

# Refund Policy Comparison

Calculate Refunds: See [www.lee.edu/financialaid/files/calculate-refunds.pdf](http://www.lee.edu/financialaid/files/calculate-refunds.pdf)

Students on Federal Financial Aid who drop all their classes in a term are governed by two refund policies. The school's policy applies to tuition and fee charges (not all fees are refundable). The R2T4 federal policy applies to how much Federal Financial Aid (Pell, FSEOG, Stafford Loans, PLUS loans) a student has earned at the time they dropped all their classes. Refunds are made to the DOE or lender. State programs like TPEG, TEXAS Grant and TEOG are not affected. Once 60% of the semester has elapsed (66 days in our examples) the student has earned or is allowed to keep 100% of the financial aid posted to his account. Effective on 7/1/06 amounts the student owes back to the financial aid program that do not equal or exceed 50% of the original amount posted to the account will not have to be paid back by the student.

## Example 1

A student receives \$2000 in a Pell Grant and drops classes at various times through the semester. The student has been charged \$500 for tuition and fees.

DAY	DROP DATE	TUITION AND FEE REFUND AMOUNT 500 * REFUND % PER POLICY	FINANCIAL AID REFUND AMOUNT 2000 * (110 DAYS / 110)	SCHOOL PAYS TO PROGRAM 500 * (110 DAYS / 110)	STUDENT PAYS TO PROGRAM COLUMN D – COLUMN E	NEW OVERPAYMENT (EFFECTIVE 7/1/06)
Day 0	Jan.16	500	0 aid received	0	0	0
Day 10	Jan. 26	350	1818	455	1363	1363
Day 22	Feb. 7	125	1600	400	1200	1200
Day 31	Feb. 16	0	1436	359	1077	1077
Day 49	Mar. 6	0	1109	277	832	0
Day 59	Mar. 16	0	927	232	695	0
Day 80	Apr. 6	0	0	0	0	0
Total Term = 110 Days						

## Example 2

A student receives \$2000 in a Pell Grant and drops classes at various times through the

semester. The student has been charged \$500 for tuition and fees and \$1000 for books were charged to her account.

DAY	DROP DATE	TUITION AND FEE REFUND AMOUNT 500 * REFUND % PER POLICY	FINANCIAL AID REFUND AMOUNT 2000 * (110 DAYS / 110)	SCHOOL PAYS TO PROGRAM 1500 * (110 DAYS / 110)	STUDENT PAYS TO PROGRAM COLUMN D – COLUMN E	NEW OVERPAYMENT
Day 0	Jan. 16	500	0 aid received	0	0	0
Day 10	Jan. 26	350	1818	1364	454	0
Day 22	Feb. 7	125	1600	1200	400	0
Day 31	Feb. 16	0	1436	1077	359	0
Day 49	Mar. 6	0	1109	832	277	0
Day 59	Mar. 16	0	927	695	232	0
Day 80	Apr. 6	0	0	0	0	0
Total Term = 110 Days						

These examples assume that the student had not already received a check back for the credit balance on their account. Had a refund already been made, the student would have to return enough of it to bring the balance down to the final balance shown in each example.

JAN. 26 DROP			
EXAMPLE 1		EXAMPLE 2	
T & F	500	T & F	500
Fin Aid	-2000	Books	1000
Due student	-1500	Pell	-2000
T & F refund	-350	Due student	-500
Pell back to DOE	455	T & F refund	-350
	-1395	Pell back to DOE	1364
Student returns to Pell	1363		514
Refund to Student	-32	Student returns to Pell	454
		Balance Due	968

JAN. 26 DROP			
EXAMPLE 1		EXAMPLE 2	
T & F	500	T & F	500
Fin Aid	-2000	Books	1000
Due student	-1500	Pell	-2000
T & F refund	-350	Due student	-500
Pell back to DOE	455	T & F refund	-350
	-1395	Pell back to DOE	1364
Student returns to Pell	1363		514
Refund to Student	-32	Student returns to Pell	454
		Balance Due	968

FEB. 7 DROP			
EXAMPLE 1		EXAMPLE 2	
T & F	500	T & F	500
Fin Aid	-2000	Books	1000
Due student	-1500	Pell	-2000
T & F refund	-125	Due student	-500
Pell back to DOE	400	T & F refund	-125
	-1225	Pell back to DOE	1200
Student returns to Pell	1200		575
Refund to Student	-25	Student returns to Pell	400
		Balance Due	975

FEB. 16 DROP			
EXAMPLE 1		EXAMPLE 2	
T & F	500	T & F	500
Fin Aid	-2000	Books	1000
Due student	-1500	Pell	-2000
T & F refund	0	Due student	-500
Pell back to DOE	359	T & F refund	0
	-1141	Pell back to DOE	1077
Student returns to Pell	1077		577
Refund to Student	-64	Student returns to Pell	359
		Balance Due	936

**MARCH 6 DROP**

<b>EXAMPLE 1</b>		<b>EXAMPLE 2</b>	
T & F	500	T & F	500
Fin Aid	-2000	Books	1000
Due student	-1500	Pell	-2000
T &F refund	0	Due student	-500
Pell back to DOE	277	T &F refund	0
	-1223	Pell back to DOE	832
Student returns to Pell	832		332
Refund to Student	-391	Student returns to Pell	277
		Balance Due	609

**MARCH 16 DROP**

<b>EXAMPLE 1</b>		<b>EXAMPLE 2</b>	
T & F	500	T & F	500
Fin Aid	-2000	Books	1000
Due student	-1500	Pell	-2000
T &F refund	0	Due student	-500
Pell back to DOE	232	T &F refund	0
	-1268	Pell back to DOE	695
Student returns to Pell	695		195
Refund to Student	-573	Student returns to Pell	232
		Balance Due	427

**APRIL 6 DROP**

<b>EXAMPLE 1</b>		<b>EXAMPLE 2</b>	
T & F	500	T & F	500
Fin Aid	-2000	Books	1000
Due student	-1500	Pell	-2000
T &F refund	0	Due student	-500
Pell back to DOE	0	T &F refund	0
	-1500	Pell back to DOE	0
Student returns to Pell	0		-500
Refund to Student	-1500	Student returns to Pell	0
		Refund to Student	-500

### Example 3

A student receives 2000 in Pell Grant and drops classes at various times through the semester. The student has been charged \$1,500 for tuition and fees and has charged \$1,000 in books.

DAY	DROP DATE	TUITION AND FEE	FINANCIAL AID	SCHOOL	SCHOOL PAYS
		Refund Amt.	Refund Amount	charges not earned	lower amount
		500* ref. % per policy	2000 * (110 days / 110)	2500 * (110 days / 110)	of Col D or E
Day 0	Jan. 16	1500	0 aid received	0	0
Day 10	Jan. 26	1050	1818	2275	1818
Day 22	Feb. 7	375	1600	2000	1600
Day 31	Feb. 16	0	1436	1795	1436
Day 49	Mar. 6	0	1109	1385	1109
Day 59	Mar. 16	0	927	1160	927
Day 80	Apr. 6	0	0	0	0
Total Term = 110 days					

Student does not owe any portion to the programs because the initial award was not enough to cover the whole initial balance.

JAN. 26 DROP		MAR 6 DROP	
T & F	1500	T & F	1500
Books	1000	Books	1000
Pell	-2000	Pell	-2000
Due from student	500	Due from student	500
T & F refund	-1050	T & F refund	0
Pell back to DOE	1818	Pell back to DOE	1109
	1268		1609
Student return to Pell	0	Student return to Pell	0
Balance Due	1268	Balance Due	1609

FEB. 7 DROP		MAR 16 DROP	
T & F	1500	T & F	1500
Books	1000	Books	1000
Pell	-2000	Pell	-2000
Due from student	500	Due from student	500
T & F refund	-375	T & F refund	0
Pell back to DOE	1600	Pell back to DOE	927
	1725		1427
Student return to Pell	0	Student return to Pell	0
Balance Due	1725	Balance Due	1427

FEB. 16 DROP		APR 6 DROP	
T & F	1500	T & F	1500
Books	1000	Books	1000
Pell	-2000	Pell	-2000
Due from student	500	Due from student	500
T & F refund	0	T & F refund	0
Pell back to DOE	1436	Pell back to DOE	0
	1936		500
Student return to Pell	0	Student return to Pell	0
Balance Due	1936	Balance Due	500