

NEOMED ACADEMIC POLICY	Policy No: 3349-AC-251
ACADEMIC POLICY TITLE: Aid Disbursement and Credit Balance Refund	EFFECTIVE DATE: May 31, 2019
RESPONSIBLE DEPARTMENT: Enrollment Services	Approval Authority: VPAA

(A) PURPOSE

This Policy outlines the eligibility requirements, timelines, and methods for Financial Aid disbursement to students' tuition accounts, the disbursement of credit balance refunds, and the conditions for revocation of such refunds.

(B) SCOPE

This policy applies to all students who are eligible for federal and state aid as well as aid awarded by Northeast Ohio Medical University (NEOMED) and by external sources. This Policy applies to students of all Colleges unless otherwise noted.

(C) DEFINITIONS

- (1) "Financial Aid" includes any educational benefits paid as a result of enrollment in postsecondary education and can include grants, scholarships, and student loans.
- (2) "Payment Period" is the period of time for which a student is enrolled, defined as semesters or year-long clinical year.
- (3) "Satisfactory Academic Progress" or "SAP" is the measurement of both quantitative (time-based) and qualitative (grade-based) standards a student must meet in order to maintain eligibility for Title IV and Institutional Funds.
- (4) "Term of Enrollment" is the specific term, or part of term, in which a student is enrolled during an academic calendar year.

(D) POLICY STATEMENT

- (1) Aid Disbursement

To be eligible for a disbursement of Financial Aid, either federal or institutional, the student must maintain Satisfactory Academic Progress as outlined in the

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“Satisfactory Academic Progress for Financial Aid Eligibility” Policy. Failure to meet these standards may result in Financial Aid funds being either delayed or cancelled.

(a) Timing of Disbursements

The disbursements of funds are made in Payment Periods. The first of which begins at the start of the first Term of Enrollment and ends at the end of the first Term of Enrollment. The number of disbursements depends on the number of Payment Periods. In compliance with federal regulations, a disbursement of aid cannot occur more than ten (10) calendar days prior to the start of the Payment Period.

(i) Program Years with Defined Terms

Didactic and Clinical years of the curriculum study will have defined semester terms that include two (2) to three (3) Payment Periods. Funds will disburse to the student tuition account no more than ten (10) calendar days prior to the start of the Payment Period.

(ii) Program Length Term

Clinical years of the curriculum will have a Payment Period that extends through the academic year. Students will receive two (2) disbursements of aid; the first will disburse to the student account no more than ten (10) calendar days prior to the start of the Payment Period and the second will disburse to the student account at the mid-point of the academic year.

(b) Method of Disbursement to Students’ Tuition Accounts

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Scholarship payments from other sources, such as a student’s employer or sponsoring agency, are posted to students’ tuition accounts when they arrive at the University based on the Financial Aid disbursement schedule below:

- (i) NEOMED Scholarships and Loans are disbursed to students at the start of the Payment Period or upon completion of required application documents. Funds are directly credited to students’ tuition accounts.
- (ii) Direct Loan funds are electronically transferred to the University and directly credited to students’ tuition accounts.
- (iii) Financial Aid funds disbursements are determined by the start date of each Payment Period. The first will disburse to students’ tuition accounts no more than ten (10) calendar days prior to the start of the Payment Period. After the initial disbursement, funds will disburse to students’ tuition accounts weekly, on Tuesdays, unless otherwise announced.
- (iv) Title IV federal aid funds will only be credited to students’ tuition accounts to offset allowable institutional charges which may include:
 - (a) Tuition and mandatory fees for eligible Title IV programs;
 - (b) Other related educational charges incurred by students at the University and upon their authorization (e.g., medical insurance coverage provided by the University, overdue fines, parking violations assessed by NEOMED Security and Police Department), and;

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- (c) Charges from the prior academic year, up to and not exceeding \$200.00.

Students can authorize any of the three options listed above or all three options (a), (b) and C listed above when completing the Title IV Authorization Form as part of their Financial Aid application. Authorization is given by submitting a written document or by completing and submitting an online form through their secure Banner Self-Service account. Students can change their election at any time by contacting the Accounting Department or by emailing acctg@neomed.edu.

- (c) Remaining Balances After Disbursement

When financial aid disbursements do not cover the total cost of the program, students are responsible for paying the balance owed to the University. For students not enrolled in a student tuition payment plan, the following apply:

- (i) Payments are due no later than ten (10) calendar days after the due date listed on the bill.
- (ii) Balances that are left unpaid ten (10) calendar days beyond the due date and not enrolled in an installment plan will be assessed a \$50 non-refundable late fee.
- (iii) Failure to make timely payment may result in the placement of a hold on the account by the Accounting Office which may prevent registration for the next term, access to grades in Banner Self-Service, possible deregistration from coursework and the ability to receive future Financial Aid disbursements.
- (iv) Payments to students' tuition accounts in excess of the balance due for tuition and fees will result in a credit balance.

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(2) Credit Balance Refund

In accordance with Federal Regulations, the Accounting Department will issue a refund to students who have a credit balance in their student tuition accounts that are related either to Financial Aid or the overpayment of funds from private sources.

(a) Timing of Credit Balance Refunds

Refunds will be issued within fourteen (14) business days of effected credit balances.

(b) Methods for Refunding Credit Balances

(i) Direct Deposit

Students may complete an online Direct Deposit Authorization form. This authorization allows for the electronic transfer of funds to a personal checking or savings account. It is the students' responsibility to ensure that the account number and the bank routing number are updated and accurate. Inaccurate information will cause a delay in refund issuance and may subject students to additional invalid account/re-issuance charges.

(ii) Paper Check Issuance

Paper checks will be issued to students who do not have a Direct Deposit Authorization form on file with the Accounting Department. Checks will be mailed to students at the local address on file in Banner Self-Service. If no local address is listed, checks will be mailed to the permanent address on file in Banner.

(iii) Return to Issuer/Lender

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If a credit balance refund was affected by the awarding of funds from an external source (e.g., non-university scholarship or third-party payer), the credit balance may be returned to the issuer/lender, if so specified.

(c) Returning/Applying Credit Balance Refunds

Students can apply any or all portions of a credit balance refund to reduce their principal loan balance. This can be done by:

- (i) Returning the original University-issued refund check in order to apply the entire (100%) credit balance refund amount to their student tuition account; or,
- (ii) Issuing a personal check for an amount less than the full credit balance refund check received from the University; and,
- (iii) Completing an Authorization form directing the Office of Financial Aid to apply the credit balance refund amount to an outstanding principal balance.

Students have one hundred and twenty (120) calendar days from the date of refund disbursements to return loan funds to the lender for application toward an outstanding principal balance and forgiveness of interest charges on the applied amount.

(d) Uncashed Title IV Credit Balance Refund Checks

Students will be given two hundred (200) calendar days from the date of issuance to cash refund checks that resulted from Title IV disbursements. If these refund checks are left uncashed, the University is required by Federal regulations to return the credit balance refund to the Department of Education within two hundred and forty (240) calendar

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days of the date the credit balance was disbursed to their student tuition account.

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REFERENCES

STATUTORY OR REGULATORY REFERENCES

- 34 CFR 668.164(c)(3-4)
- 34 CFR 668.164(d)
- 34 CFR 668.164(h)(1)
- 34 CFR 668.164(h)(2)
- 34 CFR 668.164(d)(1)(i)(b) and (ii)(b)
- 34 CFR 668.164(d)(1)(i)(A) and (ii)(A)
- 34 CFR 668.164(l)
- 34 CFR 668.164(d)

REVISION HISTORY

RULES PROMUGLATED UNDER