

SUNY DOWNSTATE MEDICAL CENTER
Finance Division: Policies and Procedures

Department: Bursar's Office

Subject: Campus Based Student Loans

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Page 1 of 3

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 Financial Aid Office (FAO) 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 FAO determines loan eligibility. After the loan is offered and accepted by the student, a weekly file is generated by the FAO that includes the accepted students, which is exported through Banner and sent to SLSC. SLSC then generates an electronic Master Promissory Note (MPN) and entrance counseling interview on the web for each student to sign. The Bursar's Office can access this data if necessary (www.ecsi.net/ace6...password protected). Upon the students signing the MPN (Master Promissory Note) electronically, the FAO imports a file from Student Loan Service Center SLSC that contains the students that have signed their MPN and completed the necessary federal requirements. This file is then imported into Banner. The Bursar's Office runs a process in Banner, RPEDISB, which updates the student Perkins to authorize (FAA) so that they can appear on a voucher. The voucher process produces a listing that includes all eligible students who have registered and signed their MPN.

Once the vouchers are reviewed for accuracy, a file is created and sent to SLSC requesting the total amount of the voucher. Monies appear on the state system to be drawn by the Bursar's Office. Monies are drawn down and 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 FAO 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 from SLSC for repayments of these loans from former students. The funding from these repayments becomes available for additional NSL, PCL, and LDS 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 SUNY SLSC provides the campus with blank paper promissory notes for these programs (currently, E-notes are not available for these programs). The FAO offers the loan and once it is accepted by the student, they appear on a listing that the Bursar's Office generates. It is from this listing that the students are emailed and asked to come in and sign the respective master promissory note (MPN). Students have the option of signing the note for each disbursement or signing it once for all disbursements. Once the students sign their note, the Bursar's Office updates the status as 'Completed'. The Bursar's Office runs the process "TSASPAY", which updates the loan on the student's account to "FAA". The process "RPRYVDL is run by the Bursar's Office, to generate a voucher. This voucher lists each student that has signed their promissory note and cleared their account. Vouchers are reviewed and a file can now be created to send to SLSC requesting the total amount of the voucher. Monies appear on the state system to be drawn down by the Bursar's Office. Monies are drawn down and credited to the appropriate student account.

All paper promissory notes are stored in a fireproof file cabinet in the Bursar's Office in compliance with Federal regulations. 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 that were 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. The reasons for cancellations include death, disability, bankruptcy, and when students are employed in certain qualifying professions.

Remitting Loans to the SUNY SLSC
“Exits”

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. At that time, the Bursar’s Office also generates a listing via Banner of all students who are graduating and have received Perkins. The Bursar’s Office compares the file to ensure that everyone that is graduating is on the file generated by Banner. Perkins Exit file is created in Banner and submitted to SLSC.

The recipients of NSL, LDS and PCL, which are all paper notes, are called into the Bursar’s Office to complete an exit interview, which entails completing an exit interview note and exit interview questionnaire), and also to answer any questions the student may have on the loan repayment process. All completed exit packages, which include the MPN, are sent to the SLSC via certified mail. 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. A hold is also placed on their account if the exit interview process is not completed.

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.