excused absences of no more than 10% of the clock hours in the period of enrollment for which the student has been charged (rather than the payment period) as completed hours. If a school’s accrediting agency or state agency permits fewer excused absences, the school must use the number permitted by their accrediting or state agency.

The rest of the guidance stated above (for a written policy and documentation) still applies. So does the requirement that, if the student takes some excused absences, then returns for more classes, and then takes additional excused absences, the school can only count those excused absences that were followed by some class attendance. In other words, the school cannot count anything after the student’s last day of actual attendance.

Finally, the pro rata refund calculation differs from all nonpro rata calculations in that the “unpaid charges” total is treated differently. Instead of being subtracted from the amount the school may retain, the unpaid charges are subtracted from the refund amount. Thus, a portion of the refund goes to pay the student’s unpaid charges instead of being returned to the SFA Programs.

If the initial SFA refund is equal to or greater than the student’s unpaid charges, the school will be able to retain the full amount allowed and cannot bill the student for any additional funds. However, in the rare case that the statutory pro rata refund due is less than a student’s unpaid charges, the school may bill the student for the remaining amount. For instance, assume a student’s statutory pro rata refund was calculated at \$800, but his unpaid charges totaled \$900. Assuming the pro rata calculation was the only applicable refund for the student, the school could keep the entire refund and bill the student for the remaining \$100. (For more information on unpaid charges, see page 109.)

## FEDERAL REFUND POLICY CALCULATIONS

As stated previously, a school must calculate for any SFA student a maximum of three refunds and compare those to determine the largest applicable refund for the student. Those three refunds are (1) a statutory pro rata refund, if applicable, (2) a state refund, if state standards exist, and (3) an accrediting agency refund, if the agency’s policy is approved by the Department. If none of the three options above apply to a particular student, the school must then calculate a Federal Refund Policy refund, compare it with the refund calculated under the school’s own institutional refund policy, if any, and issue the larger of the two refunds. Because a Federal Refund Policy refund is a

nonpro rata refund, the school must subtract any unpaid charges from the amount that it could otherwise retain. (See page 109 for more on unpaid charges.)

The Federal Refund Policy mandates the percentage of institutional costs that must be refunded as follows:

- withdrawal on the first day of class—100% refund of institutional costs (less the permitted administrative fee of the lesser of \$100 or 5% of institutional costs).
- withdrawal after the first day of class through the first 10% of the enrollment period for which the student has been charged—90% refund of institutional costs.
- withdrawal after the first 10% of the enrollment period for which the student has been charged through the first 25% of the enrollment period for which the student has been charged—50% refund of institutional costs.
- withdrawal after the first 25% of the enrollment period for which the student has been charged through the first 50% of the enrollment period for which the student has been charged—25% refund of institutional costs.

Schools should note that if a student withdraws before his or her first day of class, SFA Program funds may not be used to pay any portion of a student's educational costs, no matter what refund policy a school uses for that student. A school may bill the student for any costs incurred within the bounds of any limits set by the state, accrediting agency, etc.

As with the pro rata refund policy, a school may exclude from the institutional costs used to calculate the Federal Refund Policy refund a reasonable administrative fee, not to exceed \$100 or 5% of the total institutional costs, whichever is less. A school may also exclude the documented cost to the school of any unreturnable equipment issued to the student or any returnable equipment that was not returned in good condition within 20 days after withdrawal. (See page 115 for more details.)

## REPAYMENT CALCULATIONS

A different situation may occur—repayment—when a student received SFA Program funds as a disbursement to cover living expenses. Living expenses are defined as education costs above and beyond the tuition and fee charges, including items such as room and board (if the student does not contract with the school), books, supplies, transportation, and child-care expenses.

When a student who received directly an SFA disbursement ceases attendance, the school must determine whether the student must repay a portion of the disbursement. If the school finds that the

student's living expenses incurred up to the time of withdrawal exceed the amount of funds disbursed, the student does not owe a repayment. However, if the disbursement was greater than the student's living expenses up to the withdrawal date, the student must repay the excess amount.

Remember, as with refunds, FWS wages are excluded because they have been earned. FFEL and Direct Loan funds are not counted in figuring the amount of the repayment (because the student is already obligated to repay these funds to the lender).

The school is responsible for notifying the student of the amount owed, for billing the student, and for collecting the repayment. However, a school is not liable for the owed amount if it cannot collect the repayment from the student. In such a case, the student is ineligible for further SFA Program funds, and must be reported as being in overpayment status on the financial aid transcript or submissions to the National Student Loan Data System (NSLDS).

A student who fails to repay Pell or FSEOG funds can be referred to the Department for collection purposes, unless the overpayment is the result of school error. In addition, the student's failure to repay the Pell or FSEOG funds must be reported to the NSLDS. The Department will refer the account to its collection agent, and the student's record will be placed in a subsystem database match of the Central Processing System (CPS). Until the overpayment is resolved, the CPS will flag any future FAFSA filed by that student; on the resulting output record, comments will explain the overpayment owed and will instruct the school and student in resolving the matter. See the *SFA Handbook: Student Eligibility* for information on referring overpayment cases to the Department, and information on the NSLDS.

## REFUNDS OF \$25 OR LESS AND REPAYMENTS UNDER \$100

A school does not have to pay a refund of \$25 or less. However, because a refund returned to an SFA loan program would reduce the amount of the loan that a student would have to repay, a school may not keep any portion of a refund that would be distributed to an SFA loan program unless the school has written authorization from the student in the enrollment agreement to do so. The enrollment agreement must explain clearly that the student is permitting the school to keep the funds, rather than having the funds used to reduce the student's debt, should the student withdraw.

A school is not required to actually calculate the refund to prove that it is \$25 or less if it can demonstrate that the institutional costs are so low that no refund would exceed \$25.

Also (unless otherwise provided for in regulations for a specific SFA Program), if the amount of a repayment is less than \$100, a

student is considered not to owe the repayment, and the school is not required to contact the student or recover the repayment.

### ALLOCATING REFUNDS AND REPAYMENTS

Refund and repayment amounts must be distributed according to a specific order of priority prescribed in the law and regulations. The school's refund or repayment allocation may not deviate from the prescribed order, even if the school's agreement with a state or private agency requires the school to return a specific percentage of the aid provided by that agency. Federal laws and regulations supersede all other requirements and must be followed.

Note that a school must allocate a refund or repayment in the order specified even if all SFA Program funds were disbursed to the student to cover noninstitutional costs. For example, the only SFA Program funds that a student receives is an \$800 Stafford Loan. The school disburses the \$800 Stafford Loan directly to the student to cover some of the student's noninstitutional costs. The student's institutional costs are covered by other sources. When the student withdraws, the school uses the SFA refund requirements to determine that the refund is \$600. This \$600 must be returned to the Stafford Loan.

Refunds on behalf of SFA recipients must be distributed in the following order:

1. Unsubsidized Federal Stafford Loans
2. Subsidized Federal Stafford Loans
3. Federal PLUS Loans
4. Unsubsidized Federal Direct Stafford Loans
5. Subsidized Federal Direct Stafford Loans
6. Federal Direct PLUS Loans
7. Federal Perkins Loans
8. Federal Pell Grants
9. FSEOGs
10. Other SFA Programs

11. Other federal, state, private, or institutional sources of aid

12. The student

Repayments from SFA recipients must be distributed as follows:

1. Federal Perkins Loans

2. Federal Pell Grants

3. FSEOGs

4. Other SFA Programs

CLARIFICATION

5. Other federal, state, private, or institutional sources of aid

When returning funds to “other federal, state, private, or institutional sources of aid”, the funds must first be returned to any federal sources.

Funds returned to any SFA Program may not exceed those received from that program. However, in some cases, if the school returns the required amount of the refund, the entire outstanding balance of the loan will be eliminated because the holder of the loan will pay off a portion of the loan balance.

If the amount of a FFEL that is delivered to a student (the net amount) is returned by the school or the student within 120 days of the date the lender disbursed the loan, the lender must return any deducted origination fees and insurance premiums to the student’s account. Similarly, if the amount of a Direct Loan that is disbursed to a student is returned by the school or the student within 120 days of the disbursement, the Department must return any deducted loan fees to the student’s account.

In addition, if the amount of a FFEL that is delivered to a student is returned by the school (not the student) after 120 days of the date the lender disbursed the loan, the lender must return any deducted origination fees and insurance premiums to the student’s account. The same is not true for Direct Loans. If a Direct Loan is repaid in full by either the school or the student after the 120 days, the deducted loan fees are not returned to the student’s account.

After making the refund for FFEL and/or Direct Loan funds, any additional refund amounts should be distributed to other sources of aid in the required order.

A school may use its own funds to eliminate remaining FFEL balances for a period of enrollment if a refund results in the school returning less than the amount needed to eliminate the loan balance. The Department has determined that a school may use its own funds to eliminate remaining Direct Loan and Perkins Loan balances as well. A school may contribute its own funds at the time of



the distribution of the refund only. A school may not use its own funds to eliminate any portion of a loan balance after the refund has been made, or if no refund is required toward the balance on the loan. For example, a school may not use its own funds to pay off a balance on a Perkins Loan unless some portion of the refund is required to be paid toward the balance of the Perkins Loan. For unsubsidized loans where interest has already accrued when the student withdraws, a school may pay off the accrued interest only if the school determines the exact amount of the accrued interest for the period of enrollment.

### TIME FRAMES FOR RETURN OF FUNDS

The regulations establish deadlines for the return of funds to the SFA Programs and to a student. In addition, schools are required to determine the withdrawal date for unofficial withdrawals by a certain time. The chart on the next page lists the time frames for the return of funds when a refund occurs.

A repayment must be returned to the appropriate SFA Program accounts within 30 days of the date the student repays the funds.

### PENALTIES FOR FAILURE TO PAY REFUNDS

#### *Criminal Penalties*

Any person who knowingly and willfully fails to refund (or attempts to fail to refund) SFA Program funds will be fined up to \$20,000 or imprisoned for up to 5 years, or both. However, if the amount failed to be refunded is \$200 or less, the person will be fined up to \$5,000 or imprisoned up to one year, or both.

Amendments  
of 1998

#### *Additional Penalties*

The Amendments of 1998 added a provision that allows the Department to assess a penalty, equivalent to the penalty applicable to nonpayment of taxes, in instances where an individual who exercises substantial control over a school willfully fails to pay a refund amount owed on behalf of a student or borrower to a lender or the Department. This provision applies to any unpaid refunds first required to be paid on or after 90 days after October 7, 1998. This penalty may be in addition to other penalties provided by law.

**Time Frames for Return of Funds**

| Reason for refund calculation                 | SFA funds (non-FFEL) must be returned to SFA Program accounts within...           | FFEL funds must be returned to the lender within...                               | Funds due to a student must be paid within...  | Determination of the student's withdrawal date must be made within...  |
|---|---|---|--|--|
| Official withdrawal                           | 30 days from the later of—<br>• last date of attendance<br>• student notification | 60 days from the later of—<br>• last date of attendance<br>• student notification | 30 days from the later of—<br>• last date of attendance<br>• student notification  | N/A  |
| Unofficial withdrawal                         | 30 days of date of determination by school that student ceased attending          | 60 days of date of determination by school that student ceased attending          | 30 days of earlier of—<br>• date of determination by school that student ceased attending<br>• end of term<br>• end of period of enrollment for which the student has been charged | 30 days of earlier of the end of—<br>• the academic year<br>• the program<br>• the period of enrollment for which the student has been charged |
| Never returned from approved leave of absence | 30 days of earlier of—<br>• end of the LOA<br>• student notification              | 30 days of earlier of—<br>• end of the LOA<br>• student notification              | 30 days of earlier of—<br>• end of the LOA<br>• student notification   | N/A  |
| Unapproved leave of absence                   | 30 days from student's last recorded date of attendance                           | 60 days of the last recorded date of attendance                                   | 30 days from student's last recorded date of attendance  | N/A  |



# Refund & Repayment

---

## Case Studies



# The Case Study Worksheets

## WITHDRAWAL RECORD (WR)

Completed properly when a student withdraws, this document provides all the data needed to calculate refunds and repayments and organizes it so that it's easy to use.

**WITHDRAWAL RECORD**

**1. Student Information**

Name \_\_\_\_\_ Start Date \_\_\_\_\_ Withdrawal Date/LDA \_\_\_\_\_  
 Social Security Number \_\_\_\_\_ Length of Enrollment Period \_\_\_\_\_ Date of W/D/LDA Determination \_\_\_\_\_

**2. Program Costs**

|                        |                           |   |
|------------------------|---------------------------|---|
| non-inst. Tuition/Fees | non-inst. Personal Living | USE TOTALS FOR PERIOD CHARGED*<br>TOTAL Inst. Costs: <b>A</b><br>TOTAL Personal Costs: <b>B</b><br>TOTAL Aid Paid To Inst. Costs: <b>C</b><br>TOTAL Paid To Inst. Costs: <b>D</b><br>TOTAL Aid Paid to Cash: <b>E</b> |
| Administrative Fee     | Dependent Care            |   |
| Room & Board           | Disability Costs          |   |
| Books & Supplies       | Miscellaneous             |   |
| Transportation         | Miscellaneous             |   |
|                        |                           |   |

**3. Payments/Disbursements**

| DATE | SOURCE | Paid to Inst. Costs | Cash to Student | DATE | SOURCE | Paid to Inst. Costs | Cash to Student |
|------|--------|---------------------|-----------------|------|--------|---------------------|-----------------|
|      |        |                     |                 |      |        |                     |                 |
|      |        |                     |                 |      |        |                     |                 |
|      |        |                     |                 |      |        |                     |                 |

**4. Data for Pro Rata and Federal Refund**

**IS THIS STUDENT A FIRST-TIME STUDENT?**  YES  NO

**DID THIS STUDENT WITHDRAW ON OR BEFORE THE 60% POINT?**  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%:

**WEEKS REMAINING** \_\_\_\_\_  
 TOTAL WEEKS IN PERIOD \_\_\_\_\_  
 WEEKS REMAINING \_\_\_\_\_

**TO DETERMINE EXCLUDABLE INSTITUTIONAL COSTS:**

Administrative Fee up to \$100 or 5%, whichever is less \_\_\_\_\_  
 Documented Cost of Unreturnable Equipment \_\_\_\_\_  
 Documented Cost of Reusable Equipment if not returned in good condition within 30 days of withdrawal \_\_\_\_\_

TOTAL EXCLUDABLE INST. COSTS (for Pro Rata and Federal Refund calculations only) \_\_\_\_\_

Pro Rata/Federal Refund Institutional Costs: **A1**

Total Institutional Costs \_\_\_\_\_ Total Excludable Inst. Costs \_\_\_\_\_

## REFUND CALCULATION WORKSHEET

Completed using the figures from the WR, this Worksheet calculates unpaid charges and refunds, and can be used for nonpro rata refund policies (except the Federal Refund Calculation).

**REFUND CALCULATION WORKSHEET**

**STEP ONE**  
Unpaid Charges

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

Total Institutional Costs (from Withdrawal Record) **A**  
 % Allowed to Retain\* (from refund policy being used)  
 Initial Amount Retained (from Step One) **C1**  
 UNPAID CHARGES (from Step One)

**AMOUNT RETAINED**

**STEP THREE**  
Refund Amount

Total Paid to Institutional Costs (from Withdrawal Record) **D**  
 Amount Retained (from Step Two)

**REFUND AMOUNT TO BE DISTRIBUTED**

**REPAYMENT CALCULATION WORKSHEET**

**STEP ONE**  
Living Expenses Incurred

Room & Board  = \_\_\_\_\_  
 Books & Supplies  = \_\_\_\_\_  
 Transportation  = \_\_\_\_\_  
 Personal/Living/Misc.  = \_\_\_\_\_

TOTAL COSTS **B** X \_\_\_\_\_ = \_\_\_\_\_ TOTAL INCURRED

**STEP TWO**  
Cash Paid to Student

Total Aid Paid as Cash (from Withdrawal Record) **E**  
 Cash Paid from FFEL/Direct Funds \_\_\_\_\_  
**TOTAL CASH DISBURSED**

**STEP THREE**  
Repayment Amount

Total Cash Paid to Student (from Step Two) \_\_\_\_\_  
 Total Costs Incurred (from Step One) \_\_\_\_\_  
**REPAYMENT AMOUNT TO BE DISTRIBUTED**

**REPAYMENT DISTRIBUTION—Prescribed by Regulation**

**TOTAL REPAYMENT**

- Federal Perkins Loan
- Federal Pell Grant
- FSEOG
- Other Title IV Aid Programs
- Other Federal, State, private, or institutional aid

## REPAYMENT CALCULATION WORKSHEET

This Worksheet uses figures from the WR to calculate the repayment owed by the student.

**PLUS, Pro Rata and Federal Refund Calculation Worksheets**

# Using The Withdrawal Record

Each case study begins with a **Withdrawal Record (WR)**. Filled out properly, the WR easily organizes all the information needed to calculate refunds and repayments. The diagrams on these two pages describe how the WR is used and summarizes some important refund and repayment requirements. A blank WR and blank Worksheets appear on pp. 3-108 through 3-112, followed by two case studies showing the calculations of two regular (i.e., non*pro rata*) refunds and a repayment. The last three case studies are *pro rata* refund examples.

**Length of Enrollment Period.** Use the enrollment period for which the student was charged, in keeping with the following minimums. For term programs, the minimum enrollment period is the term. For nonterm programs longer than or equal to an academic year, the minimum enrollment period is either the payment period or one-half of the academic year, whichever is greater. For all nonterm programs shorter than the academic year, the minimum period is the program length.

**Date of WD/LDA Determination.** Generally, all SFA refunds must be completed within 30 days of the student's withdrawal. However, the school may not discover an unofficial withdrawal until well after that deadline. In such cases, the deadline for return of funds turns on the date of the school's determination.

**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 Institutional and Non-institutional Costs.** School charges, such as tuition and fees, are treated differently from expenses that are not charged by the school. (For a discussion of what constitutes an institutional vs. a noninstitutional charge, see pg. 3-87.)

**Aid Received.**

This section records all aid and student payments received by the school, except work-study aid. For the loan programs, the amounts *received* are used (the origination and insurance fees are excluded). Refunds apply only to funds used to pay institutional charges (including student payments), while repayments deal only with aid that is disbursed directly to the student. Therefore, it's important to determine which funds paid institutional costs and which were disbursed in cash (or check) to the student for noninstitutional costs. (If part of a payment went to the school while the remainder was disbursed to the student, the exact amount that went to each destination must be recorded.)

**Aid Totals.**

Total C should include **all** aid (not just SFA funds) paid to school charges. Total D should reflect **all** amounts (including student payments) paid to school charges. Total E should include **all** aid (not just SFA funds) paid to the student in cash.

### 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.) |        |                     |                 |      |        |                     |                 |
|                              |        |                     |                 |      |        |                     |                 |
|                              |        |                     |                 |      |        |                     |                 |
|                              |        |                     |                 |      |        |                     |                 |

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

TOTAL Paid To Inst. Costs:   **D**

TOTAL Aid Paid as Cash:   **E**

**\*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 1/100:

- For credit-hour programs:
 

|                       |   |       |
|-----------------------|---|-------|
| WEEKS REMAINING       | = | ..... |
| TOTAL WEEKS IN PERIOD | = | ..... |
- For clock-hour programs:
 

|                       |   |       |
|-----------------------|---|-------|
| HOURS REMAINING       | = | ..... |
| TOTAL HOURS IN PERIOD | = | ..... |
- For correspondence programs:
 

|                         |   |       |
|-------------------------|---|-------|
| LESSONS NOT SUBMITTED   | = | ..... |
| TOTAL LESSONS IN PERIOD | = | ..... |

\*DO NOT use scheduled hours when excused absences can be counted 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) ..... | +        | ..... |
| <b>TOTAL EXCLUDABLE INST. COSTS (for Pro Rata and Federal Refund calculations only):</b>                        | <b>=</b> | ..... |

Pro Rata/Federal Refund Institutional Costs:

|                                    |   |                              |   |  |           |
|------------------------------------|---|------------------------------|---|--|-----------|
| Total Institutional Costs <b>A</b> | - | Total Excludable Inst. Costs | = |  | <b>A1</b> |
|------------------------------------|---|------------------------------|---|--|-----------|

Portion that Remains for Pro Rata. The "portion that remains" figure is needed for pro rata calculations.

**Special Determinations for Pro Rata and Federal Refund Calculation.** If a student qualifies for a pro rata or Federal Refund calculation, the excludable costs (according to the regulatory rules) are needed for a refund calculation.

**WARNING: DO NOT use without the accompanying instructions!!**

**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**

|       |           |                    |       |           |                  |
|-------|-----------|--------------------|-------|-----------|------------------|
| inst. | non-inst. | Tuition/Fees       | inst. | non-inst. | 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.)

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:  

$$\frac{\text{WEEKS REMAINING}}{\text{TOTAL WEEKS IN PERIOD}} = \dots\dots\dots$$
- For clock-hour programs:  

$$\frac{\text{HOURS REMAINING}}{\text{TOTAL HOURS IN PERIOD}} = \dots\dots\dots$$
- For correspondence programs:  

$$\frac{\text{LESSONS NOT SUBMITTED}}{\text{TOTAL LESSONS IN PERIOD}} = \dots\dots\dots$$

\*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) ..... +
- 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: **A1**

Total Institutional Costs **A** - Total Excludable Inst. Costs =



United States Department of Education  
Student Financial Aid 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) <b>(A)</b>           |
|  | Total Aid Paid to Inst. Costs* (also from Withdrawal Record) <b>(C)</b> |
|  | <b>Scheduled Cash Payment (SCP)</b><br>(attribution not allowable)      |
|  | Student's Cash Paid (from Withdrawal Record)                            |
|  | <b>UNPAID CHARGES</b>   |

### 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) <b>(A)</b> |
|  | % Allowed to Retain* (from refund policy being used)          |
|  | <b>Initial Amount Retained By The School</b>                  |
|  | UNPAID CHARGES (from Step One)                                |
|  | <b>AMOUNT RETAINED</b>  |

\* 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) <b>(D)</b> |
|  | Amount Retained (from Step Two)                                       |
|  | <b>REFUND AMOUNT TO BE DISTRIBUTED</b>                                |

### 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                  |   |



## 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<br>(from Withdrawal Record) | EXPENSES ACTUALLY INCURRED<br>(from school's repayment policy) |
|---------------------------|--|--|
| Room & Board.....         | <b>X</b>                                   | =  |
| Books & Supplies.....     | <b>X</b>                                   | =  |
| Transportation.....       | <b>X</b>                                   | =  |
| Personal/Living/Misc..... | <b>X</b>                                   | =  |
| <b>TOTAL COSTS (B)</b>    | <b>X</b>                                   | <b>=</b>   |
|                           |  | <b>TOTAL INCURRED</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.

|       |  |
|-------|--|
|       | Total Aid Paid as Cash (from Withdrawal Record) <b>(E)</b> |
| _____ |  |
| _____ | Cash Paid from FFEL/Direct Funds                           |
| _____ | <b>TOTAL CASH DISBURSED</b>                                |

### STEP THREE

#### Repayment Amount

Funds must be returned to the appropriate program account(s) within 30 days of the student's repayment to the school.

|       |  |
|-------|--|
|       | Total Cash Paid to Student (from Step Two) |
| _____ |  |
| _____ | Total Costs Incurred (from Step One)       |
| _____ | <b>REPAYMENT AMOUNT TO BE DISTRIBUTED</b>  |

If this amount is less than \$100, the student owes no repayment.

### REPAYMENT DISTRIBUTION—Prescribed by Regulation

#### TOTAL REPAYMENT

1. Federal Perkins Loan
2. Federal Pell Grant
3. FSEOG
4. Other Title IV Aid Programs
5. Other Federal, State, private, or institutional aid



United States Department of Education  
Student Financial Aid Programs

## FEDERAL REFUND CALCULATION WORKSHEET

|  |  |  |
|--|--|--|
| <div style="background-color: black; color: white; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">STEP ONE*</div> <div style="text-align: center; font-size: 1.2em;">Unpaid Charges</div> <p style="font-size: 0.8em;">*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.)</p> | <div style="border-bottom: 1px solid black; width: 100%;"></div> | <div style="text-align: right; font-size: 0.8em;">Total Institutional Costs (from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">A</span></div> <hr style="border: 0.5px dotted black;"/> <div style="text-align: right; font-size: 0.8em;">Total Aid Paid to Inst. Costs* (also from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">C</span></div> <hr style="border: 1px solid black;"/> <div style="text-align: right; font-size: 0.8em;"><b>Scheduled Cash Payment (SCP)</b> (attribution not allowable)</div> <hr style="border: 0.5px dotted black;"/> <div style="text-align: right; font-size: 0.8em;">Student's Cash Paid (from Withdrawal Record)</div> <hr style="border: 1px solid black;"/> <div style="text-align: right; font-weight: bold; font-size: 0.9em;">UNPAID CHARGES</div> |
| <div style="background-color: black; color: white; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">STEP TWO</div> <div style="text-align: center; font-size: 1.2em;">Refund Amount</div> <p style="font-size: 0.8em;">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.</p>  | <div style="border-bottom: 1px solid black; width: 100%;"></div> <div style="border-bottom: 1px solid black; width: 100%;"></div>  | <div style="text-align: right; font-size: 0.8em;">Federal Refund Calculation Inst. Costs (from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">A1</span></div> <hr style="border: 0.5px dotted black;"/> <div style="text-align: right; font-size: 0.8em;">% to be Refunded (from the regulatory policy)</div> <hr style="border: 1px solid black;"/> <div style="text-align: right; font-weight: bold; font-size: 0.9em;">REFUND AMOUNT TO BE DISTRIBUTED</div>   |

**\*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                  |   |



## PRO RATA REFUND CALCULATION WORKSHEET

|  |  |    |  |    |   |   |   |   |   |  |   |   |  |   |  |  |
|--|--|----|--|----|---|---|---|---|---|--|---|---|--|---|--|--|
| <div style="background-color: black; color: white; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">STEP ONE</div> <h3 style="text-align: center; margin-top: 0;">Unpaid Charges</h3> <p style="font-size: 0.8em;">*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.)</p> | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">=</td> <td style="width: 75%;">Total Institutional Costs<br/>(from Withdrawal Record)</td> <td style="width: 20%; text-align: center; border: 1px solid black; border-radius: 50%; font-weight: bold;">A</td> </tr> <tr> <td style="text-align: center;">=</td> <td>Total Aid Paid to Inst. Costs*<br/>(also from Withdrawal Record)</td> <td style="text-align: center; border: 1px solid black; border-radius: 50%; font-weight: bold;">C</td> </tr> <tr> <td style="text-align: center;">=</td> <td><b>Student's Scheduled Cash Payment (SCP)</b></td> <td></td> </tr> <tr> <td style="text-align: center;">=</td> <td>Student's Cash Paid<br/>(from Withdrawal Record)</td> <td></td> </tr> <tr> <td style="text-align: center;">=</td> <td><b>UNPAID CHARGES</b></td> <td></td> </tr> </table>  | =  | Total Institutional Costs<br>(from Withdrawal Record)    | A  | = | Total Aid Paid to Inst. Costs*<br>(also from Withdrawal Record) | C | = | <b>Student's Scheduled Cash Payment (SCP)</b> |  | = | Student's Cash Paid<br>(from Withdrawal Record) |  | = | <b>UNPAID CHARGES</b>                  |  |
| =  | Total Institutional Costs<br>(from Withdrawal Record)  | A  |  |    |   |   |   |   |   |  |   |   |  |   |  |  |
| =  | Total Aid Paid to Inst. Costs*<br>(also from Withdrawal Record)  | C  |  |    |   |   |   |   |   |  |   |   |  |   |  |  |
| =  | <b>Student's Scheduled Cash Payment (SCP)</b>  |    |  |    |   |   |   |   |   |  |   |   |  |   |  |  |
| =  | Student's Cash Paid<br>(from Withdrawal Record)  |    |  |    |   |   |   |   |   |  |   |   |  |   |  |  |
| =  | <b>UNPAID CHARGES</b>  |    |  |    |   |   |   |   |   |  |   |   |  |   |  |  |
| <div style="background-color: black; color: white; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">STEP TWO</div> <h3 style="text-align: center; margin-top: 0;">Refund Amount</h3> <p style="font-size: 0.8em;">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.</p>   | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">X</td> <td style="width: 75%;">Pro Rata Institutional Costs<br/>(from Withdrawal Record)</td> <td style="width: 20%; text-align: center; border: 1px solid black; border-radius: 50%; font-weight: bold;">A1</td> </tr> <tr> <td style="text-align: center;">=</td> <td>% to be Refunded<br/>(from the Portion That Remains)</td> <td></td> </tr> <tr> <td style="text-align: center;">=</td> <td><b>Initial Refund Amount</b></td> <td></td> </tr> <tr> <td style="text-align: center;">=</td> <td>Unpaid Charges<br/>(from Step One)</td> <td></td> </tr> <tr> <td style="text-align: center;">=</td> <td><b>ACTUAL REFUND TO BE DISTRIBUTED</b></td> <td></td> </tr> </table> <div style="font-size: 0.7em; border: 1px dashed black; padding: 2px; margin-top: 5px;">             If this amount is negative the school may bill the student for that amount. No refund is due.         </div> | X  | Pro Rata Institutional Costs<br>(from Withdrawal Record) | A1 | = | % to be Refunded<br>(from the Portion That Remains)             |   | = | <b>Initial Refund Amount</b>                  |  | = | Unpaid Charges<br>(from Step One)               |  | = | <b>ACTUAL REFUND TO BE DISTRIBUTED</b> |  |
| X  | Pro Rata Institutional Costs<br>(from Withdrawal Record)   | A1 |  |    |   |   |   |   |   |  |   |   |  |   |  |  |
| =  | % to be Refunded<br>(from the Portion That Remains)  |    |  |    |   |   |   |   |   |  |   |   |  |   |  |  |
| =  | <b>Initial Refund Amount</b>   |    |  |    |   |   |   |   |   |  |   |   |  |   |  |  |
| =  | Unpaid Charges<br>(from Step One)  |    |  |    |   |   |   |   |   |  |   |   |  |   |  |  |
| =  | <b>ACTUAL REFUND TO BE DISTRIBUTED</b>   |    |  |    |   |   |   |   |   |  |   |   |  |   |  |  |

### REFUND DISTRIBUTION—Prescribed by Law and Regulation

|  |   |
|--|---|
| <b>TOTAL REFUND</b>                          |   |
| 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                  |   |



**NOTE: This State calculation treats unpaid charges as required by regulation.**

# Case Study #1

- Term school
- Non-pro rata refund
- Unpaid charges due

## SCHOOL PROFILE

Cottonwood University is a residential school offering two- and four-year programs on a semester term system. CU participates in the Pell, FFEL, and campus-based programs. Each semester is 15 weeks long, and the school uses the following refund policy, according to State law:

| Student Withdraws:     | School Retains:  |
|------------------------|------------------|
| Before classes         | 0% (Full refund) |
| First two weeks        | 20%              |
| Third or Fourth week   | 30%              |
| Fifth or Sixth week    | 50%              |
| Seventh or Eighth week | 75%              |
| Ninth or Tenth week    | 90%              |
| After Tenth week       | 100% (No refund) |

For students who begin classes, 50% of the books and supplies allowance is considered incurred (in keeping with the local bookstores' return policies). Other living expenses are prorated based on the remaining weeks in the term.

## STUDENT PROFILE

Russlyn McCullough enrolled as a freshman for the Fall Semester at Cottonwood University. She moved into the dorms. Her costs for the semester are as follows (institutional costs are asterisked):

|                   |        |
|-------------------|--------|
| Tuition & Fees*   | \$2400 |
| Room & Board*     | \$3090 |
| Books & Supplies  | \$600  |
| Transportation    | \$850  |
| Personal Expenses | \$900  |

Russlyn received the following financial aid for the academic year:

|                          |        |
|--------------------------|--------|
| Federal Pell             | \$2150 |
| FSEOG                    | \$1100 |
| Federal Stafford         | \$2500 |
| Federal Work-Study       | \$1500 |
| CU Scholarship           | \$1000 |
| Rotary Scholarship•      | \$500  |
| •(for 1st semester only) |        |

Classes started on August 30, and Russlyn officially withdrew on November 1, in the tenth week.

## DISBURSEMENTS AND PAYMENTS

CU received Russlyn's financial aid for the semester in the following order and amounts: \$1075 Pell, \$500 CU scholarship, \$550 FSEOG, \$1163 Stafford, and \$500 Rotary scholarship. All these amounts, plus Russlyn's \$500 cash payment, were credited to her account. No cash was disbursed, but Russlyn did earn FWS each week.

## IMPORTANT POINTS

Although Russlyn is a first-time student, because she withdrew after the 60% point in the term, a statutory pro rata calculation is not required. Because CU charges by the term, the costs and aid received for the semester are used on the WR. Note that origination and insurance fees were deducted from the Stafford amount reported on the WR, and that Russlyn's FWS award and earnings do not appear anywhere on the WR, because earnings from work cannot be recovered.

Because Russlyn's financial aid was not sufficient to pay her total school charges, unpaid charges exist and will affect the refund amount. No repayment calculation is necessary because Russlyn did not receive a cash disbursement of SFA funds. Refund distribution is prescribed by law, and CU returns the federal SFA funds first to the Stafford lender.



## REFUND CALCULATION WORKSHEET

|   |  |  |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |
|---|--|--|------|--|---|------|--|---|------|--|---|------|--|---|------|------------------------|
| <div style="background-color: black; color: white; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">STEP ONE</div> <p style="font-size: 1.2em; text-align: center;">Unpaid Charges</p> <p style="font-size: 0.8em;">*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.)</p>   | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">—</td> <td style="width: 30%; text-align: right; font-size: 1.2em;">5490</td> <td style="width: 60%;">Total Institutional Costs (from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">A</span></td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">3788</td> <td>Total Aid Paid to Inst. Costs* (also from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">C</span></td> </tr> <tr> <td style="text-align: center;">—</td> <td style="text-align: right; font-size: 1.2em;">1702</td> <td>Scheduled Cash Payment (SCP) (attribution not allowable)</td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">500</td> <td>Student's Cash Paid (from Withdrawal Record)</td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em; border-top: 1px solid black;">1202</td> <td><b>UNPAID CHARGES</b></td> </tr> </table>           | —  | 5490 | Total Institutional Costs (from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">A</span>         | = | 3788 | Total Aid Paid to Inst. Costs* (also from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">C</span> | — | 1702 | Scheduled Cash Payment (SCP) (attribution not allowable) | = | 500  | Student's Cash Paid (from Withdrawal Record) | = | 1202 | <b>UNPAID CHARGES</b>  |
| —   | 5490   | Total Institutional Costs (from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">A</span>           |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |
| =   | 3788   | Total Aid Paid to Inst. Costs* (also from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">C</span> |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |
| —   | 1702   | Scheduled Cash Payment (SCP) (attribution not allowable)   |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |
| =   | 500  | Student's Cash Paid (from Withdrawal Record)   |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |
| =   | 1202   | <b>UNPAID CHARGES</b>  |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |
| <div style="background-color: black; color: white; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">STEP TWO</div> <p style="font-size: 1.2em; text-align: center;">Amount Retained</p> <p style="font-size: 0.8em;">*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 <i>pro rata</i> 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.</p> | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">X</td> <td style="width: 30%; text-align: right; font-size: 1.2em;">5490</td> <td style="width: 60%;">Total Institutional Costs (from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">A</span></td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">90%</td> <td>% Allowed to Retain* (from refund policy being used)</td> </tr> <tr> <td style="text-align: center;">—</td> <td style="text-align: right; font-size: 1.2em;">4941</td> <td>Initial Amount Retained By The School</td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">1202</td> <td>UNPAID CHARGES (from Step One)</td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em; border-top: 1px solid black;">3739</td> <td><b>AMOUNT RETAINED</b></td> </tr> </table> <p style="font-size: 0.7em; margin-top: 5px;">If this amount is zero or negative, all SFA paid to school charges must be returned (exc. FWS).</p> | X  | 5490 | Total Institutional Costs (from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">A</span>         | = | 90%  | % Allowed to Retain* (from refund policy being used)   | — | 4941 | Initial Amount Retained By The School                    | = | 1202 | UNPAID CHARGES (from Step One)               | = | 3739 | <b>AMOUNT RETAINED</b> |
| X   | 5490   | Total Institutional Costs (from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">A</span>           |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |
| =   | 90%  | % Allowed to Retain* (from refund policy being used)   |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |
| —   | 4941   | Initial Amount Retained By The School  |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |
| =   | 1202   | UNPAID CHARGES (from Step One)   |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |
| =   | 3739   | <b>AMOUNT RETAINED</b>   |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |
| <div style="background-color: black; color: white; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">STEP THREE</div> <p style="font-size: 1.2em; text-align: center;">Refund Amount</p> <p style="font-size: 0.8em;">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.</p>   | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">—</td> <td style="width: 30%; text-align: right; font-size: 1.2em;">4288</td> <td style="width: 60%;">Total Paid to Institutional Costs (from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">D</span></td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">3739</td> <td>Amount Retained (from Step Two)</td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em; border-top: 1px solid black;">549</td> <td><b>REFUND AMOUNT TO BE DISTRIBUTED</b></td> </tr> </table>   | —  | 4288 | Total Paid to Institutional Costs (from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">D</span> | = | 3739 | Amount Retained (from Step Two)  | = | 549  | <b>REFUND AMOUNT TO BE DISTRIBUTED</b>                   |   |      |  |   |      |                        |
| —   | 4288   | Total Paid to Institutional Costs (from Withdrawal Record) <span style="float: right; border: 1px solid black; border-radius: 50%; padding: 2px;">D</span>   |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |
| =   | 3739   | Amount Retained (from Step Two)  |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |
| =   | 549  | <b>REFUND AMOUNT TO BE DISTRIBUTED</b>   |      |  |   |      |  |   |      |  |   |      |  |   |      |                        |

### REFUND DISTRIBUTION—Prescribed by Law and Regulation

|  |       |   |
|--|-------|---|
| <b>TOTAL REFUND</b>                          | 549   |   |
| 1. Federal SLS Loan                          | ..... | 8. Federal Perkins Loan                                 |
| 2. Unsubsidized Federal Stafford Loan        | ..... | 9. Federal Pell Grant                                   |
| 3. Subsidized Federal Stafford Loan          | 549   | 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                  | ..... |   |

# 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<br>(from Withdrawal Record) | EXPENSES ACTUALLY INCURRED<br>(from school's repayment policy) |
|---------------------------|--|--|
| Room & Board.....         | <b>X</b>                                   | =  |
| Books & Supplies.....     | <b>X</b>                                   | =  |
| Transportation.....       | <b>X</b>                                   | =  |
| Personal/Living/Misc..... | <b>X</b>                                   | =  |
| <b>TOTAL COSTS (B)</b>    | <b>X</b>                                   | <b>=</b>   |
|                           |  | <b>TOTAL INCURRED</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.

|   |   |
|---|---|
| = | Total Aid Paid as Cash<br>(from Withdrawal Record) <b>(E)</b> |
| = | Cash Paid from FFEL/Direct Funds                              |
| = | <b>TOTAL CASH DISBURSED</b>                                   |

## STEP THREE

### Repayment Amount

Funds must be returned to the appropriate program account(s) within 30 days of the student's repayment to the school.

|   |   |   |
|---|---|---|
| = | Total Cash Paid to Student<br>(from Step Two) |   |
| = | Total Costs Incurred<br>(from Step One)       | If this amount is less than \$100, the student owes no repayment. |
| = | <b>REPAYMENT AMOUNT TO BE DISTRIBUTED</b>     |   |

## NO REPAYMENT—No Cash Disbursed

### REPAYMENT DISTRIBUTION—Prescribed by Regulation

#### TOTAL REPAYMENT

1. Federal Perkins Loan
2. Federal Pell Grant
3. FSEOG
4. Other Title IV Aid Programs
5. Other Federal, State, private, or institutional aid

**NOTE: This State calculation treats unpaid charges as required by regulation.**

## Case Study #2

- Term school
- Nonpro rata refund
- No unpaid charges due

### SCHOOL PROFILE

Buchanan Community College offers one- and two-year programs on a quarter term system. BCC participates in the Pell and FFEL programs. There is no on-campus housing; books can be purchased at any local bookstore. Each quarter is 11 weeks and BCC's refund policy is based on State law:

| Student Completes: | School Retains:  |
|--------------------|------------------|
| Less than 15%      | 20%              |
| 16-30%             | 45%              |
| 31-50%             | 65%              |
| 51-80%             | 85%              |
| 81% or more        | 100% (No refund) |

(In accordance with the law, students who don't begin classes receive a full refund.) For students who begin classes, 50% of the books and supplies allowance is considered incurred (in keeping with the local bookstores' return policies). Other living expenses are prorated based on the percentage of the term completed. BCC has all student loans disbursed by quarter, rather than in only two disbursements.

### STUDENT PROFILE

Terry Christiansen enrolled as a sophomore for the Fall Quarter at BCC. He rented an off-campus apartment, and his costs for the quarter are as follows (institutional costs are asterisked):

|                   |        |
|-------------------|--------|
| Tuition & Fees*   | \$650  |
| Room & Board      | \$1100 |
| Books & Supplies  | \$210  |
| Transportation    | \$300  |
| Personal Expenses | \$450  |

Terry received the following financial aid for the academic year:

|                        |        |
|------------------------|--------|
| Federal Pell           | \$2200 |
| Federal Stafford       | \$2625 |
| State Grant (non-SSIG) | \$1000 |

Classes started on August 29, and Terry withdrew unofficially during the term. At the end of the quarter, BCC records showed that Terry took an exam on September 18. With no further record of attendance for Terry, BCC used that date as Terry's last date of attendance.

### DISBURSEMENTS AND PAYMENTS

BCC received Terry's State grant disbursement of \$334 and credited it to his account. When his \$814 Stafford disbursement came in, \$316 went to the school account and the rest was paid to Terry in cash. The \$734 Pell disbursement was also paid in cash to Terry.

### IMPORTANT POINTS

Because he is not a first-time student, a statutory pro rata calculation is not required for Terry. In completing the WR, BCC uses the costs and aid received for the quarter. (The origination and insurance fees have been deducted from the Stafford amount reported on the WR.)

Because Terry's financial aid paid his institutional costs, there are no unpaid charges. In the repayment calculation, living expenses incurred are calculated using the rates specified in the school's policy, based on the number of weeks Terry attended. It is BCC's policy to count a 4-day week as a full week, so Terry attended 3 weeks. (To figure the percentage incurred, BCC uses a ratio of weeks completed ÷ total weeks in enrollment period, or  $3 \div 11$ , which equals 27%. This percentage is used on the Repayment Calculation Worksheet, for all living expenses except books & supplies, which were incurred at the rate of 50% as noted in the School Profile above.)

# WITHDRAWAL RECORD

## 1. Student Information

|                           |                             |                              |
|---------------------------|-----------------------------|------------------------------|
| <u>Terry Christiansen</u> | <u>8/30</u>                 | <u>UNOFFICIAL—9/18</u>       |
| Name                      | Start Date                  | Withdrawal Date/LDA          |
| <u>000-00-0000</u>        | <u>11-week quarter</u>      | <u>11/15</u>                 |
| Social Security Number    | Length of Enrollment Period | Date of WD/LDA Determination |

## 2. Program Costs

|   |               |                    |       |  |                  |  |       |  |               |  |
|---|---------------|--------------------|-------|--|------------------|--|-------|--|---------------|--|
|   | non-<br>inst. |                    | inst. |  | non-<br>inst.    |  | inst. |  | non-<br>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: 650 **A**

TOTAL Noninst. Costs: 2060 **B**

TOTAL Aid Paid To Inst. Costs: 650 **C**

TOTAL Paid To Inst. Costs: 650 **D**

TOTAL Aid Paid as Cash: 1232 **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.) |      | <u>State</u>    | <u>334</u>          |                 |  |      |        |                     |                 |
|                              |      | <u>Stafford</u> | <u>316</u>          | <u>498</u>      |  |      |        |                     |                 |
|                              |      | <u>Pell</u>     |                     | <u>734</u>      |  |      |        |                     |                 |

**\*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:  

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

•For clock-hour programs:\*  

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

•For correspondence programs:  

$$\frac{\text{LESSONS NOT SUBMITTED}}{\text{TOTAL LESSONS IN PERIOD}} = \dots\dots\dots$$

\*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) .....  | +        |
| •Documented Cost of Unreturnable Equipment .....  | +        |
| •Documented Cost of Returnable Equipment (if not returned in good condition within 20 days of withdrawal) ..... | +        |
| <b>TOTAL EXCLUDABLE INST. COSTS (for Pro Rata and Federal Refund calculations only):</b>                        | <b>=</b> |

Pro Rata/Federal Refund Institutional Costs:

A — A1 =   

Total Institutional Costs      Total Excludable Inst. Costs

# REFUND CALCULATION WORKSHEET

|   |   |  |   |  |   |   |     |  |   |   |     |  |  |   |   |  |   |   |     |                        |  |
|---|---|--|---|--|---|---|-----|--|---|---|-----|--|--|---|---|--|---|---|-----|------------------------|--|
| <div style="background-color: black; color: white; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">STEP ONE</div> <p style="text-align: center; font-size: 1.2em;">Unpaid Charges</p> <p style="font-size: 0.8em;">*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.)</p>   | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">—</td> <td style="width: 15%; text-align: right; font-size: 1.2em;">650</td> <td style="width: 65%;">Total Institutional Costs (from Withdrawal Record)</td> <td style="width: 10%; text-align: center; font-weight: bold;">A</td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">650</td> <td>Total Aid Paid to Inst. Costs* (also from Withdrawal Record)</td> <td style="text-align: center; font-weight: bold;">C</td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">0</td> <td>Scheduled Cash Payment (SCP) (attribution not allowable)</td> <td></td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">0</td> <td>Student's Cash Paid (from Withdrawal Record)</td> <td></td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">0</td> <td><b>UNPAID CHARGES</b></td> <td></td> </tr> </table>   | —  | 650   | Total Institutional Costs (from Withdrawal Record)         | A | = | 650 | Total Aid Paid to Inst. Costs* (also from Withdrawal Record) | C | = | 0   | Scheduled Cash Payment (SCP) (attribution not allowable) |  | = | 0 | Student's Cash Paid (from Withdrawal Record) |   | = | 0   | <b>UNPAID CHARGES</b>  |  |
| —   | 650   | Total Institutional Costs (from Withdrawal Record)           | A   |  |   |   |     |  |   |   |     |  |  |   |   |  |   |   |     |                        |  |
| =   | 650   | Total Aid Paid to Inst. Costs* (also from Withdrawal Record) | C   |  |   |   |     |  |   |   |     |  |  |   |   |  |   |   |     |                        |  |
| =   | 0   | Scheduled Cash Payment (SCP) (attribution not allowable)     |   |  |   |   |     |  |   |   |     |  |  |   |   |  |   |   |     |                        |  |
| =   | 0   | Student's Cash Paid (from Withdrawal Record)                 |   |  |   |   |     |  |   |   |     |  |  |   |   |  |   |   |     |                        |  |
| =   | 0   | <b>UNPAID CHARGES</b>  |   |  |   |   |     |  |   |   |     |  |  |   |   |  |   |   |     |                        |  |
| <div style="background-color: black; color: white; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">STEP TWO</div> <p style="text-align: center; font-size: 1.2em;">Amount Retained</p> <p style="font-size: 0.8em;">*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 <i>pro rata</i> 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.</p> | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">X</td> <td style="width: 15%; text-align: right; font-size: 1.2em;">650</td> <td style="width: 65%;">Total Institutional Costs (from Withdrawal Record)</td> <td style="width: 10%; text-align: center; font-weight: bold;">A</td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">45%</td> <td>% Allowed to Retain* (from refund policy being used)</td> <td></td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">293</td> <td>Initial Amount Retained By The School</td> <td></td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">0</td> <td>UNPAID CHARGES (from Step One)</td> <td style="font-size: 0.8em; vertical-align: top;">If this amount is zero or negative, all SFA paid to school charges must be returned (exc. FWS).</td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">293</td> <td><b>AMOUNT RETAINED</b></td> <td></td> </tr> </table> | X  | 650   | Total Institutional Costs (from Withdrawal Record)         | A | = | 45% | % Allowed to Retain* (from refund policy being used)         |   | = | 293 | 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). | = | 293 | <b>AMOUNT RETAINED</b> |  |
| X   | 650   | Total Institutional Costs (from Withdrawal Record)           | A   |  |   |   |     |  |   |   |     |  |  |   |   |  |   |   |     |                        |  |
| =   | 45%   | % Allowed to Retain* (from refund policy being used)         |   |  |   |   |     |  |   |   |     |  |  |   |   |  |   |   |     |                        |  |
| =   | 293   | 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). |  |   |   |     |  |   |   |     |  |  |   |   |  |   |   |     |                        |  |
| =   | 293   | <b>AMOUNT RETAINED</b>                                       |   |  |   |   |     |  |   |   |     |  |  |   |   |  |   |   |     |                        |  |
| <div style="background-color: black; color: white; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">STEP THREE</div> <p style="text-align: center; font-size: 1.2em;">Refund Amount</p> <p style="font-size: 0.8em;">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.</p>   | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">—</td> <td style="width: 15%; text-align: right; font-size: 1.2em;">650</td> <td style="width: 65%;">Total Paid to Institutional Costs (from Withdrawal Record)</td> <td style="width: 10%; text-align: center; font-weight: bold;">D</td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">293</td> <td>Amount Retained (from Step Two)</td> <td></td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">357</td> <td><b>REFUND AMOUNT TO BE DISTRIBUTED</b></td> <td></td> </tr> </table>   | —  | 650   | Total Paid to Institutional Costs (from Withdrawal Record) | D | = | 293 | Amount Retained (from Step Two)                              |   | = | 357 | <b>REFUND AMOUNT TO BE DISTRIBUTED</b>                   |  |   |   |  |   |   |     |                        |  |
| —   | 650   | Total Paid to Institutional Costs (from Withdrawal Record)   | D   |  |   |   |     |  |   |   |     |  |  |   |   |  |   |   |     |                        |  |
| =   | 293   | Amount Retained (from Step Two)                              |   |  |   |   |     |  |   |   |     |  |  |   |   |  |   |   |     |                        |  |
| =   | 357   | <b>REFUND AMOUNT TO BE DISTRIBUTED</b>                       |   |  |   |   |     |  |   |   |     |  |  |   |   |  |   |   |     |                        |  |

REFUND DISTRIBUTION—Prescribed by Law and Regulation

|   |     |
|---|-----|
| <b>TOTAL REFUND</b>                                     | 357 |
| 1. Federal SLS Loan                                     |     |
| 2. Unsubsidized Federal Stafford Loan                   |     |
| 3. Subsidized Federal Stafford Loan                     | 357 |
| 4. Federal PLUS Loan                                    |     |
| 5. Unsubsidized Federal Direct Stafford Loan            |     |
| 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   |     |

## 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<br>(from Withdrawal Record) |     |          | EXPENSES ACTUALLY INCURRED<br>(from school's repayment policy) |
|------------------------|--|-----|----------|--|
| Room & Board           | 1100 X                                     | 27% | =        | 297  |
| Books & Supplies       | 210 X                                      | 50% | =        | 105  |
| Transportation         | 300 X                                      | 27% | =        | 81   |
| Personal/Living/Misc.  | 450 X                                      | 27% | =        | 122  |
| <b>TOTAL COSTS (B)</b> | <b>X</b>                                   |     | <b>=</b> | <b>605</b> <b>TOTAL INCURRED</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.

|            |   |
|------------|---|
| 1232       | Total Aid Paid as Cash<br>(from Withdrawal Record) <b>(E)</b> |
| 498        | Cash Paid from FFEL/Direct Funds                              |
| <b>734</b> | <b>TOTAL CASH DISBURSED</b>                                   |

### STEP THREE

#### Repayment Amount

Funds must be returned to the appropriate program account(s) within 30 days of the student's repayment to the school.

|            |   |
|------------|---|
| 734        | Total Cash Paid to Student<br>(from Step Two) |
| 605        | Total Costs Incurred<br>(from Step One)       |
| <b>129</b> | <b>REPAYMENT AMOUNT TO BE DISTRIBUTED</b>     |

If this amount is less than \$100, the student owes no repayment.

### REPAYMENT DISTRIBUTION—Prescribed by Regulation

**TOTAL REPAYMENT** 129

1. Federal Perkins Loan

2. Federal Pell Grant 129

3. FSEOG

4. Other Title IV Aid Programs

5. Other Federal, State, private, or institutional aid

# Case Study #3

- Non-term school
- Statutory pro rata refund
- Unpaid charges due

## SCHOOL PROFILE

Copperfield Technical Institute offers 900 and 1200 clock-hour programs, and charges for the entire program at the time of enrollment. CTI participates in the Pell and FFEL programs. The 900-hour program lasts 30 weeks (an academic year) and is divided into two payment periods, 450 hours each. The 1200-hour program is 40 weeks long and is divided into three payment periods: 450 hours, 450 hours, and 300 hours. CTI uses its State refund guidelines:

| Student Completes: | School Retains:  |
|--------------------|------------------|
| Less than 10%      | 40%              |
| 11-30%             | 60%              |
| 31-50%             | 80%              |
| 51% or more        | 100% (No refund) |

(In accordance with the law, students who don't begin classes receive a full refund.) For students who begin classes, 50% of the books and supplies allowance is considered incurred, in keeping with the local bookstores' return policies. Other living expenses are prorated based on the percentage of the program completed.

## STUDENT PROFILE

Wendy Loggins enrolled in a 900-hour program at Copperfield. She rents an apartment, and her costs for the program are as follows (institutional costs are asterisked):

|                   |        |
|-------------------|--------|
| Tuition & Fees*   | \$4500 |
| Room & Board      | \$2730 |
| Books & Supplies  | \$630  |
| Transportation    | \$900  |
| Personal Expenses | \$1350 |

Wendy received the following financial aid for the academic year:

|                  |        |
|------------------|--------|
| Federal Pell     | \$2300 |
| Federal Stafford | \$2625 |
| Federal PLUS     | \$3600 |

Wendy began her program on October 2 and officially withdrew on February 18 of the next year, after completing 450 clock hours (50% of the program). CTI calculated both a State refund and a statutory pro rata refund, and found that the statutory pro rata refund was the largest.

## DISBURSEMENTS AND PAYMENTS

Wendy's Stafford disbursement of \$1221 went to pay school charges, as did the Pell disbursement of \$1150 and the PLUS disbursement of \$1674. The school did not disburse any cash to Wendy.

## IMPORTANT POINTS

In completing the WR for a statutory pro rata calculation, CTI uses the costs and amounts paid for the entire program (which is the enrollment period).

Wendy has an unpaid balance, but it will be treated differently under the statutory pro rata calculation—unpaid charges are subtracted from the initial refund amount. No repayment is calculated because no cash was disbursed. The refund is distributed first to Stafford and then to PLUS.

# WITHDRAWAL RECORD

## 1. Student Information

*Wendy Loggins* *10/04* *OFFICIAL—2/18*  
 Name Start Date Withdrawal Date/LDA  
*000-00-0000* *900-hr/30-wk. acad year* *2/18*  
 Social Security Number Length of Enrollment Period Date of WD/LDA Determination

## 2. Program Costs

|  |   |                                    |              |             |  |  |                    |  |  |                                     |              |             |  |                                     |                  |            |  |                                     |                |            |  |                                |   |                 |             |  |  |                |  |  |  |                  |  |  |  |               |  |  |  |               |  |
|--|---|------------------------------------|--------------|-------------|--|--|--------------------|--|--|-------------------------------------|--------------|-------------|--|-------------------------------------|------------------|------------|--|-------------------------------------|----------------|------------|--|--------------------------------|---|-----------------|-------------|--|--|----------------|--|--|--|------------------|--|--|--|---------------|--|--|--|---------------|--|
| <table border="0"> <tr> <td style="width: 20px;">inst. <input checked="" type="checkbox"/></td> <td style="width: 20px;">non-inst. <input type="checkbox"/></td> <td style="width: 100px;">Tuition/Fees</td> <td style="width: 100px; text-align: right;"><i>4500</i></td> </tr> <tr> <td></td> <td></td> <td>Administrative Fee</td> <td></td> </tr> <tr> <td></td> <td><input checked="" type="checkbox"/></td> <td>Room &amp; Board</td> <td style="text-align: right;"><i>2730</i></td> </tr> <tr> <td></td> <td><input checked="" type="checkbox"/></td> <td>Books &amp; Supplies</td> <td style="text-align: right;"><i>630</i></td> </tr> <tr> <td></td> <td><input checked="" type="checkbox"/></td> <td>Transportation</td> <td style="text-align: right;"><i>900</i></td> </tr> </table> | inst. <input checked="" type="checkbox"/>     | non-inst. <input type="checkbox"/> | Tuition/Fees | <i>4500</i> |  |  | Administrative Fee |  |  | <input checked="" type="checkbox"/> | Room & Board | <i>2730</i> |  | <input checked="" type="checkbox"/> | Books & Supplies | <i>630</i> |  | <input checked="" type="checkbox"/> | Transportation | <i>900</i> | <table border="0"> <tr> <td style="width: 20px;">inst. <input type="checkbox"/></td> <td style="width: 20px;">non-inst. <input checked="" type="checkbox"/></td> <td style="width: 100px;">Personal/Living</td> <td style="width: 100px; text-align: right;"><i>1350</i></td> </tr> <tr> <td></td> <td></td> <td>Dependent Care</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Disability Costs</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Miscellaneous</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Miscellaneous</td> <td></td> </tr> </table> | inst. <input type="checkbox"/> | non-inst. <input checked="" type="checkbox"/> | Personal/Living | <i>1350</i> |  |  | Dependent Care |  |  |  | Disability Costs |  |  |  | Miscellaneous |  |  |  | Miscellaneous |  |
| inst. <input checked="" type="checkbox"/>  | non-inst. <input type="checkbox"/>            | Tuition/Fees                       | <i>4500</i>  |             |  |  |                    |  |  |                                     |              |             |  |                                     |                  |            |  |                                     |                |            |  |                                |   |                 |             |  |  |                |  |  |  |                  |  |  |  |               |  |  |  |               |  |
|  |   | Administrative Fee                 |              |             |  |  |                    |  |  |                                     |              |             |  |                                     |                  |            |  |                                     |                |            |  |                                |   |                 |             |  |  |                |  |  |  |                  |  |  |  |               |  |  |  |               |  |
|  | <input checked="" type="checkbox"/>           | Room & Board                       | <i>2730</i>  |             |  |  |                    |  |  |                                     |              |             |  |                                     |                  |            |  |                                     |                |            |  |                                |   |                 |             |  |  |                |  |  |  |                  |  |  |  |               |  |  |  |               |  |
|  | <input checked="" type="checkbox"/>           | Books & Supplies                   | <i>630</i>   |             |  |  |                    |  |  |                                     |              |             |  |                                     |                  |            |  |                                     |                |            |  |                                |   |                 |             |  |  |                |  |  |  |                  |  |  |  |               |  |  |  |               |  |
|  | <input checked="" type="checkbox"/>           | Transportation                     | <i>900</i>   |             |  |  |                    |  |  |                                     |              |             |  |                                     |                  |            |  |                                     |                |            |  |                                |   |                 |             |  |  |                |  |  |  |                  |  |  |  |               |  |  |  |               |  |
| inst. <input type="checkbox"/>   | non-inst. <input checked="" type="checkbox"/> | Personal/Living                    | <i>1350</i>  |             |  |  |                    |  |  |                                     |              |             |  |                                     |                  |            |  |                                     |                |            |  |                                |   |                 |             |  |  |                |  |  |  |                  |  |  |  |               |  |  |  |               |  |
|  |   | Dependent Care                     |              |             |  |  |                    |  |  |                                     |              |             |  |                                     |                  |            |  |                                     |                |            |  |                                |   |                 |             |  |  |                |  |  |  |                  |  |  |  |               |  |  |  |               |  |
|  |   | Disability Costs                   |              |             |  |  |                    |  |  |                                     |              |             |  |                                     |                  |            |  |                                     |                |            |  |                                |   |                 |             |  |  |                |  |  |  |                  |  |  |  |               |  |  |  |               |  |
|  |   | Miscellaneous                      |              |             |  |  |                    |  |  |                                     |              |             |  |                                     |                  |            |  |                                     |                |            |  |                                |   |                 |             |  |  |                |  |  |  |                  |  |  |  |               |  |  |  |               |  |
|  |   | Miscellaneous                      |              |             |  |  |                    |  |  |                                     |              |             |  |                                     |                  |            |  |                                     |                |            |  |                                |   |                 |             |  |  |                |  |  |  |                  |  |  |  |               |  |  |  |               |  |

### USE TOTALS FOR PERIOD CHARGED\*

TOTAL Inst. Costs:  
**4500** **A**

TOTAL Noninst. Costs:  
**5610** **B**

TOTAL Aid Paid To Inst. Costs:  
**4045** **C**

TOTAL Paid To Inst. Costs:  
**4045** **D**

TOTAL Aid Paid as Cash:  
**0** **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 |
|------|-----------------|---------------------|-----------------|------|--------|---------------------|-----------------|
|      | <i>Stafford</i> | <i>1221</i>         |                 |      |        |                     |                 |
|      | <i>Pell</i>     | <i>1150</i>         |                 |      |        |                     |                 |
|      | <i>PLUS</i>     | <i>1674</i>         |                 |      |        |                     |                 |
|      |                 |                     |                 |      |        |                     |                 |
|      |                 |                     |                 |      |        |                     |                 |

**\*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:  

$$\frac{\text{WEEKS REMAINING}}{\text{TOTAL WEEKS IN PERIOD}} = \dots\dots\dots$$
- For clock-hour programs: \*  

$$\frac{\text{HOURS REMAINING}}{\text{TOTAL HOURS IN PERIOD}} = \frac{450}{900}$$
- For correspondence programs:  

$$\frac{\text{LESSONS NOT SUBMITTED}}{\text{TOTAL LESSONS IN PERIOD}} = \dots\dots\dots$$

**TO DETERMINE EXCLUDABLE INSTITUTIONAL COSTS:**

- Administrative Fee (up to \$100 or 5%, whichever is less) ..... + .....
- Documented Cost of Unreturnable Equipment ..... + *0* .....
- 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:

*4500* **A** — *0* = *4500* **A1**

Total Institutional Costs      Total Excludable Inst. Costs

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

## 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.)

|   |      |   |     |
|---|------|---|-----|
|   | 4500 | Total Institutional Costs<br>(from Withdrawal Record)           | (A) |
| — | 4045 | Total Aid Paid to Inst. Costs*<br>(also from Withdrawal Record) | (C) |
| — | 455  | <b>Student's Scheduled<br/>Cash Payment (SCP)</b>               |     |
| — | 0    | Student's Cash Paid<br>(from Withdrawal Record)                 |     |
| — | 455  | <b>UNPAID CHARGES</b>   |     |

### 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.

|   |      |  |      |
|---|------|--|------|
|   | 4500 | Pro Rata Institutional Costs<br>(from Withdrawal Record) | (A1) |
| X | 50%  | % to be Refunded<br>(from the Portion That Remains)      |      |
| — | 2250 | <b>Initial Refund Amount</b>                             |      |
| — | 455  | Unpaid Charges<br>(from Step One)                        |      |
| — | 1795 | <b>ACTUAL REFUND<br/>TO BE DISTRIBUTED</b>               |      |

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

|   |  |
|---|--|
| <b>TOTAL REFUND</b> <span style="font-size: 1.5em; margin-left: 20px;">1795</span>  |  |
| <ul style="list-style-type: none"> <li>1. Federal SLS Loan</li> <li>2. Unsubsidized Federal Stafford Loan</li> <li>3. Subsidized Federal Stafford Loan <span style="float: right; margin-right: 20px;">1221</span></li> <li>4. Federal PLUS Loan <span style="float: right; margin-right: 20px;">574</span></li> <li>5. Unsubsidized Federal Direct Stafford Loan</li> <li>6. Subsidized Federal Direct Stafford Loan</li> <li>7. Federal Direct PLUS Loan</li> </ul> | <ul style="list-style-type: none"> <li>8. Federal Perkins Loan</li> <li>9. Federal Pell Grant</li> <li>10. FSEOG</li> <li>11. Other Title IV Aid Programs</li> <li>12. Other Federal, state, private, or institutional aid</li> <li>13. The student</li> </ul> |

## 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<br>(from Withdrawal Record) | EXPENSES ACTUALLY INCURRED<br>(from school's repayment policy) |
|------------------------|--|--|
| Room & Board           | X  | =  |
| Books & Supplies       | X  | =  |
| Transportation         | X  | =  |
| Personal/Living/Misc.  | X  | =  |
| <b>TOTAL COSTS (B)</b> | <b>X</b>                                   | <b>=</b>   |
|                        |  | <b>TOTAL INCURRED</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.

|  |   |
|--|---|
|  | Total Aid Paid as Cash<br>(from Withdrawal Record) <b>(E)</b> |
|  | Cash Paid from FFEL/Direct Funds                              |
|  | <b>TOTAL CASH DISBURSED</b>                                   |

### STEP THREE

#### Repayment Amount

Funds must be returned to the appropriate program account(s) within 30 days of the student's repayment to the school.

|  |   |
|--|---|
|  | Total Cash Paid to Student<br>(from Step Two) |
|  | Total Costs Incurred<br>(from Step One)       |
|  | <b>REPAYMENT AMOUNT TO BE DISTRIBUTED</b>     |

If this amount is less than \$100, the student owes no repayment.

## NO REPAYMENT—No Cash Disbursed

### REPAYMENT DISTRIBUTION—Prescribed by Regulation

#### TOTAL REPAYMENT

1. Federal Perkins Loan
2. Federal Pell Grant
3. FSEOG
4. Other Title IV Aid Programs
5. Other Federal, State, private, or institutional aid

# Case Study #4

- Non-term school
- Federal Refund Calculation
- Unpaid charges due

## SCHOOL PROFILE

Copperfield Technical Institute offers 900 and 1200 clock-hour programs, and charges for the entire program at the time of enrollment. CTI participates in the Pell and FFEL programs. The 900-hour program lasts 30 weeks (an academic year) and is divided into two payment periods, 450 hours each. The 1200-hour program is 40 weeks long and is divided into three payment periods: 450 hours, 450 hours, and 300 hours. CTI's institutional refund policy is as follows:

| Student Completes: | School Retains:  |
|--------------------|------------------|
| Less than 10%      | 40%              |
| 11-30%             | 60%              |
| 31-50%             | 80%              |
| 51% or more        | 100% (No refund) |

(In accordance with the law, students who don't begin classes receive a full refund.) For students who begin classes, 50% of the books and supplies allowance is considered incurred, in keeping with the local bookstores' return policies. Other living expenses are prorated based on the percentage of the program completed.

## STUDENT PROFILE

Tom Servo enrolled as a sophomore in a 1200-hour program at Copperfield. He lives at home with his parents, and his costs for the program are as follows (institutional costs are asterisked):

|                   |        |
|-------------------|--------|
| Tuition & Fees*   | \$6000 |
| Room & Board      | \$3640 |
| Books & Supplies  | \$850  |
| Transportation    | \$1200 |
| Personal Expenses | \$1850 |

Tom received the following financial aid for the academic year:

|                  |        |
|------------------|--------|
| Federal Pell     | \$2300 |
| Federal Stafford | \$2625 |
| Federal PLUS     | \$4000 |

Tom began his program on January 11 and last attended class on May 3, after completing 420 clock hours (35% of the program). There is no state or accrediting agency policy, and pro rata does not apply, so CTI compared its institutional refund to the Federal Refund Policy. The Federal Refund was larger.

## DISBURSEMENTS AND PAYMENTS

Tom's Pell disbursement of \$1150 was applied to school charges, as were the first disbursements of both the Stafford and the PLUS loans, in the amounts of \$928 and \$1414 respectively (CTI requested that the lender disburse by payment period). No cash was disbursed.

## IMPORTANT POINTS

Because he is not a first-time student, a statutory pro rata calculation is not required for Tom. Because CTI is located in a State that does not have a refund policy, and CTI's accrediting agency's policy has not been approved by the Department, CTI must compare its institutional refund policy to the Federal Refund Calculation to determine the largest available refund. In Tom's case, the Federal Refund Calculation resulted in a larger refund.

In completing the WR, CTI uses the costs and amounts paid for the entire program. Tom withdrew after completing 35% of the enrollment period (after the first 25% but before the first 50% of the period), so he is due a 25% refund of his institutional charges. (CTI can exclude a \$100 administrative fee before assessing the 25%.) No repayment is calculated because no cash was disbursed.

# WITHDRAWAL RECORD

## 1. Student Information

Tom Servo 1/11 UNOFFICIAL—5/03  
 Name Start Date Withdrawal Date/LDA  
000-00-0000 1200-hr program 10/18  
 Social Security Number Length of Enrollment Period Date of WD/LDA Determination

## 2. Program Costs

|   |               |                    |      |   |               |  |                  |  |  |  |   |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |
|---|---------------|--------------------|------|---|---------------|--|------------------|--|--|--|---|--|--|-------|--|--|--|--|--|--|--|--|--|--|--|--|------|--|---|---------------|--|------|--|--|--|--|--|--|--------------|--|--|-------|--|-----------------|--|--|--|--|--|--|--------------------|--|--|--|--|----------------|--|--|--|--|--|---|--------------|------|--|--|--|------------------|--|--|--|--|--|---|------------------|-----|--|--|--|---------------|--|--|--|--|--|---|----------------|------|--|--|--|---------------|--|--|--|--|---|-----------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|------|--|--|--|--|--|--|--|--|---|--------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|------|--|--|--|--|--|--|--|--|---|
| <table border="0" style="width: 100%;"> <tr> <td style="width: 10%; text-align: center;">✓</td> <td style="width: 10%; text-align: center;">non-<br/>inst.</td> <td style="width: 5%;"></td> </tr> <tr> <td></td> <td style="text-align: center;">inst.</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">6000</td> <td></td> <td style="text-align: center;">✓</td> <td style="text-align: center;">non-<br/>inst.</td> <td></td> <td style="text-align: center;">1850</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Tuition/Fees</td> <td></td> <td></td> <td style="text-align: center;">inst.</td> <td></td> <td>Personal/Living</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Administrative Fee</td> <td></td> <td></td> <td></td> <td></td> <td>Dependent Care</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">✓</td> <td>Room &amp; Board</td> <td style="text-align: center;">3640</td> <td></td> <td></td> <td></td> <td>Disability Costs</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">✓</td> <td>Books &amp; Supplies</td> <td style="text-align: center;">850</td> <td></td> <td></td> <td></td> <td>Miscellaneous</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">✓</td> <td>Transportation</td> <td style="text-align: center;">1200</td> <td></td> <td></td> <td></td> <td>Miscellaneous</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> | ✓             | non-<br>inst.      |      |   |               |  |                  |  |  |  |   |  |  | inst. |  |  |  |  |  |  |  |  |  |  |  |  | 6000 |  | ✓ | non-<br>inst. |  | 1850 |  |  |  |  |  |  | Tuition/Fees |  |  | inst. |  | Personal/Living |  |  |  |  |  |  | Administrative Fee |  |  |  |  | Dependent Care |  |  |  |  |  | ✓ | Room & Board | 3640 |  |  |  | Disability Costs |  |  |  |  |  | ✓ | Books & Supplies | 850 |  |  |  | Miscellaneous |  |  |  |  |  | ✓ | Transportation | 1200 |  |  |  | Miscellaneous |  |  |  |  | <table border="0" style="width: 100%;"> <tr> <td style="width: 10%; text-align: center;">TOTAL<br/>Inst. Costs:</td> <td style="width: 5%;"></td> </tr> <tr> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">6000</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">A</td> </tr> <tr> <td style="text-align: center;">TOTAL<br/>Noninst. Costs:</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">7540</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">B</td> </tr> </table> | TOTAL<br>Inst. Costs: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 6000 |  |  |  |  |  |  |  |  | A | TOTAL<br>Noninst. Costs: |  |  |  |  |  |  |  |  |  |  |  |  |  | 7540 |  |  |  |  |  |  |  |  | B |
| ✓   | non-<br>inst. |                    |      |   |               |  |                  |  |  |  |   |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |
|   | inst.         |                    |      |   |               |  |                  |  |  |  |   |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |
|   |               | 6000               |      | ✓ | non-<br>inst. |  | 1850             |  |  |  |   |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |
|   |               | Tuition/Fees       |      |   | inst.         |  | Personal/Living  |  |  |  |   |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |
|   |               | Administrative Fee |      |   |               |  | Dependent Care   |  |  |  |   |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |
|   | ✓             | Room & Board       | 3640 |   |               |  | Disability Costs |  |  |  |   |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |
|   | ✓             | Books & Supplies   | 850  |   |               |  | Miscellaneous    |  |  |  |   |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |
|   | ✓             | Transportation     | 1200 |   |               |  | Miscellaneous    |  |  |  |   |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |
| TOTAL<br>Inst. Costs:   |               |                    |      |   |               |  |                  |  |  |  |   |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |
|   |               |                    |      |   |               |  |                  |  |  |  |   |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |
|   |               | 6000               |      |   |               |  |                  |  |  |  | A |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |
| TOTAL<br>Noninst. Costs:  |               |                    |      |   |               |  |                  |  |  |  |   |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |
|   |               | 7540               |      |   |               |  |                  |  |  |  | B |  |  |       |  |  |  |  |  |  |  |  |  |  |  |  |      |  |   |               |  |      |  |  |  |  |  |  |              |  |  |       |  |                 |  |  |  |  |  |  |                    |  |  |  |  |                |  |  |  |  |  |   |              |      |  |  |  |                  |  |  |  |  |  |   |                  |     |  |  |  |               |  |  |  |  |  |   |                |      |  |  |  |               |  |  |  |  |   |                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |                          |  |  |  |  |  |  |  |  |  |  |  |  |  |      |  |  |  |  |  |  |  |  |   |

### USE TOTALS FOR PERIOD CHARGED\*

TOTAL Inst. Costs:

6000 **A**

TOTAL Noninst. Costs:

7540 **B**

## 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 |
|------|-----------------|---------------------|-----------------|------|--------|---------------------|-----------------|
|      | <u>Stafford</u> | <u>928</u>          |                 |      |        |                     |                 |
|      | <u>Pell</u>     | <u>1150</u>         |                 |      |        |                     |                 |
|      | <u>PLUS</u>     | <u>1414</u>         |                 |      |        |                     |                 |
|      |                 |                     |                 |      |        |                     |                 |
|      |                 |                     |                 |      |        |                     |                 |

TOTAL Aid Paid To Inst. Costs:

3492 **C**

TOTAL Paid To Inst. Costs:

3492 **D**

TOTAL Aid Paid as Cash:

0 **E**

**\*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:
 
$$\frac{\text{WEEKS REMAINING}}{\text{TOTAL WEEKS IN PERIOD}} = \dots\dots\dots$$
- For clock-hour programs:\*
 
$$\frac{\text{HOURS REMAINING}}{\text{TOTAL HOURS IN PERIOD}} = \dots\dots\dots$$
- For correspondence programs:
 
$$\frac{\text{LESSONS NOT SUBMITTED}}{\text{TOTAL LESSONS IN PERIOD}} = \dots\dots\dots$$

\*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) .....  | + 100        |
| •Documented Cost of Unreturnable Equipment .....  | +            |
| •Documented Cost of Returnable Equipment (if not returned in good condition within 20 days of withdrawal) ..... | +            |
| <b>TOTAL EXCLUDABLE INST. COSTS (for Pro Rata and Federal Refund calculations only):</b>                        | <b>= 100</b> |

Pro Rata/Federal Refund Institutional Costs:

$$\frac{6000 \text{ **A**}}{\text{Total Institutional Costs}} - \frac{100}{\text{Total Excludable Inst. Costs}} = 5900 \text{ **A1**}$$

## FEDERAL REFUND CALCULATION WORKSHEET

|   |   |   |      |   |     |   |      |  |     |   |      |   |  |   |   |  |  |   |      |                       |  |
|---|---|---|------|---|-----|---|------|--|-----|---|------|---|--|---|---|--|--|---|------|-----------------------|--|
| <div style="background-color: black; color: white; padding: 5px; font-weight: bold; font-size: 1.2em;">STEP ONE*</div> <div style="text-align: center; font-size: 1.2em; margin-top: 5px;">Unpaid Charges</div> <p style="font-size: 0.8em; margin-top: 10px;">*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.)</p> | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">—</td> <td style="width: 20%; text-align: right; font-size: 1.2em;">6000</td> <td style="width: 50%;">Total Institutional Costs (from Withdrawal Record)</td> <td style="width: 20%; text-align: center;">(A)</td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">3492</td> <td>Total Aid Paid to Inst. Costs* (also from Withdrawal Record)</td> <td style="text-align: center;">(C)</td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">2508</td> <td><b>Scheduled Cash Payment (SCP)</b> (attribution not allowable)</td> <td></td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">0</td> <td>Student's Cash Paid (from Withdrawal Record)</td> <td></td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em; border-top: 1px solid black;">2508</td> <td><b>UNPAID CHARGES</b></td> <td></td> </tr> </table> | —   | 6000 | Total Institutional Costs (from Withdrawal Record)              | (A) | = | 3492 | Total Aid Paid to Inst. Costs* (also from Withdrawal Record) | (C) | = | 2508 | <b>Scheduled Cash Payment (SCP)</b> (attribution not allowable) |  | = | 0 | Student's Cash Paid (from Withdrawal Record) |  | = | 2508 | <b>UNPAID CHARGES</b> |  |
| —   | 6000  | Total Institutional Costs (from Withdrawal Record)              | (A)  |   |     |   |      |  |     |   |      |   |  |   |   |  |  |   |      |                       |  |
| =   | 3492  | Total Aid Paid to Inst. Costs* (also from Withdrawal Record)    | (C)  |   |     |   |      |  |     |   |      |   |  |   |   |  |  |   |      |                       |  |
| =   | 2508  | <b>Scheduled Cash Payment (SCP)</b> (attribution not allowable) |      |   |     |   |      |  |     |   |      |   |  |   |   |  |  |   |      |                       |  |
| =   | 0   | Student's Cash Paid (from Withdrawal Record)                    |      |   |     |   |      |  |     |   |      |   |  |   |   |  |  |   |      |                       |  |
| =   | 2508  | <b>UNPAID CHARGES</b>   |      |   |     |   |      |  |     |   |      |   |  |   |   |  |  |   |      |                       |  |
| <div style="background-color: black; color: white; padding: 5px; font-weight: bold; font-size: 1.2em;">STEP TWO</div> <div style="text-align: center; font-size: 1.2em; margin-top: 5px;">Refund Amount</div> <p style="font-size: 0.8em; margin-top: 10px;">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.</p>  | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">X</td> <td style="width: 20%; text-align: right; font-size: 1.2em;">5900</td> <td style="width: 50%;">Federal Refund Calculation Inst. Costs (from Withdrawal Record)</td> <td style="width: 20%; text-align: center;">(A)</td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em;">25%</td> <td>% to be Refunded (from the regulatory policy)</td> <td></td> </tr> <tr> <td style="text-align: center;">=</td> <td style="text-align: right; font-size: 1.2em; border-top: 1px solid black;">1475</td> <td><b>REFUND AMOUNT TO BE DISTRIBUTED</b></td> <td></td> </tr> </table>  | X   | 5900 | Federal Refund Calculation Inst. Costs (from Withdrawal Record) | (A) | = | 25%  | % to be Refunded (from the regulatory policy)                |     | = | 1475 | <b>REFUND AMOUNT TO BE DISTRIBUTED</b>                          |  |   |   |  |  |   |      |                       |  |
| X   | 5900  | Federal Refund Calculation Inst. Costs (from Withdrawal Record) | (A)  |   |     |   |      |  |     |   |      |   |  |   |   |  |  |   |      |                       |  |
| =   | 25%   | % to be Refunded (from the regulatory policy)                   |      |   |     |   |      |  |     |   |      |   |  |   |   |  |  |   |      |                       |  |
| =   | 1475  | <b>REFUND AMOUNT TO BE DISTRIBUTED</b>                          |      |   |     |   |      |  |     |   |      |   |  |   |   |  |  |   |      |                       |  |

**\*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

|  |      |   |
|--|------|---|
| <b>TOTAL REFUND</b>                          | 1475 |   |
| 1. Federal SLS Loan                          |      | 8. Federal Perkins Loan                                 |
| 2. Unsubsidized Federal Stafford Loan        |      | 9. Federal Pell Grant                                   |
| 3. Subsidized Federal Stafford Loan          | 928  | 10. FSEOG   |
| 4. Federal PLUS Loan                         | 547  | 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                  |      |   |

## 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<br>(from Withdrawal Record) | EXPENSES ACTUALLY INCURRED<br>(from school's repayment policy) |
|------------------------|--|--|
| Room & Board           | X  | =  |
| Books & Supplies       | X  | =  |
| Transportation         | X  | =  |
| Personal/Living/Misc.  | X  | =  |
| <b>TOTAL COSTS (B)</b> | <b>X</b>                                   | <b>=</b>   |
|                        |  | <b>TOTAL INCURRED</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.

|  |   |
|--|---|
|  | Total Aid Paid as Cash<br>(from Withdrawal Record) <b>(E)</b> |
|  | Cash Paid from FFEL/Direct Funds                              |
|  | <b>TOTAL CASH DISBURSED</b>                                   |

### STEP THREE

#### Repayment Amount

Funds must be returned to the appropriate program account(s) within 30 days of the student's repayment to the school.

|  |   |
|--|---|
|  | Total Cash Paid to Student<br>(from Step Two) |
|  | Total Costs Incurred<br>(from Step One)       |
|  | <b>REPAYMENT AMOUNT TO BE DISTRIBUTED</b>     |

If this amount is less than \$100, the student owes no repayment.

## NO REPAYMENT—No Cash Disbursed

### REPAYMENT DISTRIBUTION—Prescribed by Regulation

#### TOTAL REPAYMENT

1. Federal Perkins Loan
2. Federal Pell Grant
3. FSEOG
4. Other Title IV Aid Programs
5. Other Federal, State, private, or institutional aid

# Case Study #5

- Term school
- Statutory pro rata refund
- No unpaid charges due

## SCHOOL PROFILE

The Rigby Academy offers two- and four-year programs and participates in the Pell, FFEL, and campus-based programs. The academic year is divided into three quarter terms, each 10 weeks long. Rigby uses its State policy:

| Student Withdraws:    | School Retains:  |
|-----------------------|------------------|
| In the first week:    | 10%              |
| Second or third week: | 40%              |
| Fourth week:          | 75%              |
| After fourth week:    | 100% (No refund) |

(In accordance with the law, students who don't begin classes receive a full refund.) For students who begin classes, 50% of the books and supplies allowance is considered incurred, in keeping with the local bookstores' return policies. Other living expenses are prorated based on the percentage of the program completed. Rigby charges a \$60 administrative fee to all students; this charge is explained in the enrollment agreement.

## STUDENT PROFILE

Robert Harbin enrolled in a two-year program at Rigby. His costs for the term are as follows (institutional costs are asterisked):

|                     |        |
|---------------------|--------|
| Tuition & Fees*     | \$1200 |
| Administrative Fee* | \$60   |
| Room & Board        | \$1000 |
| Books & Supplies    | \$205  |
| Transportation      | \$250  |
| Personal Expenses   | \$750  |

Robert received the following financial aid for the academic year:

|                           |        |
|---------------------------|--------|
| Federal Pell              | \$1950 |
| Federal Stafford          | \$2325 |
| FSEOG                     | \$1150 |
| Federal Perkins           | \$850  |
| Institutional Scholarship | \$600  |

Classes began on February 22 and Robert officially withdrew in the fifth week. Under Rigby's policy, Robert would receive no refund. However, he is entitled to a statutory pro rata refund.

## DISBURSEMENTS AND PAYMENTS

Robert's \$300 cash payment and \$960 of the Stafford disbursement were credited to the school's account; the remaining \$121 of Stafford funds were disbursed in cash to Robert. Then, \$650 from Pell, \$384 from FSEOG, \$283 from Perkins, and \$200 of the institutional scholarship were also disbursed as cash to Robert.

## IMPORTANT POINTS

In completing the WR for a statutory pro rata calculation, Rigby uses costs and amounts paid for the quarter. (Robert's Stafford was not disbursed by quarter, but in two equal installments instead. Even though a portion of this disbursement is intended for the second quarter, the total amount *received* must be used in the refund calculation.)

For a statutory pro rata calculation, Rigby may exclude an administrative fee up to \$100 or 5% of the total institutional costs, because they charge such a fee up front and across the board. In the repayment calculation, total non-institutional costs are assessed at a flat 50%, because in this case the same rate applies to all the items.

# WITHDRAWAL RECORD

## 1. Student Information

|                        |                             |                              |
|------------------------|-----------------------------|------------------------------|
| <u>Robert Harbin</u>   | <u>2/22</u>                 | <u>OFFICIAL—3/28</u>         |
| Name                   | Start Date                  | Withdrawal Date/LDA          |
| <u>000-00-0000</u>     | <u>10-week quarter</u>      | <u>3/25</u>                  |
| Social Security Number | Length of Enrollment Period | Date of WD/LDA Determination |

## 2. Program Costs

|   |               |                    |               |                  |
|---|---------------|--------------------|---------------|------------------|
|   | non-<br>inst. |                    | non-<br>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:  
**1260** **A**

TOTAL Noninst. Costs:  
**2205** **B**

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

TOTAL Paid To Inst. Costs:  
**1260** **D**

TOTAL Aid Paid as Cash:  
**1638** **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.) |      | <u>Student</u>  | <u>300</u>          |                 |  |      | <u>Inst. Aid</u> |                     | <u>200</u>      |
|                              |      | <u>Stafford</u> | <u>960</u>          | <u>121</u>      |  |      |                  |                     |                 |
|                              |      | <u>Pell</u>     |                     | <u>650</u>      |  |      |                  |                     |                 |
|                              |      | <u>FSEOG</u>    |                     | <u>384</u>      |  |      |                  |                     |                 |
|                              |      | <u>Perkins</u>  |                     | <u>283</u>      |  |      |                  |                     |                 |

**\*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:  

$$\frac{\text{WEEKS REMAINING}}{\text{TOTAL WEEKS IN PERIOD}} = \frac{5}{10}$$
- For clock-hour programs:\*
- For correspondence programs:  

$$\frac{\text{LESSONS NOT SUBMITTED}}{\text{TOTAL LESSONS IN PERIOD}} = \dots\dots\dots$$

**TO DETERMINE EXCLUDABLE INSTITUTIONAL COSTS:**

- Administrative Fee (up to \$100 or 5%, whichever is less) ..... +
- Documented Cost of Unreturnable Equipment ..... + 60
- 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):** =

60  
Pro Rata/Federal Refund Institutional Costs:

1260 **A** — 60 = 1200 **A1**  
 Total Institutional Costs    Total Excludable Inst. Costs

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

## 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.)

|   |      |   |     |
|---|------|---|-----|
|   | 1260 | Total Institutional Costs<br>(from Withdrawal Record)           | (A) |
| — | 960  | Total Aid Paid to Inst. Costs*<br>(also from Withdrawal Record) | (C) |
| — | 300  | Student's Scheduled<br>Cash Payment (SCP)                       |     |
| — | 300  | Student's Cash Paid<br>(from Withdrawal Record)                 |     |
| — | 0    | <b>UNPAID CHARGES</b>   |     |

### 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.

|   |      |  |      |
|---|------|--|------|
|   | 1200 | Pro Rata Institutional Costs<br>(from Withdrawal Record) | (A1) |
| X | 50%  | % to be Refunded<br>(from the Portion That Remains)      |      |
| — | 600  | <b>Initial Refund Amount</b>                             |      |
| — | 0    | Unpaid Charges<br>(from Step One)                        |      |
| — | 600  | <b>ACTUAL REFUND<br/>TO BE DISTRIBUTED</b>               |      |

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

|   |  |
|---|--|
| <b>TOTAL REFUND</b> <span style="float: right; font-size: 1.5em;">600</span>  |  |
| 1. Federal SLS Loan<br>2. Unsubsidized Federal Stafford Loan<br>3. Subsidized Federal Stafford Loan <span style="float: right; font-size: 1.5em;">600</span><br>4. Federal PLUS Loan<br>5. Unsubsidized Federal Direct Stafford Loan<br>6. Subsidized Federal Direct Stafford Loan<br>7. Federal Direct PLUS Loan | 8. Federal Perkins Loan<br>9. Federal Pell Grant<br>10. FSEOG<br>11. Other Title IV Aid Programs<br>12. Other Federal, state, private, or institutional aid<br>13. The student |

## 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<br>(from Withdrawal Record) | EXPENSES ACTUALLY INCURRED<br>(from school's repayment policy) |
|------------------------|--|--|
| Room & Board           | X  | =  |
| Books & Supplies       | X  | =  |
| Transportation         | X  | =  |
| Personal/Living/Misc.  | X  | =  |
| <b>TOTAL COSTS (B)</b> | <b>2205 X</b>                              | <b>50% = 1103</b>  |
|                        |  | <b>TOTAL INCURRED</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.

|             |  |
|-------------|--|
| 1638        | Total Aid Paid as Cash<br>(from Withdrawal Record) (E) |
| 121         | Cash Paid from FFEL/Direct Funds                       |
| <b>1517</b> | <b>TOTAL CASH DISBURSED</b>                            |

### STEP THREE

#### Repayment Amount

Funds must be returned to the appropriate program account(s) within 30 days of the student's repayment to the school.

|            |   |
|------------|---|
| 1517       | Total Cash Paid to Student<br>(from Step Two) |
| 1103       | Total Costs Incurred<br>(from Step One)       |
| <b>414</b> | <b>REPAYMENT AMOUNT TO BE DISTRIBUTED</b>     |

If this amount is less than \$100, the student owes no repayment.

### REPAYMENT DISTRIBUTION—Prescribed by Regulation

|  |            |
|--|------------|
| <b>TOTAL REPAYMENT</b>                                 | <b>414</b> |
| 1. Federal Perkins Loan                                | 283        |
| 2. Federal Pell Grant                                  | 131        |
| 3. FSEOG   |            |
| 4. Other Title IV Aid Programs                         |            |
| 5. Other Federal, State, private, or institutional aid |            |