



## FEDERAL STUDENT AID CASH MANAGEMENT POLICY

### PURPOSE

To establish rules and procedures for requesting and managing Federal Student Aid program funds.

### STATEMENT OF POLICY

It is the University's policy to manage Federal Student Aid (FSA) cash in accordance with Federal regulations.

The cash management regulations are intended to:

- promote sound cash management of FSA program funds by schools;
- minimize the costs to the government of making FSA program funds available to students and schools; and
- minimize the costs to students who receive FSA loans.

To ensure adequate cash management practices, the University uses a cash management system that adheres to federal regulations and other standards. Cash management practices are governed by:

- Generally Accepted Accounting Principles (GAAP)
- Standards prescribed by the federal Office of Management and Budget (OMB)
- U.S. Department of Treasury regulations
- U.S. Department of Education (ED/the Department) regulations.

In accordance with the provisions of [34 CFR Subpart K](#), LIU has established procedures for requesting and managing FSA program funds. These procedures include:

- Disbursing financial aid awards to students
- Requesting and managing FSA program funds
- Managing over awards and overpayments
- Reconciliation processes for FSA programs.

University Center staff processes all disbursements and adjustments to student ledgers centrally and in batch to ensure proper separation of duties. The University does not begin to disburse financial aid for a term until after the drop/add period has ended and enrollment for the term is confirmed.

## PROCEDURES

For Standard Operating Procedures and procedural expectations associated with this Policy, refer to:

[Long Island University Standard Operating Procedure- FSA Cash Management \(LIU-F-S-1001\)](#)

**POLICY TYPE:** STUDENT AFFAIRS