

**Section:** Business and Support Operations

**Section Number:** 3.7.12

**Subject:** Financial Transactions: Cash Disbursements- Refund of Federal Financial Aid and Other Financial Aid Credits

**Date of Present Issue:** 06/06/00

**Date of Previous Issues:**  
01/95

POLICY:

Credit balances resulting from aid credited to students' accounts will be refunded as soon as possible in accordance with the regulations and/or limitations posed by the entity originating the aid. Credit balances of less than \$2.00 are written off annually.

PROCEDURE

<u>WHO</u>	<u>DOES WHAT</u>
<b>FEDERAL DIRECT LOAN REFUND PROCEDURE</b>	
Financial aid is disbursed into the accounts of eligible students up to ten days before classes begin. Direct PLUS loans are applied to charges before other direct loans.	
Business Operations	1. Requests a run of credit balance statements for students with direct loans from computer services beginning four days before classes begin. Reviews statements for partial eligibility or any other anomalies. Works with Financial Aid Office to determine if any adjustment to the refund amount is needed. Enters refunds into student accounts. Checks are created in the nightly check cycle and are available for pick up by the first day of classes.
Financial Aid	1. Continues to post eligibility and completion data on a daily basis. Disbursements are made nightly.
Business Operations	1. Follows the above listed steps daily throughout the semester. Federal direct loan refunds are available to students two business days after being disbursed to student accounts. Federal direct PLUS loans, released into the student's account after all other credit balances are refunded, are refunded to the parent within five days unless the parent has made a written request for the funds to be refunded to the student.
<b>OTHER FINANCIAL AID REFUND PROCEDURE</b>	
Financial aid is disbursed into the accounts of eligible students ten days before classes begin but no refunds are made until the add/drop period has ended.	
Financial Aid	1. Reviews students' financial aid records for any anomalies and adjusts aid for any changes in eligibility not previously corrected. Notifies Business Office that the review process is complete.
Business Operations	1. Requests a run of credit balance statements, including students with direct loans, from computer services. Reviews statements for any problems. For any problems detected, works with Financial Aid Office to determine if any adjustment to the refund amount is needed. Approves refund statements and enters refunds into student accounts. Checks are created in the nightly check cycle and available for pick up by the 14th day of classes.
Financial Aid	1. Continues to post eligibility and completion data on a daily basis. Disbursements are made nightly.
Business Operations	1. Follows the above listed steps weekly throughout the semester.  2. Should an emergency situation arise for a student, creates a refund voucher, reviews and enters for a check for the next business day.
Throughout the add/drop period and up to the date that non-loan excess aid checks are available, most of the checks are held at the Cashier's Window and are signed for when picked up by the student. The exceptions are checks for regional or interning students. These are mailed daily. Starting the week after the semester excess aid date, at the beginning of each week, all the excess and direct loan checks that were not picked up in the prior week are mailed to the address on the check. A log of mailed checks is maintained.	
Business Operations	1. Each week checks credit hours, logs and mails any remaining checks. Brings checks of students with credit hour changes to the attention of financial aid office for resolution.