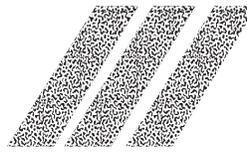


Case Study 5

Eagle Point State University



- ◆ Third-year student
- ◆ Aid does not cover institutional charges

Objective

To illustrate the calculation of institutional charges and the treatment of the scheduled cash payment.



School Information

Eagle Point State University:

- ◆ Term-based, four-year, public university
- ◆ Measures progress in credit hours
- ◆ AY consists of two 15-week semesters



Refund Policy

Institutional Refund Policy

If the student withdraws:	The school retains:
Before classes start.....	0%
First week	10%
Second week.....	30%
Third week.....	50%
Fourth week	70%
After fourth week	100%

The school does not exclude any administrative fee for withdrawals.

State Refund Policy

No state refund policy exists.

Case Study 5: Eagle Point State University (cont'd)

Repayment Policy

For students who begin classes, 50% of the books and supplies allowance is considered to be expended. Other living expenses are determined on a case-by-case basis and are calculated using the documentation the student provides for noninstitutional costs incurred.

Student Information

- ◆ Ed is attending his third year at the school.
- ◆ Ed enrolls for 15 semester hours for the spring semester and starts classes on January 12.
- ◆ After attending class on January 22 (the second week), Ed officially withdraws from the university.

Program Costs

Costs for each semester:

Tuition	\$1,560
Fees	\$40
Books and supplies allowance	\$200
Room	\$1,230
Board	\$950
Transportation allowance	\$80
Personal expenses	\$250



Aid Awarded

For the academic year:

Federal Stafford Loan (total amount approved)	\$4,000
Federal Pell Grant	\$800
FSEOG	\$600
FWS	\$1,000
State scholarship (does not include SSIG)	\$500

Case Study 5: Eagle Point State University (cont'd)

Aid Disbursed for the Payment Period

Federal Stafford Loan	\$1,920
Federal Pell Grant	\$400
FSEOG	\$300
State Scholarship (does not include SSIG)	\$250

The Federal Stafford Loan is scheduled to be disbursed in two equal installments of \$1,920 (i.e., half of the total amount approved minus the origination fee and insurance premium) at the beginning of each semester.

Ed made an initial cash payment of \$200 when he began classes spring semester. He purchased his books from a bookstore off-campus.

Task

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



WITHDRAWAL RECORD

1. Student Information

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

2. Program Costs

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

USE TOTALS FOR PERIOD CHARGED*

TOTAL Inst. Costs: **A**

TOTAL Noninst. Costs: **B**

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

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

TOTAL Aid Paid as Cash: **E**

3. Payments/Disbursements

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

(Exclude work-study awards.)

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

4. Data for Pro Rata and Federal Refund

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

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

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

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

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

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

*For credit-hour programs:

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

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**



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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* (C) (also from Withdrawal Record)
=		Scheduled Cash Payment (SCP) (attribution not allowable)
=		Student's Cash Paid (from Withdrawal Record)
=		UNPAID CHARGES

STEP TWO

Amount Retained

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

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

STEP ONE*

Unpaid Charges

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

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

STEP TWO

Refund Amount

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

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

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

REFUND DISTRIBUTION—Prescribed by Law and Regulation

TOTAL REFUND

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



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