

**Manhattan Area Technical College
Institutional Policy and Procedure Manual**

Policy No. 6.3.3

Title: Unclaimed Student Title IV Refunds	
Originated by: Director of Financial Aid / Dean of Student Services	Originated Date: 8/2023
President/Board of Directors Approval Date: 8.29.23	
Revised by:	Revised Date:
Reviewed on:	

Policy Statement: It is the policy of Manhattan Area Technical College (Manhattan Tech) 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 College, or any other third party.

Rationale: To set forth guidelines and procedures to ensure that the return of unclaimed student Title IV refunds is performed in accordance with Federal regulations, which is administered through the U.S. Department of Education’s (ED) Office of Federal Student Aid.

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

For Federal Work Study (FWS) program funds, only the federal portion of a payroll disbursement must be returned.

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

[34 CFR 668.164\(l\)](#)

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Procedure:

1. Returned Title IV Check or Rejected EFT
 - a. If a mailed refund check is returned, or an EFT is rejected, the Business Office must make additional attempts to disburse the funds or return them to the appropriate federal program(s) within 45 days.
 - b. If a check sent to a student or parent is not returned to the institution but is not cashed, Manhattan Tech must return the funds to the Secretary of Education no later than 240 days after the date it issued the check. Manhattan Tech may continue making attempts to deliver the funds prior to the end of the 240 days.
2. Unclaimed Title IV Refund Checks
 - a. The Business Office will determine additions to the Student Outstanding Checks file and provide notification to the Office of Financial Aid and Student Accounts each month.
 - b. The Office of Financial Aid and/or Student Accounts will review the Student Outstanding Checks file every month and follow these procedures for the outstanding checks.
 - i. The Office of Financial Aid and/or Student Accounts will use all reasonable means to locate the student whose Title IV refund check has become 120 days old.
 - ii. If all attempts are unsuccessful, any outstanding Title IV refund checks that have become stale dates (over 180 days) will be voided. Student Accounts will make an entry on the student's account after the check has been voided. The Office of Financial Aid will reverse the disbursement to the student account, returning the funds to the appropriate federal budget account line for return via G5/G6.
 - iii. The Office of Financial Aid will perform a downward adjustment of student disbursement records with COD.
 - iv. The Office of Financial Aid will notify the CFO of the year, fund, and amount to return via EFT to ED in G5/G6.
 - v. The Business Office will verify the transactions have occurred and update the Student Outstanding Checks file accordingly.
3. Timeline for Title IV Refund Checks

Days after check issued	Action
0 - 90 days	No Action
90 - 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 outstanding Title IV funds to the appropriate aid programs

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Definitions

COD: The U.S. Department of Education's Common Origination and Disbursement web site. Financial Aid Administrators use this site to perform a variety of functions related to student/award/disbursement data for Pell, Direct Loan, and Teach Grant programs.

G5/G6: The U.S. Department of Education's grants management system also used to draw down and return funds from Title IV federal financial aid programs. G5 is expected to evolve into the improved G6 system.

Escheat: the reversion of abandoned property to the state. It results from the failure of a person legally entitled to the property to make a valid claim against the holder of the property within a prescribed period. For the purposes of this policy, escheatment would occur when a Title IV credit balance check to a student is not cashed and the funds remain in the school's account or are transferred to the state's unclaimed property account.

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