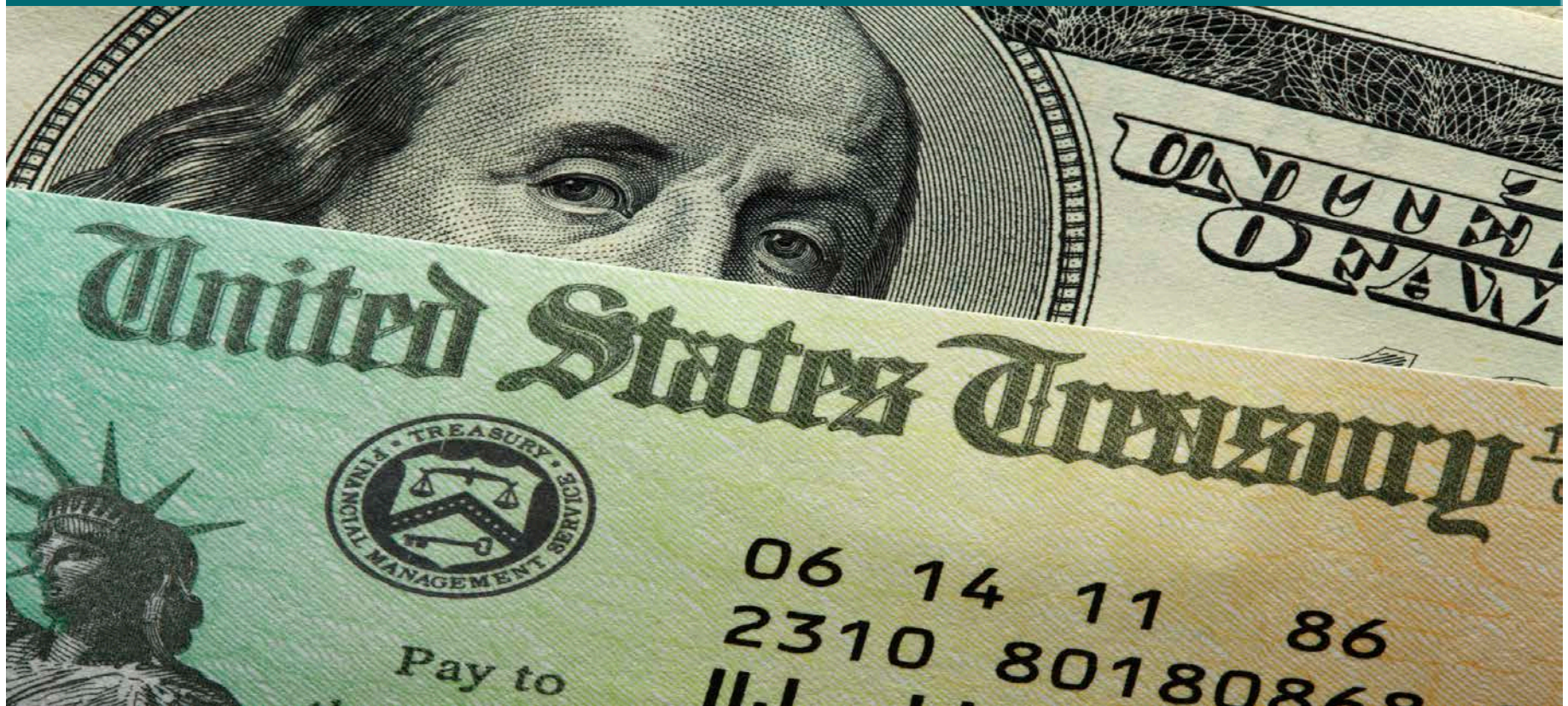


# Refunds & Debts



# Where Do Payments Come From?

Payments are a direct result of information that is certified to VA through VA-ONCE.

For Post-9/11 GI Bill® students, VA pays tuition and fees to the school on behalf of the student.

If the VA prorates a payment to your school, the student is responsible to school for the remainder of the payment.

## **Some reasons for prorated payments:**

- ✓ Entitlement exhausts during a term, no extension is granted
- ✓ VA is aware of a reduction/withdrawal prior to payment issued
- ✓ Student's Chapter 33 election date occurs after the term has begun

# Challenges of Payments

## As the Certifying Official:

- Be aware of discounts, waivers and other assistance that can affect reported tuition and payments
- Have good communication with your institution's financial department
- Have a complete picture of financial aid a student is receiving for each certified period of enrollment



# **Reporting Tuition and Fees**



# Reporting Tuition and Fees

**Tuition** - established charges for instruction that the student is required to pay.

**Fees** - mandatory charges (other than tuition, room, and board) charged by the school for pursuit of an approved program of education.

For example:

Health premiums

Freshman fees

Graduation fees

Lab fees

These definitions can be found on page 65 of the current [Certifying Officials Handbook](#)

# Reporting Tuition and Fees

## **Examples of fees that are not allowed:**

- Penalty fees (e.g., late registration, late course changes, returned checks)
- Add/drop course fees
- Parking fees
- Fees for any food or lodging expenses, meal ticket fees
- Overload fees for course loads that require special permission
- Transportation/transit system fees that are not required of every student
- Application for admission fees

# Reporting Tuition & Fees

School Certifying Officials should report in-state net charges for tuition and fees. To determine the net charges for tuition and fees:

- ✓ **Subtract** any scholarship, or other federal, state, institutional, or employer-based aid or assistance that is provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees PL 111-377
- ✓ **Do not subtract** Federal Student Financial Aid (Title IV) Programs

# Reporting Tuition & Fees

## **Examples of Title IV funds**

- Federal Pell Grant
- Academic Competitiveness Grant (ACG)
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Work Study (FWS)
- Subsidized and Unsubsidized Federal Stafford Loans
- Federal Perkins Loan
- Federal Parent Loan for Undergraduate Students (PLUS)
- Federal Family Education Loan (FFEL)



# Reporting Tuition & Fees

## **Examples of Non-Title IV funds**

- **Non-VA Federal Programs (Military TA, ROTC, MyCAA, HPSP, GETA, BIA)**
- **State Aid Programs**
- **Institutional Scholarships, Grants and Assistance**
- **Private Educational Loans**
- **Private Grants and Scholarships**

# Reporting Tuition & Fees

## Example:

Gross in-State charges	<b>\$4,000</b>	
Veteran Discount	-400	
Tuition Scholarship	-2,000	
Title IV (ex. Pell Grant)		(2,500)
<u>General Scholarship</u>		<u>(1,000)</u>

**Net in-State Charges to report to VA: \$1,600**

- Report the tuition and fees listed on the student's invoice. If the invoice shows a discount from any source (other than Title IV monies), you **MUST** deduct the discounted monies from the tuition certified.
- If a discount is applied after certification, an Amendment must be submitted, reporting the reduced tuition/fees with the applied discount. The school will be responsible for any resulting debt.

# Reporting Tuition & Fees

## **Public Institutions of Higher Learning (IHL)**

Only in-state charges should be reported in the tuition and fee amount field.

An additional field has been added to VA-ONCE to report out-of-state net charges if the student is participating in the Yellow Ribbon Program.

VA will pay up to the actual net cost for in-state tuition and fees charged for the student's educational program, prorated by benefit level.

# Reporting Tuition & Fees

## **Private, Foreign IHL, and Non-College Degree Schools**

Report the net charges for tuition & fees.

Yellow Ribbon Program may be utilized for tuition and fee charges above the yearly cap at an IHL school.

VA will pay no more per academic year than the amount reported, prorated by student's benefit level. Then further restricted by the yearly academic cap.

The cap for academic year 2016 is \$21,970.46 .

# Reporting Tuition & Fees

## Private IHL School - 1<sup>st</sup> Term

John Smith is enrolled in 12 credits for the Fall 2016 term.  
He is at the 100% benefit level.

Reported T&Fs are \$10,000.

Per school's contract, the YR yearly maximum is \$5,000.

Private school academic cap is \$21,970.46.

- 1. What will VA pay?** \$10,000 (\$11,970.46 remaining cap)
- 2. What is the unmet charge?** \$0
- 3. What about Yellow Ribbon?** There is no unmet charge. This student is not a Yellow Ribbon candidate.

# Reporting Tuition & Fees

## Private IHL School - 2<sup>nd</sup> Term

John Smith now enrolls in 12 credits for the Spring 2017 term.  
Reported T&Fs are \$12,970.46.  
Per school's contract the YR yearly maximum is \$5,000.

- 1. What will VA pay?** \$11,970.46 (remaining cap).
- 2. What is the unmet charge?** \$1,000 (\$12,970.46 - \$11,970.46).
- 3. What about Yellow Ribbon?** Report \$500 for Yellow Ribbon (50% of the unmet \$1,000). The student has \$4,500 Yellow Ribbon remaining for the year.



# Reporting Tuition & Fees

## Private IHL School – 3<sup>rd</sup> Term

John Smith now enrolls in 6 credits for the Summer 2017 term.

Reported T&Fs are \$5,000.

Per school's contract, the YR yearly maximum is \$5,000.

- 1. What will VA pay?** \$0 T&F (the yearly cap has been met)
- 2. What is the unmet charge?** \$5,000
- 3. What about Yellow Ribbon?** Report \$2,500 for Yellow Ribbon (50% of the unmet charge). The student has \$2,000 Yellow Ribbon remaining for the year.



# **Tuition and Fee Payments to Private, Foreign IHL, and NCD Schools**

# Tuition and Fee Payments to Private, Foreign IHL, and NCD Schools

**VA processing can be complicated when:**

- **VA enrollment certifications are not received in chronological order**
- **Student makes changes to his enrollment (decreasing or increasing hours)**
- **Yellow Ribbon is due**
- **School amends tuition and fees after reductions or terminations have been reported**

# Tuition and Fee Payments to Private, Foreign IHL, and NCD Schools

## Student changes enrollment at Private School:

- VA pays private school \$21,970.46 (full yearly cap) for Fall 2016 term
- Student reduces hours and a \$500 T&F debt is established against the student
- \$500 (of \$21,970.46 yearly cap) is now available again, as VA established a debt against the student for \$500

# Tuition and Fee Payments to Private, Foreign IHL, and NCD Schools

Spring 2017 term is received. Tuition and fees are \$1,000.00.

- If the student ***has not*** paid the debt, VA will **offset** this debt with a \$500 payment as it has already paid the full yearly cap of \$21,970.46 to the school
- If the student ***has*** paid the debt, VA will send a \$500 payment to the **student**, leaving a remaining balance of \$1,000 due from the student to the school



# **Payments to Schools**





# Payments to Schools

Federal payments to schools must be made by direct deposit via Electronic Funds Transfer (EFT).

- If EFT payment information is unavailable, payment will be sent to the school's mailing address listed in WEAMS
- Payments include student identification information and the period covered
- ***NOTE:*** *It is critical that schools ensure EFT data is current. If EFT data changes, it is imperative the schools notify the ELR immediately*



# **Overpayments (Debts)**

# Understanding Debts

## Why Are Overpayments (Debts) Created?

Post-9/11 GI Bill® payments are sent as follows:

- **Tuition and Fees/Yellow Ribbon payments:** sent to school on the student's behalf
- **Housing, Kickers, Books and Supplies payments:** sent to student

A VA overpayment is created when there is a change in student's enrollment after the payments have been sent to the claimant or school.

# Kinds of Overpayments Created

Overpayments (debts) can be created for tuition and fees, YR, housing, books and supplies, and kickers:

- **75B- School Tuition and Fees/YR Overpayment**
- **74B- Student Tuition and Fees Overpayment**
- **73B- Student Kicker Overpayment**
- **72B- Student Housing Overpayment**
- **71B- Student Books & Supplies Overpayment**

# Student Overpayments

- Tuition and Fees/Yellow Ribbon debts
  - Withdrew after the first day of the term.
  - Reduced hours before or during the term.
- Housing debts
- Books and Supplies debts
- Kicker debts

See page 94 of the current [Certifying Official Handbook](#) for more examples.

# School Overpayments

1. Student never attended classes for which he/she was certified (regardless of the reason for non-attendance)
2. Student completely withdrew on or before the first day of the term
3. School received a payment for the wrong student
4. School received a duplicate payment
5. School submitted an amended enrollment certification and reported reduced tuition and fee charges, reduced Yellow Ribbon amount, or both
6. Student died during the term or before the start of the term
7. VA issued payment above the amount certified on the enrollment certification that was used to process the payment (VA data entry error)



# Overpayment Examples

Student is enrolled in 12 hours for the term 08/17/15 - 12/11/15 and reduced to 9 hours effective 08/17/15.

**Who is responsible for any resulting overpayment?**

The student is responsible because there was a reduction in hours.

# Overpayment Examples

Student is enrolled in 12 hours for the term 01/04/16 - 05/20/16 and terminated effective 01/05/16.

**Who is responsible for any resulting overpayment?**

Student is responsible for this debt because the termination occurred after the first day of the term.

# School Overpayment Process

- **VA Regional Processing Office (RPO)**
  - Creates debt and sends letter to school
- **VA Debt Management Center (DMC)**
  - Electronically notified by VA
  - Within 3 days, issues first Notice of Indebtedness (NOI), which provides 30 days to repay or dispute the debt
  - If no response from school, issues second NOI with additional 30 days
  - If still no response, issues third NOI informing school of intent to refer the debt to the Treasury Offset Program (TOP) if no response received in 60 days
  - If no response received within 60 days, the debt will automatically be referred to TOP for further collection

# Contact Information Concerning Debts

- Debt Management Center: 1-800-827-0648
- GI Bill ® Hotline: 1-888-GIBILL-1 or 1-888-442-4551
- SCO Hotline: 1-855-225-1159  
**Note:** The SCO Hotline is for School Certifying Officials only.
- Returned Check Line: 918.781.5600  
**Note:** This line is for questions about school returned funds only and is for School Certifying Officials only.
- GI Bill ® Website ([www.benefits.va.gov/GIBILL](http://www.benefits.va.gov/GIBILL))



# **Returning Money to VA**

# Returning Money to VA

## Reminders:

- **WAIT** and return funds after receipt of a collection notice from VA or DMC; otherwise, delays may occur
- **If collection notice from DMC:** complete and return the ORIGINAL tear-off slip that came with the debt letter, along with payment; otherwise, delays may occur

# Returning Money to VA

## First Method

- If school receives tuition and fees through EFT, return the full amount via Automated Clearing House (ACH) using R31 ACH return code.
- Please speak with your bank's representative to obtain specific instructions on this process.
- VA Tax ID Number is: 741612229

***NOTE:*** *You can only send the FULL amount back. You cannot return a partial amount through EFT*

# Returning Money to VA

## Second Method

Return **un-cashed** check to:

U.S. Department of the Treasury  
Financial Management Service  
P.O. Box 51318  
Philadelphia, PA 19115-6316

**NOTE:** *Alert DMC that you have returned this amount to Treasury.*

**NOTE:** *These funds will not be applied to any overpayment created on the student.*



# Returning Money to VA

## **Third Method**

If returning a check, mail the check and letter to:

VA Debt Management Center  
Bishop Henry Whipple Federal Building  
P.O. Box 11930  
St. Paul, MN 55111-0930

- You must include the student's full name and SSN on the check. Make payable to U.S. Department of Veterans Affairs
- You may include up to 25 students on one check. Include an itemized spreadsheet, listing full names, SSN and amounts
- With the check, send a letter explaining why the funds are being returned

# Returning Money to VA

## **Fourth Method**

- Schools may make a payment using a major credit card, debit card, or by EFT transfer from a checking or savings account using the DMC website, [www.pay.va.gov](http://www.pay.va.gov)
- Schools may call 1-800-827-0648

# Returning Money to VA

## Fifth Method

- Schools may send a payment from any Western Union Agent location or by visiting [www.westernunion.com](http://www.westernunion.com)
- Host city code: VADMC

# Common Problems With Reporting & Returning Funds

Delays in applying payments to school debts can occur when:

- School sends in a payment without an explanation
- School sends a payment that should have been refunded to the student
- School sends a payment when no changes were reported in VA-ONCE

**Note:** Duplicate or erroneous payments do not need 1999b or amended 1999.



# **Returning Money to VA Students**

# Refunding Money to VA Student

**Schools should follow their established refund policies when it comes to refunding money to the student.**

# Refunding Money to VA Students

E-Cert University has a 100% refund policy for any drops during the drop/add period which occurs during first two weeks of classes.

John A. Veteran is a 100% Ch33 student certified for the term 08/17/2015 to 12/11/2015 for 12 hours. T&F is \$1,200.00.

On 08/28/2015, student reduces from 12 to 9 hours, with T&F being \$900 for those remaining hours. School reports to VA student withdrew during the drop/add period. What do you do with the \$300.00 overage VA has paid?

Based on the school's refund policy, you will refund \$300.00 to the student.

***The refund will not necessarily equal the student's VA debt.***

# Refunding Money to VA Students

E-Cert University has an 80% refund policy for any drops occurring within two weeks of the add/drop period.

John A. Veteran's enrollment now looks like this:

08/17/2015 to 12/11/2015 for 12 hours T&F - \$1,200.00 – ORIGINAL CERT

08/28/2015 to 12/11/2015 for 9 hours – T&F - \$900.00 – ADJUSTED CERT

On 08/31/2015, student reduces from 9 to 6 hours, with T&F of \$600 for those remaining hours. School reports to VA the student withdrew during the drop/add period.

What do you do with the \$300.00 overage that VA has paid for these classes?

Based on the school's refund policy, refund \$240.00 to the student.

**The refund will not necessarily equal the student's VA debt.**





# **Refunds from the Return Check Team**

# Refunds from the Return Check Team

Refunds are sent back to schools in the form of a “special payment” and do not have the identifying information that tuition and fee payments have.

If these payments are rejected or sent back to U.S. Treasury un-cashed, the funds may be “captured” and applied to any and all student debts, as our system sees these payments as a “student” special payment.

**Note:** Any refund will be accompanied by a letter to the school, per the address listed in WEAMS.



GI Bill® is a registered trademark of the United States Department of Veterans Affairs (VA). The absence of the registration symbol® does not constitute a waiver of VA's trademark rights in that phrase.