Current Year Aid to Pay a Prior Year Balance

Summary/Purpose: The use of current year aid for a prior year balance.

Per federal regulations, student financial aid program funds are allowed only to pay for the educational expenses that a student incurs in the period for which those funds are received. However, a school is permitted to use a student’s student financial aid program funds to pay minor prior-year institutional charges if the student has or will have a student financial aid credit balance and if the school obtains the student’s or parent’s authorization to pay the prior year charges.

A student will need only to provide authorization to the Office of Financial Aid to pay prior year charges that are less than $100.00 with current year student financial aid. To pay prior year charges for amounts that are equal to or greater than $100, a student must provide authorization and a school financial aid administrator must determine that payment would not prevent the student from paying his or her current educational expenses.