



SPECIAL ALERT

STATE OF
CALIFORNIA



Update from the California Student Aid Commission

January 18, 2023

GSA 2023-03

TO: Financial Aid Administrators
Chafee Program Coordinators

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

SUBJECT: **California Chafee Grant for Foster Youth – EFT Implementation**

The California Student Aid Commission (Commission) is pleased to announce the implementation of Electronic Funds Transfer (EFT) for the California Chafee Grant for Foster Youth (Chafee). Institutions that currently receive paper warrants (checks) will be given the option to receive payments via EFT.

The Commission has been working with the State Controller's Office to transition Chafee payments from paper warrants to EFT in April 2023.

Benefits of EFT

Paper warrants currently take several weeks to arrive after institutions request payment in WebGrants. After implementation of EFT, the payment process will occur Monday night and institutions will receive funds in their designated bank account by Friday. Financial aid offices will decide how to disburse funds to students, such as applying the payment to the student's account, university check, debit card, etc.

Other advantages of switching to EFT include:

- Faster receipt of funds for reconciled Chafee accounts
- One-time Chafee verification
- Secure transfer of Chafee funds
- Quicker access of funds by students
- Elimination of stop payment and check reissue requests
- Reduction of manual processing of paper warrants

Steps for EFT Implementation

Institutions that currently participate in EFT for Cal Grant and the Middle Class Scholarship (MCS) will automatically be opted-in to receive EFT for Chafee. The Commission will use the bank account information already on file. Institutions may email chafee@csac.ca.gov to confirm their bank and contact information.

Institutions that **do not** currently participate in EFT for Cal Grant and MCS will be notified of the opportunity to enroll. An email will be sent to the Fiscal Officer and Chafee Program Coordinator listed in WebGrants in the coming weeks.

Institutions should update their cash management policy to include how Chafee EFT funds will be handled internally since the institutional office that receives Chafee funds may change.

Verification and Disbursement with EFT

With paper warrants, institutions were encouraged to request funds as soon as possible and then re-verify students' eligibility prior to disbursing funds. With the implementation of EFT, institutions can disburse funds to students without re-verifying eligibility.

Identifying Students' Payments with EFT

Once an institution receives notification of Chafee EFT funds, the Chafee Program Coordinator may utilize the "Institution Reconciliation" screen in WebGrants to determine which students' payments were included. Search by "Recipients per Claim Schedule". The Claim Schedule Number in the "EFT Funds Deposited" email notification can be used to look up recipients per claim schedule.

Returning Funds with EFT

Institutions must promptly return unused Chafee funds to the Commission throughout the academic year. The two options for returning EFT funds are:

- Return funds via check. Institutions should mail a university check to the Commission with the following information for each student:
 - Name and CSAC ID
 - Term and amount being returned
 - Reason the funds are being returned

Returned checks should be mailed to the following address:

California Student Aid Commission
Fiscal & Admin. Services Division
Accounts Receivable
P.O Box 41906
Rancho Cordova, CA 95741-9026

- Return funds via wire transfer. Email AAEAccounting@csac.ca.gov with the following information for each student:
 - Name and CSAC ID
 - Term and amount being returned
 - Reason the funds are being returned

The Commission's accounting office will provide further information on how to return the funds electronically.

EFT Opt-Out

The manual payment process will remain the same for institutions that opt-out or that are unable to receive payments through EFT. Institutions will continue to receive paper warrants mailed to their campus.

Need to contact us?

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

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