

## **Credit Balances/Refunds**

**Purpose:** Lawrence Technological University to provide a refund check to student, Parent, Third party etc., when a credit balance presents on the student's tuition account.

### **Federal Student Aid Credit**

An FSA credit balance occurs whenever FSA program funds disburse to the student's account and the total amount of those funds exceeds the student's allowable charges. If the student is receiving, other funds in the way of Third party, cash, check, credit card, internal and external scholarships etc., which creates a credit balance; this is not included in the calculation and does not constitute a FSA credit balance.

If an FSA credit presents, Lawrence Technological University, is required to pay the credit balance directly to the student or to the parent in the case of a Parent Plus Loan no later than 14 days after:

- The date the credit occurred on the student's account, if the credit occurred after the first day of class of a payment period or,
- The first day of classes of the payment period if the credit occurred on or before the first day of class of that payment period.

The law requires any excess Parent Plus Loan funds refund to the parent or student as designated in the borrower's loan agreement. Therefore, if Parent Plus loan funds created a credit balance, a refund will issue within the 14-day regulatory period.

Students can elect to have their refund direct deposited to their bank account instead of receiving a paper check. Students are required to fill out a Direct Deposit Form (attachment 1) that provides banking institution information, and their savings or checking account.

Students are responsible for updating or terminating their bank account information.

### **Non-Federal Student Aid Credits**

All funds exceeding direct costs (tuition and fees) and indirect costs (campus housing, meal plans, etc.) are reviewed and refunded to the student in the form of a check/Direct Deposit, weekly when a credit balance is achieved.

These funds hold a priority, based on if the application of these funds cover direct costs/indirect costs or both and if funds are refundable. They are as follows:

External Scholarship (direct/indirect depending on donor specification)

LTU scholarships (tuition only)

Private Donor Scholarships (direct or indirect costs as specified by donor)

State Grants (direct costs)

Employer (direct /indirect costs)

SEOG (direct/indirect costs)

Perkins Loan (direct/indirect costs)

Stafford Loans (direct/indirect costs)

Alternative Loans (direct/indirect costs)

Parent Plus Loan (direct/indirect costs)

Cash, check and credit card, third party payment (direct/indirect costs)

Refunds will process in reverse order, so as funds designated for direct costs do not become part of the refund. If a fund is not refundable and it exceeds direct costs, refund does not exist and the overage refunds back to the original source of the payment.

Lawrence Technological University refund checks cannot be endorsed by the student and received as a payment for account tuition balance.

