

SUNY DOWNSTATE MEDICAL CENTER
Finance Division: Policies and Procedures

Department: Bursar's Office
Subject: Campus Based Student Loans
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Implementation Date: Currently in Place

Distribution: Administrative Manual
 Department Manual
 Patient Care Manual
 AOD Manual

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- I. Purpose: To document current procedures showing the award and accounting procedures for campus based student loan programs: Perkins, Nursing, Health Professions, Primary Care, and Loans for Disadvantaged Students.**
- II. Policy: To ensure that the Bursar's Office implements appropriate procedures for the awarding and accounting of campus based loans.**
- III. Responsibilities: The Bursar's Office is responsible for:**
- Maintaining promissory notes for certain loan programs.**
 - Maintaining accounting records necessary for annual reporting.**
 - Remitting Loans to the SUNY Student Loan Service Center (SLSC).**
- IV. Procedures/Guidelines :**

Perkins Loans: Award Process

The campus receives an annual Award Letter from the United States Department of Education (DOE) listing the total new funding for Perkins Loans. In addition to new funding, the campus also receives monthly accounting entries from the SLSC of repayments from former students. The funding from these repayments becomes available for additional Perkins Loans. These repayments are made directly to the SUNY SLSC, who provides Downstate with the monthly accounting entries so that the campus can update its accounting records.

The Financial Aid Office (FAO) determines loan eligibility, prepares a paper Master promissory note for each eligible student, and delivers these notes to the Bursar's Office. The Bursar's Office creates an excel file listing names of these students who have received promissory notes. Students sign the note in the Bursar's Office. An updated version of this excel file is periodically sent to the FAO notifying them when students have signed their note. Based on this file, and once the student has fulfilled all other FAO requirements for the loan, the FAO sends a "Disbursement Roster" to the Bursar's Office

for processing, with the monies credited to the appropriate student account. Please see “Financial Aid Processing Procedure” (BUR-1) for more detailed information on these steps.

Beginning with the 04-05 academic year, many students became eligible for electronic promissory notes, called E-notes. E-notes can only be for first time borrowers. These notes are administered entirely by the FAO, who sends a file of those students that were awarded Perkins Loans to the SLSC. They in turn set up the note on the web. The Bursar’s Office can access this data if necessary ([www.ecsi.net/ace6...password protected](http://www.ecsi.net/ace6...password%20protected)). As with paper promissory notes, once the student has fulfilled all other FAO requirements for the loan, the FAO sends a “Disbursement Roster” to the Bursar’s Office for processing, with the monies credited to the appropriate student account.

Nursing Student Loans (NSL), Primary Care Loans (PCL), Health Professions Loans (HPL), and Loans for Disadvantaged Students (LDS): Award Process

An annual Award Letter is received by the campus from the US Department of Health & Human Services (HHS) listing new federal awards (if any) for NSL, PCL, and LDS loans (HPL are no longer provided to students at this campus). The Bursar’s Office also receives monthly accounting entries for repayments of these loans from former students. The funding from these repayments becomes available for additional NSL, PCL, and LDS loans (HPL repayments become available under the PCL program). These repayments are made directly to the SUNY SLSC, who provides Downstate with the monthly accounting entries so that the campus can update its accounting records.

The SUNY SLSC provides the campus with blank paper promissory notes for these programs (currently, E-notes are not available for these programs). The FAO sends the Bursar’s Office a list of students and amounts awarded. The Bursar’s Office prepares the promissory notes and arranges with the students to sign their promissory notes. Students have the option of signing the note for each disbursement or signing it once for all disbursements. Using an excel file, the FAO is periodically notified by the Bursar’s Office of students who have signed their note. Once the student has fulfilled all other FAO requirements for the loan, the FAO sends a “Disbursement Roster” to the Bursar’s Office for processing, with the monies credited to the appropriate student account. Please see “Financial Aid Processing Procedure” (BUR-1) for more detailed information on these steps.

All paper promissory notes are stored in a fireproof file cabinet in the Bursar’s Office. When a student leaves the institution, these notes are forwarded using certified mail to the SLSC, who is responsible for collecting repayments for all campus based loan programs.

Accounting for Campus Based Loan Programs:

Accounting entries are made for each program using an excel spreadsheet with accounts established based on reporting requirements for our FISAP (US DOE requirement for Perkins Loans, Supplemental Economic Opportunity Grants, and College Work Study) and Annual Operating Reports (US HHS requirement for NSL, PCL/HPL, and LDS loans).

As noted above, accounting entries for each program are received on a monthly basis from the SLSC. These entries are primarily to notify the campus of repayment activity and loan cancellations. Reasons for cancellations include death, disability, bankruptcy, and when students are employed in certain qualifying professions. The Bursar’s Office generates accounting entries when disbursements to

students are made based upon disbursement files received from the FAO or when funds that are disbursed need to be returned to the program (re-deposits). A separate excel spreadsheet is maintained for each program for each fiscal year. The data is used for annual Federal reporting requirements, as noted above.

Remitting Loans to the SUNY SLSC

One to two months prior to the end of each semester, the Bursar's Office requests a listing from the Registrar's Office of students they anticipate will be graduating when the semester ends. The Bursar's Office prepares the necessary paperwork (exit repayment agreement and exit interview questionnaire) and contacts the student to fill out the forms and answer any questions the student may have on the loan repayment process. Students who do not come in prior to graduation are requested to do so when they pick up their caps and gowns. Caps and gowns are withheld from the students until they complete the exit interview process.

The appropriate forms, as well as two original promissory notes are remitted to the SLSC using certified mail once official confirmation of student graduation is received by the Bursar's Office from Student Services.