



612 POLICY – Fiscal and Cash Management

612.1 Statement of Policy

Redlands Community College complies with all applicable laws and procedures governing distribution of financial aid. The criteria and procedures to be followed in implementing this policy are published in the Procedures section of the Policies and Procedures Manual.

Adopted March 2017



612 PROCEDURE – Fiscal and Cash Management

612.1:1 Reimbursements from Lenders

Redlands Community College does not allow for any reimbursements paid or provided by a private education lender or group of lenders. However, if there are ever any reimbursements made to any employee who is employed in the financial aid office of the institution or who otherwise has responsibilities with respect to education loans, the expenses and reimbursements would be reported annually to the Secretary of the Department of Education (DOE).

612.1:2 Fiscal Records

Redlands Community College adequately accounts for the receipt and expenditure of Title IV, HEA program funds with general accounting principles maintained in the Business Office. The college maintains adequate financial records that reflect each Title IV program transaction, and within the scope of the Business Office, the general ledger control accounts and related subsidiary accounts identify each Title IV program transaction separately, and keeps separate those transactions from all other financial activity of the institution.

612.1:3 Disbursements

Disbursements of Title IV program funds occur on the date that Redlands Community College credits the student's ledger account or pays the student directly with either funds received from the Secretary of the DOE or institutional funds used in advance of receiving the Title IV, HEA program funds.

Redlands Community College's normal practice for Title IV fund disbursement is no earlier than the end of the drop and add period, which is the census date for the term. No student ledger accounts will be credited prior to the census date. For a first time Direct Loan borrower, the first disbursement will be delayed until the 30th day of the payment period.

Redlands Community College will disburse the Title IV HEA program funds during the current payment period for each student (or student parent) that the student is eligible to receive. Under the requirements set forth by the Department of Education, Redlands Community College will make late or retroactive disbursements when necessary as long



as the student was enrolled and eligible during the payment period covered by the late or retroactive disbursement.

Redlands Community College will confirm that the student is eligible for the type and amount of Title IV program funds at the time the disbursement is made to a student.

612.1:4 Crediting a Student's Ledger Account

Redlands Community College will use Title IV funds to credit each student's ledger for allowable charges for the current period, including tuition, fees, institutional room and board, and the amount the student charged to their account for books and supplies. Redlands Community College includes the costs of books and supplies through an agreement with the bookstore that allows the students to charge with their pending financial aid. This allows a student to obtain the books and supplies by the second week of class and use their pending financial aid if they have no other way to obtain their books.

Redlands Community College will also include a payment of up to \$200 from a prior year charge when crediting the student account, if those prior year charges were tuition, fees, or institutional room and board. This amount can be included without authorization from the student.

612.1:5 Direct Payments

Other than the payments listed under the previous heading, Redlands Community College will make direct payments to a student for the amount of the Title IV program funds that the student is eligible to receive, including Direct PLUS Loan funds that the student's parent authorized the student to receive. Redlands Community College will dispense these funds by issuing a direct deposit to the account specified by the student or by issuing a check for that amount payable to, and requiring the endorsement of, the student. If a student's parent does not authorize payment to the student for any Parent PLUS Loan, payment will be made to the parent for the amount of the Direct PLUS loan by issuing a check for the amount payable and requiring the endorsement of the parent.

612.1:6 Refunds to Students

Redlands Community College issues direct deposits, student ID debit card, or checks to make payments to students.



612.1:7 Title IV, HEA Credit Balances

A credit balance is identified as any Title IV, HEA program funds that are credited to a Redlands Community College student's ledger account for the payment period that exceeds the amount assessed to the student for allowable charges for enrollment at Redlands Community College associated with that payment period. It will be paid directly to the student (or parent) as soon as possible, but no later than 14 days after the balance occurred.

Redlands Community College does not practice early disbursements, but is aware that the earliest the college may disburse Title IV, HEA funds to an eligible student is 10 days prior to the first day of classes each semester.

Redlands Community College may not make an early disbursement of a Direct Loan to a first-time, first-year borrower subject to the 30-day disbursement delay required under federal guidelines.

Redlands Community College may not compensate a Federal Work-Study Program employee until the student has earned that compensation by performing work.

612.1:8 Late Disbursements

Redlands Community College considers an otherwise eligible student to become ineligible to receive Title IV, HEA program funds:

- when the student ceases to be enrolled at least half-time for Direct Loans.
- when the student is no longer enrolled for the award year for Federal Pell Grant, FSEOG, and Iraq-Afghanistan Service Grant.

If a student meets conditions for a late disbursement, the student (or parent if it is a Direct PLUS loan disbursement) must have a processed ISIR with an official expected family contribution, a Direct Loan that had been originated by Redlands Community College, and an FSEOG award had been made to the student.

If a student withdraws from Redlands Community College, the college will make any post-withdrawal disbursements due to the student according to the federal provisions. Redlands Community College will process payments for any eligible student that completed the period of enrollment that the student was eligible to receive while the student was enrolled at Redlands Community College. Redlands Community College will credit the student's account for the proper amount and offer the remaining amount to the student (or parent borrower). If a student is determined to have made an



unofficial withdrawal, Redlands Community College may make a late disbursement under the Direct Loan program to pay educational costs that the student incurred while eligible.

Redlands Community College will make a late disbursement no later than 180 days after the date the student was determined to have withdrawn, or in the case of a student who did not complete the semester, the disbursement will be made no later than 180 days after the date the student was determined to have become ineligible. Redlands Community College will not make a late second or subsequent disbursement of a loan under the Direct Loan program unless the student successfully completed the period of enrollment for which the loan was intended. Again, Redlands Community College will not make any late disbursements of any Title IV, HEA program assistance unless a valid ISIR is received for the student by the deadline established by the Secretary HEA for the applicable enrollment period.

Redlands Community College will pay student aid retroactively to enrolled students who are eligible, but have had a payment delay until the next payment period in the current award year. The payment for Federal Pell Grant will be based on work completed when paid after the enrollment period has ended.

612.1:9 Returning Funds

Redlands Community College returns to the Secretary of the DOE any Title IV, HEA program funds that it attempts to disburse directly to a student (or parent) that is not received by the student or parent. Because Redlands Community College currently has a waiver of the institutional share of Federal Work Study, this will include all FWS funds as well. If a check to a student or parent is disbursed, Redlands Community College will make attempts within 45 days after the reject/return to deliver the funds to the student or parent. If a check that has been sent to a student or parent is not returned to Redlands Community College, but is not cashed, those funds will be returned to the Secretary of the DOE no later than 240 days after the issue of the check.

612.1:10 Provisions for Books and Supplies

For students who are eligible for Title IV, HEA program funds, a method of charging books at the partnered bookstore is made available to those students one week prior to the beginning of the enrollment period. Those students will be allowed to purchase books and supplies based on their eligible financial aid amounts, with projected funds remaining after their institutional charges are satisfied. Any student who chooses to



use this benefit to charge books and supplies at the partnered bookstore is considered to have authorized the use of title IV, HEA funds for this purpose.

612.1:11 Notices

Redlands Community College notifies students each award year of the Title IV, HEA program funds that the student can expect to receive under these programs, also indicating how and when those funds will be disbursed. Each award is individually listed, so Direct Loans are identified as subsidized, unsubsidized, and PLUS loans.

When the student account is credited with direct loan funds, Redlands Community College will notify the student of the anticipated date and amount of the disbursement and the student (or parent) right to cancel all or a portion of that loan. The student will be notified of what procedures to follow to make the cancellation. Redlands Community College makes these notifications no later than seven days after crediting the student account with the federal direct loan funds.

If a student (or parent) informs Redlands Community College that he or she wishes to cancel all or a portion of a loan or loan disbursement, Redlands Community College will cancel said loan within 14 days after the college received the notice of the student's wish to cancel. Redlands Community College informs the student in writing of the outcome of the student loan cancellations request.

Redlands Community College does not hold excess funds in account for students.

612.1:12 Excess Cash

Redlands Community College is currently under HCM2 status, and therefore does not maintain any excess cash. Traditionally, Redlands Community College does not maintain excess cash more than seven days after drawing down funds. Redlands Community College has a policy to draw down funds as needed for student disbursement and maintain those funds no longer than seven days to meet federal excess cash requirements.

612.1:13 Federal Regulation

This policy and procedure was created and is maintained to be in compliance with Federal regulation 34 CFR §668.16(d), §668.24(b), §668.164, §668.165, and §668.166.



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