**Distribution of Financial Aid FSS/PPS No. 03.15**

**Residuals Issue No. 5**

**Effective Date: 01/26/2022**

**Next Review Date: 03/01/2027 (E5Y)**

**Sr. Reviewer: Director, Student Business Services**

**POLICY STATEMENT**

*Texas State University is committed to increasing opportunities for student access to and success in higher education by efficiently distributing funds.*

**01. SCOPE**

01.01 This document establishes responsibility and policy regarding distribution of financial aid residuals to recipients.

01.02 Financial aid residuals (credit balances) occur when the total amount of the awarded aid disbursed exceeds the amount owed on a student's account.

The credit balance resulting from the financial aid disbursement will be paid directly to the student or parent, for Parent Plus Loans, as soon as possible but no later than 14 days after:

* + 1. 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
		2. 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.

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

01.04 Responsibility

FAS determines eligibility for receipt of financial aid disbursements and notifies students when these amounts are applied to the students’ account. Student Business Services (SBS) distributes financial aid residuals to eligible recipients.

01.05 Payment Methodology

Payments are made in the form of electronic funds transfer (EFT) or checks issued by Texas State. Students who do not sign up for EFT, will receive their financial aid residual via check.

01.06 Distribution via EFT

Students who elect to receive their funds via EFT must complete the required information on the [EFT Authorization form](https://www.sbs.txstate.edu/) (login required) via the Student Bill and Payment site. Funds may be deposited to any financial institution in the United States participating in the national Automated Clearing House 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](https://www.sbs.txstate.edu/) (login required). 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 student error or closed accounts.

01.07 Distribution of Residual Checks

Checks are prepared by SBS and submitted to the Accounts Payable Office for printing. Once printed, Accounts Payable returns the checks to SBS for mailing. Checks will be mailed to the mailing address on file with the Registrar’s office. If a mailing address is not available, then the local address will be used or, 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 SBS 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, SBS will work with FAS to determine the correct mailing address.

The university may 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.

01.08 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.

01.09 Checks from third parties payable to the student will be held at SBS for release to students upon presentation of valid photo identification.

**02. PROCEDURES**

02.01 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).

02.02 Crediting of Financial Aid to Outstanding Debts

Outstanding installment balances, short-term loans and emergency 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.

02.03 Preparation of Financial Aid Residuals

In accordance with the established semester refund schedule, SBS will review the outstanding residuals and begin the refund process.

02.04 Distribution of Disbursements

SBS will release financial aid residuals via EFTs. SBS will coordinate with Accounts Payable to process the financial aid residuals via check. Accounts Payable will deliver the checks to SBS along with a copy of the check register. SBS 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 with the established refund schedule for the semester. SBS 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 official mailing address with the university. Checks that are not to be mailed will be filed in SBS and released to students upon presentation of valid photo identification.

02.05 Undeliverable Mail

Any returned mail will go to the official mailing address of SBS with the university. Checks returned as undeliverable will be filed at SBS, and the student will be notified by phone and email. The check will be released to the student upon presentation of valid photo identification. After 14 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.

02.06 Rejected EFTs

SBS 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.

02.07 Duplicate Checks

Duplicate checks may be requested if at least seven business days have elapsed from the date the check was mailed. SBS will complete a duplicate check request form and forward it to Financial Reporting and Analysis for processing. Financial Reporting and Analysis 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.

**03. ACCESS TO INFORMATION**

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

**04. REVIEWERS OF THIS PPS**

04.01 Reviewers of this PPS include the following:

Position Date

Director, Student Business March 1 E5Y

Services

Director, Accounting March 1 E5Y

**05. CERTIFICATION OF STATEMENT**

This PPS has been approved by the following individuals in their official capacities and represents Texas State Finance and Support Services policy and procedure from the date of this document until superseded.

Director of Student Business Services; senior reviewer of this PPS

Treasurer

Vice President for Finance and Support Services