

---

This content is from the eCFR and is authoritative but unofficial.

---

## Title 34 – Education

### Subtitle B – Regulations of the Offices of the Department of Education

#### Chapter VI – Office of Postsecondary Education, Department of Education

#### Part 668 – Student Assistance General Provisions

#### Subpart K – Cash Management

**Source:** 80 FR 67194, Oct. 30, 2015, unless otherwise noted.

**Authority:** 20 U.S.C. 1001-1003, 1070g, 1085, 1088, 1091, 1092, 1094, 1099c, 1099c-1, 1221e-3, and 1231a, unless otherwise noted.

#### § 668.163 Maintaining and accounting for funds.

(a)

(1) ***Institutional depository account.*** An institution must maintain title IV, HEA program funds in a depository account. For an institution located in a State, the depository account must be insured by the FDIC or NCUA. For a foreign institution, the depository account may be insured by the FDIC or NCUA, or by an equivalent agency of the government of the country in which the institution is located. If there is no equivalent agency, the Secretary may approve a depository account designated by the foreign institution.

(2) For each depository account that includes title IV, HEA program funds, an institution located in a State must clearly identify that title IV, HEA program funds are maintained in that account by—

(i) Including in the name of each depository account the phrase “Federal Funds”; or

(ii)

(A) Notifying the depository institution that the depository account contains title IV, HEA program funds that are held in trust and retaining a record of that notice; and

(B) Except for a public institution located in a State or a foreign institution, filing with the appropriate State or municipal government entity a UCC-1 statement disclosing that the depository account contains Federal funds and maintaining a copy of that statement.

(b) ***Separate depository account.*** The Secretary may require an institution to maintain title IV, HEA program funds in a separate depository account that contains no other funds if the Secretary determines that the institution failed to comply with—

(1) The requirements in this subpart;

(2) The recordkeeping and reporting requirements in subpart B of this part; or

(3) Applicable program regulations.

(c) ***Interest-bearing depository account.***

(1) An institution located in a State is required to maintain its title IV, HEA program funds in an interest-bearing depository account, except as provided in 2 CFR 200.305(b)(8).

(2) Any interest earned on Federal Perkins Loan program funds is retained by the institution as provided under 34 CFR 674.8(a).

(3) An institution may keep the initial \$500 in interest it earns during the award year on other title IV, HEA program funds it maintains in accordance with paragraph (c)(1) of this section. No later than 30 days after the end of that award year, the institution must remit to the Department of Health and Human Services, Payment Management System, Rockville, MD 20852, any interest over \$500.

(d) ***Accounting and fiscal records.*** An institution must—

(1) Maintain accounting and internal control systems that identify the cash balance of the funds of each title IV, HEA program that are included in the institution's depository account or accounts as readily as if those funds were maintained in a separate depository account;

(2) Identify the earnings on title IV, HEA program funds maintained in the institution's depository account or accounts; and

(3) Maintain its fiscal records in accordance with the provisions in § 668.24.