

INSTITUTIONAL AND FEDERAL REIMBURSEMENT POLICY

Purpose

The purpose of this *Policy* is to establish the parameters and to define effective processes to carry out the institutional and federal reimbursements to the students who are eligible. In addition, it gives students the opportunity to familiarize with the process and become aware of the outcome of this process in their respective accounts and outstanding balances, if any.

Caribbean University recognizes the importance of complying with the federal regulations established by the Department of Education of the United States of America for students.

In the same way, the University recognizes and accepts its responsibility in the management and control of granting financial aid for its students in accordance with the established parameters. This policy establishes the specific requirements for the use and disposition of the different funds when the students participating in the Title IV programs officially withdrawal, never attend the classes in which they enrolled, unofficial withdrawal, or are suspended or expelled. The same parameters will be applied for students who receive state funds, external resources or institutional funds from the Institution.

Legal Base

Higher educational institutions participating in Title IV financial aid programs are required to make available to prospects, students, parents and to the general community the reimbursement policy for Title IV (*Higher Education ACT*) *HEA funds, Section 484B. 34 CFR 668.22 DCL GEN-11-14, July 2011*), as well as disclosing the requirements established for the determination of institutional reimbursements.



Scope

A student who cancels his/her enrollment, makes a total withdrawal, or the University cancels his/her enrollment in an academic term (semester, trimester, quarter, bi-month, or in any of the summer sessions), will be entitled to an adjustment to his/her account for tuition and fees (except for non-refundable fees detailed in the Fees and Charges Policy), if processed within the established period detailed in this policy. If the adjustment results in a balance in credit, the University will proceed to refund the student, issuing a check for the excess amount within fourteen (14) working days from the date in which the credit was generated in the account of the student.

In the case of students receiving federal and state financial aids to pay tuition and fees, in addition to applying the institutional reimbursement policy (if applicable), they are also subject to the federal reimbursement calculation for the determination of the amount to which they could be eligible for Title IV funds through the process known as "*Return of Title IV (R2T4)*" which is performed by the staff of the Financial Aid Office.

Procedure for Institutional Reimbursement:

The process of institutional reimbursement is made when a student cancels his/her enrollment, requests a total withdrawal in an academic term, or stops attending to all the classes in which he /she enrolled. He may be entitled to a full or partial refund, depending on the date of the withdrawal.

(1) Cancellation of the Enrollment

A cancellation of enrollment is considered when the student formally requests the cancellation of enrollment on or before the start of the first day of classes. A cancellation of registration must be requested in writing as a total withdrawal at the main campus Registrar Office. In these cases, 100% of the cost of the credits and of course special fees will be cancelled (lab



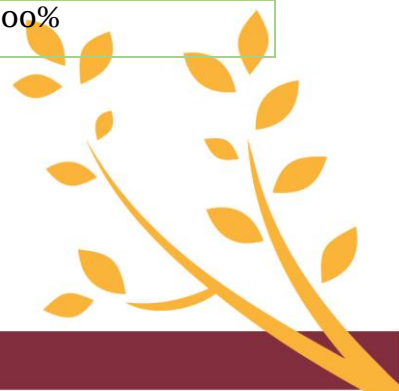
fees, workshops, practices, etc.). The payment for admission or readmission fees are not reimbursed.

In those cases where the student never attends to a registered course, the University will process an administrative drop and assign the code of NA (*Never Attended*). This student becomes ineligible to receive federal, state, or institutional grants awarded.

(2) Refund Tables

The Registrar office produces a report with the list of students who withdrew. Once the Bursars Office receives the report, verifies the cancellation or withdrawal dates, and applies the corresponding reimbursement percentage as specified in the following charts.

Period by Weeks	Reimbursement % for Semester & Quarter	Reimbursement % for Trimester, Term & Express
Before the initial of classes	100%	100%
During the first two weeks of classes	80%	80%
During the third and fourth week of classes	75%	50%
During the fifth week of classes	50%	0%
During the sixth week of classes and after	0%	0%
During the Add / Drop Period	100%	100%
Military or National Guard Activation	100%	100%
Administrative Cancellation	100%	100%



Days	Reimbursement % for Freshmen Summer Term	Reimbursement % "Year-Round Pell"
Before the initial of classes	100%	100%
First day of class	80%	80%
Second day of class	70%	75%
Third day of class	50%	55%
Fourth day of class	25%	30%
Fifth day of class	0%	15%
Sixth day of class and beyond	0%	0%

a. Official Withdrawal

It is considered an official withdrawal when the student decides to drop all courses in which he were registered. The Registrar Office determines and publishes the deadlines for total cancellation, in the academic calendar for each term of the academic year.

The calculation of reimbursement for the total withdrawal will be made based on the official date of withdrawal. This is the date on which the student notifies his / her intention to cancel his / her total enrollment.

Then the Bursars Office personnel at the main campus, makes the corresponding adjustments in the accounts of the student reducing the charges of enrollment and fees billed, using the percentages detailed in the previous tables. The student will be responsible for any remaining balance owed on his account as a result of a total withdrawal, official cancellation or administrative drop.

Please refer to the Official and Non-Official Withdrawal Policy for the detailed procedure.



Procedure for Reimbursement of Federal Financial Aid Programs under Title IV

1. The University calculates the portion of the financial aid has to be reimbursed to the Federal Department of Education for a total withdrawal (official or unofficial). For this procedure, all withdrawals are processed through the federal system called “*Return of Title IV (R2T4)*”.
 - a. All undergraduate, graduate, or short-career students who never attended any of their classes during the academic term in which they were enrolled, will be canceled 100% of all federal, state, and institutional financial aid awarded.
 - i. Within 15 working days, the financial aid staff cancels the disbursements for all those students on the COD website. Also, will prepare a negative payroll and deliver it to the Finance Office.
 - ii. In 10 working days, the staff of Finance office reverses the payments made in the student’s receivable account, and returns the recovered funds to the different federal programs through the G-5 website.
 - iii. In this cases the date reported on the Registrar’s List of Withdrawals Report is used.
 - b. If it is an official withdrawal, the date of the student's intention to withdraw is used; and if it is an un-official withdrawal, the estimated date of their last participation at an academic activity offered by the professor and recorded through the Gradebook system is used.



- i. The University may allow a student to remove his/her official withdrawal form if he/she submits a written and signed statement certifying that he/she can continue to participate in the academic activities of his/her classes and that he/she intends to complete the period of the academic term of his/her enrollment.
 - ii. In the same way, if it were an unofficial withdrawal, the student will have to dialogue and deliver to his professors in writing his intention to complete the required work and to finish the period of the academic term of his enrollment.
 - iii. In either of the above circumstances, the document presented and signed by the student must be delivered to the Registrar Office so that they can re-install the student's courses in the academic term.
 1. The document will be part of the student's academic record.
- c. Unofficial withdrawal of Undergraduate and Graduate Students
- i. Even though the University is not required to keep a student attendance record, if a student stops participating in course academic required activities without an official notification of his/her intention to withdraw the course, the professor must report the student through the Certification of Administrative Drop (AD) to the registrar office by the two deadlines established in the academic calendar for the term.
 - ii. Unofficial withdrawals prior to the completion of the 60% of the academic term, the Financial Aid office will use 50% of the academic term for the R2T4 calculation.
- d. For the unofficial withdrawal of students enrolled in the Short Career Programs (Vocational Technician), the Financial Aid Office uses the last day of attendance certified by the professor for the R2T4 determination.



- e. If the student is unable to initiate the withdrawal process or could not provide official notification through authorized third parties due to extraordinary circumstances such as illness, accident, a personal loss or any other situation beyond the control of the student, the date to be used for the total withdrawal calculation and reimbursement process will be the date of occurrence of the event or circumstance, or the date in which the Registrar's Office of the University was notified.

2. Determination of Reimbursement of Title IV Federal Funds

a- The Registrar Office is responsible for including the dates needed for the calculation of the disbursement process in all Withdrawal Reports submitted to the Financial Aid Office and to the Finance Office.

i. The reimbursement percentage will be determined by the last day estimated of participation in an academic activity or the date of the student's intention for a total withdrawal. These date has to be certified by the Registrar Office, which has the responsibility to submit every 15 working days the reports of students with official and unofficial withdrawals to the Financial Aid, Bursars and Finace offices.

➤ The withdrawal reports issued should not have students who have already been informed in previous reports, it will strictly include those cases that have occurred in the period contemplated in the report.

➤ The Financial Aid Office will have 15 working days to calculate R2T4 for all students that appear in the Registrar's report.

1. It will send a letter to the student notifying the re-calculation of his/her financial aid. Refer to **Appendix #1**

- a. If the student has student loans, the letter will specify the process he/she will follow to complete the required exit interview. **Appendix #2**



- The Bursars Office will have 10 working days to perform the corresponding calculations under the institutional reimbursement clauses, if applicable.
 1. It will send a letter to the student notifying the account's adjustment processed (if applicable) to his tuition and fees costs, and the amount of the debt incurred (if there were any outstanding balance to be paid). **Appendix #3**
- If a payroll of adjustments issued by the Financial Aid office is applicable, the Finance office have 10 working days to return the funds corresponding to each federal aid program through the G-5 system.
 - ❖ The adjustments payroll should only contain the cases of return of funds, and should not include new cases to be paid.

b- In determining the period of studies completed by the student, the University will use the first and last day of classes of the term.

- i. Academic recess periods of five consecutive days within a term will be excluded from the calculation.

$$\frac{\text{Total days completed by Student}}{\text{Total days of the Academic Term}} = \text{Percent completed by Student}$$

c- The percentage that results from the previous formula is used to determine the amount of Title IV funds that may be disbursed for the period completed by the student in the term of withdrawal.

$$\text{Percent \& completed by Student} \times \text{Total of Aids Disbursed} = \text{Amount Earned}$$



d- If the total withdrawal occurs on or before the completion of the sixty percent (60%) of the academic term, the percentage earned will be equal to the percentage of the academic term completed by the student on the date of his / her total official withdrawal.

Total Disbursed -Total Earned = Unearned Funds to be Reimbursed

- i. The order of the return of Title IV funds determined through R2T4 is as follows:
 - ❖ Unsubsidized Direct Stafford loan
 - ❖ Subsidized Direct Stafford loan
 - ❖ Direct PLUS (Graduate student)
 - ❖ Direct PLUS (Parent)
 - ❖ Federal Pell Grant
 - ❖ FSEOG
 - ❖ Federal Teach Grant

e- Otherwise, if the withdrawal occurs after the completion of 60% of the academic term, one hundred percent (100%) of the funds awarded of the Title IV will be considered earned.

f- Reimbursement of funds when the student has received a refund and needs to return partial of the federal financial aid under Title IV.

- i. If the student withdraws after receiving a refund of Title IV, the student has the responsibility to return the amount determined through the calculation of R2T4. The University will notify the student about the payment that must be made before 45 days from the calculation of the withdrawal. It is the responsibility of the student to issue the payment to the Federal Education Department.



- ii. The student will maintain his eligibility to federal Title IV funds as long as he/she:
 - Pays the overpayment in full in the Bursars Office of the University; or
 - Signs a payment agreement directly with the Federal Department of Education
- iii. If the student does not return the funds in the period indicated above or does not reach an agreement with the federal government, he/she will lose eligibility to the Title IV funds.

2- Examples of calculations of official and unofficial total:

a. Calculation of institutional reimbursement

Undergraduate student with official total withdrawal in the fourth week of classes

Total Tuition Costs	\$ 2,835.00
Less: Non-refundable Fees	<u>- 540.00</u>
Amount to be determined Reimbursement	\$ 2,295.00
By: 50% refund	<u>1,147.50</u>
Amount to be paid by the Student	\$ 1,687.50

b. Calculation of institutional reimbursement with Federal Pell Grant

Undergraduate Student with official total withdrawal in the fourth week of classes and Title IV recipient

Total Tuition Costs	\$ 3,348.00
Less: Non-refundable fees	<u>- 483.00</u>
Amount to be determined Reimbursement	\$ 2,865.00
For: 50% refund	<u>1,432.50</u>
Student Balance	\$ 1,915.50 (\$ 1,432.50 + 483.00)
Less: Federal Pell adjusted by R2T4	<u>- 585.00</u>
Amount to be paid by the Student	\$ 1,330.50



c. Calculation of Official Withdrawal with the detail that appears in the R2T4 Worksheet

Federal Pell Grant paid for the semester	\$ 3,048.00
Withdrawal date	March 31, 2019
Start of the semester	January 14, 2019
End of the semester	May 18, 2019
Total of days of the semester	119 days
<u>59 days completed by the student</u> = 49.58% completed in the semester	
119 days of the semester	

$49.58\% \times \$3,048.00 = \$1,511.81$ amount of Federal Pell Grant that the student is entitled for the period that the student was active in the University.

IMPORTANCE: The Financial Aid Office has the responsibility to reduce the above award in the COD system. The Bursars office has the responsibility to adjust the student's account for the amount returned to Title IV. The Finance office is responsible for returning these funds through G-5 system. The three offices have 15 working days to make the respective adjustment in their systems.

Procedure for Federal Disbursements after Withdraw

(1) Title IV Aid that Could have been Disbursed

Through the R2T4 process, the Financial Aid Office in addition to completing the area corresponding to "*Aid Disbursed*" for students who have already disbursed their federal aid; has to complete the areas on the form called "*Aid that Could Have Been Disbursed*" for any undisbursed Title IV aid for the period that the University uses as the basis for the R2T4 calculation; as long as the following conditions are met before the date of withdrawal:

- a- The Financial Aid Office must have processed Student Aid Report (SAR) or Institutional Student Information Record (ISIR) with an official Expected Family Contribution (EFC) for the student.



b- Has awarded Federal SEOG or Teach Grant to the student

c- Has originated the Federal Direct Loan for the student

i. Has a signed promissory note of the loan

(2) Post-Withdrawal Disbursements

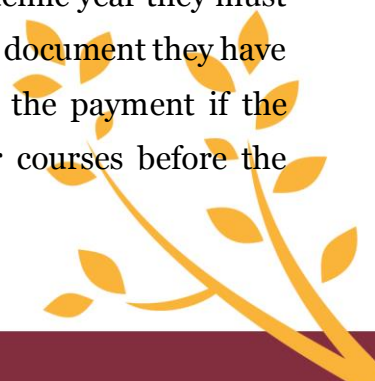
All students by completing their registration online or in person in any academic term, authorize Caribbean University to charge from any federal, state or institutional aid awarded the current debt for tuition and fees and laboratories, and to credit up to \$ 200 for previous year's debt. Also, if withdraw occurs or student stops attending all of the courses, authorize the institution to charge the contracted debt from the awarded financial aid. In the class program, the University advised students of the option to cancel this authorization at any time during the academic year and becomes effective at the time he/she delivers his/her writing in the Bursars Office. **Appendix #4**

If the student has not receive Title IV aid than the amount earned, the University will offer a disbursement of the earned aid that was not received through the “*Post-Withdrawal Disbursement*”.

a- The Financial Aid office will disburse funds from grants programs (Federal Pell, Federal SEOG and Teach) before any available loan funds.

i. These disbursements will be made in less than 45 days from the university's determination that the student withdrew.

b- For students applying for Federal Direct loans during the academic year they must complete a Loan Application in the Financial Aid Office. In this document they have to initiate the box that authorizes the University to process the payment if the student officially withdraw or stops attending to all his/her courses before the payment of the loan made. **Appendix #5**



- i. If a new student or a student applying for a loan for the first time, has not completed the first 30 days of the term, he/she will not be eligible to receive funds from the Federal Direct Loan programs.
- c- The financial aid Office will not make a post-withdrawal disbursement of Title IV funds to the account of a student who has died.
- d- The Financial Aid Office will send a letter within a period of less than 30 days after the withdrawal date to keep students who apply for Federal Direct loans informed and to make them aware that this is a federal aid that they have to repay when they graduate, reduce their academic load less than half time or withdrew. **Appendix #6**
 - i. The letter details the student's responsibility to repay the loan to the Federal Department of Education, his/her rights to cancel the disbursement of the loan (partial or in full), within a period of 14 days from the date of the letter. In addition, details their responsibility to complete the exit interview and advised that loans to student who do not reflect debt with the University will be canceled.
 - a. If the student communicates with the Financial Aid Office within the 14 days established in the letter, notifying that they are still interested in receiving their Direct Federal Loan disbursement (either partial or total), the staff will continue with the process of the disbursement and will authorize the Finance Office to make the payment.
 - b. In the same way, if the student communicates in 14 days of the letter, notifying that he/she is no longer interested in receiving the loan, the financial aid office will proceed to cancel it.



- i. The Financial Aid Officer who receives the student communication (telephone call, in person or email), will document the conversation in the student's file and in the Colleague system.
- e- The Financial Aid Office and the Bursars Office are responsible to complete the worksheet called *Post-Withdrawal Disbursement Tracking Sheet*”.
- a. The Financial Aid office will complete all information required for I, II, and V areas.
 - b. The Bursars office will complete the areas for IV and VI.
 - c. The completed sheet will be kept in the Financial Aid student's file.

4-Definition of terms

- 1- Never Attending (NA) - When the student formalizes their enrollment and does not attend in person, or in the case of an online course there is no participation in academic activity, within the institutional period established in the academic calendar.
- 2- Administrative Drop (AD)
 - a- An administrative Drop is certified by the professor once the student fails to attend a course six (6) consecutively in courses that meet twice a week; or are absent three (3) consecutive times in courses that meets once (1) once a week.
 - b- The University can administratively withdraw a student for various reasons such as but not limited to:
 1. Health risk to other students or other people
 2. Refusal to obey the policies and regulations or cause a serious offense
 3. Identified with an academic suspension status
 4. Failure to comply with the payment agreement in accordance with the current academic year



5. Student's death

3- Official withdrawal (W)

- a- Partial withdrawal – when a student officially withdraws from one or various courses, but remains enrolled in at least one course. The student's academic file will reflect a withdrawal (W) grade.
- b- Total withdrawal – when a student officially withdraws from all courses enrolled. The student's academic file will reflect a withdrawal (W) grade.

4- Intention to Withdraw- Intent or desire of a student to withdraw partially or totally.

5- Date of Intent to Withdraw - Date on which the student reports his intention to withdraw partially or totally.

6- Academic Activity - Attendance to classes, exams, delivery of assignments, and participation in group work, group discussions or interactions with the teacher in an online course related to the content.

Validity:

This policy will have immediate effect, and repeals any other directive, policy or procedure that are in opposition to what is stated here.

Hector Gracia-Gracia
Vice President for Administrative and Finance Affairs

