



VICEPRESIDENCY OF FINANCE AND ADMINISTRATIVE AFFAIRS  
INSTITUTIONAL AND FEDERAL REIMBURSEMENT POLICY

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## **Purpose**

The purpose of this *Policy* is to establish the parameters and 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 themselves and have knowledge 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. In addition, this policy complies with the University's accreditation agency, state licensy agency and with the requirements of the Department of Defense.



VICEPRESIDENCY OF FINANCE AND ADMINISTRATIVE AFFAIRS  
INSTITUTIONAL AND FEDERAL REIMBURSEMENT POLICY

---

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### **Scope**

A student who cancels their enrollment, makes a total withdrawal or their enrollment has been canceled by the University in an academic term (semester, trimester, quarter, bi-month, or in any of the summer sessions), will be entitled to an adjustment to their account for tuition and fees (except for non-refundable fees detailed in the Fees and Charges Policy), if processed within the established period detail in this policy. If the result is a balance in credit, the University will proceed to make a refund to the student, issuing a check for the excess amount and in 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 for their payment of their enrollment, in addition to applying the institutional reimbursement to their tuition and fees (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)*" and performed by the staff of the Financial Aid Office.

### **Procedure for Institutional Reimbursement:**

The process of institutional reimbursement is made when a student cancel their enrollment, a total withdrawal in an academic term, or stops attending to all the classes in which he enrolled, and 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 their enrollment on or before the start of the first day of classes. The request for a cancellation of registration must be processed in writing as a total withdrawal from the Registrar Office at the main campus. In these cases, 100% of the cost of the credits and of the special fees of the courses will be cancelled (lab fees, workshops, practices, etc.). The payment made 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 cancellation and will be given the code of NA (*Never Attended*). This student does not qualify to receive federal, state, or institutional grants that have been awarded.



VICEPRESIDENCY OF FINANCE AND ADMINISTRATIVE AFFAIRS  
INSTITUTIONAL AND FEDERAL REIMBURSEMENT POLICY

**(2) Refund Tables**

Once the Bursars Office receives the report of the students that have withdrawal and produced by the Registrar Office, will verify the dates of the cancellations or withdrawals, and will apply the corresponding reimbursement percentage specify 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%



VICEPRESIDENCY OF FINANCE AND ADMINISTRATIVE AFFAIRS  
INSTITUTIONAL AND FEDERAL REIMBURSEMENT POLICY

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 in all courses in which he enrolled. The Registrar Office determines and publishes, in the academic calendars of the academic year, the deadlines for total cancellation for each academic term.

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 or when the University acquires knowledge that the student abandoned his / her studies.

The personnel of the Bursars Office from the main campus, will make the corresponding adjustments in the accounts of the students reducing the charge of enrollment and fees billed, by the percentage 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 cancellation.

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



**Tuition Refund Schedule when using Military Tuition Assistance**

Return of Tuition Assistance: Military Tuition Assistance (TA) is awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of TA funds originally awarded.

To comply with the new Department of Defense policy, Caribbean University will return any unearned TA funds on a prorated basis through at least the 60% portion of the period for which the funds were provided. TA funds are earned proportionally during an enrollment period, with unearned funds returned based upon when a student stop attending. These funds are returned to the military Service branch.

Instances when a Service member stops attending due to a military service obligation, the educational institution will work with the affected Service member to identify solutions that will not result in student debt for the returned portion.

Period by Weeks	Reimbursement % for Semester & Quarter	Reimbursement % for Trimester & Express
During the add/drop period	100%	100%
Before or during weeks 1 - 2	100%	80%
During weeks 3 – 4	90%	70%
During weeks 5 – 6	75%	50%
During weeks 7 – 8	50%	0%
During weeks 9	40%	0%
During weeks 10 – 15	0%	Not applicable



### **Procedure for Reimbursement of Federal Financial Aid Programs under Title IV**

1. The University calculates the portion of the financial aid that it has to be reimburse to the Federal Department of Education for a total withdrawal (official or unofficial). For this procedure, all withdrawals will be processed through the federal system called “*Return of Title IV (R2T4)*”.
  - a. All undergraduate, graduate, or short-career students who never attend any of their classes during the academic term in which they enrolled, will be canceled 100% of all federal, state, and institutional financial aid awarded.
    - i. In 15 working days, the financial aid staff will cancel 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 will reverse the payments made in the student’s receivable account, and return the recovered funds to the different federal programs through the G-5 website.
  - b. If it is an official withdrawal, the date of the student's intention will be used and if it an unofficial withdrawal will be the estimated date of their last participation at an academic activity offered by the professor and entry through the Gradebook system.



VICEPRESIDENCY OF FINANCE AND ADMINISTRATIVE AFFAIRS  
INSTITUTIONAL AND FEDERAL REIMBURSEMENT POLICY

---

i. The University may allow a student to withdraw 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. For unofficial withdrawal of Undergraduate and Graduate Students

i. Because the University is not required to take attendance and if the students stops participating in the academic activities highlighted in the courses enrolled, without providing official notification to the University of their intention to withdraw, the professors will identify it in the “Certification of Administrative Withdrawal (AD)” in any of the two deadlines established in the different academic calendars of the year.

ii. For the unofficial withdrawals prior to the expiration of the 60% of the academic term, the Financial Aid office will use 50% of the academic term for the R2T4 calculation.



VICEPRESIDENCY OF FINANCE AND ADMINISTRATIVE AFFAIRS  
INSTITUTIONAL AND FEDERAL REIMBURSEMENT POLICY

---

- d. For the unofficial withdrawal of students enrolled in the Short Careers Programs (Vocational Technician), the Financial Aid Office will use the last day of attendance certified by the professor for the R2T4 determination.
- e. If the student was unable to initiate the withdrawal process or could not provide official notification through third parties authorized to perform this process for the student; since 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 the event or circumstance that occurred, 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 in all withdrawals reports and produce for the Financial Aid, Bursars and Finance offices, the date to be used for the different calculations that these offices have to perform to complete the reimbursement process.

i. The reimbursement percentage will be determined by the last day 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 and Bursars 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.



VICEPRESIDENCY OF FINANCE AND ADMINISTRATIVE AFFAIRS  
INSTITUTIONAL AND FEDERAL REIMBURSEMENT POLICY

---

---

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

1. 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 a student loans, the letter will specify the process he/her will need 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. 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 will 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- Determination of the period of studies completed by the student, the University will use the first and last day of classes of the term.

- i. If the academic recess times for five (5) consecutive days within the academic term will be excluded from the calculation.

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



VICEPRESIDENCY OF FINANCE AND ADMINISTRATIVE AFFAIRS  
INSTITUTIONAL AND FEDERAL REIMBURSEMENT POLICY

---

---

c- With the percentage determined in the previous formula, the amount of Title IV funds that can be disbursed for the period completed by the student in the academic term of his total withdrawal is determined.

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

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

$$\text{Total Disbursed} - \text{Total Earned} = \text{Unearned Funds to be Reimbursed}$$

- 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 60% of the academic term, one hundred percent (100%) of the funds awarded of the Title IV will be considered gain.

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



VICEPRESIDENCY OF FINANCE AND ADMINISTRATIVE AFFAIRS  
INSTITUTIONAL AND FEDERAL REIMBURSEMENT POLICY

---

---

- 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:
  - Pay the overpayment in full in the Bursars Office of the University; or
  - Sign 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, they will lose their 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



VICEPRESIDENCY OF FINANCE AND ADMINISTRATIVE AFFAIRS  
INSTITUTIONAL AND FEDERAL REIMBURSEMENT POLICY

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

59 days completed by the student = 49.58% completed in the semester  
119 days of the semester

49.58% x \$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.



#### 4-Definitions of term

- 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 Delay (AD)
  - a- An administrative withdrawal is certified by the professor once the student fails to attend a course six (6) consecutively in courses that meet twice a week; or 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 as 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 with reflect a withdrawal (W) grade.



VICEPRESIDENCY OF FINANCE AND ADMINISTRATIVE AFFAIRS  
INSTITUTIONAL AND FEDERAL REIMBURSEMENT POLICY

---

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

5- Date of Intent to Discharge - 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, participation in a group discussion or interaction 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