01. PURPOSE

01.01 To establish responsibility and policy regarding distribution of financial aid residuals to recipients.

02. POLICY

02.01 Background - Financial Aid (FA) residuals arise as the result of awarded aid exceeding the amount(s) owed on a student’s account.

The credit balance resulting from the FA disbursement will be paid directly to the student or parent, for ParentPlus Loans, no later than 14 days after:

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

02.02 Applicability - This policy applies to all Texas State students receiving financial assistance through the Texas State Financial Aid and Scholarships Office (FAS).

02.03 Responsibility - Financial Aid and Scholarships determines eligibility for receipt of financial aid residuals and notifies students when these amounts are applied to the students account. The Student Business Services Office (SBS) distributes financial aid residuals to eligible recipients.

02.04 Payment Methodology - Payments are made in the form of (a) electronic funds transfer (EFT) or (b) checks issued by Texas State.

02.05 Distribution via EFT - Students must provide their required information for electronic funds transfer (EFT) by completing an on-line EFT Authorization Form via the Texas State Student Bill & Payment site. Funds will be deposited to any financial institution in the United States participating in the national Automated Clearing House (ACH) system. EFT authorizations remain in effect until changed or cancelled. Students are responsible for assuring the accuracy of the data entered onto the EFT Authorization Form. Financial aid residuals will be deposited via EFT to the designated financial institution based on
processing and other deadlines, as established by the university. The University is not responsible for delays in payments caused by students' errors or closing of accounts.

02.06 Payment by Check - Students not signed up for electronic funds transfers will receive their financial aid residual via check.

02.07 Distribution of Residual Checks - Checks are prepared by the General Accounting Office - Accounts Payable Office and SBS is responsible for mailing the checks. Checks will be mailed to the mailing address on file if provided by the student. If no mailing address is available then the local address will be used and lastly the permanent address that is on file with the Registrar’s office. Exceptions to this policy include checks for students having financial aid over awards, students with inactive addresses, and students with financial holds with the State of Texas. Checks returned undelivered from all available addresses will be filed in the SBS Office and released to the student upon the presentation of valid photo identification.

Checks will not be mailed to any address other than the mailing, local, or permanent address unless the student is enrolled in study abroad. For study abroad students, the SBS Office will work with FAS to determine the correct mailing address.

The University will hold any financial aid residuals, with the exception of Title IV funds, of students with an outstanding balance owed to the university until the account is paid.

02.08 Cancellation and Collection of Erroneous Residual Payments - The University reserves the right to cancel checks or EFT transactions for financial aid residuals found to be in error. Recipients of erroneous amounts are liable for repayment immediately. Failure to make repayment will result in the university placing holds on students' records, reporting unpaid balances to collection agencies (which will result in additional costs for the student), reporting to credit bureaus, and may result in criminal prosecution. The university is not responsible for any fees incurred by the recipient due to the cancellation of erroneous financial aid residual payments.

02.09 Third Party Checks - Checks from third parties payable to the student will be held at the SBS Office for release to students upon presentation by the student of valid photo identification.

03. PROCEDURES

03.01 Authorization of Financial Aid - FAS will authorize the release of financial aid to the students account through the automated disbursement process available in the Student Information System (SIS).

03.02 Crediting of Financial Aid to outstanding debts - Outstanding installment balances, Short Term Loans and Emergency Tuition Loans will be credited to the extent financial aid has been authorized. Non-institutional charges, including but not limited to parking permits,
Health Center charges, and other miscellaneous fees, will not be credited unless the
*Authorization for Non-Standard Charges* has been accepted by the student.

03.03 Preparation of Financial Aid Residuals- In accordance with the established semester refund schedule, the SBS Office will review the outstanding residuals and begin the refund process. SBS will coordinate the release of the electronic funds transfers, and will notify GAO Accounts Payable Office for processing the residuals distributed via check.

03.04 Distribution of Disbursements - SBS will release the financial aid residuals via electronic funds transfers. SBS will coordinate with Accounts Payable to process the financial aid residuals via check. Accounts Payable will deliver the checks to the SBS Office along with a copy of the check register. The SBS Office will mail the checks to the mailing address, if available, or local address printed on the check no earlier than 10 days prior to the first day of classes and thereafter, in accordance to the established refund schedule for the semester. The SBS Office will schedule a batch update program to create an entry in the SIS on the same day the checks are mailed.

Checks will be mailed in an envelope with appropriate security features and the return address will be the SBS Office official mailing address with the university.

Checks that are not to be mailed will be filed in the SBS Office and released to students upon presentation of valid photo identification.

03.05 Undeliverable Mail - Any returned mail will go to the official mailing address of the SBS Office with the university. Checks returned from the mailing or local address will be mailed to the permanent address within ONE BUSINESS DAY of receipt by the SBS Office. Checks returned from the permanent address will be filed in the SBS Office and the student will be notified by phone and electronic mail. The check will be released to the student upon presentation of valid photo identification. After seven business days, if the student has not made contact or picked up the check the FAS will be notified. The FAS will determine if the check is eligible for cancellation. Any action taken on a check will be logged by SBS in the student account in the appropriate SIS form.

03.06 Rejected EFTs –The SBS Office will reissue the rejected EFT as a check. Accounts Payable will be notified to process the check. SBS will deactivate the designated refund account and notify the student of the rejected EFT and the availability of the check.

03.07 Duplicate Checks - Duplicate Checks may be requested if at least seven business days have elapsed from the date the check was mailed. The SBS Office will complete a duplicate check request form and forward it to General Accounting for processing. General Accounting will verify the check has not cleared the bank and process a stop payment before issuing a duplicate check. The duplicate check will be forwarded to SBS. SBS will file the check and notify the student that the check is available. The check will be released to the student upon presentation of valid photo identification.
04. ACCESS TO INFORMATION

04.01 Student disbursements information will be available on the student account through the SIS. The SBS Office and FAS will have access to the screen and can provide information to students regarding the disbursement of funds.

05. MAJOR RESPONSIBILITIES ASSOCIATED WITH THIS PPS

Major responsibilities for routine assignments associated with this PPS include the following:

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<thead>
<tr>
<th>Positions</th>
<th>Section</th>
<th>Date</th>
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<tbody>
<tr>
<td>Director of Student Business Services</td>
<td>Review</td>
<td>March 1 (E5Y-02)</td>
</tr>
<tr>
<td>Director of Accounting</td>
<td>Review</td>
<td>March 1 (E5Y-02)</td>
</tr>
</tbody>
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06. CERTIFICATION OF STATEMENT

This FSS/PPS has been approved by the following individuals in their official capacities, and represents FSS policy and procedure from the date of this document until superseded.

Director of Student Business Services, Reviewer

Director of Accounting, Reviewer

Treasurer, Reviewer

Vice President for Finance and Support Services

Approved: ____________________________
Reviewer

Approved: ____________________________
Reviewer

Approved: ____________________________
Reviewer

Approved: ____________________________
Vice President for Finance and Support Services