SESSION 27

Calculating Refunds and Repayments

Instructor's Notes

Time Estimate:

Lecture	40 minutes
Exercise	25 minutes
Total Time:	65 minutes

By the end of this session, you will be able to:

- ***calculate refunds and repayments and***
- ***distribute refunds and repayments.***

INTRODUCTION

In Session 9, we discussed the basic definitions of refunds and repayments, as well as the process for selecting the right refund calculations. Let's do a quick review.

Q: Which type of costs, institutional or non-institutional, do refunds deal with?

A: Refunds deal with institutional costs.

Remember, refunds involve the return of unearned funds originally credited to a student's school account to cover institutional costs. (OH 1)

1

Q: How would you define repayments?

A: Repayments involve the return of unearned funds paid in cash directly to the student to cover noninstitutional costs. (OH 2)

2

Q: When choosing which refunds to calculate, we referred to two levels. What types of refund policies does the first level include?

A: The first level consists of *pro rata*, state, and accrediting agency policies.

You'd calculate all applicable refunds from the first level. Only if none apply do you drop down to the second level, where you compare the federal refund policy with the school's own policy (if the school has one).

Instructor's Notes

REQUIREMENTS PRIOR TO CALCULATING REFUNDS AND REPAYMENTS

Prior to calculating refunds and repayments, a school must: (OH 3)

3

PW 3

- determine and resolve any credit balance on a student's account and
- make any late disbursements of Title IV aid.

Credit Balances

Before calculating a refund or repayment, a school must eliminate any credit balance on the student's account.

A **credit balance** is money in excess of institutional charges that is being held by the school to be disbursed as cash to the student. When a student ceases enrollment, which initiates the need to calculate refunds and repayments, Title IV funds included in the credit balance must be either paid to the student or returned to the appropriate sources.

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- If, prior to ceasing enrollment, the student had incurred noninstitutional expenses that equal or exceed the Title IV portion of the balance, he or she receives the Title IV funds to cover the costs incurred. (OH 4)
  - These expenses must be education-related noninstitutional costs.
- Any Title IV funds included in the credit balance that do not go to the student to cover incurred costs must be returned to the programs in the following manner:
  - Pell, FSEOG, Perkins, and Direct Loan funds are returned to the appropriate school accounts; and
  - FFEL funds are returned to the lender.

What questions do you have about credit balances?

Instructor's Notes

Late Disbursements

After the student ceases enrollment, but before calculating refunds and repayments, schools may make any allowable late disbursements of Title IV aid.

✓ 34 CFR 668.164

Please see the chart titled "Late Disbursements" on page 5 of your Workbook. [IG, pg. 18]

PW 5

- Federal Work-Study is not included on the chart because the school is always **required** to pay the FWS money a student earned prior to his or her withdrawal. (OH 5)

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PW 3

- The school has the **option** to make a late disbursement of Pell, FSEOG, Perkins, Direct Loan, FFEL Program funds, and state aid if the circumstances described in the chart apply.
- For refund purposes, late disbursements of institutional or private sources of aid are not considered to have been received.

Any questions?

THE VITAL COMPONENTS

Now that credit balances and late disbursements have been considered, we are ready to begin actual calculations.
In Chapter 3 of the Handbook, you'll find all the tools you need. We'll use some today and some you'll be able to use later. The tools include:

- a blank withdrawal record, which will be used to organize information vital to the calculations;
- the *pro rata* refund worksheet;
- a generic refund worksheet, which is used for state, accrediting agency, and institutional refund calculations;

Instructor's Notes

- the federal refund worksheet; and
- the repayment worksheet.

Although you are not required to use these worksheets for refund and repayment calculations, they help with understanding the process.

Today, we'll discuss each step of the calculations. Then, you'll apply your knowledge to a case study we'll work on together.

CASE STUDY

Please turn to page 6 of your Workbook, which is the beginning of the case study involving Doug. [IG, pg. 19]

PW 6

Take a moment to read over the information about Doug and his attendance at Stormont College on pages 6 and 7. Then, decide which refund calculations will be required. [IG, pg. 20]

PW 7

Q: Which refund calculations are needed for Doug? Why?

A: *Pro rata* and the state policy calculations are required. Doug is a first-time student, and he withdrew before the 60% point in the semester. The school's state has a refund policy, so that must be calculated.

THE WITHDRAWAL RECORD

Before performing any calculations, we first must gather Doug's information in a way that's most useful to our needs. The withdrawal record, on page 8 of your Workbook, serves that purpose. Some of Doug's information has been filled in for you. As we go, you will complete the rest. [IG, pg. 22]

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Instructor's Notes

Student Information

The first section of the withdrawal record collects information about the student himself, as well as the facts about the end of his enrollment. Doug's start and end dates are here, as well as the date the school determined that Doug was no longer enrolled.

Q: Why is it important to know the date the school determined Doug ceased to be enrolled?

A: As we discussed in Session 9, this date determines the time period in which the school must calculate and distribute the refund.

Please complete this section by filling in the "Length of Enrollment Period." Remember, this shows the period for which the student is charged.

» Give them 1 minute to complete this.

Q: What is Doug's period of enrollment?

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A: Fifteen weeks, or one semester. This reflects the fact that Stormont College breaks down the costs by semester. (Other schools might charge by the entire year.) The paragraph with an asterisk in the middle of the withdrawal record details the allowable minimums for defining the period of enrollment for which a student is charged.

Program Costs

This section of the withdrawal record lists a student's education costs for the enrollment period, designating them as either institutional or noninstitutional charges.

The costs of Doug's program are already listed. What you now must do is check off each cost as institutional or noninstitutional. We discussed these definitions in Session 8.

Instructor's Notes

PW 7

PW 3

Review the student information on page 7, along with the notes on page 3 of your Workbook, to help you with this exercise.

» Allow participants 3 minutes to complete the exercise before calling on them to respond to each question.

Tuition and fees is the first category, and we know that this is always an institutional cost. The same goes for the $50 administrative fee.

Q: Is Doug's room and board institutional or noninstitutional? Why?

A: Institutional. The school charges him for this.

Remember, if Doug lived outside of school housing and he paid room and board to a source other than the school, or if the charges simply pass through the school, these charges would be noninstitutional. (OH 6)

6

Q: Are Doug's books and supplies institutional charges or noninstitutional charges?

A: Noninstitutional. Doug's books, supplies, and equipment weren't purchased at the school. Even if Doug had made his purchases at the on-campus bookstore, they wouldn't count as an institutional cost, because he had the opportunity to buy them outside of the school. As we mentioned in Session 8, books and supplies are institutional if the student's enrollment agreement outlines them as costs and requires the student to purchase them from the school or a vendor affiliated with the school. (OH 7)

7

Q: How about Doug's health insurance costs, which are included under "Miscellaneous Expenses?"

A: An institutional charge, because the school charges Doug directly, but not all students at Stormont College are required to purchase the insurance.

Instructor's Notes

Student group health insurance would be a noninstitutional cost if: (OH 8)

8

- all students are required to purchase the insurance, and
- the purchased coverage remains in effect for the entire period of enrollment, despite a student's withdrawal.

Now you must total the institutional costs and the noninstitutional costs. Please add these and fill in Box A and Box B along the Totals column of the withdrawal record.

Q: What are the total costs?

A: The total institutional costs are $8,500. The total noninstitutional costs are $200. (OH 9)

9

Payments and Disbursements

This section of the withdrawal record collects information about the amount of aid credited to a student for institutional charges, cash paid to the student to cover noninstitutional charges, and cash the student pays out-of-pocket to the school.

The sources of funds are listed. Notice that since the student himself is a source of funds, he is listed as well.

Please fill in the amount paid by each source, making sure to properly record the amount as either paid to institutional costs or paid as cash to the student to cover noninstitutional costs.

» Allow participants 2 minutes to complete the exercise before going over the answers.

Q: What are the amounts paid to institutional costs?

A: $1,150 of Pell, a $2,750 scholarship, a $1,250 state grant, $1,062 of Perkins, a $1,313 subsidized FFEL, and $500 from the student. (OH 10)

10

Instructor's Notes

11

Q: How about the funds paid in cash to the student?

A: $200 of FSEOG. (OH 11)

As mentioned earlier, neither the refund nor the repayment calculations include Federal Work-Study wages. Fair-labor laws preclude students from having to repay earned wages.

Now please fill in the totals in Boxes C, D, and E in the Totals column. Box C, "Total Aid Paid to Inst. Costs," should include only student aid. You include the student's own financial contribution in Box D. Box E, "Total Aid Paid as Cash," only lists cash paid to the student.

Q: What are the totals?

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A: Box C = $7,525; Box D = $8,025; Box E = $200 (OH 12)

Data for Pro Rata and Federal Refunds

This section helps:

- establish whether a *pro rata* refund calculation is required;
- determine what fraction is to be used for calculating a *pro rata* refund; and
- deduct excludable costs from institutional costs for purposes of *pro rata* and federal refund calculations.

Please answer the two Yes/No questions on page 8 of your Workbook about Doug and his withdrawal from school.

PW 8

Q: What are the answers to the questions?

A: Yes to both questions. Doug is a first-time student, and he withdrew well before the 60% point in time in the period for which he is charged.

Instructor's Notes

Since the answer to both questions is "Yes," we know a *pro rata* calculation is required for Doug. (Earlier, we had also determined this. This worksheet confirms that the *pro rata* calculation must be used.)

The Portion that Remains

Once you've determined that a *pro rata* calculation is needed, you must complete the "Portion that Remains" box, which allows you to calculate the remaining portion of the period for which the student was charged in weeks, hours, or lessons, depending on the type of program in which the student was enrolled.

The resulting fraction (the portion that remains) is converted to a percentage and rounded down to the nearest 10%.

Q: What is the portion that remains for Doug?

A: Doug is enrolled in a credit-hour program, so the first fraction—weeks—is used. Since Doug has 9 weeks remaining out of 15 weeks, the portion that remains is 60%. (OH 13)

13

If you are calculating the refund for a clock-hour program, a student's excused absences may be included in the number of completed clock hours if the school:

- permits excused absences under its written policy and
- has documentation of the student's excused absences.

Excludable Costs

For certain parts of the *pro rata* refund calculation (as well as for the federal refund calculation, which may be needed at a school where no state policy applies), certain institutional charges may be excluded.

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Institutional charges that may be excluded are:

- a reasonable administrative fee, not to exceed 5% of the student's institutional charges or $100—whichever is less;
- the documented cost of unreturnable equipment issued to the student (if the enrollment agreement specifies that the equipment is unreturnable);
  - This covers documented educational charges for the amount per invoice that the institution paid for the equipment, **but** current ED policy does not provide for any markup, postage, or inventory charges.
- and the documented cost of returnable equipment that the student failed to return within 20 calendar days of withdrawing or did not return in good condition.
  - The enrollment agreement must disclose these and any other restrictions on the return of equipment.
  - The student must be notified in writing, prior to enrolling, that the equipment must be returned in good condition within 20 calendar days of withdrawal.

Q: What are the total excludable costs?

A: For Doug, the only excludable cost is the $50 administrative fee. (OH 14)

14

At the bottom of the page, subtract the $50 from the Total Institutional Costs of $8,500 to come up with the $8,450 for purposes of the *pro rata* calculation. This is listed as A1.

Are there any questions about the withdrawal record?

Instructor's Notes

REFUND CALCULATIONS

Now that Doug's withdrawal record is complete, we are ready to begin calculating his refund.

Remember, we need to do a comparison of refund calculations to get the **highest** possible one. As we discussed before, we will calculate the state policy and the *pro rata* policy to determine which is higher. The school must return an amount equal to at least the larger result.

Unpaid Charges

The first step for calculating any type of refund is to calculate the student's unpaid charges. These are costs that neither the student nor financial aid has covered. The school, therefore, is still owed this amount for the enrollment period.

Unpaid charges remain the same, regardless of the type of refund calculation. We'll soon see that unpaid charges are **handled** differently, though, in different refund calculations.

Please turn to page 9 and calculate Doug's unpaid charges. [IG, pg. 22]

PW 9

Q: What are Doug's unpaid charges?

A: $475. That's $8,500 minus the total paid to institutional costs, which is $8,025. (OH 15)

15

This figure will be used throughout all of the refund calculations.

Pro Rata Refund Calculation

We'll begin by calculating the *pro rata* refund. In a *pro rata* calculation, you multiply the total institutional costs by the percentage of unfinished time in the educational program. The resulting amount is the initial amount that would be refunded. However, the *pro rata* calculation allows the school to subtract unpaid charges from this, thereby

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covering the amount still owed to the school. Once unpaid charges are subtracted, you are left with the actual *pro rata* refund amount.

Please perform this calculation for Doug.

Q: What are the results?

A: Doug's initial refund amount is $5,070. Remember, you are taking 60% of the pro rata institutional costs of $8,450. (OH 16)

16

Q: What is the actual *pro rata* refund amount?

A: The pro rata refund amount is $4,595. You subtract the unpaid charges of $475 from $5,070. (OH 17)

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Q: Consider how unpaid charges are treated here, with the school being allowed to subtract the amount owed to them from the initial refund. If this turns out to be the highest calculated refund amount, which means that the school must use it, do you think the school will be allowed to collect the unpaid charges from the student?

A: No. In this case, the unpaid charges were covered when they were subtracted from the refund amount.

What questions do you have about the *pro rata* refund calculation?

State Refund Calculation

The state refund calculation on page 10 of your Workbook follows a different path than the *pro rata* calculation.

PW 10

First, the amount the school can retain is calculated. The percentage the school retains can be found in the description of the state policy, which is on page 6 of your Workbook. Instead of allowing the school to subtract the unpaid charges

PW 6

Instructor's Notes

from the refund amount, the school is required to subtract the unpaid charges from the amount it gets to keep.

Q: If the school ends up using the state refund amount, do you think the school will be able to collect the unpaid charges from the student?

A: Yes. The school was not allowed to keep the unpaid charges, so funds to cover this amount still are owed to the school.

Over the past few years, the treatment of unpaid charges has been legally challenged. In the only case that has become final, the regulations **have** been upheld. Two other cases are pending. The guidance in DCL GEN-95-22, which details the required calculations, is still in effect.

Please calculate Step 1 of the state refund calculation, the amount the school can keep.

PW 10

Q: What is the amount the school can retain?

A: The school can retain $5,900. That's 75% of $8,500, which is $6,375. The unpaid charges are then subtracted. (OH 18)

18

Once the amount the school can retain is calculated, it is subtracted from the amount paid to the institutional costs. This final figure is the state refund amount.

Now calculate Step 2.

Q: What is the state refund amount?

A: The state refund amount is $2,125. The amount the school can keep was subtracted from $8,025, the total paid to institutional costs. (OH 19)

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What questions do you have about the state refund calculation?

Instructor's Notes

Comparing and Distributing the Refund

As you can see, the *pro rata* calculation yielded a much higher amount, so $4,595 is Doug's actual refund.

Now we must distribute the refund back to the programs. On page 11 of your Workbook is the list of sources to which funds must be returned, listed in the order required by law. The order of priority for refunding the programs is the same, regardless of the type of refund calculation used. (OH 20)

PW 11

20

Remember these main rules of refund distribution:

- Always follow the order required by law.
- Give as much to each program as possible.
- Never return more to a program than originally came from it.
- Never return funds to a program that wasn't originally included in the student's aid package.

Take a few minutes to distribute Doug's funds back to the programs.

» Allow the participants 2 minutes.

21

Q: What are the results of the distribution? (OH 21)

A:
3. Subsidized FFEL - $1,313
8. Perkins - $1,062
9. Pell - $1,150
10. FSEOG - $200
13. Other federal, state, private, or institutional $870

We returned as much aid as required, actually completely refunding all the Title IV sources.

What questions do you have?

Instructor's Notes

REPAYMENT CALCULATIONS

The next worksheet, on page 12 of your Workbook, is for repayments. [IG, pg. 23]

PW 12

Q: Why must we do a repayment calculation for Doug?

A: Because cash was paid directly to Doug to cover noninstitutional costs.

Step One: Living Expenses Incurred

The first step is to calculate the costs that Doug actually incurred in the limited time he was enrolled at Stormont College. Remember, he was originally paid funds to cover the entire semester, but he left after just four weeks.

Doug's only noninstitutional cost was for books and supplies. He was paid $200, as is listed on your worksheet.

Q: What percentage must we multiply this $200 by to get the actual amount Doug incurred?

A: We must multiply it by 50%, as the school's repayment policy states that 50% of book and supply costs are considered incurred after the student begins classes. Doug certainly did begin classes! (OH 22)

22

Therefore, he has incurred an expense of $100.

Step Two: Cash Paid to Student

This step involves subtracting Direct Loan and FFEL funds from the cash paid to the student. Since Doug didn't receive any of his subsidized FFEL in cash, nothing is deducted here.

Instructor's Notes

Q: Why would you deduct Direct Loan and FFEL Program funds here?

A: Because the student already has to repay these funds.

Step Three: Repayment Amount

To get the repayment amount, we subtract the total costs incurred from the total cash paid to the student.

Q: What is Doug's repayment amount?

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A: $100. (OH 23)

This $100 now must be collected from the student. Once collected, the school has 30 days to return it to the appropriate program accounts.

When distributing repaid funds, you must keep an eye on the programs that already have been refunded the full amount.

Q: Which program accounts have already been satisfied by the refund distribution?

A: FFEL, Perkins, Pell, and FSEOG were all satisfied through the refund distribution.

Q: Where, then, must the $100 go? (See bottom of repayment worksheet)

PW 12

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A: The $100 would go to the final category, to cover Doug's state grant. (OH 24)

What questions do you have?

FURTHER PRACTICE

The Handbook is a great source of information about refunds and repayments. In fact, Chapter Three contains case studies for your own practice. We encourage you to take the time to complete these to hone your skills.

Instructor's Notes

BACK AT THE OFFICE

PW 13

As we mentioned during Session 9, you should certainly become familiar with the refund policies and calculation procedures your school uses. Also, find out what policies your school uses for calculating costs incurred for repayment purposes. Finally, read DCL GEN-95-22.

LATE DISBURSEMENTS				
	Pell	**Perkins/ FSEOG**	**Direct Loans**	**FFEL**
Student Requirements	• No longer enrolled for the award year	• Same as Pell	• No longer enrolled at least half-time for the loan period	• Same as Direct Loan
	• Only for educational costs in-curred while still enrolled	• Same as Pell	• Same as Pell	• Same as Pell
School Requirements	• May not make late disburse-ments later than 90 days after student becomes ineligible	• Same as Pell	• Same as Pell	• Same as Pell
	• Before the date the student became ineligible, the school:			
	• Received a SAR or ISIR	• Same as Pell • Awarded Perkins or SEOG to the student	• Same as Pell • Created an electronic loan origination record • Only makes first disbursement unless student graduated or successfully completed program • Does not disburse to first-year, first-time borrowers who did not complete first 30 days of enrollment	• Same as Pell • Certified the loan application • Same as Direct Loan • Same as Direct Loan

Case Study - Doug

School Information

Name:	Stormont College
Academic Year:	Two 15-week semesters
Progress Measurement:	Credit hours
Charges:	By semester

Refund Policy

(State Policy)

If the student withdraws during:	The school retains:
First week	10%
Second or third week	25%
Fourth or fifth week	50%
Sixth or seventh week	75%
After seventh week	100%

Repayment Policy

For students who begin classes, 50% of the books and supplies allowance is considered to be expended (taking into account the bookstore's return policy).

All other noninstitutional costs are prorated based on the number of weeks the student completed.

Continued on next page

Student Information

Name:.....Doug

Grade Level:..... First-Year Undergraduate

Previous Attendance at School: .....None

Beginning Date:.....September 1

Withdrawal Date:..... October 9 (during sixth week)

Cost for each term:

Tuition and fees..... $6,000
Administrative fee..... $ 50
Books and supplies (from store outside school) ..... $ 200
School's charges for room $2,000
School's charges for board ..... $ 375
Health insurance (not required for all students) ..... $ 75

Aid awarded for the academic year:

Federal Pell Grant $2,300
Stormont College Scholarship..... $5,500
State Grant..... $2,500
FSEOG..... $ 400
Perkins $2,124
Subsidized FFEL..... $2,625

Disbursements for the 1st semester - Credit to account (all made on 9/1 except FFEL):

Federal Pell Grant $1,150
Stormont College Scholarship..... $2,750
State Grant..... $1,250
Perkins $1,062
Subsidized FFEL (made on 10/1)* $1,313

Disbursements for the 1st semester - Cash to student (9/1):

FSEOG..... $ 200

Other Payments:

Cash payment by student to school ..... $ 500

*Later FFEL payment due to 30-day disbursement delay for first-time, first-year borrowers.

WITHDRAWAL RECORD

1. Student Information

Doug	9/1	10/9
Name	Start Date	Withdrawal Date/LDA
999-99-9999	15 weeks	10/9
Social Security Number	Length of Enrollment Period	Date of WD/LDA Determination

2. Program Costs

inst.	non-inst.			inst.	non-inst.		
X		Tuition/Fees	$6,000			Personal/Living	
X		Administrative Fee	$50			Dependent Care	
X		Room & Board	$2,375			Disability Costs	
	X	Books & Supplies	$200	X		Miscellaneous (Health)	$75
		Transportation				Miscellaneous	

USE TOTALS FOR PERIOD CHARGED*

TOTAL Inst. Costs: $8,500 (A)

TOTAL Noninst. Costs: $200 (B)

TOTAL Aid Paid To Inst. Costs: $7,525 (C)

TOTAL Paid To Inst. Costs: $8,025 (D)

TOTAL Aid Paid as Cash: $200 (E)

3. Payments/Disbursements

(Exclude work-study awards.)

DATE	SOURCE	Paid to Inst. Costs	Cash to Student
9/1	Pell	$1,150	
9/1	Scholarship	$2,750	
9/1	State Grant	$1,250	
9/1	Perkins	$1,062	
10/1	FFEL	$1,313	

DATE	SOURCE	Paid to Inst. Costs	Cash to Student
9/1	Student	$500	
9/1	FSEOG		$200

***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: $\frac{\text{WEEKS REMAINING}}{\text{TOTAL WEEKS IN PERIOD}} = \frac{9}{15}$
- For clock-hour programs:* $\frac{\text{HOURS REMAINING}}{\text{TOTAL HOURS IN PERIOD}} =$ ____
- For correspondence programs: $\frac{\text{LESSONS NOT SUBMITTED}}{\text{TOTAL LESSONS IN PERIOD}} =$ ____

*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)	+	$50
•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):	=	$50

$8,500 (A) — $50 = Pro Rata/Federal Refund Institutional Costs: $8,450 (A1)

Total Institutional Costs — Total Excludable Inst. Costs

DOUG'S REFUND - ANSWERS

Unpaid Charges

	$	**8,500**	Total institutional costs (A)
-	$	**8,025**	Total paid to institutional costs (D)
=	$	**475**	*Unpaid Charges*

Pro Rata Refund Calculation

	$	**8,450**	Institutional costs (A1)
x		**60%**	% to be refunded (portion that remains)
=	$	**5,070**	Initial refund
-	$	**475**	Unpaid charges
=	$	**4,595**	*Refund Amount*

State Refund Calculation

Step 1:

	$	**8,500**	Institutional costs (A)
x		**75%**	% School may retain (from state policy)
=	$	**6,375**	Initial amount retained by school
-	$	**475**	Unpaid charges
=	$	**5,900**	Amount School Retains

Step 2:

	$	**8,025**	Total Paid to Institutional Costs (D)
-	$	**5,900**	Amount school retains
=	$	**2,125**	*Refund Amount*

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	$200	X	50%	=	$100
Transportation		X		=	
Personal/Living/Misc.		X		=	
TOTAL COSTS (B)		X		=	$100 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.

	$200	Total Aid Paid as Cash (from Withdrawal Record) (E)
−	0	Cash Paid from FFEL/Direct Funds*
=	$200	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.

	$200	Total Cash Paid to Student (from Step Two)
−	$100	Total Costs Incurred (from Step One)
=	$100	REPAYMENT AMOUNT TO BE DISTRIBUTED

If this amount is $100 or less, 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 $100