



SPECIAL ALERT

STATE OF
CALIFORNIA



Update from the California Student Aid Commission

February 9, 2021

GSA 2021-05

TO: Financial Aid Administrators
Accounting Officers

FROM: Tae Kang *Tae Kang*
Deputy Director, Program Administration & Services Division

SUBJECT: **2020 Interest Remittance Deadline – Extended to April 1**

This Special Alert from the California Student Aid Commission (Commission) reminds institutions to remit interest earned on Cal Grant funds during the 2020 calendar year. Interest accrued during the 2020 year should be remitted to the Commission by the extended deadline of **April 1, 2021**.

- **NEW! Institutions can now submit the [Interest Remittance Form online](#).** A PDF copy will be emailed to the institution upon submission. If there is interest to remit to the Commission, a copy of this form should be printed and mailed with the check.
- In accordance with the 2017-21 Cal Grant Institutional Participation Agreement, Article III (D)(2):

"Annual interest earned on Cal Grant funds constitute State funds and must be remitted to the Commission on behalf of the State no later than March 1 following the calendar year for which the interest accrued (e.g. March 1, 2018, for calendar year 2017)."

 - The Commission is extending the 2020 Interest Remittance deadline to April 1, 2021, to allow institutions sufficient time to familiarize themselves with the new online form.
- The account(s) in which Cal Grant funds are held must be an interest-bearing account, an investment account, or an equivalent account at a financial institution with a presence in California whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC).
- Institutions shall calculate interest on Cal Grant funds in the same manner used by their financial institution or investment pool.
- Institutions cannot deduct negative interest or bank-related fees from the accrued interest that is sent to the Commission. These amounts reflect

expenses that cannot be offset against the interest earned by the advance of State funds for the Cal Grant program.

- Institutions that fail to submit interest remittance by the deadline may be subject to a fiscal audit to ensure compliance with the laws and regulations governing the Cal Grant program.
- The Interest Remittance Form should be submitted to the Commission even if the institution does not have interest to remit. The form includes a check box to indicate that the institution did not accrue interest during the calendar year.
- Institutions must retain supporting documents for the interest submitted to the Commission. If the campus did not accrue interest during the calendar year, institutions must retain documents to support this claim.

Need to contact us?

- Institutional Support phone number: (888) 294-0153
- E-mail: schoolsupport@csac.ca.gov

Working together to effectively promote education beyond high school!