



FEDERAL STUDENT AID CREDIT BALANCES AND REFUNDS POLICY

PURPOSE

To provide guidelines and procedures for processing Federal Student Aid credit balances in student accounts in accordance with Federal regulations.

STATEMENT OF POLICY

It is the University's policy to ensure Federal Student Aid (FSA) credit balances are managed in accordance with Federal and other regulations

When the University disburses Title IV aid to a student's account and the total amount of all Title IV aid exceeds the amount of tuition and fees, room and board, and other billed charges, the University will pay the resulting credit balance directly to the student or parent via check as soon as possible but:

- no later than 14 days after the balance occurred if the credit balance occurred after the first day of class of a payment period; or
- no later than 14 days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period.

The Office of Enrollment Services monitors FSA credit balances on a daily basis for all active financial aid years. Refund checks are processed at University Center each day after the receipt of refund lists from the campuses. If PLUS loan funds create the credit balance, the refund will be issued to the parent unless he/she has authorized the University in writing or through studentaid.gov to transfer the proceeds directly to the student for whom the loan is made. The University issues refund checks by mail to the student's and/or parent's permanent address on record. Students may also set up direct deposit refunding by adding their domestic bank account of choice to their MyLIU account. Refund checks that are unclaimed after 240 days will be returned to the Department of Education.

The University does not require students to take any action to obtain their credit balance. It is the sole responsibility of the University to pay all FSA credit balance within the 14-day regulatory time frame. The University may use current year funds to satisfy prior award year charges for tuition, fees, room and board for a total that does not exceed \$200.

Notwithstanding any authorization obtained by the University, LIU will provide students with any remaining FSA credit balances resulting from FSA loan funds by the end of the loan period and any other FSA program credit balances by the end of the last payment period in the award year for which the funds were awarded.

Students of parents who receive an FSA refund triggered by the disbursement of Title IV funds may still owe a balance to the University, most often related to a prior term or a subsequent withdrawal from some or all of their classes. Upon receiving a refund, students and/or parents should verify whether any outstanding balance remains on the account and determine how best to satisfy payment obligations so as to avoid any holds or late payment fees being placed on the account.

If a student or parent overpays a student's account, related credit balances will be refunded to the student, regardless of the source of payment. Overpayments resulting from credit card transactions will be refunded to the original credit card from which the payment was made. EFT and wire transfers will be refunded to the original bank account from which the payment was made. All other non-FSA credit balances will be refunded by check or via direct deposit if the student has added their bank account of choice to their MyLIU account.

POLICY TYPE: STUDENT AFFAIRS