



January 21, 1997

Case Study 8: Hopewell College (cont d)

Refund Policy (cont d):

State Refund Policy: Applies to all institutional charges.

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

Repayment Policy

Living expenses are prorated based on the number of weeks the student is enrolled.

Student Information

- ◆ Helen is admitted into a 900-clock-hour program and starts classes on March 2.
- ◆ After completing 75 clock hours, Helen officially withdraws from the school on March 18 (during the third week).
- ◆ At the time of her withdrawal, Helen returns the books and supplies she was required to purchase for her program in good condition.

Program Costs

Costs for the payment period:

Tuition	\$1,100
Fees	\$40
Books and supplies allowance	\$225
School's allowance for off-campus living expenses	\$3,200



Case Study 8: Hopewell College (cont d)

Aid Awarded

For the academic year:

Direct Subsidized Stafford Loan (total amount approved)	\$2,625
State scholarship (does not include SSIG)	\$1,500
Federal Pell Grant	\$2,000
FSEOG	\$600

Aid Disbursed for the Payment Period

Direct Subsidized Stafford Loan	\$1,260
State scholarship	\$750
Federal Pell Grant	\$1,000
FSEOG	\$300

Because Helen received a Federal Stafford Loan for prior attendance at another school, her loan is not subject to the 30-day delayed disbursement requirement. The loan is scheduled to be disbursed in two equal installments (i.e., half of the total amount approved minus the origination fee) at the beginning of each payment period.

The state scholarship is restricted to the payment of tuition. All of the state scholarship and \$615 of her loan were used to pay institutional charges. The Federal Pell Grant, FSEOG, and \$645 of the loan were given to Helen in the form of a cash disbursement to help pay noninstitutional expenses.

Task

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



WITHDRAWAL RECORD

1. Student Information

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

2. Program Costs

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

<input type="checkbox"/>	<input type="checkbox"/>
YES	NO

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

<input type="checkbox"/>	<input type="checkbox"/>
YES	NO

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

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

*For credit-hour programs:

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

For clock-hour programs:

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

*For correspondence programs:

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

*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:

A

A

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



1996-97
 United States Department of Education
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REFUND CALCULATION WORKSHEET

STEP ONE

Unpaid Charges

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

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

STEP TWO

Amount Retained

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

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

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

STEP THREE

Refund Amount

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

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

REFUND DISTRIBUTION—Prescribed by Law and Regulation

TOTAL REFUND

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



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PRO RATA REFUND CALCULATION WORKSHEET

STEP ONE

Unpaid Charges

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

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

STEP TWO

Refund Amount

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

	Pro Rata Institutional Costs (from Withdrawal Record) A1
X	% to be Refunded (from the Portion That Remains)
	Initial Refund Amount
	Unpaid Charges (from Step One)
	ACTUAL REFUND TO BE DISTRIBUTED

If this amount is negative, the school may bill the student for that amount. No refund is due.

REFUND DISTRIBUTION—Prescribed by Law and Regulation

TOTAL REFUND

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



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REPAYMENT CALCULATION WORKSHEET

STEP ONE

Living Expenses Incurred

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

	NONINST. COSTS (from Withdrawal Record)	EXPENSES ACTUALLY INCURRED (from school's repayment policy)
Room & Board	X	=
Books & Supplies	X	=
Transportation	X	=
Personal/Living/Misc.	X	=
TOTAL COSTS (B)	X	= TOTAL INCURRED

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) (E)
=====	Cash Paid from FFEL/Direct Funds
=====	TOTAL CASH DISBURSED

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)	If this amount is \$100 or less, the student owes no repayment.
=====	REPAYMENT AMOUNT TO BE DISTRIBUTED	

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



1996-97
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