Disbursement of Funds

18.1   Responsibility for Disbursement of Funds

After the college receives a student's ISIR they are asked to opt in/opt out of having their current/prior institutional and non-institutional fees covered with their Title IV funds.

The first disbursement of the pay period is done 7-10 days prior to the first day of instruction by the financial aid office. However, first time loan borrowers are disbursed their loan 30-days after the first day instruction. This helps student purchase their required books and supplies early on in the semester. SMCCCD also allows students to purchase their required material through the college's bookstore via a financial aid credit. Students must opt in and qualify. These requests are reviewed and processed by the financial aid staff.

After the disbursement is completed the district's finance department reviews the student refunds and sends a student refund file to BankMobile (T1).

BankMobile then sends an automated email to the students notifying them that they have a pending refund and need to select a refund preference (ACH or Vibe account). After 21 days if the student does not select an electronic refund option they are mailed a check.

SMCCCD does not allow the same employees that disburse funds process the student refunds. The financial aid office processes the disbursement and the district finance department completes the refund process.

Students that did not authorize the institution to use their Title IV funds to cover fees owed to college will receive their full refund. Additionally, students that do not select an opt in or opt out option will also receive their full refund.

Note: SMCCCD disburses Title IV funds only after a student's Title IV eligibility is verified.

The Financial Aid Office is responsible for the disbursement of loan, grant, and scholarship funds. The Payroll Office has responsibility for disbursement of direct deposit of work study funds.

18.2   Separation of Functions

There is a clear and distinct separation of functions between the Financial Aid Office, District Finance Office and the Business Office. At SMCCCD, the Financial Aid Office is responsible for awarding financial aid and determining student and program eligibility for financial aid programs and disbursing those funds.

The Financial Aid Office

The Financial Aid Office's responsibility is to:

- Collect supporting documentation for the determination of aid eligibility.

- Determine student eligibility for financial assistance.

- Award federal, state, and institutional aid in compliance with laws, regulations, and policies.

- Notify students of aid eligibility.

- Compile and complete all institutional, state and federal reports.

- Disburse funds to student accounts.

The Finance Office

The Finance Office's responsibility is to:

- Processes student refunds of excess award monies when appropriate.

- Draws down Federal and State funds electronically (i.e. G5 system)

The Business Office

The Business Office's responsibility is to:

- Maintain and distribute accurate billing statements.

- Collect payments for student accounts.

18.3   Procedures

The Financial Aid Office electronically awards during the Fall/Spring semester(s) for students enrolled in an eligible program of study. Students enrolled for these semesters do not require that a student be registered before being awarded. However, when the disbursement process is run, as indicated below, registered hours and enrollment in an eligible program are verified. Students enrolling during the summer semester do require registration of hours.

The Financial Aid Office is responsible for disbursement process and adheres to the three day disbursement requirement.

18.3.1 Disbursement Procedures

The Financial Aid Technical Support Specialist runs the RPEDISB Banner job at the end of each week. They send the disbursement report file to the Financial Aid Techinicans to review.

18.3.1.1 Procedures for Alternative Loans

After the student completes the Private Education Loan Applicant Self-Certification the lender sends an electronic notification to SMCCCD financial aid offices. The financial aid director will then verify the student's cost of attendance, enrollment, and disbursement dates. If approved the lender will mail a paper check to the Financial Aid Office who is responsible for endorsing the check. The amount will be entered on the student's financial aid package. The check is then forwarded to the Business Office who is responsible for releasing the check to the student. Students must present a current photo ID.

SMCCCD does not have a preferred lender list. Per regulations, a school or institution-affiliated organization that provides information regarding a private education loan from a lender to a prospective borrower must provide disclosures, even if it does not participate in a preferred lender arrangement. We provide general information regarding private loans on our websites.

18.3.2 Verification of Identity of Student

Students are required to complete an online verification of their identity and bank account information during the setup of direct deposit via BMTX, Inc.

18.3.3 Verification of Status

The student's eligibility status is checked by the Financial Aid Office. The Financial Aid Reconciliation Specialist and District Finance Office run reports to ensure current student eligibility before processing their refund. If, after the refund process, the status changes and the student becomes ineligible, the Financial Aid staff will manually cancel a loan and the District Finance Office will return funds to the federal government via G5. The loan cancellation will create a balance due to SMCCCD if direct deposit has been processed or cause the Business Office to cancel an excess aid check.