Effective: January 2, 2012
Replaces: Procedure 7.1 dated January 7, 2007
Applies to: System Office and Colleges
Procedure Responsibility: Student Financial System Administration

Student Refund Checks

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Section 7.1.1 – General

The distribution as well as the responsibility for canceling/voiding of student refund checks is the responsibility of the College's business office. Refund checks are issued as a result of the transactions created by various units, e.g., business, registrar and student financial aid. Requests for cancellations are to be made to the College's business office. Communication between functional areas is key.

Section 7.1.2 – College Responsibilities for Cancellation (VOID) Student Refund Checks

A. In order to cancel or "void" a check, the college must have the check in its possession. The word **VOID** in large letters must be immediately written across the front of the check. This makes the check non-negotiable. The voided check must also be mailed the same day to KCTCS, Office of Student Financials, 300 North Main Street, Versailles Kentucky, 40383.

B. The College's business office then must fax a copy of the check (with VOID on the front) to KCTCS' Office of Student Financials at (859) 256-3123. With the fax, the college should provide the student's employee ID and request that the payment be reversed.

C. A base assumption in voiding the refund check is that an error exists on the student's account requiring the college to immediately place a “no refund” service indicator on the student's account. This action must be followed closely by action to correct the student's account. *Note:* The college functional area responsible for correcting the student's account will depend on the reason for the cancellation of the student refund. This could be any number of issues such as the student’s financial aid is in question, enrollment or waivers are in question, and/or an error existing having to do with payment. When multiple corrections involving multiple functional areas occur, internal college communication is essential. As deemed necessary, the KCTCS Office of Student Financials may also need to be involved, e.g., PeopleSoft Student System processing issues.

D. When the college is comfortable that the student's account is correct, the functional area that corrected the student’s account should remove the “no refund” service indicator. If the student is due a refund, the college shall follow KCTCS’ normal refund processes to make the refund. Depending on each college's preference, Auto Batch and Quick Refund are the student refund process choices.

Section 7.1.3 – System Office Responsibilities for Cancellation (VOID) Student Refund Checks

Upon receiving the voided check KCTCS’ Office of Student Financials will coordinate with the KCTCS’ Office of Accounts Payable to have the check cancelled within the PeopleSoft Financials System.

Section 7.1.4 – College Responsibilities for Undeliverable Student Refund Checks

A. Effective 1/1/2007 when a student refund check is undeliverable due to an insufficient address, the College shall write VOID/UNDELIVERABLE on the check. The college will then forward the check to KCTCS, Accounts Payable, 300 North Main Street Versailles, Kentucky, 40383. *Note:* The refund check will not be removed from the student’s account within PeopleSoft as the check is a valid refund.

B. Upon the student being located, the college shall request the undeliverable student refund check be re-issued using the new address and contacting KCTCS Accounts Payable. The college shall supply KCTCS Accounts Payable the student’s current and address.

Section 7.1.5 – System Office Responsibilities for Undeliverable Student Refund Checks

A. When check is received by KCTCS' Office of Account Payable, Accounts Payable will place the check into holding account of 44300-01-700020-01000-00 for business unit 21000.

B. If KCTCS' Office of Account Payable receives a request to re-issue an undeliverable student refund check the above referenced chart string shall be used by the college on the check request as the offsetting debit account.

Section 7.1.6 – Undeliverable Student Refund Checks Prior to 1/1/2007

A. For students who currently have a credit balance and NOR (No Refund Service Indicator) on their PeopleSoft account, due to an undeliverable student refund check we have created an adjusting Item Type to bring the balance to zero.

B. Students who have a credit balance due to an undeliverable refund check can complete a Student Post using Account Type TUT and the Item Type 80XXXXX17200 for the amount of the refund.

C. This Item Type will debit the college student receivable account (12100) and then credit Business Unit 21000 chart string of 44300-01-700020-01000-00.

D. In the future if a student address is located colleges need to work with Student Records to ensure the address table is updated. The college then will completed Charge Reversal on the Item Type 80XXXXX17200, which will place the credit back on the account.

E. The college will then need to remove the NOR and complete a Student Refund for the credit balance. This refund will be processed in the weekly student refund run on Wednesday evening.

Section 7.1.7 – Higher One Student Refund Stale Checks

A. System Office Student Financials receives an e-Mail notification from Higher One of stale dated residual checks
B. System Office Student Financials notifies the Director of Cash Management with the amount of stale dated checks returned.
C. Once the funds are deposited into the KCTCS System Office cash account the Director of Cash Management notifies System Office Student Financials.
D. System Office Student Financials completes a Refund Reversal for each student and forwards the stale dated check report to System Office Student Financial Aid
E. System Office Student Financial Aid then determines if the check was issued in whole or in part as a result of Title IV aid. System Office Student Financial Aid will remove the amount of the Title IV aid from the student's account in the amount of such aid contributed to the checks original issue
F. If the Title IV aid reduction results in a credit balance on the student's account each college may post the Refund Offset item type (80XXXXX17200) to bring the student's account to a zero balance due. Note: If in the future the student is located the college can reverse the Refund Offset item type allowing PeopleSoft Student Admin to process a new refund utilizing the normal student refund process. If the student has questions about the removal of Title IV aid, they must contact the college Student Financial Aid office.
G. College's can view the Stale Check Report at the following URL site: https://www.higheronesupport.com/adminsite/login/start.do.

END OF PROCEDURE