

Student aid refund review guide

For BSA officers, fraud leaders and ACH operations at community banks and credit unions. Use these questions in an existing review process; a refund description alone does not establish suspicion.

Treasury reported approximately \$270 million in suspicious activity potentially linked to federal student-aid fraud on October 19, 2026. This is not a confirmed loss total. [1]

Selected FinCEN indicators include refunds for unrelated beneficiaries entering one account, or refund receipts followed by rapid onward movement without an apparent lawful purpose. Consider the surrounding facts; no single red flag determines suspicion. [2]

01 Understand the payment

Capture the sender, description, amount, dates and available references. Separate confirmed details from assumptions. Who sent the funds, and what does the record actually show?

02 Check the account context

Compare the credit with the account purpose and prior activity. What is known about the connection to the stated beneficiary? Identify missing information and reasonable explanations.

03 Review the surrounding activity

Examine relevant receipts and subsequent movement using available records. Document the review period, supporting evidence and information gaps. Do not assume separate transactions are connected.

04 Assign the next action

Follow existing escalation procedures. Identify the unresolved concern, responsible reviewer, next step and applicable deadline. Carry the payment details and work already completed into the handoff.

05 Record the decision

Retain the evidence reviewed, explanations considered, rationale, reviewer and date. Assign any open follow-up. The institution makes SAR decisions under applicable requirements; consult the alert for related filing instructions.

Support for your review workflow

[BSA Guardian](#) supports BSA/AML monitoring, case management and SAR documentation. [ACH RiskLens](#) supports risk-based ACH monitoring and investigation support. [Explore your workflow with Finovifi](#).

[1] [Treasury update, October 19, 2026](#). [2] [FinCEN FIN-2026-Alert004, July 24, 2026](#), pp. 5-9.

Educational only. Not legal advice or a detection rule. Apply institution policies and qualified compliance judgment. Keep customer, case and SAR information in approved systems.