

## **PROCEDURE FOR PROCESSING DISBURSEMENTS TO STUDENTS**

### **Introduction**

The University is responsible for complying with the laws and regulations of the Federal and State Programs of Financial Assistance. In order to comply with these regulations it is necessary to establish sound management procedures to make the request and disbursements of aid to students.

According to the Federal regulations, the Institution has a period of fourteen (14) calendar days to complete the cycle of payment and disbursement to students.

### **Purpose**

Establish guidelines for the processing of checks through the Colleague system, related to the payment of credit balance to students from financial aid programs.

### **Procedure**

- 1- The Financial Aid Office (FAO) prepares and sends by email the list of students by financial aid program, by campus or center, and by academic term. Also, it will separate the initial award lists to the payroll of adjustments and cancellations of aid.
  - a- The e-mail will be issued by the Financial Aid Coordinator or by the Designated Official to the Finance Director and the Accountant responsible for processing the student payrolls in the Finance Office.

- b- The staff of the Finance Office will process the payroll individually and will complete the cycle required to credit and issue checks, before working any other payroll issued by the Financial Aid Office.
- 2- The Finance Accountant processes the student report called "pre - transmittal" with the purpose of:
- a- Verify if the number of students and funds awarded reconcile with the payroll received from the Financial Aid Office.
  - b- If it does not reconcile, proceed to look for the differences in coordination with the staff of the FAO, and correct the discrepancies until obtaining the final report.
- 3- If there is no difference between the financial aid payroll and the pre-transmittal report processed by the Finance staff or the information between both offices is reconciled, it will process the report called "transmittal" in the account receivable module.
- a- The transmittal report retrieves the information of aids awarded for the students that appears in the financial aid module.
  - b- This is the process to credit the financial aid to the accounts receivable (ledger) of the students included in the payroll.
  - c- The Accountant responsible for the payment process, sends by email the last page of the transmittal report where the summary of the total financial aid paid to the Financial Aid office.
  - d- The Financial Aid staff processes the "CODE" report in the Colleague module, which is the procedure to transfer the students with the amount paid in the COD system. With this process increases the allocation of funds in the G-5 system.

- e- The Financial Aid Office is responsible to ensure that the date shown on the transmittal report is the same date to be used as disbursement of students included and paid in the COD system.
- f- With the final transmittal report, the Finance Director makes the drawdowns of funds in the G-5 system.

### **Issuance of Checks**

The issuance of checks will be made on the same day that the federal aid payroll is processed.

- 1- With the transmittal report, the report called "Voucher Register" is generated in the module of Account Receivable Type, for those students who have a credit in their account.
- 2- An individual voucher is prepared for all students who receive a credit (disbursement to pay) in their account (ledger).
- 3- After determining the amount of checks needed for printing and the federal aid program, request authorization to the Finance Director to withdraw the amount of checks required in the vault located in the Finance Office, record the amount and sequence of the checks to be used.
- 4- Send the report of the transmittal by email to the Federal Fund Accountant.
- 5- Proceed to print the checks through the "Check Processing - Check Printing" screen.
  - a- A sample of the checks issued against the transmittal is taken to corroborate that they have left for the correct amount and in the established sequence.
  - b- Issued the registered checks report.

- c- In a period not greater than 48 hours from the date of issuance of checks, will deliver the checks issued with the check report to the President office for her signature.
  - 1. The Finance staff is responsible for collecting the checks signed in the Office of the President.
  - 2. Verify that all checks are properly signed.
- 6- In a period of 4 working days from receiving the signed checks, personnel of the Finance office is responsible to deliver the signed checks with a copy of the check report to the Bursars Office.
  - a- In a period of 3 working days, the Bursars staff has the responsibility to insert, stamp and deliver the checks to the mailing office to be send by regular mail.

The Director of Finance is responsible for overseeing every step included in this procedure, and has to certify to the Vice President of Finance the compliance of the procedure or report any discrepancies occurred.

Effectiveness Monday 1 July 2019

Hector Gracia-Gracia  
Vice President