

COLORADO STATE UNIVERSITY
Financial Procedure Instructions
FPI 1-12

1. **Procedure Title:** Student Short Term Loan Fund
2. **Procedure Purpose and Effect:** Over a period of years, various individuals and groups have given money to the University which either the donor(s) or the Board of Governors have designated for use as short term loans for students. Such monies have been consolidated into the Student Short Term Loan Fund. This loan fund provides small, short term, non-interest bearing loans to students. This document will outline the procedures for gift acceptance, investment, lending, accounting and collection of monies of the Student Short Term Loan Fund.
3. **Application of Procedure:** This procedure applies to Business & Financial Services, and as a reference to campus departments for those working with donors.
4. **Exemptions:** Any exemptions to this procedure would need to be approved by Business & Financial Services.
5. **Definitions:**
 - A. **Endowment Funds** - Funds given by a donor who stipulates, as a condition of the gift, that the principal of the fund is to be maintained inviolate and in perpetuity, and that only the income from the investment of the fund may be used.
 - B. **Quasi Endowment Funds** - Funds which the Board of Governors, rather than the donor, are designated to be retained and invested. The governing board may at any time reverse this classification and expend the principal.
 - C. **Unrestricted Funds** - Funds which are composed of gifts which have no donor restrictions on investment of principal and no special restrictions on type or characteristics of individuals to whom loans may be made.
 - D. **Loanable Fund** - Includes money immediately available for loan in the Short Term Student Loan account or on short-term investment. Endowment and quasi endowment funds, outstanding loans, and the estimated allowance for doubtful accounts are not included.
 - E. **Due Date** - The date by which the Short-Term Loan must be paid.

6. **Procedure Statement:**

The following applies to the activity within the Short Term Loan Fund:

- A. **Gifts:** The University Foundation will acknowledge gifts for student loans, maintain official University records of gifts received, deposit receipts to appropriate accounts, and handle all donor communications. Gifts intended for the Student Short Term Loan Fund will be processed through the University Foundation.

B. Fund Investment: Business & Financial Services will, through the State Treasurer and University Treasury Services, invest excess funds in accordance with State and University policy, distribute earnings to the fund, and receive and deposit Short-Term Loan payments.

1. All monies designated for short term student loans by donors are consolidated into the Student Short Term Loan Fund. All loans are made from one consolidated fund and earnings and losses are reflected in the consolidated fund.
2. All funds of the Short Term Student Loan Fund available for investment will be handled as a pooled account.
3. New funds (gifts) available for investment are reflected in the appropriate fund category account. These funds will automatically invest once they reach the State Treasury.
4. Funds may be designated as or withdrawn from a quasi endowment category and transferred to/from the loanable part of the Student Short Term Loan Fund upon recommendation of the Vice President for Student Affairs, Vice President for University Operations, and approval of the Board of Governors. A copy of the Board's approval should be provided to CSU's Treasury Services.
5. Treasury Services will distribute the fund's portion of investment income earned by the State Treasury. Earnings from the State Treasury will be credited to the "loanable" Student Short Term Loan Fund.

C. Loan Disbursement: Student Financial Services will receive and evaluate requests for Short Term Student Loans, originate loans and secure promissory notes.

1. Short term loans are available beginning the third week of each term, provided funds are available to lend.
2. Students should complete the short term loan application, available at Student Financial Services. Qualifications include:
 - a) Currently enrolled in a degree-seeking program;
 - b) Enrolled at least half-time;
 - c) Have at least a 2.0 Grade Point Average on completed courses;
 - d) Are not on disciplinary probation;
 - e) Have not had their account previously assigned to collections;
 - f) Have not presented a non-sufficient funds (NSF) check for payment against their University Student Account;
 - g) Do not currently have an amount due on their University Student Account
3. Loans are disbursed for up to \$500 per student, per semester.
4. Loans are intended for those financial needs which threaten continuation of the student's enrollment at the University.
5. Paperwork including the application and signed and witnessed promissory note are forwarded to Accounts Receivable Operations for verification of eligibility and posting of credit transactions to the student's account.

D. Loan Billing & Repayment: Accounts Receivable Operations will make payment to the approved recipient, provide account status information, and perform billing and collection functions.

1. Students may only have one outstanding short term loan at one time.
2. The credit is posted to the student's University account and refunded via the student's preferred refund method.
3. The charge is posted to the student's University account prior to the end of the current term. Students will see this charge on their monthly University Billing Statement.
4. Loans made during a term are due on the first due date of the following term.
5. If payment is not made when due under terms of the original note, the indebtedness is treated as an overdue University account and subject to standard University late payment penalties and collection activities.

E. Appeals: Students who do not meet the eligibility requirements may submit an appeal in writing to Accounts Receivable Operations. The appeal should include an explanation of the need for a Short-Term Loan and why eligibility criteria were not met. A decision on Short-Term Loan eligibility will be rendered in five business days from the date the appeal is reviewed in the Accounts Receivable Operations office.

7. **Reference and Cross-References:** None.

8. **Forms and Tools:** Short Term Loan Application and Promissory Note are available in Banner on the TWARDPTS form. Contact the Accounts Receivable Operations Office in Business & Financial Services for assistance.