

DISCUSSION/ACTION
August 8, 2008

HIGHER EDUCATIONAL AIDS BOARD
BOARD REPORT #09-03
POLICY REVISION
RETURN OF FUNDS CLARIFICATION LANGUAGE

CHAPTER 10

Return of Funds

The timely identification and return of funds is essential. Returning funds in a timely manner helps ensure that Wisconsin students have money available to them when needed.

Policy

Unclaimed Funds/Non-Attendance

If funds are unclaimed by the student within 21 days of the date the funds are received by the institution, the 100% of that student's state funds must be returned to HEAB promptly after the 21st day.

Withdrawal

If a student withdraws after beginning attendance, state funds must be returned to HEAB within 30 days of the last date of attendance; or the date the student officially notifies school officials of withdrawal; or the date the school officially designates as the withdrawal date. The following process shall be used to determine the amount of funds to be returned in the event of a full withdrawal.

Process

1. Federal methodology will be used to determine the amount of funds to be returned to HEAB. State aid programs will have priority for any credit balance remaining from an institutional refund after the federal Return of Title IV Funds requirements are satisfied.
 - Wisconsin Higher Education Grant (WHEG) Institutions: The amount of state grants refunded shall not exceed the "unearned" percentage of grant, consistent with the "unearned" percentage of federal funds.
 - Wisconsin Tuition Grant (WTG) Institutions: When a tuition refund is issued and there is a balance remaining after federal funds have been returned to the appropriate federal programs, the WTG* is next in line to receive a refund. The amount of state grants refunded shall not exceed the "unearned" percentage of grant, consistent with the "unearned" percentage of federal funds. Note: should a student at any point in the term receive a 100% refund of tuition, the entire WTG award for the term shall be returned to HEAB regardless of the calculated federal unearned percentage.

2. Unclaimed or refunded money should be returned to HEAB by check.
3. The information accompanying the returned funds must include:
 - a. Student's first and last name.
 - b. Student's social security number.
 - c. The correct disbursement code.
 - d. Your 3 digit HEAB school code.
 - e. The HEAB voucher number (if you do not know the voucher number include the academic year and semester of the award being returned).
 - f. Amount of each individual award being refunded.
 - g. The check number and date of check being returned. This should not be the number and date of the original award check if different.
2. Refund lists must be mailed with their accompanying check(s), unless arrangements have been made with HEAB to email the lists.
3. Refund lists may be submitted on disk using the Refund Template ([Appendix #19](#)). Such lists must be saved as an Excel spreadsheet, not a PRN document.
4. Subject to State Return of Funds Calculation:

Talent Incentive Program Grant (TIP)

Wisconsin Higher Education Grant (WHEG) and/ or Tuition Grant (TG)

Handicapped Student Grant

Minority Undergraduate Retention Grant

Indian Student Assistance Grant

Nursing Student Loan

Minority Teacher Loan

Teacher Education Loan

The Refund Template is available at www.heab.wi.gov, ([Appendix #19](#)) of the Policy and Procedures Manual.

Examples

Example 1: Student completely withdraws in the 3rd week of classes and is due a 50% *Institutional Refund* for tuition and ***housing*. The total is \$2500. The student received a Subsidized Stafford Loan and a Perkins Loan totaling \$5000. The institutional unearned charges are \$3000 and the amount of Title 4 aid to be returned is \$2500. There will not be a credit balance remaining after the federal funds are satisfied, so there will not be any funds returned to HEAB for State Grant Programs.

Example 2: Student completely withdraws in the 3rd week of classes and is due a 50% *Institutional Refund for tuition and **housing. The total is \$2500. The student received a Stafford Loan of \$500 and a WHEG of \$1200. The institutional unearned charges are \$3000 and the amount of Title 4 aid to be returned is \$450. There will be a credit balance remaining of \$2050 after the federal funds are satisfied, so there will be a refund to HEAB for WHEG (and other state programs) based on the calculated federal % of earned/unearned funds.

Example 3: Student completely withdraws in the 3rd week of classes and is due a 60% Institutional Refund for tuition. The total refund is \$1,000. The student received a Sub Stafford loan of \$1750 and a WHEG of \$500. The institutional unearned charges are \$1200 and the amount of Title 4 aid to be returned is \$1200. There will not be a credit balance remaining after the federal funds are satisfied, so there will not be any funds returned to HEAB for State Grant Programs.

Institutional Refund is defined as a refund of charges to the student.

*** Tuition Grant** refunds should be calculated using Institutional Refunds for tuition only as TG is required, by Statute, to be applied toward tuition.

All refunds should be mailed to:

State of Wisconsin Higher Educational Aids Board
Refund Processing
P.O. Box 7885
Madison, WI 53707-7885

*NOTE: Please remember that for return or refund purposes, Talent Incentive Program Grant funds are considered **federal** monies, but because the funds are administered through HEAB, any returned funds are due to the state. The federal refund policy should be used to calculate the amount of funds to be returned.*