

PN 3.075

Revised

NEW STUDENT REFUND POLICY FOR TITLE IV FUNDS

Effective Date:

The pro-rata refund policy requirements must be implemented by all institutions participating in any of the federal student aid programs provided under Title IV of the HEA. The policy requirements became effective on July 23, 1992, the date of enactment of the law, and will remain in effect for five years.

Pro-rata Provision:

The University will implement the pro-rata refund policy when a first-time student (who has received Title IV assistance including a grant, a loan, work assistance, or parents who received a Part B Loan for their children) and that student withdraws from the University before 60% of the enrollment period for the semester has elapsed. The refund policy affects unearned tuition, fees, room and board, and other charges.

Determine Action of Refund

The charges for the enrolled period will be assessed as follows:

1. Determine period of enrollment
2. Attribute aid disbursements and other credits to payment period
3. Determine % of enrollment period completed. (Number of weeks in term divided by number of weeks student completed, rounded up to the nearest 10%)
4. Calculate institutional charges assessed
5. Calculate amount to be retained by school. (Multiply school charges x% of program completed = amount retained.)
6. Add: Unpaid student charges, administrative fee (5% of Tuition and Fees or \$100 whichever is less)
7. Calculate aid awarded for payment period
8. Total Charge Paid – Total Retained = Refund
9. Calculate the title IV share of the refund using regulatory formula to determine amount to be returned to Title IV
10. Allocate the Title IV share to individual program accounts, using school distribution policy. Required refund distribution effective 7/1/93

- Federal Family Education Loan Programs
- Federal Direct Student Loan Program
- Federal Perkins Loan Program
- Federal Pell Grant Program
- Federal SEOG
- Other Title IV Programs
- Student

In order to make a "good faith" effort towards compliance with the law as requested by the Department of Education, Frostburg State University developed a report writer that certifies qualifying students for whom the pro-rata refund policy should apply. The report is generated daily through the period of time that encompasses the 60% enrollment time frame.

Federal Law 1992 Higher Education Act