

Volume S2: Student Financial Aid	S2.2 Unclaimed Student Title IV Refunds INTERIM APPROVAL Effective Date: 05/15/2012	Responsible Office: Financial Aid/ Bursar's Office/ Controller's Office
		Responsible Officer: Director of Financial Aid/ Controller

POLICY STATEMENT

It is the policy of Northeastern Illinois University (NEIU) to comply with federal requirements that unclaimed student refunds from the Title IV Federal financial aid programs must be returned to the appropriate programs no later than 240 days after the check was issued or electronic fund transfer (EFT) was made. Under no circumstances may unclaimed Title IV Federal student aid (FSA) funds escheat to the state, or revert to the University, or any other third party.

PURPOSE OF THE POLICY

The purpose of this policy is to set forth guidelines and procedures to ensure that the return of unclaimed student Title IV refunds is performed in accordance with Federal regulations, commonly called Title IV, which is administered through the United States Department of Education.

WHO IS AFFECTED BY THIS POLICY

University Students, Office of Bursar, Office of Financial Aid and the Controller's Office.

DEFINITIONS

Title IV Federal financial aid programs include: Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work Study (FWS), Federal Perkins Loans, and Federal Direct Loans.

Escheatment is defined as the reversion of property to the state in the absence of legal heirs or claimants.

REGULATIONS

Federal financial aid regulations require any Title IV federal funds disbursed to a student or parent that are not received or negotiated must be returned to the appropriated federal financial aid program no later than 240 days after the check or electronic fund transfer (EFT) was issued. If a check or an EFT is returned, the University may make additional attempts to deliver the funds, provided that those attempts are made no later than 45 days after the funds were returned or rejected. In case where the University does not make another attempt, the funds must be returned before the end of the initial 45-day period. The University must cease all attempts to disburse the funds and return them no later than 240 days after the date it issued the first check. Under no circumstances may unclaimed Title IV FSA funds escheat to the state, or revert to the University, or any other third party.

For Federal Work Study (FWS) program funds, only the federal portion of the payroll disbursements is required to return.

Refund checks must be cashed within 180 days from their issue date. After this period, un-cashed checks become stale dated and are non-negotiable and must be voided back to student accounts.

A credit balance that is less than \$1.00 is not required to pay.



PROCEDURES

1. RETURNED TITLE IV CHECK OR REJECTED EFT

If a check that the University mailed is returned, or an EFT is rejected, the Bursar's Office must make additional attempts to disburse the funds or return them to the appropriate federal program(s) within 45 days. The University may continue making attempts to deliver the funds, but must adhere to the Title IV Federal funds 240-day limit if it is unsuccessful.

2. UNCLAIMED TITLE IV REFUND CHECKS

- The Controller's Office will run the "Outstanding Title IV Refund Checks" list and provide the list to the Bursar's Office every month.
- The Bursar's Office will review the "Outstanding Title IV Refund Checks" list every month and follow the procedures below regarding the outstanding checks.
 1. The Bursar's Office will use all reasonable means to locate the student whose Title IV refund checks has become 120 days old.
 2. If all attempts are not successful, any outstanding Title IV refunds checks that have become stale dated (over 180 days) will be voided. The check must be voided back to the student account. The Bursar's Office will make an entry, after a check has been voided, debiting the student account and crediting a designated account that the Controller's Office will specify. This entry will then be interfaced to the Finance General Ledger debiting Student AR and crediting "Unclaimed Title IV Account".
 3. The Bursar's Office will then send an e-mail notice to the Financial Aid Office containing the student's name, student ID number, Title IV program(s), aid year and dollar amount that has been credited to the "Unclaimed Title IV Account".
- The Financial Aid Office will issue a Direct Payment Voucher (DPV) no later than 240 days after the check issue date to the Controller's Office requesting a return of the Title IV funds.
- The Controller's Office, based on the information provided by the DPV, will return funds to the appropriate aid program.
- The Financial Aid Office will make the appropriate change(s) to the Fiscal Operations Report and Application to Participate (FISAP).
- The Controller's Office will reconcile the "Unclaimed Title IV Account" every month.

3. TIMELINE FOR TITLE IV REFUND CHECKS

<u>Days after check issued</u>	<u>Action</u>
0 – 120 days	No Action
120 – 180 days	Outreach to payees regarding outstanding checks and options for reissue
180 – 210 days	Outstanding checks voided back to student accounts
210 – 240 days	Return of the outstanding Title IV funds to the appropriate aid programs

HISTORY

N/A



RELATED POLICIES, DOCUMENTS, AND LINKS

Code of Federal Regulations Title 34, 34 CFR Chapter VI Section 668.164(h)

http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title34/34tab_02.tpl

CONTACT INFORMATION

Please direct questions or concerns about this policy to:

Contact	Phone	E-Mail
Financial Aid	(773) 442-5016	financial-aid@neiu.edu
Bursar's Office	(773) 442-4700	NEIUBursar@neiu.edu
Controller's Office	(773) 442-5143	controller-office@neiu.edu

DISCLAIMER

The University reserves the right to modify or amend sections of this policy at any time at its sole discretion. This policy remains in effect until such time as the Responsible Officer calls for review. Requests for exception to any portion of this policy, but not to the policy statement, must be presented in writing to the Responsible Officer.