

TEXAS SOUTHERN UNIVERSITY  
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

**SECTION: Fiscal Affairs**

**NUMBER: 03.08.07**

**AREA: Billing and Collections**

**SUBJECT: Student Refunds**

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I. PURPOSE AND SCOPE

This policy deals with refund processing at Texas Southern University. It is developed to ensure that the refund of credit balances to students is performed in accordance with federal regulations, commonly called Title IV and administered through the United States Department of Education.

II. POLICY PROVISIONS

A. Consistent with the *Federal Register Department of Education Federal Student Aid Programs 34 CFR Part § 668.164 - Disbursing Funds*, the institution uses Title IV, HEA program funds to credit a student's account to satisfy:

1. Current year charges for:
  - a. Tuition and fees;
  - b. Board, if the student contracts with the institution for board;
  - c. Room, if the student contracts with the institution for room; and
  - d. Other educationally related charges incurred by the student at the institution, if the institution obtains the student's or parent's authorization under 34 CFR § 668.165(b).
2. Prior award year charges for a total of not more than \$200 for:
  - a. Tuition and fees, room, or board; and
  - b. Other educationally related charges incurred by the student at the institution, if the institution obtains the student's or parent's authorization under 34 CFR § 668.165(b).

B. Consistent with 34 CFR § 668.164, the institution refunds credit balances of Title IV to students or parents no later than fourteen (14) calendar days after:

1. 1st day of classes for the payment period if the balance occurred on or before the 1st day of classes; or
2. Date balance occurred if after 1st day of class for the payment period.

III. PROCEDURE

A. The Banner system is used to process refunds, as well as disburse financial aid. The Student Accounting office staff will not circumvent the system by issuing manual (immediate) refunds when there is a credit balance on a student account. This reduces the risk of errors.

B. All refunds are credited to the student's E-card (Electronic Funds via a bank debit card), unless a Parent (PLUS) Loan stipulates that refunds go to the parent.

- C. A student may request a direct deposit to a checking or savings account rather than having the refund go to the E-card. (See Exhibit A.) Direct deposit forms for student refunds are available in the Student Accounting office.
- D. When a student does not have an activated E-card or a valid direct deposit form on file, a refund (paper) check will be processed and mailed to the current mailing address on the student's record at the time the check is printed.
- E. The student is responsible for ensuring that the mailing address is accurate in the Banner system. Refund checks mailed to an alternate address must be on the student's account in the Banner system at least five (5) days prior to the refund distribution.
- F. A student receiving a refund may still owe the University money when:
1. the student has non-allowable (not institutionally required) charges on their account—  
Federal financial aid cannot be applied to non-allowable charges;
  2. the student has charges incurred prior to the current financial aid award year;
  3. financial aid has been adjusted; or
  4. charges are added to the student's account after a refund has processed.
- G. Students are responsible for paying all account balances. A student may authorize current year financial aid to cover non-allowable charges and up to \$200 of prior year charges. This authorization is secured during the financial aid application process. In such cases, the refund will be adjusted accordingly.
- H. Refund Method  
Credit balances are refunded consistent with payments received. Accounts paid with a credit card will be refunded to the credit card used to make the original payment.
- I. Students signed up for Direct Deposit or E-Cards
1. The fastest and safest way to receive a refund is by direct deposit or E-Card. It is the student's responsibility to ensure that the correct banking information is on file with Student Accounting.
  2. Students signed up for Direct Deposit or E-Cards should receive refunds in their bank account or on an E-Card within two (2) to three (3) business days of refund issuance, when accurate bank information is current and in Banner. (See Processing Dates below.)
  3. Direct deposits or E-Cards returned because of incorrect bank information will be reissued as a paper check and mailed to the address listed in Banner.
  4. Students should update their banking information and mailing addresses in *MyTsu* at least five (5) working days prior to the scheduled refund processing.
- J. Processing Dates
1. The refund process begins on the first class day of each semester, and continues once a week. Student refunds are reviewed every Tuesday for reasonableness, over-award issues, other charges, etc. The net refunds are issued usually on Thursday. Students

should see the funds on their E-Card or in their bank account after the refund is processed by TSU's bank, which usually occurs by the weekend.

2. When a direct deposit is rejected, a paper check will be issued during the next refund cycle and mailed to the address in the Banner system. Mail time is usually 5 to 7 business days.
3. Students can view the status of their refund through the university system, *My TSU* web account at <https://portal.tsu.edu/cp/home/displaylogin>

K. Refund Determination

1. Students who have signed a promissory note for unallowable charges or charges from a prior aid year, will receive a refund of all excess current year aid. The student will also receive a letter stating that they still have an outstanding financial obligation that must be satisfied.
2. Credit balances for students that have an outstanding installment plan or promissory note for charges in the current aid year will automatically be applied towards the obligation as stated in the approved payment arrangement. Any credit balances remaining after the payment arrangement is satisfied will be refunded to the student.
3. Students who receive financial assistance may have all or part of the calculated refund credited to the student aid programs from which the student was paid. The remaining refund, if any, will be disbursed to the student.
4. Federal regulations require that refunds due to student aid programs be credited in the following order:
  - a. Federal Unsubsidized Stafford Loan;
  - b. Federal Subsidized Stafford Loan;
  - c. Federal Perkins Loan;
  - d. Federal Parent Loan for Undergraduate Students (PLUS);
  - e. Federal Pell Grant;
  - f. Federal Academic Competitiveness Grant;
  - g. National smart Grant;
  - h. Federal Supplemental Educational Opportunity Grant;
  - i. Other federal student aid programs; and
  - j. Non-federal student aid programs. Nonfederal student aid programs are refunded in the following order:
    - i. State grants;
    - ii. Institution grants;
    - iii. State loans; and
    - iv. Scholarships, if specified by donor.
5. If a student receives Third (3<sup>rd</sup>) Party Aid and the aid amount results in a credit balance, the refund will not be processed until payment has been received from the 3<sup>rd</sup> Party provider.

L. Student Refunds for 1st Semester Freshmen

First time freshmen may have a delay in receiving their refund. There is a required thirty (30) day delay for loan processing for first time students. If a first time freshman is only receiving

federal loans as payment for their student tuition, fees, and charges they can expect their refund to be issued after the 30-day period.

M. Student Refunds on PLUS Loans

1. All refunds resulting from PLUS Loans will be refunded according to the desire indicated on the signed Parent Plus Loan application.
2. The refund check will be handled accordingly, either mailed to the parent's address on file or deposited into the student's bank account. When a parent or legal guardian wishes to revise their original authorization, a signed written consent must be faxed to the Student Accounting office along with parent/legal guardian's picture ID. Documentation must be received by the Student Accounting office at least five (5) days prior to refund distribution.
3. Students should ensure that they have a current and valid US mailing address in the Banner system through *MyTSU* web.
4. Refunds are granted for those fees designated as *refundable*. The refundable fees assessed at registration are Tuition and Designated Tuition. These fees are calculated based upon the number of semester credit hours for which a student registers. Refunds of refundable fees are calculated based upon the total amount of fees assessed at registration and not based on the amount of the payment, if a student is paying on an installment basis.

N. Dropped Courses

Any student who drops courses within the first twelve (12) days of a Fall or Spring semester or within the first four (4) days of a summer term and remains enrolled in the University will receive refunds applicable to tuition paid for those courses.

<b>Dropped Courses (Continued Enrollment)</b>		
Any student who drops courses within the first twelve (12) days of a Fall or Spring term will receive a refund.		
On or before the twelfth class day	Twelfth Class Day	100%
After the twelfth class day	After Twelfth Class Day	0%

O. Withdrawal

1. Any student who officially withdraws from the University will receive a prorated refund of applicable fees according to a pre-defined percentage schedule. Students who register for courses that are either paid directly or paid from financial aid/assistance is considered enrolled at the University until they officially withdraw.

<b>Withdrawals (Discontinued Enrollment)</b>		
Any student who officially withdraws from the University will receive a refund calculated according to the following percentage schedule:		
Prior to the first class day	Before first class day	100%
During the first class week	On or before Friday of the first week	80%
During the second class week	On or before Friday of the second week	70%

During the third class week	On or before Friday of the third week	50%
During the fourth class week	On or before Friday of the fourth week	25%
After the fourth class week	After the fourth week	0%
<b>Refundable fees include tuition and designated tuition only.</b>		

2. Official withdrawals are processed through the university Registrar's office. Ceasing to attend classes or stopping payment of checks for fees owed without officially withdrawing from the University does not release the student from their tuition and fee charges. Ceasing to attend classes or stopping payment of checks for fees owed without officially withdrawing from the University will result in a semester grade of failing (F). Thus, any remaining balance owed to the University by a student who ceases to attend classes, but who does not officially withdraw through the Registrar, is still due and *not* subject to reduction.
3. When a student adds a class after receiving a refund, the student is responsible for paying the additional tuition and fees for that course. If the additional amount is not paid before the last purge date, the student will be included in the purge and dropped from the unpaid class.
4. When students lose eligibility for awards they have received, the awards are reversed and the student is responsible for payment to the University.
5. A student's withdrawal from a class may affect their financial aid status.

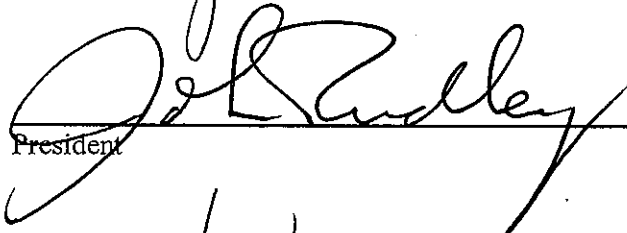
IV. REVIEW AND RESPONSIBILITY

Responsible Party: Executive Director, Business Affairs

Review: Every three years, on or before May 1

V. APPROVAL

  
 \_\_\_\_\_  
 Chief Financial Officer

  
 \_\_\_\_\_  
 President

08/20/10  
 \_\_\_\_\_  
 Date of President's Approval

## Exhibit A Direct Deposit Form



Student Accounting

### Direct Deposit Authorization Agreement Attach a Voided Check (Required)

Student Name: \_\_\_\_\_ Email Address: \_\_\_\_\_

Student Information (Please Print and Check the Status Box That Applies)

T - Number		Social Security Number	
Mailing Address		Telephone Number	
City	State	Zip Code	
<input type="checkbox"/> Former <input type="checkbox"/> Student		<input type="checkbox"/> Student Worker	

Purpose and Type of Fees to Apply Direct Deposit Transactions (Please Check the Applicable Boxes):

New Setup	Cancellation	Change Account Number	Accounts Payable / Refunds	Payroll
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Bank Information - All Boxes Must Be Completed (See Example Below)

Bank Name		Bank Address		
City	State	Zip Code		
Routing Number	Account Number	Checking	Savings	

Example:

TRANSACTION  
VOID

Routing 92 100123    Account 1234567890    Check 12345

Routing Number    Account Number    Check Number

Pursuant to Section 409.016, Texas Government Code, I authorize Texas Southern University (TSU) to deposit by electronic transfer payments owed to me by the State of Texas and, (if necessary, debit entries and adjustments for any amounts deposited electronically in error. TSU shall deposit the payments in the financial institution and account designated below. I recognize that if I fail to provide complete and accurate information on this authorization form, the processing of the form may be delayed or that my payments may be erroneously transferred electronically.

I consent to, and agree, to comply with National Automated Clearing House Association Rules and Regulations and Student Accounting rules about electronic transfers, as they exist on the date of my signature on this form, or a subsequently adopted, amended or repealed. I also understand that this form remains in effect until such time that I notify TSU to cancel. This form will be maintained in electronic format for a period of three academic years.

Student Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Department Use:  
 Entered By: \_\_\_\_\_ Date: \_\_\_\_\_ Verified By: \_\_\_\_\_ Date: \_\_\_\_\_

Updated May 7, 2015