



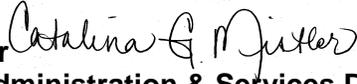
OPERATIONS MEMO

Update of the California Student Aid Commission

December 16, 2011

GOM 2011-36

TO: Financial Aid Administrators

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SUBJECT: New EFT Requirement

The purpose of this Operations Memo from the California Student Aid Commission (Commission) is to inform Cal Grant schools of a new federal regulation that impacts schools participating in the Commission's Electronic Funds Transfer (EFT) disbursement process.

The federal Office of Foreign Assets Control is requiring all originators of EFT transactions through the Automated Clearing House (ACH), such as the California State Controller's Office (SCO), to identify funds that are sent to any account outside the jurisdiction of the United States. This regulation also includes monies that are sent to a U.S. financial institution (i.e., Wells Fargo, Bank of America, etc.) and then by agreement between the financial institution and the payee, are transferred in their entirety to an account outside the jurisdiction of the United States.

The SCO has informed the Commission that if any payment falls under these International ACH Transaction (IAT) regulations, the SCO will not accept the EFT transactions.

As a result of the IAT regulations, any institution that participates in the Commission's EFT program and transfers the entire amount of their EFT to an account outside of the jurisdiction of the United States can no longer stay on EFT, but must switch to the paper warrant process. Please contact Justin Watkins immediately at (916) 464-6425 or at JWatkins@csac.ca.gov if your institution falls under these IAT requirements and does transfer Cal Grant funds via EFT to an account outside the jurisdiction of the United States.

The Commission appreciates your cooperation with this change.

Working together to effectively promote education beyond high school!!



State of California
Edmund G. Brown Jr.
Governor

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