

<b>FLORIDA</b>	<b>OFFICIAL</b>
<b>POLYTECHNIC</b>	<b>UNIVERSITY</b>
<b>UNIVERSITY</b>	<b>POLICY</b>

<b>Subject/Title:</b> Federal Student Aid Fiscal and Cash Management
<b>FPU Policy Number:</b> FPU-7.0032P
<input checked="" type="checkbox"/> New Policy <input type="checkbox"/> Major Revision of Policy <input type="checkbox"/> Minor Technical Revision of Policy
<b>Date First Adopted:</b> January 19, 2017
<b>Date Revised:</b>
<b>Responsible Division/Department:</b> Office of Finance and Accounting
<b>Initiating Authority:</b> Mark Mroczkowski, Vice President and Chief Financial Officer

**A. APPLICABILITY/ACCOUNTABILITY**

This applies to the University offices responsible for awarding, disbursing, and reconciling Federal Student Aid Title IV funding. The Office of Finance and Accounting is responsible for overseeing this policy.

**B. FISCAL AND CASH MANAGEMENT POLICY STATEMENT**

The Office of Financial Aid and Bursar’s Office are responsible for the maintenance and disbursement of financial aid awards to student accounts. Financial Aid offered by the institution, state, federal, or private entities are awarded and administered by representatives from the Office of Financial Aid. The Bursar’s Office is responsible for posting funds of approved awards to student accounts in cooperation with the Office of Financial Aid.

The Finance Office will manage drawdown of Title IV from the G5 system and comply with cash management regulations outlined in Subpart K of 34 CFR 668.

The Accounting Office will perform reconciliation to ensure Title IV Federal Student Aid disbursed to students matches with the records in G5 and Common Origination and Disbursement System.

**C. DEFINITIONS**

1. **Authorization** – The amount of Federal Student Aid funds the University is currently eligible for in the award year based on expected student disbursements. The authorization is called the Current Funding Level (CFL) and in Direct Loan Programs, it is also referred to as the Cash Control Amount (CCA).
2. **Available balance** – The amount of cash available to the University to draw down through G5. The available balance is the difference between the authorized amount and the net drawdowns to date. A separate authorization is maintained for each program by award year.
3. **Campus-Based funds** – Federal Student Aid programs under which funds are allotted to participating institutions for awards to eligible students. Campus-Based programs include: the Federal Work- Study Program and the Federal Supplemental Educational Opportunity Grant Program.
4. **Cash Management** – The rules and procedures the University must follow to request, maintain, disburse, and otherwise manage FSA funds as described in Subpart K of 34 CFR 668.

5. **Common Origination and Disbursement (COD System)** – The system used to process records for the Pell Grant and Direct Loan programs.
6. **Disbursement** – The crediting of a student's account or paying a student or parent directly with Federal Student Aid (FSA) funds received from the Department or school funds labeled as FSA funds in advance of receiving actual FSA funds.
7. **G5** – The system through which the University requests and returns Federal Student Aid funds.
8. **Reconciliation** – The process by which the University confirms the amount of Federal Student Aid funds disbursed to students to ensure that the Office of Financial Aid and Finance and Accounting records reflect the same data.

## **D. PROCEDURES**

### **1. Drawing Down Federal Student Aid from G5**

- a. FSA funds are specific to the institution, award year, and program and may not be used for another institution, award year, or program. The University may not request more funds than it needs to make disbursements to eligible students and parents.
- b. The University must make the disbursements to a students' accounts no later than three business days following the receipt of funds. If G5 accepts the request, an EFT of the amount requested will be made to the University's designated bank account. The University's designated bank account is in compliance with 34 CFR 668.163.
- c. Under the advance payment method, the University receives the Initial Direct Loan authorization in late spring or early summer (prior to July 1). This authorization is based on the University's net accepted and posted disbursements from the previous award year. As the University submits actual disbursement records where the Disbursement Release Indicator (DRI) = true, the COD System will compare the total net accepted and posted disbursements to the University's current authorization.
- d. The COD System will automatically increase the University's authorization to the total net accepted and posted disbursements should they exceed the University's authorization.
- e. However, should the University be placed on Heightened Cash Monitoring (HCM1 or HCM2), Reimbursement, or request to be "records first", an initial authorization will not be received. Funding increases will be based on actual disbursement records that are submitted and accepted by the COD System.
- f. There are no Initial Authorizations in the Pell Grant program. The University's authorization for these programs will be based on the total actual (DRI=true) accepted and posted disbursement records accepted by the COD System. An Electronic Statement of Account (ESOA) will be sent to the University's Student Aid Internet Gateway (SAIG) mailbox each time the University's authorization changes.
- g. The University will not submit disbursements for the Iraq and Afghanistan Service Grant Program. The University will be provided with an "Exception-Based Process" through which The University will be funded when anticipated disbursements are submitted (DRI=False).
- h. Campus-Based funds are awarded on the basis of *The Application to Participate* portion of *The Fiscal Operations Report and Application to Participate* (FISAP). The method in which the University requests Campus-Based funds from G5 will vary depending on the funding method under which they operate. The University may not request funds in excess of the actual disbursements than have been made or will be

made to students (plus any Administrative Cost Allowance, if applicable). The University will not report individual disbursements for Campus-Based programs in the COD System. These expenditures will be reported on the FISAP expenditure reports, which are due before October 1. The University's allocation of Campus-Based funds is not revised during the year unless a supplemental allocation is received.

- i. The University can return unused prior year Campus Based funds and request funds for the upcoming year through the Reallocation-Supplemental award process. The University must complete the Reallocation form (E40-4P) by the third Friday in August to be considered. The University will then be notified of any supplemental funding in September.

**2. Reconciliation**

- a. The Office of Financial Aid, Office of Finance and Accounting, and Office of the Bursar are involved in the reconciliation process:
  - i. The amounts listed for the Office of Financial Aid are the monthly totals reported as disbursed to and adjusted from students by the Office of Financial Aid.
  - ii. The Office of Finance and Accounting totals are the monthly totals disbursed to and refunded from student accounts.
  - iii. The G5 amounts are the monthly totals advanced from and refunded to the University from G5.
  - iv. The School Account Statement (SAS), Pell Electronic Statement of Account (ESOA), Pell Year To-Date (YTD) reports are requested from COD.
  - v. The FISAP amounts reported for the applicable year must match with the University's reconciled fiscal records for each applicable program.
- b. University data is reconciled to the information in the G5 system.
- c. The University will reconcile its bank account information (Federal and operating account) prior to reconciling with the Office of Financial Aid. Bank account reconciliations must reconcile funds received by the University into its depository account from the Treasury with the funds transferred to the operating account.
- d. The [Fiscal Year-End Reconciliation Worksheet \(https://ifap.ed.gov/qadocs/FiscalManagement/FiscalYearEndReconciliationWorksheets.xls\)](https://ifap.ed.gov/qadocs/FiscalManagement/FiscalYearEndReconciliationWorksheets.xls) is used by the Office of Finance and Accounting to compare institutional data. Any discrepancies in the net expended amounts will be noted and resolved. These differences may be due to timing issues related to the reporting of disbursements by the financial aid office and the actual draw of cash.

POLICY APPROVAL	
Policy No.: FPU-7.0032P	
_____ Initiating Authority	_____ Date
_____ Policies & Procedures Review Committee Chair	_____ Date
_____ President/Designee	_____ Date
Approved by FPU BOT, if required	_____ Date
<b>EXECUTED SIGNATURE PAGES ARE AVAILABLE IN THE OFFICE OF THE GENERAL COUNSEL</b>	