Sul Ross State University
Business Process Analysis – Finance Module

Process Name: Student Refunds
Date: September 28, 2005
Time: 9:18 a.m.
Location: ACR 207

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Session Lead: Laura Lannom, Terrie Salas

Narrative/Description: Types of refunds processed by cashiers are drop class, withdrawal, or financial aid.

A drop class credit will appear on student account and drop slips will be turned in to Cashiers by the Registrars office. Cashiers will wait until the 13th class day to start the refund process. Once we determine which students have financial aid, a list is prepared by Cashiers and sent to F/A for their review. We will at this point process refunds for those with no financial aid. When list is sent back to Cashiers from F/A, we will then process refunds based on information obtained by F/A.

For withdrawals, Cashiers receives a withdrawal slip from Student Support Services. Cashier will note on student account the date of withdrawal and percentage of withdrawal. Head cashier will verify accuracy of system-generated withdrawal credit and make any adjustments if necessary. Refund will then be processed.

For financial aid credits, Cashiers receive a daily list of credit balances via the bbdrfnd report generated by OIT. Cashiers also receive the EFT roster to show Stafford loans that disbursed to student accounts the previous night. Using these reports, Cashiers process refunds.

Before processing a refund, the Cashier determines if the student owes for short-term loans or housing charges, which are recorded on a separate screen in SIS. If they do, the Cashier processes a transfer from the student account to the housing or loan account to pay off the balance before processing a refund. For short-term loan pay-offs, Cashiers must first manually calculate and post interest. Cashiers next determines the proper subcode based on the nature of the remaining credit and processes the refund in the student account. The nightly BR feed process creates a payable in FRS and the FRS nightly cycle creates a check or ACH refund.

If the refund is a check, Accounting matches the check with a receipt from Cashiers and sends for Controller or Assistant controller approval. The approval process includes verifying the student has no other balance outstanding and a review of credits in the student account for propriety (errors occasionally encountered include double disbursements of FA, inaccurate Third-party billing credits and failure of short-term loans to populate on the loan screen). If the check is to be mailed (determined by using a focus report that looks for refunds that processed the night before that have an "R" address set up in the system), Controller mails the refund. Students are notified of mailing date via email (Controller uses email merge and the output from the focus report discussed above). All other checks are returned to the Cashiers office (alpine or RGC) where the student will pick up the check.

If the refund is ACH, Controller or Asst Controller will receive 2 automated emails from OIT that lists the refund amount, name and email address of the student. This

information will be copied into Excel and later used in e-mail merge to notify the student of the ACH. The refunds are reviewed for accuracy, then approved for ACH. OIT prepares a daily report in FTP that can be uploaded into the online banking system for these refunds.

During Fall or Spring semester, when no future charges are outstanding on a student account, SRSU can utilize an automatic refund program to process credit balances. This program checks for outstanding loan or housing balances and will not process the refund in cases where a balance exists. For all other credit balances for the term specified, the program will automatically post the refund transaction on the student account, and the nightly BR feed and FRS cycles will create the check or ACH refund.

Currently, SRSU gives "Hogg loans" to students who need money to buy books. In this process, financial aid sends a list to Cashiers by 2pm of loans given out since 2pm yesterday. Cashiers enters these loans and the resulting "refund" into the student account so a check will be ready for the student the next day.

Electronic Inputs: FTP for ACH file data, email for ACH info and email addresses, cobol program bbdrfnd to generate credit balance daily report, e-mail merge feature in Word for refund notification to students

Related Policy(s): Drop refunds are not processed until after 12th class day, students who opt to pick up refund in person must wait until 1st class day while those that opt for ACH or mailing get the refund sooner

Web Features: On WFS, students can sign up for mailing or ACH refunds

Manual/Paper Outputs: bbdrfnd daily report, EFT roster, refund checks

Customer(s): students

Regulatory Items: Education code for withdrawal percentages, financial aid disbursement dates

Frequency/Volume: approximately 5,000 per semester

Potential Break Points: system down, parms not set correctly in automatic refund program; if bjfeed process is not run as part of nightly cycle no checks print; double financial aid disbursements create invalid credits in student accounts; if withdrawal refund tables not set correctly system does not calculate the credit properly; if registrar doesn't enter correct drop notation (drop-retain vs drop vs withdrawal) the system doesn't calculate the credit properly; if short-term loans do not feed properly to the loan screen (part of the nightly cycle, but term specific and often forgotten on Saturday transactions), invalid refunds could be give to students who actually have an outstanding loan.

Automation: e-mail merge to notify students of refunds mailed or ACH, upload of ACH file into online banking, automatic refund program

<u>Issues</u>:   Hogg loans take many man-hours University wide to process with little value added; during 1st twelve class days, credit balances for new FA other than Staffords are impossible to determine without looking at every credit balance outstanding; financial aid disbursed months or years later is impossible to determine from the reports currently used by Cashiers;

Students who have a loan or housing charges outstanding are unable to see these balances on Web for Students because all that shows there is the student account balance. This creates confusion for students, but having the separate balances on separate screens has allowed Accounting and Cashiers many efficiencies in our processing and reconciling routines. In Banner, we'll be looking for a way to better meet the needs of both Accounting and students.