



# FINANCIAL AID DEPARTMENT

## 2013-14

## DISBURSEMENTS

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### **Definition of Disbursements and Disbursement Methods**

The Financial Aid Office calculates eligibility and awards Federal Title IV grants and loans to qualified students. Once awarded, the awards are transmitted by the Finance Office to the student's account. The disbursement occurs on the date the student's account has been credited.

### **Credit Balance**

Students with a balance remaining on their account after deducting any outstanding debt to Southwestern College will have funds transferred electronically (EFT) to HigherOne, a financial services company, which will disburse the funds to students by one of the following options:

1. Credit the student's HigherOne account
2. Transfer electronically (EFT) to student's preferred bank account
3. Send a student a paper check
4. Instant check (HigherOne status preference inactive)

The following funds are currently disbursed by HigherOne:

1. Pell Grant
2. SEOG Grant
3. Direct Loans
4. Cal Grants (California grant)

Federal Work study (FWS) is not awarded by the Financial Aid Office, but awarded and managed by the Student Employment Office. FWS Funds are disbursed directly to students by the Cashiering Office.

Federal funds are disbursed only after the institution; specifically the Finance Office receives the funds from the Department of Education. Institutional funds are not used to disburse Federal aid.

Pell Advancement Requests are available to students who have been awarded a Pell Grant; however, they will not receive their Pell award by the 7<sup>th</sup> day of a payment period. Students have the option to use this credit at the Campus Bookstore to purchase books and supplies at the beginning of the term.

Not all financial aid programs are disbursed by HigherOne; some state, institutional and non-institutional grants, loans and scholarship are awarded by the Financial Aid Office and EOPS Office. The Cashiers Office will be responsible for disbursing funds directly to students.

### **Procedures:**

Financial Aid; prior to each disbursement the Financial Aid Office will run various quality control reports to review enrollment, Transfer Monitoring Alerts, Satisfactory Academic Progress, ineligible academic programs, Ability to Benefit, Pell lifetime eligibility used, Pell Multiple Reporting Records and other program specific criteria. Following the review of the quality control reports, Financial Aid will provide the Finance Office a "save list" of student IDs which the Finance Office will use to run the transmittal process in Colleague and post the disbursements in the student's account.

Finance Office; the Finance Office will run the transmittal in Colleague to update the students account using the list of students identified by Financial Aid. The Finance Office will review student accounts and deduct any fees owed to the institution. Any remaining balance on the student accounts not

credited to the institution will be forwarded to HigherOne. Prior to sending the disbursement file to HigherOne, the Finance Office will request and confirm receipt of sufficient funding from the Department of Education.

Student Employment Office; Student Employment will award Federal Work Study, have students complete required personnel hiring paperwork, place students in a work study position, check student eligibility on a monthly basis and forward student timesheets to the Payroll Office. The county processes the timesheets and disburses the earnings to students by either direct deposit or Cashiers Office. FWS earnings are updated in Colleague by importing data from the county and reconciled prior to completing the FISAP.

Pell Advancement Requests; Based on established deadlines, students who have been awarded a Pell Grant and have not been disbursed can request a Pell Advancement Request by completing a Pell Advancement Request form in Financial Aid. If approved, the information is forwarded to the Campus Bookstore for a maximum credit of \$350.00 to be used for books and supplies. Any unused portion of the Pell Advance can be cashed out at the Campus Bookstore on the student's scheduled Pell disbursement date.

### **Disbursement Dates and Schedules**

Students who are receiving a grant or loan are paid at a minimum, once per term; however, Pell Grants are normally divided into two disbursements not to exceed 30% of their payment period eligibility at the beginning of the fall and spring terms. The summer term is normally disbursed as a single disbursement.

Southwestern College meets the federal requirements that schools must provide a way for Pell eligible students to purchase or obtain books and supplies no later than the 7<sup>th</sup> day of a payment period by disbursing aid the week of each term.

Disbursement schedules are reviewed annually by Financial Aid Office and the Finance Office. Every term is assigned a disbursement week per month; however, students who have emergencies can be disbursed out of sequence. Out of sequence or "manual warrant" must be approved by the Financial Aid staff.

FAFSA applications are received by the institution throughout the year; therefore, awarding of financial aid occurs daily. Students awarded prior to the term will be scheduled for the first disbursement of each term. Students who are awarded within the term are assigned the next available monthly disbursement week. Students who are awarded after a term has completed and are eligible for a late disbursement, will be assigned the next available disbursement week of the following term, if it is within the Federal deadlines.

Pell Grants are generally disbursed twice a term, the first disbursement at the beginning of the term and the second disbursement after the term mid-point.

SEOG Grants are disbursed once a term, after the term mid-point.

Direct Loans are disbursed monthly. Generally students will receive one disbursement per term, unless the loan period is only one term, in which case the student will receive two disbursements for the term.

Federal Work Study disbursed at the end of each month for hours worked during the previous month.

Cal Grants are disbursed on or after the mid-point of the term, usually one disbursement per term.

### **Procedures:**

Financial Aid; awarded students are directed by email to access the college website [www.swccd.edu](http://www.swccd.edu) regarding their specific awards, where they have access to WebAdvisor to view their annual/term award eligibility and print an award letter. The disbursement schedule is also available online under the Financial Aid section. The disbursement schedule has specific disbursement dates on each award

disbursed by HigherOne. The email also references the availability of the Pell Advancement Requests.

### **Student and Parent Authorizations**

The Finance Office prior to disbursing financial aid funds to HigherOne will deduct any outstanding financial debts to the institution prior to sending the remaining funds to be disbursed by HigherOne.

#### **Procedures:**

The Financial Aid Office collects and images a signed Student Information Form from every student with the authorization to deduct any outstanding financial debts owed to the institution from the student's financial aid disbursement.

### **Undeliverable Title IV funds**

Financial Aid disbursements (HigherOne refers to disbursements as a refund) can be returned to the institution by HigherOne for the following reasons:

- Refund reversed
- Returned to University (ACH timeout)
- Returned to University (check returned timeout)
- Returned to University (recipient unknown)
- Returned to University (stale check)

#### **Procedures:**

HigherOne returns the funds to the Finance Office; corresponding cancellations are posted in Colleague by Finance. Financial Aid will update Colleague awards and in the case of Pell and Direct Loans, will report the reduction to COD.

### **Recovery of Title IV Disbursements when student does not begin attendance**

Students may have received aid for classes in which they did not begin attendance. If this results in a reduction in the enrollment status for the term, students may have been overpaid.

#### **Procedures:**

The transmittal report in Colleague is run at the end of each term to identify students who have a possible Pell overpayment. If an overpayment is identified and the institution is determined liable a requisition is completed with authorized signatures and forwarded to the Finance Office to pay the overpayment with institutional funds. Financial Aid will report the reduction to COD once the institutional funds have been credited to the students account. The institution will attempt to collect the loss of institutional funds from the student.

### **Authority to Refuse Funding**

No payment of funds will be made if the college determines that the student is in default on any federal debt or owes a repayment on any Title IV program received for attendance at any institution.

Students in default will be considered to be ineligible for Title IV funds until they have made satisfactory arrangements to repay the loan. The students must provide proof that they have met this minimum requirement with a letter from the agency holding the loan. Student's eligibility will be confirmed through NSLDS.

Payments may also be withheld if the student has presented insufficient information to determine eligibility.

No payment of funds will be made if conflicting information is on file and cannot be resolved to the satisfaction of the Financial Aid Office.