

**SUNY Downstate Medical Center Finance**  
**Division: Policies and Procedures**

**Department:** Bursar's Office  
**Subject:** Financial Aid Processing

**No:** BUR-1  
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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 Bursar's Office Procedures for Financial Aid Processing**
  
  - II. Policy: To ensure that the Bursar's Office is adhering to sound business practices and internal controls in all phases of processing financial aid; to process aid as quickly and efficiently as possible, using automated systems currently in place.**
  
  - III. Responsibilities:**
    - Securing data from financial aid office.
    - Posting financial aid awards and encumbrances to student bills and student accounts.
    - Processing and distribution of student refunds.
    - Return of financial aid overawards.
  
  - IV. Procedures/Guidelines**

**Financial Aid Billing File**

The Financial Aid office (FAO) determines financial aid award eligibility. This information is found in Banner. In the beginning and during the semester, the Bursar's office runs the disbursement process "RPEDISB" to update the student accounts with the most up-to-date financial aid on file. Once this information is on the student account, the student can register on the assumption that their institutional charges (tuition, fees, and dorm rental) will be paid based on financial aid to be disbursed and credited to their account after the first day of the semester. In processing a student's aid, it allows the Bursar's office to give immediate "credit" on their student account for aid even though the actual funds have not been disbursed. It allows the student to receive the maximum amount possible from their student bank loan check proceeds (i.e., Stafford and Unsubsidized Stafford Loans), which is generally the first financial aid to be disbursed and credited to the student account. As an example, a student who has \$3,000.00 in student charges, but has \$1,200.00 in campus based aid, would receive back \$3,200.00 from a Stafford Loan payment of 5,000.00. (i.e. \$1,800.00 of the \$3,000.00 in charges would be deducted from the loan. The remaining \$1,200.00 in charges would be paid by the campus based aid to be disbursed later in the semester.)

## **Student Bill/Invoice**

Tuition and fee charges on the student bill are calculated by Banner based on the tuition and fee assessment table in Banner that the Bursar's office updates each academic year along with data from the Registrar's Office (program, credits, residency). Dorm rental charges are updated in Banner by Residential Life and Services (Housing office). The created bill is given to new students at orientation as part of a registration package. The continuing students access their bills on-line via Banner self-service.

## **Bank Loans (Subsidized Stafford, Unsubsidized Stafford, and Alternative Loans)**

Bank loans mentioned above are awarded and offered by the Financial Aid Office. Once a student accepts the offer, the Bursar's office runs disbursement "RPEDISB" which updates each student account with the most up-to-date accepted award amounts. A listing is generated via Banner with all students who are registered and are eligible for loan payout. The listing is spot checked by the cashiering supervisor to make sure the student is both registered and has sufficient credits to receive the loan. Monies are drawn down from SUSA based on the listing and applied to the student account. Refund checks are computer generated. Refund amounts are prepared by the cashiering supervisor prior to processing. Prior to the checks being printed, the refund list is reviewed and approved against the student accounts by the Associate Bursar. The Bursar and his assistant review the checks prior to them being signed. A file (called Positive Pay file) is sent our banking institution for all checks issued to insure no checks are being presented for payment fraudulently. The Students are emailed when there is a refund check.

## **Financial Aid**

During the course of the semester, the Bursar's office runs disbursements to update the student accounts with the most up-to-date financial aid information. A voucher is generated authorizing the Bursar's office to draw down the particular type of financial aid being disbursed and apply the funds to the student accounts. The aid is processed the same way as it is for bank loans (i.e. student eligibility is re-verified, the funds are applied to the student account). Checks are cut to students for overpayments, which are reviewed, signed, and distributed to students. If disbursed financial aid is less than the estimated amount, the Bursar's Office bills the student for any shortfall.

## **Return of Title IV Financial Aid**

Students losing eligibility for financial aid after disbursement generally only do so due to a withdrawal or leave of absence that occurs during the first 60 % of the semester, necessitating a return of Title IV Financial Aid. The financial aid office does the calculation of the Title IV return of funds. The financial aid office then notifies the Bursar's Office of what needs to be returned. The Bursar's Office processes the return of funds via check or EFT ensuring the funds are returned in conformity with federal regulations.

## **Financial Aid Overawards**

Occasionally, the FAO instructs the Bursar's Office via email to return loan funds (Stafford and Unsubsidized Stafford) due to an overaward situation that has occurred. Overawards can occur mostly when a student receives a new or increased grant. In these situations, a notation is made by the Bursar's Office on the student record, and a block placed on the issuance of future automated refunds. When the grant is received, the amount overawarded is returned to the lender first, with any remaining overpayment issued to the student, as appropriate. This determination is made by the FAO, who instructs the Bursar's Office on how to handle financial aid overawards.