

**Section:** Employee/Labor Relations

**Section Number:** 5.2.4

**Subject:** Financial Aid Refunds:  
Stafford/Direct Student Loan  
Checks Procedure/Excess Aid  
Checks Procedure

**Date of Present Issue:** 03/29/00

**Date of Previous Issues:**  
08/88

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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <b>Federal Direct Loan Refund Procedure</b>              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Business Office                                          | 1. Requests a run of credit balance statements with direct loans from computer services starting four days before classes begin. Reviews statements for partial eligibility or any other anomalies. Works with the 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 Office                                     | 2. Continues to post eligibility and completion data on a daily basis. Disbursements are made nightly.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Business Office                                          | 3. 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 to the student 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 (Excess Aid)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Financial Aid Office                                     | 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 Office                                          | 2. 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 the 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. On the morning after the aid disburses to the student account, the Business Office gets a printout of all students with excess aid (i.e. the disbursement resulted in a credit balance to the student account). Each of these students is checked for holds, and hold amounts are deducted from the excess aid where appropriate. Refunds are entered on the Student Information System (SIS) for eligible students. Checks are available the following morning, after 10:00 a.m., at the Student Service Center. Thus, 48 hours elapses between aid disbursement to the student account, and check availability. |
| Student                                                  | 3. Signs for and picks up the refund check at the Student Service Center.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Financial Aid Office                                     | 4. Continues to post eligibility and completion data on a daily basis. Disbursements are made nightly.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Business Office                                          | 5. Follows the above listed steps weekly throughout the semester.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

6. Should an emergency situation arise for a student, creates a refund voucher, reviews and enters for a check for the next business day.

7. 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 Student Service Center and are signed for when picked up by the student. Exceptions are checks for regional center or students on internships. These checks are mailed daily. At the beginning of each week, all the excess and direct loan checks that were not picked up the prior week are mailed to the address on the check. A log of mailed checks is maintained.

8. Checks credit hours each week, logs and mails any remaining checks. Brings checks of students with credit hour changes to the attention of the Financial Aid Office for resolution.