Direct Loan Reconciliation

Robert Berry

Barbara Davis

PASFAA October 2011

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FEDERAL STUDENT AID

Agenda

1. **Basic Concepts Review**
2. Funding
3. Loan Processing
4. Edits
5. Reconciliation
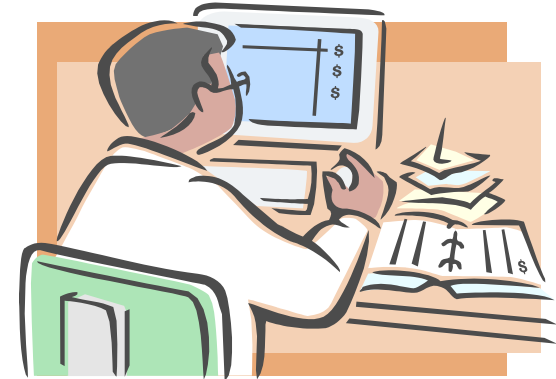6. Resources & Contact Info

Direct Loan Reconciliation:

The process by which the Direct Loan Cash Balance recorded on the Department of Education system is reviewed and compared with a school's internal records on a monthly basis.
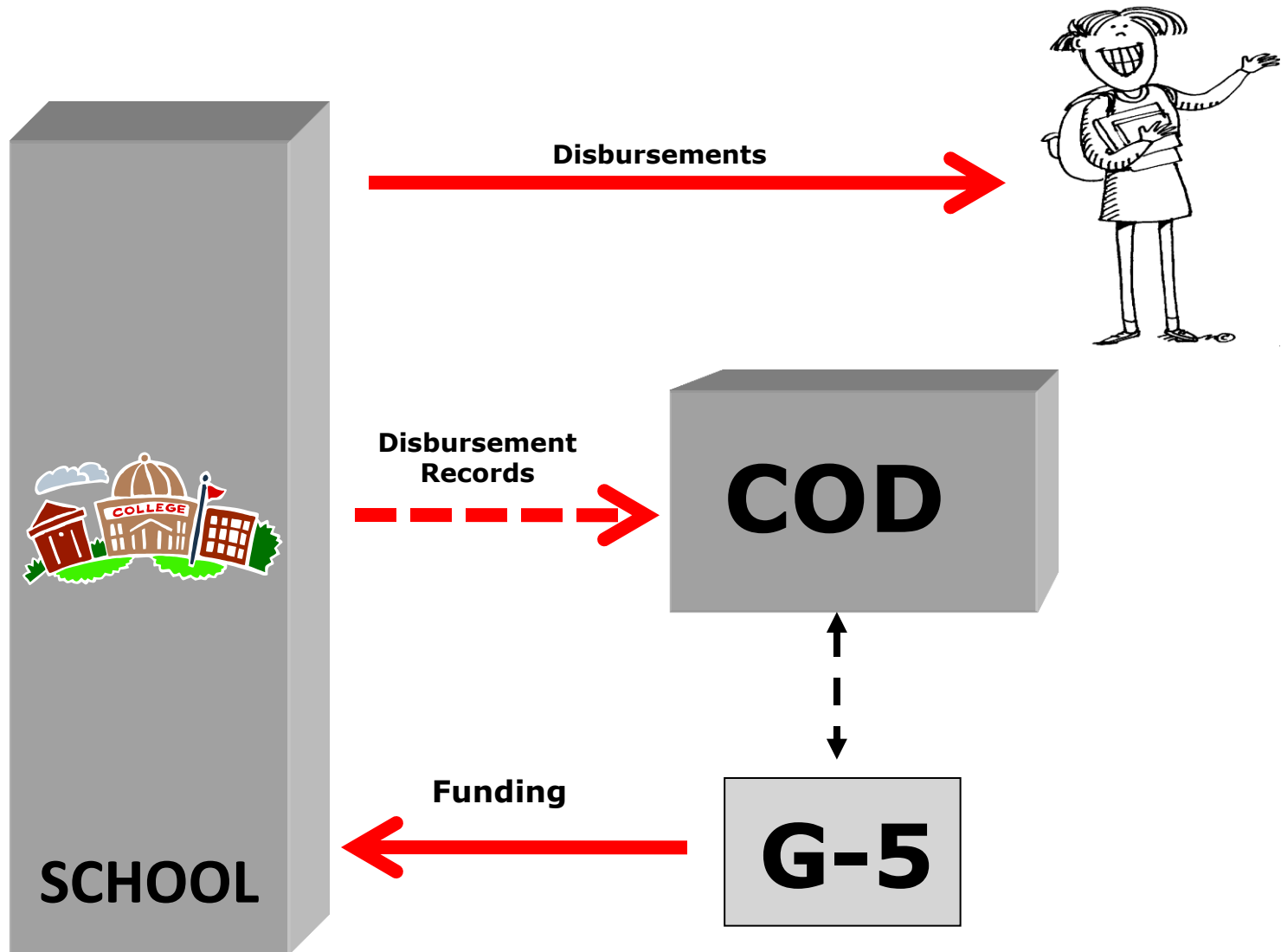
The school must:

- identify and resolve discrepancies, and
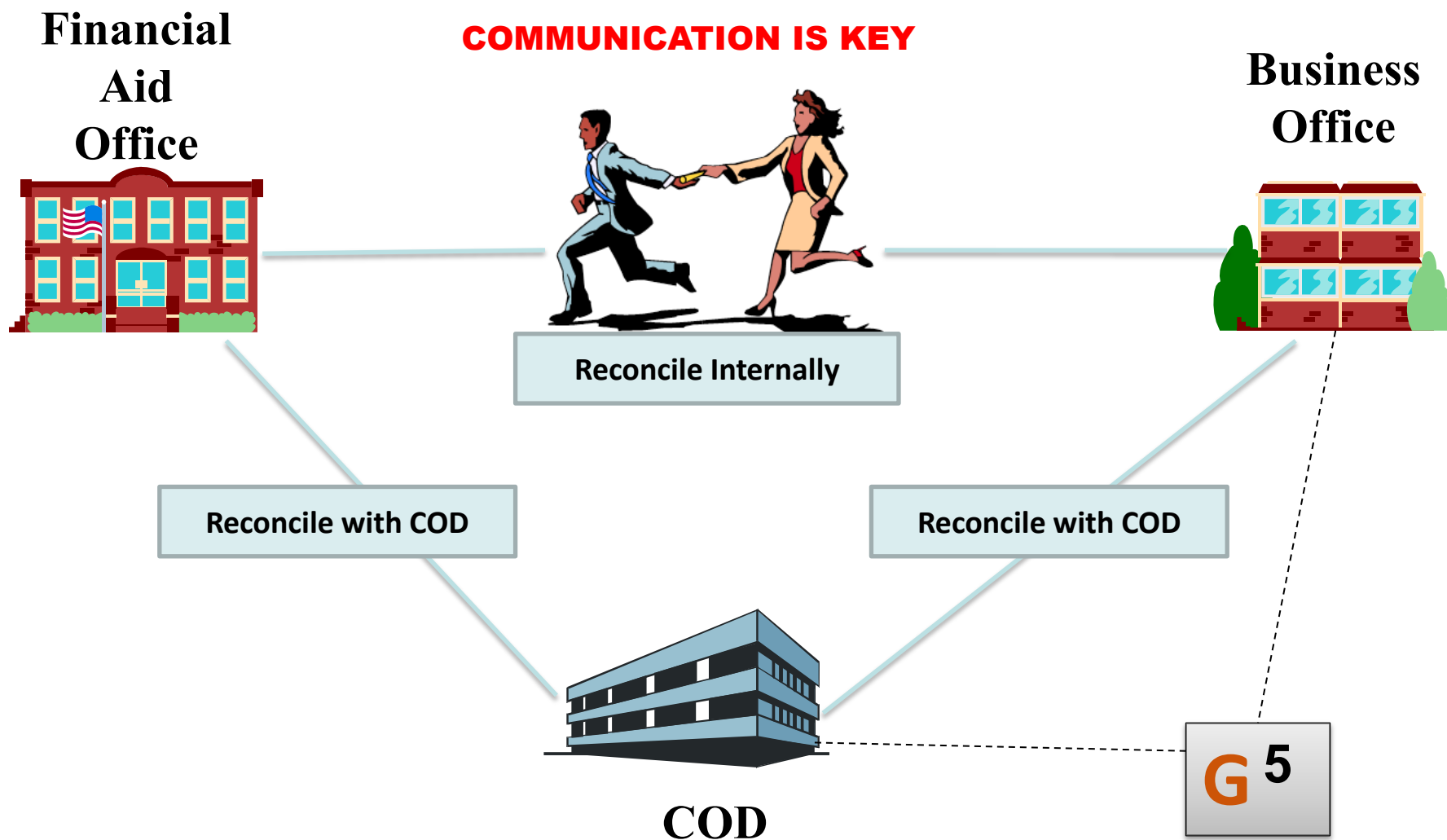- document reasons for their Ending Cash Balance (ECB)

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FEDERAL STUDENT AID

Disbursements

Disbursement Records

COD

Funding

G-5

SCHOOL

Key Reconciliation Players

Financial Aid Office

COMMUNICATION IS KEY

Business Office

Reconcile Internally

Reconcile with COD

Reconcile with COD
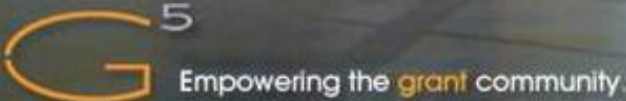
COD

G 5

(Resource)

FEDERAL STUDENT AID

Agenda

1. Basic Concepts Review
2. **Funding**
3. Loan Processing
4. Edits
5. Reconciliation
6. Resources & Contact Info

Request Funds via G5

0809 → P268K091111

0910 → P268K101111

1011 DL: P268K11xxxx

1112 DL: P268K12xxxx

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G5 Online Training

New On-Line Training and Help Functions --

- Training will provide online guided simulations to demonstrate steps required to complete G5 procedures

- Help will provide Tip Sheets (Job Aids) - quick step-by-step documents for each procedure

- Prior to G5 implementation, Training and Help will be accessible from e-Payments

- Post implementation Training and Help will be accessed from G5

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- Advance Funding method
  - Request $, Credit, Report
  - Report, Request $, Credit
  - Credit, Report, Request $
- Can report actual disbursements up to 7 days in advance
- Must report actual disbursements within 30 days of disbursement date

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REQUEST FUNDS G5

3 bd

CREDIT STUDENT ACCOUNT

30 cd

REPORT DISBS TO COD

REPORT DISBS TO COD

Up to 7 cd In adv

REQUEST FUNDS G5

3 bd

CREDIT STUDENT ACCOUNT

Send to COD 11/1- DRI= True of 11/7

Create payment request 11/3

Post to student account 11/7

CREDIT STUDENT ACCOUNT

30 cd

REPORT DISBS TO COD

REQUEST FUNDS G5
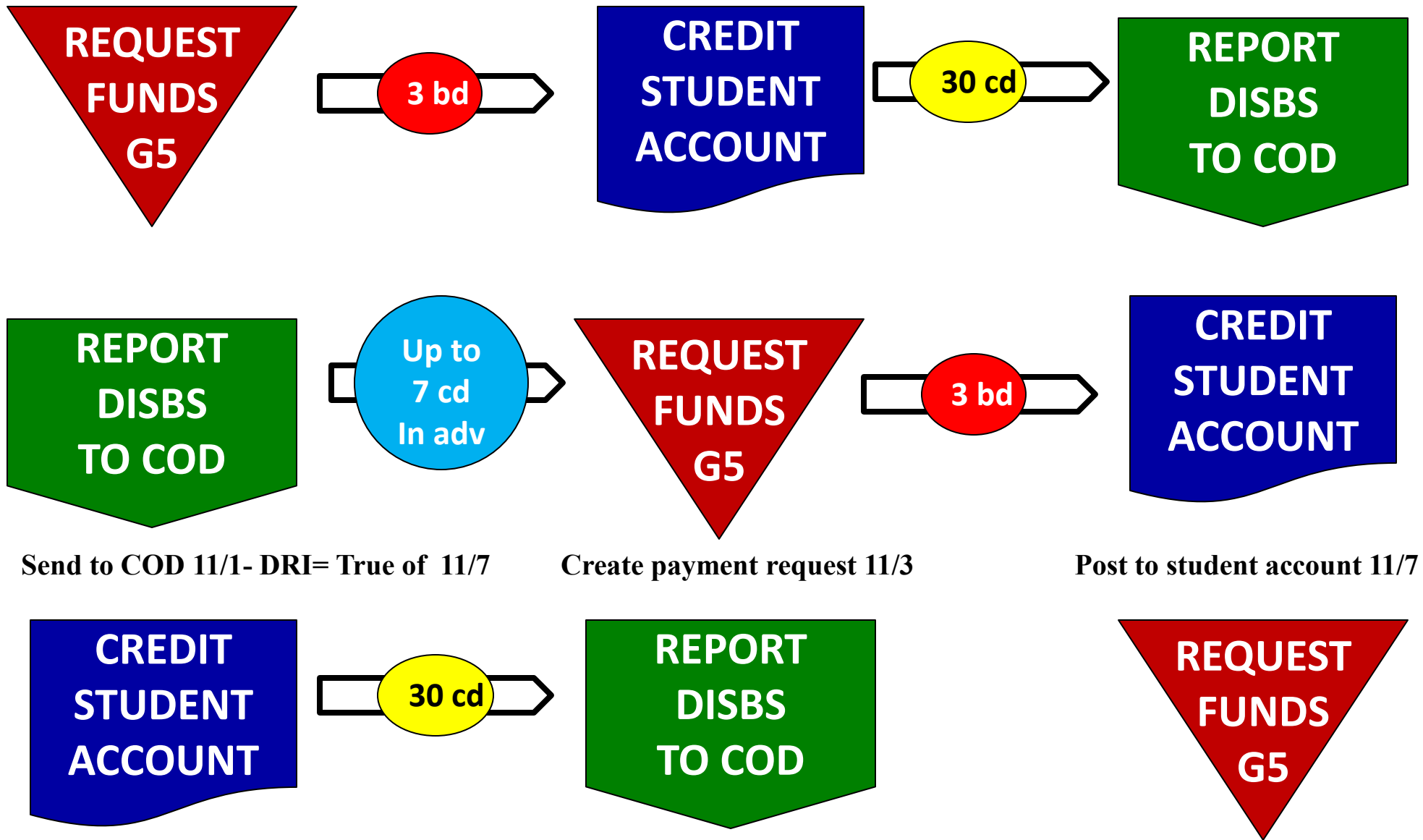
Returning Direct Loan Funds

- Overpayments

- Student withdrawals (R2T4)

- DL funds with no expectation of disbursing to eligible borrowers within 3 business days

- Cancellation or reduction of loan

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FSA Handbook Volume 4

Volume 4 — Processing Aid & Managing FSA Funds, 2009-2010

Unknown Zone | Protected Mode: On

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Ending Cash Balance (ECB)

Total Net Drawdowns

– Total Net Booked Disbursements

= Ending Cash Balance

Cash > accepted disbursements

- ✓ **The facts**
  - ▪ R2T4 – FA reports downward disbursement adjustment
  - ▪ There are no other eligible borrowers to disburse the funds to within 7 calendar days
- ✓ **The issue**
  - ▪ Comptroller is not advised and so does not return funds or request less in upcoming funds request
- ✓ **The problem**
  - ▪ Cash > accepted and posted disbursements
- ✓ **The solution**
  - ▪ Better communications between offices

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Refund confused with a payment

- ✓ **The facts**
  - ▪ R2T4 calculation determines refund amount
- ✓ **The issue**
  - ▪ School sends money to borrower's Servicer
- ✓ **The problem**
  - ▪ School's generally do not make a payment on a borrower's account. If the borrower does not want the funds after the 120 day timeframe then the borrower sends funds to its servicer
- ✓ **The solution**
  - ▪ Make disbursement adjustments in FA software in regulatory situations, then re-disburse to other eligible borrower(s) or return funds electronically to G5

START HERE
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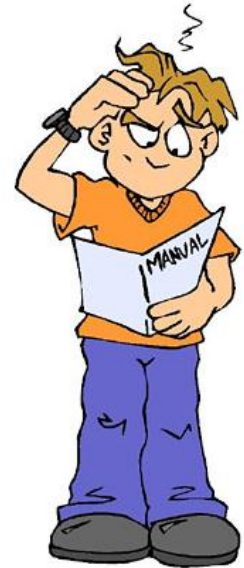
Mishandled refund

- ✓ **The facts**
  - ▪ Actual disbursement is adjusted downward:
    - ○ R2T4 calculation, Borrower returned funds within 120 days, Correct an error
- ✓ **The issue**
  - ▪ School re-disburses to borrower(s) in a different academic year –or-
  - ▪ School returns to G5 in a different program year/program (i.e. Pell)
- ✓ **The problem**
    - ▪ Cash balance thrown off for both years/programs
- ✓ **The solution:** DL funds are not borrower-specific but keep funds year/program specific

Agenda

1. Basic Concepts Review
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3. **Loan Processing**
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Pending vs. Actual Disbursement

✓ **Pending disbursement**

- Part of loan origination record (req'd) and must total loan amount on initial submission
- No impact on funding
- Not on SAS, not part of reconciliation
- Disbursement Release Indicator = FALSE *
- These are *anticipated* disbursements
- No need to change until ready to disburse

*Software dependent

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✓ <u>**Actual disbursement**</u>

- Origination fee and upfront instant rebate assessed on actual disbursement

- Disbursement release indicator = TRUE*

- Report to COD via Common Record

- Starts with disbursement #1 Sequence #1

- Drives funding

- Impacts reconciliation

- Date starts interest being charged

- Initiates 30-Day Reporting requirement

*Software dependent

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(1) Actual Disbursement Adjustments

AWARD	→	DISB-1 SEQ-1	→	DISB-2 SEQ-1	→	DISB-2 SEQ-2
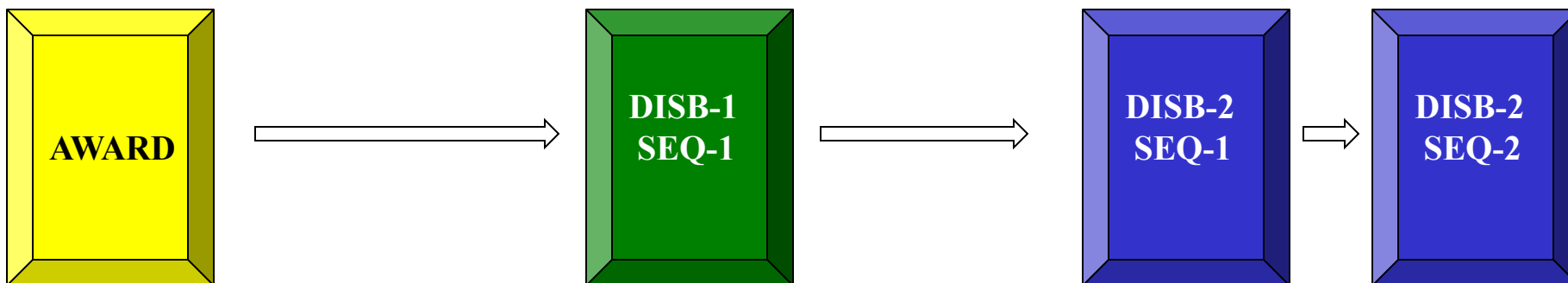
(2) Inactivating or reducing a loan to $0

AWARD AMT = $2,000
DISB-1
SEQ-1
= $1,000
DISB-2
= $1,000

→

One actual disb reported to COD
One outstanding Anticipated disb

STEP 1
AWARD AMT = $2,000
DISB-1
SEQ-2
= $0
DISB-2
= $0

STEP 2
AWARD AMT = $0
DISB-1
SEQ-2
= $0
DISB-2
= $0
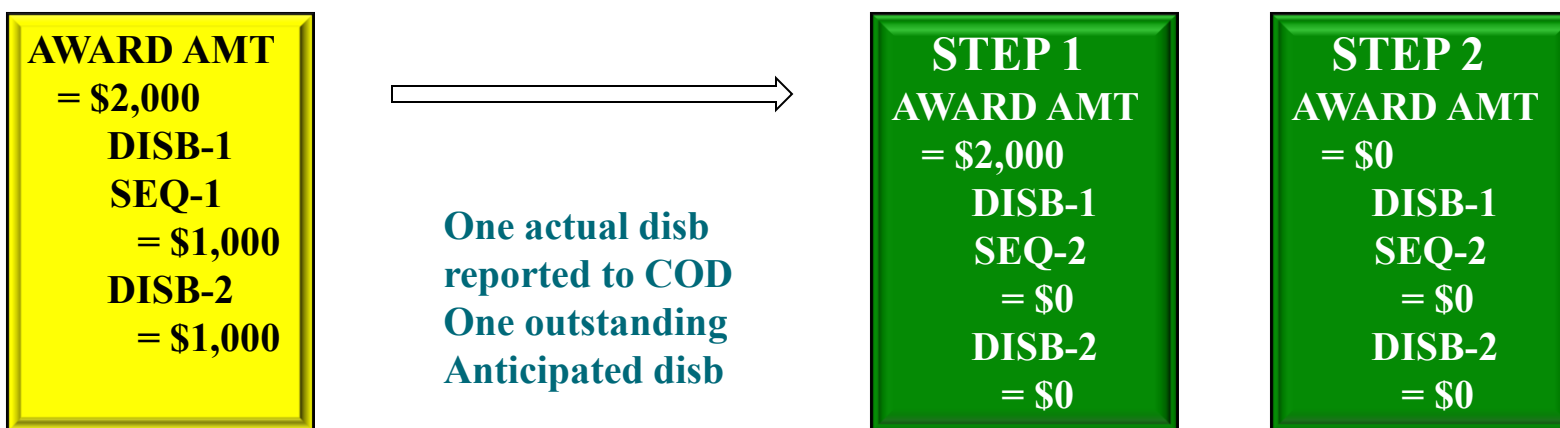
Adjusting Actual Disbursements

❑ Why would you want to change an actual disbursement?

- ✓ Borrower returns funds
- ✓ Borrower withdrawal/no-show
- ✓ Disbursement sent in error

❑ Rules

- ✓ Can't change date and amount in same transaction
- ✓ Must report these adjustments within 30 days
- ✓ Downward adjustments = money back on your books
    - ❑ Be sure to return it (G5) or re-disburse it to a borrower
    - ❑ DL funds are not student-specific but are year-specific

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120-Day "Rule"
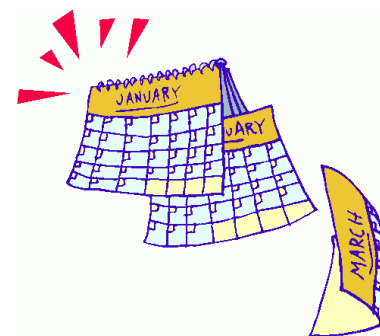
- Borrower returns funds within 120 days of actual disbursement date.
- As long as not within regulatory mandatory cancellation timeframes school has option to adjust disbursement down and re-disburse to any eligible borrower or return funds to G5
- Interest and loan fees will be reduced
- NOT sent to Servicer, not by paper check please

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4. **Edits**
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Entity

    Person

        Award

            Disbursement

COD Tech Ref: Edits in Vol II, Section 4

Rejects vs. "Warnings"

- ❑ **Rejects**: not processed, not built, COD treats it as if it never arrived, won't find on award or person search, only in Batch search
- ❑ **Warnings**: processed but take note of important information

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FEDERAL STUDENT AID

- Watch your rejects
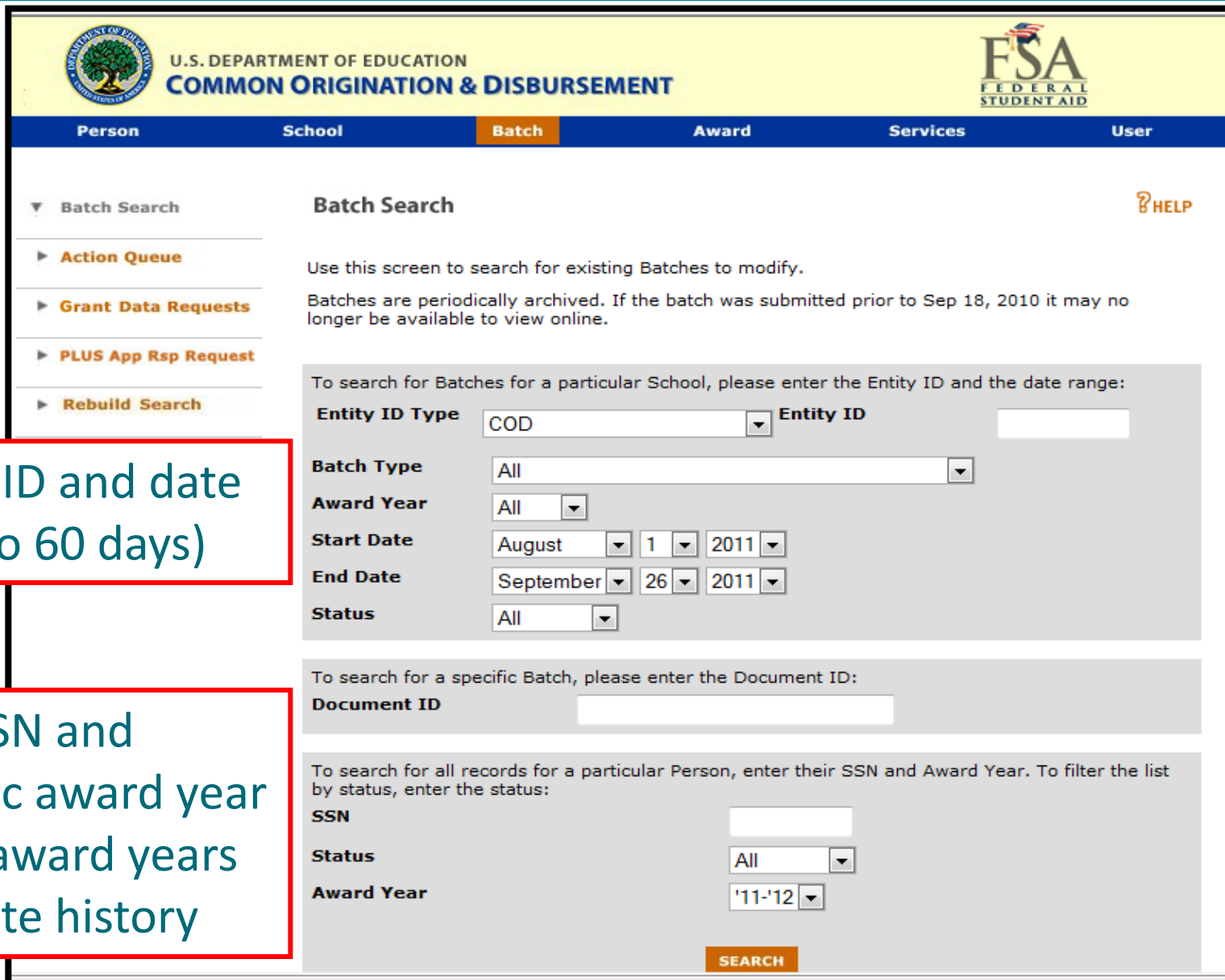
  Rejected disbursements = unsubstantiated funds

  - use your software import edit report or

  - review your batches in COD

COD Batch Search

Enter school ID and date range (up to 60 days)

Enter SSN and choose specific award year or select all award years for complete history

U.S. DEPARTMENT OF EDUCATION
COMMON ORIGINATION & DISBURSEMENT

FSA
FEDERAL STUDENT AID

| Person | School | Batch | Award | Services | User |

▼ Batch Search
▶ Action Queue
▶ Grant Data Requests
▶ PLUS App Rsp Request
▶ Rebuild Search

Search Results

？HELP

Enter filter criteria here to narrow down your search.

Status: All

Batch Type: All

Document ID	Record Type	Doc Type	Date Received	Date Response Sent	Entity	Award Year	Name	SSN	Award Type	Award No	Disb No
2011-09-14T16:32:27.8382048315	DL	RS	09/14/2011	09/14/2011	82048315	'11-'12		- Accepted	DLU	001 - Accepted	02 - Rejected
2011-09-12T16:23:54.6982048315	DL	RS	09/12/2011	09/12/2011	82048315	'11-'12		- Accepted	DLU	001 - Accepted	02 - Rejected
2011-09-09T16:22:18.6782048315	DL	RS	09/09/2011	09/09/2011	82048315	'11-'12		- Accepted	DLU	001 - Accepted	02 - Accepted
2011-09-07T16:32:09.7582048315	DL	RS	09/07/2011	09/07/2011	82048315	'11-'12		- Accepted	DLU	001 - Accepted	01 - Accepted
2011-08-30T15:05:21.0782048315	PL	RS	08/30/2011	08/30/2011	82048315	'11-'12		- Accepted	PEL	000 - Accepted	01 - Accepted
2011-08-25T16:14:20.0382048315	DL	RS	08/25/2011	08/25/2011	82048315	'11-'12		- Accepted	DLU	001 - Accepted	02 - Accepted
2011-08-24T16:30:58.4682048315	DL	RS	08/24/2011	08/24/2011	82048315	'11-'12		- Accepted	DLS	001 - Accepted	
2011-08-24T16:30:58.4682048315	DL	RS	08/24/2011	08/24/2011	82048315	'11-'12		- Accepted	DLU	001 - Accepted	02 - Accepted
2011-08-24T16:30:58.4682048315	DL	RS	08/24/2011	08/24/2011	82048315	'11-'12		- Accepted	DLU	001 - Accepted	03 - Accepted
2011-08-13T04:05:00.9800000001	DL	BN	08/13/2011	08/13/2011	82048315	'11-'12		- Accepted	DLS	001 - Accepted	
2011-08-13T04:05:00.9800000001	DL	BN	08/13/2011	08/13/2011	82048315	'11-'12		- Accepted	DLU	001 - Accepted	
2011-08-12T15:26:31.4182048315	PL	RS	08/12/2011	08/12/2011	82048315	'11-'12		- Accepted	PEL	000 - Accepted	01 - Accepted
2011-08-12T13:31:30.3482048315	PL	RS	08/12/2011	08/12/2011	82048315	'11-'12		- Accepted	PEL	000 - Accepted	

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FEDERAL STUDENT AID

Example Record Reject

Identified in Common Record Response and also in COD Batch Search (above)

COD Technical Reference

fsadownload.ed.gov

IMPLEMENTATION GUIDE

EDITS

COD Tech Ref, Volume II, Section 4 lists the edit codes and information for correcting rejected records.

| 039 | C/R | Award, Disbursement | Incorrect Award Amount | Award and/or Disbursement amount exceeds the maximum annual limit (Pell/DL).

Pell:
Refer to the Federal Student Aid Handbook for maximum annual limits.

Direct Loan Subsidized:
Grade Level = 0 or 1 Max = 3500
Grade Level = 2 Max = 4500
Grade Level = 3, 4, 5 Max = 5500
Grade Level >=6 Max = 8500 | Pell
Direct Loan | Pell:
Review the maximum annual limit for this award. If appropriate, update this field and resubmit.

Direct Loan:
Review the maximum annual loan limit for this award. Also, review all sub/unsub awards and actual disbursements made for this student. If appropriate, update award and/or disbursement amount(s) and resubmit. |

September 2010   2010-2011 COD Technical Reference
Volume II – Common Record Technical Reference   Page II - 4 - 9

Award and/or Disbursement amount exceeds the maximum annual limit (Pell/DL).

Pell:
Refer to the Federal Student Aid Handbook for maximum annual limits.

Direct Loan Subsidized:
Grade Level = 0 or 1 Max = 3500
Grade Level = 2 Max = 4500
Grade Level = 3, 4, 5 Max = 5500
Grade Level >=6 Max = 8500

Direct Loan:
Review the maximum annual loan limit for this award. Also, review all sub/unsub awards and actual disbursements made for this student. If appropriate, update award and/or disbursement amount(s) and resubmit.

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FEDERAL STUDENT AID

Disbursement Level Edits

❑Actual disbs reported more than 7 days prior to event

  ✓**Reject** edit **051** (resend again later)

❑Must report actual disb within 30 days

  ✓**Warning** edit **055** (need to get these in sooner)

❑Loan limits

  ✓**Reject** edit **039** (check grade level)

❑Anticipated disb sent with past disb date

  ✓**Warning** edit **054** (DRI needs to be changed?)

❑Actual PLUS disb reported with no approved credit

  ✓**Reject** edit **080** (wait for approved credit before disb)

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1. Basic Concepts Review
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5. **Reconciliation**
6. Resources & Contact Info

- Reconciliation: monthly and program year closeout

- Schools must reconcile each month

- Similar to balancing a checkbook

- Who should perform reconciliation

- Use reports to research and determine timing differences between COD and School

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Recommended Steps

Daily/Weekly:

1. Communication between BO and FA

2. Resolve as many <u>rejected</u> records as possible

3. Identify and enter **pending actual disbursements** that should have been entered into system and sent to COD

4. **Export**/transmit all records/batches

5. **Import** all acknowledgements/responses

Internal Reconciliation

Compare Business Office Records to Financial Aid Office Records

- Develop procedures/schedule for internal reconciliation and assign responsibilities

- Compare based on overall cash/disbursement totals and/or student detail

- Troubleshoot discrepancies

- Tools:
  - student files
  - financial aid office reports
  - business office reports

Monthly Activities & Aids

- Monthly activity
  - School reconciles internally, FAA and Business offices
  - School reconciles externally with COD
    - Reconcile cash summary, cash detail, loan and disbursement detail
  - Document your reconciliation
- Aids to Reconciliation
  - School Account Statement (SAS)
  - COD Website screens and reports
  - Direct Loan Tools Software (FSA Download site)
  - COD Reconciliation specialists

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Reconciliation Process Flow

School Receives SAS

Compare Cash Summary

Match ?

NO → Compare Cash Detail

NO → Compare Loan Detail

YES → DONE

Resolve Issues

Resolved ?

NO

YES → DONE

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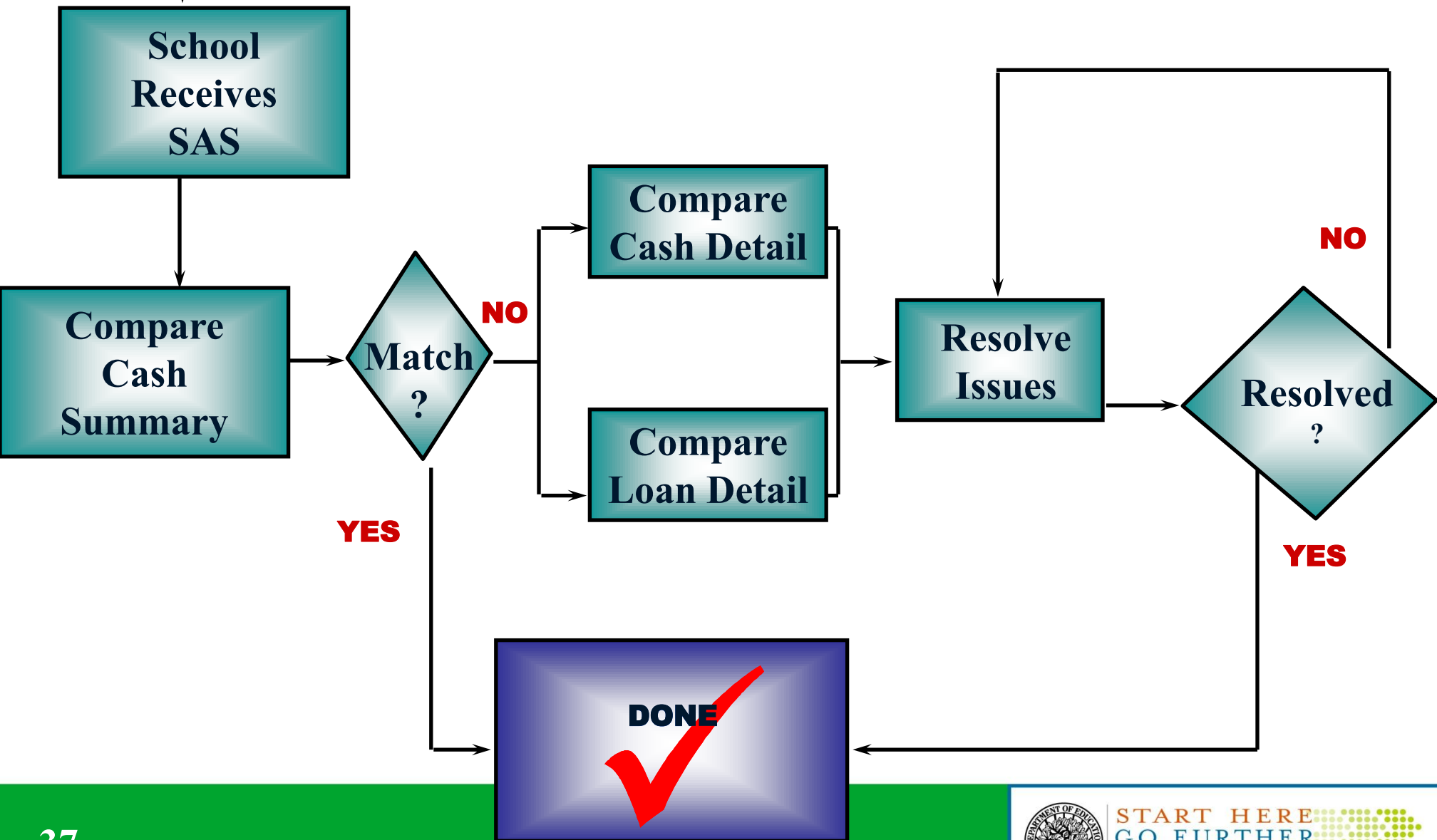
School Account Statement (SAS)

The SAS is a monthly statement listing the school's DL processing activity as reported to (and accepted by) COD

Import the DSLF or DSDF

- Each SAS import overwrites previous SAS information stored in the DL Tools database

- Generated the first full weekend of the month

- Separate SAS for each open award year

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- Cash Summary
  - Total drawdowns (info sent from G5 to COD)
  - Total returns (info from G5 to COD)
  - Total booked disbursements (school to COD)
  - Ending Cash Balance (ECB)
  - Total unbooked disbursements (school to COD)
  - Cash > accepted/posted disbursements
- Cash Detail
- Loan/Disbursement Detail

Year-to-Date SAS if you want to use the DL Tools Compare. Don't forget to change it as it is defaulted to Monthly in COD.

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SAS Options

Direct Loan Tools for Windows

File   View   Tools   Program Year   Help

Program Year: [   ]

Multi-Year R11: 2009/2010, 2010/2011, 2011/2012

Functionality:

Cash

    Management

SAS – Print

SAS - Compare

Rebuild

Disbursement Measurement Tool Report

Direct Loan
Tools for
Windows

Release: 11.0

Download DL Tools

from fsadownload.ed.gov

Internal Ending Cash Balance Report

This one is from the DL Tools software

This is part of the internal reconciliation you do *before* you reconcile against the SAS

```
Report Date: 10/14/2010    U.S. DEPARTMENT OF EDUCATION              PAGE:  1
Report Time:    10:49:47   DIRECT LOAN TOOLS - 2010-2011
                     Internal Ending Cash Balance Report - Summary
        THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
****************************************************************************************

Date Range:

School Code: G00824


Cash Receipts:                                                        $21,376

Refunds of Cash:                                                       $1,225

Total Cash (Receipts - Refunds of Cash):                                       $20,151


Total Disbursement Net Amount from External Data:                              $22,851


Ending Cash Balance (Total Cash - Total Net Disbursements):                     -$2,700
```

```
Report Date: 10/15/2010    U.S. DEPARTMENT OF EDUCATION              PAGE:  1
Report Time: 13:40:10       DIRECT LOAN TOOLS - 2010-2011
                    SAS Year-To-Date Cash Summary (DSDF11OP)
     THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
********************************************************************************
End Date:    07/31/2010

School Code: G00824
Region Code: 04
State Code: VA


Beginning Cash Balance:                                                    $0
      Cash Receipts:                             $21,632
      Refunds of Cash:                               $0
Net Drawdowns/Payments:                                                $21,632

      Booked Disbursements:                      $21,632
      Booked Adjustments:                            $0
Total Net Booked Disbursements:                                        $21,632

Ending Cash Balance:                                                       $0

      Unbooked Disbursements:                     $4,898
      Unbooked Adjustments:                          $0
Total Net Unbooked Disbursements:                                       $4,898

Cash > Accepted and Posted Disbursements:                              -$4,898

                              ******
```

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Cash Discrepancies - *Causes*

– **Timing** issues

– Cash transactions in **wrong year** or split between years

– Funds **recycled** for disbursement in a different **award year**

– Funds from a different **program** (i.e. Pell)

Research Tools

- – SAS Cash Detail
- – Cash Detail Comparison Report
- – Cash Management: DL Tools
- – COD Website
- – Business Office Cash Report
- – Bank Statements
- – Cancelled Checks

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```
Report Date: 10/14/2010     U.S. DEPARTMENT OF EDUCATION              PAGE:   1
Report Time:    16:01:35     DIRECT LOAN TOOLS - 2010-2011
                                  SAS Cash Detail
                                                            Sort by: Trans Type
      THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
*******************************************************************************

Date Range:                                          Trans Type: All

School Code: G00824

End Date: 07/31/2010


                    Trans                            COD Process    GAPS Control/
Trans Type          Date            Trans Amount     Date           Check Number
----------          ----------      ----------------  ----------     --------------

Receipt             07/01/2010               $8,523  08/05/2010     2010070112333
Receipt             07/06/2010               $7,256  08/05/2010     2010070612334
Receipt             07/20/2010               $5,853  08/05/2010     2010072012335


Total Cash Receipt Records:                              3
Total Refunds of Cash Records:                           0
Total SAS Cash Detail Records:                           3

Total Cash Receipt Amount:                         $21,632
Total Refunds of Cash Amount:                          $0
```

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Cash Detail Comparison Report

```
Report Date: 10/14/2010    U.S. DEPARTMENT OF EDUCATION                    PAGE:   1
Report Time:    16:04:36    DIRECT LOAN TOOLS - 2010-2011
                              Cash Detail Comparison
                                                            Sort by: Trans Type
        THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
***************************************************************************************
Date Range:                                         Match Status: All
School Code: G00824                                 Trans Type: All
Tolerance (# of days): 5
                     Trans
Trans Type           Date            Trans Amount    Match Status        Record Source
_____          _____      _____    _____    _____
Receipt              07/01/2010            $8,523    Matched             School

Receipt              07/01/2010            $8,523    Matched             COD

Receipt              07/06/2010            $7,000    Unmatched           School

Receipt              07/06/2010            $7,256    Unmatched           COD

Receipt              07/20/2010            $5,853    Unmatched           COD

Receipt              07/27/2010            $5,853    Unmatched           School

Excess               07/30/2010            $1,225    Unmatched           School
Totals:
   Matched Records:                                  2
   Unmatched Records:                                5
   COD Cash Detail Records:                          3
   School Cash Detail Records:                       4
```

Disbursement Discrepancies - *Causes*

- **Unsent**/unacknowledged disbursement batches

- **Rejected** disbursements

- Disbursements **entered** in COD (web activity) but not in school system (s)

- Disbursements recorded in **business office** but not in **FA system**

- **Unbooked** records

- School **data loss**

Research Tools

- – Financial aid office disbursement report

- – Business office disbursement report

- – SAS Loan/Disbursement detail

- – Disbursement detail comparison

- – COD Website – award/disbursement detail

- – Student account files

- – Business office ledgers/statements of account

Booking the Loan

Important!

– Accepted origination record
– Accepted Master Promissory Note
– Accepted actual disbursement

Booked loan transfers liability from the school and becomes a binding obligation between the borrower and ED.

"On the Books" with the Direct Loan Servicer

```
Report Date: 10/14/2010      U.S. DEPARTMENT OF EDUCATION                    PAGE:   1
Report Time:    20:13:29     DIRECT LOAN TOOLS - 2010-2011
                                  SAS Loan Detail
                                                          Sort by: Last Name
      THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
*********************************************************************************

Date Range:

School Code: G00824                          Booked Status: Booked and Unbooked

End Date: 07/31/2010                         Loan Type: All

Student's Name
PLUS Borrower's Name                   Record      Gross      Fee     Int Rebate    Net
  Loan ID                              Type        Amount     Amount  Amount        Amount
-------------------------------------  ---------   -------    ------  --------      -------


   999990001U11G00824001               Booked      $2,000     $20        $10        $1,990


   999990002U11G00824001               Booked      $4,750     $47        $24        $4,727


   999990003S11G00824001               Booked      $1,750     $17         $9        $1,742


   999990004S11G00824001               Booked      $1,250     $12         $6        $1,244


   999990006S11G00824001               Booked      $1,650     $16         $8        $1,642


   999990007U11G00824001               Booked      $1,250     $12         $6        $1,244
```

52

```
Report Date: 10/14/2010      U.S. DEPARTMENT OF EDUCATION                    PAGE:   2
Report Time:    16:15:08        DIRECT LOAN TOOLS - 2010-2011
                             Disbursement Detail Comparison
                                                        Sort by: Loan ID
        THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
*****************************************************************************************


Date Range:


School Code: G00824                                     End Date: 07/31/2010


Booked Status: Both Booked and Unbooked                 Match Status: All


BOOKED  RECORDS  THAT ARE  UNMATCHED


Loan ID                    Student's Name
   SCHOOL   Disb#   Seq#   Date        Type    Gross     Fee     Rebate   Net      Net Adj
   COD      Disb#   Seq#   Date        Type    Gross     Fee     Rebate   Net      Net Adj
-----------------------------------------------------------------------------------------

999990061S11G00824001
           NO MATCHING SCHOOL DISBURSEMENT
              1       1    07/05/2010   D    $1,450     $58      $22    $1,414       $0
```
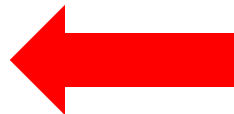
START HERE
GO FURTHER
FEDERAL STUDENT AID

Disbursement Detail Comparison

```
Report Date: 09/04/2011     U.S. DEPARTMENT OF EDUCATION              PAGE:  3
Report Time:   13:01:18       DIRECT LOAN TOOLS - 2010-2011
                          Loan Detail Comparison - Loan Level
                                                    Sort by: Loan ID
        THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
**************************************************************************************


School Code: G00824                              End Date: 07/31/2010


Match Status: All


UNBOOKED RECORDS THAT ARE MATCHED


                                              School/COD    # School
Loan ID                Student's Name         Net Amount    Disbs
--------------------   ---------------------------------   ---------------   --------


999990012P11G00824001  MAROON, SUSAN K            $1,414/ $1,414          1
```

START HERE
GO FURTHER
FEDERAL STUDENT AID

Disbursement Detail Comparison

```
Report Date: 09/04/2011     U.S. DEPARTMENT OF EDUCATION                    PAGE:  4
Report Time:    13:01:18       DIRECT LOAN TOOLS - 2010-2011
                            Loan Detail Comparison - Loan Level
                                                           Sort by: Loan ID
        THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
********************************************************************************

School Code: G00824                              End Date: 07/31/2010

Match Status: All


UNBOOKED RECORDS THAT ARE UNMATCHED
*NOTE - SCHOOL RECORDS OUTSIDE OF SAS DATE RANGE WILL APPEAR IN THIS SECTION

                                              School/COD       # School
Loan ID                   Student's Name      Net Amount       Disbs
-------------------       ------------------------------    --------------   --------

999990005P11G00824001     INDIGO, CRAIG P            $1,219/                       1

999990060U11G00824001                                     /        $0              0

999990062S11G00824001                                     /        $0              0


TOTAL BOOKED RECORDS THAT ARE MATCHED:                                           10
TOTAL BOOKED RECORDS THAT ARE UNMATCHED:                                          2
TOTAL UNBOOKED RECORDS THAT ARE MATCHED:                                          1
TOTAL UNBOOKED RECORDS THAT ARE UNMATCHED:                                        3
TOTAL LOANS:                                                                     16
```

START HERE
GO FURTHER
FEDERAL STUDENT AID

- All discrepancies have been identified and resolved

- Timing issues are tracked for reconciliation in next month's SAS

- Reasons for any Ending Cash Balance have been identified

- All monthly reconciliation efforts have been *documented* (nothing is sent to ED)

DONE

START HERE
GO FURTHER
FEDERAL STUDENT AID

	SCHOOL'S FINAID SYSTEM:		COD SCHOOL ACCT STATEMENT (SAS):		DIFFERENCE:	
Beginning Balance		$0		$0		$0
Cash Receipts	$13,074		$13,074		$0	
Refunds of Cash	($2,075)		($1,350)		($725)	
Net Drawdowns/Payments		$10,999		$11,724		($725)
Booked Disbursements	$5,721		$5,721		$0	
Booked Adjustments	$0		($1,250)		$1,250	
Total Net Booked Disbs		$5,721		$4,471		$1,250
Ending Cash Balance		**$5,278**		**$7,253**		**($1,975)**
Unbooked Disbursements	$4,126		$3,264		$862	
Unbooked Adjustments	$0		$0		$0	
Total Net Unbooked Disbs		$4,126		$3,264		$862
Cash>Net Accepted and Posted Disbs		**$1,152**		**$3,989**		**($2,837)**

START HERE
GO FURTHER
FEDERAL STUDENT AID

Monthly Reconciliation Action Items

Month Ending: __7/31/2010__   Program Year: __2010-2011__

No	Action Item	Date Due	Date Completed
1.	Post 8/5 Disbursements totaling $2402 in Financial Aid System Batch and Send to COD.	8/11/2010	8/15/2010
2.	Business office must return $725 in G5 for George Washington	8/06/2010	
3.	Verify $3264 future-dated disbursements book on COD and drawn down by business office	8/06/2010	

START HERE
GO FURTHER
FEDERAL STUDENT AID

School Summary

Person	**School**	Batch	Award	Services	User

► **School Search**

▼ **School Information**

School Summary
Financial Aid Contact
Eligibility
General
Options
Funding Info
Summary Financial Info
Refunds of Cash
Cash Activity
Events
Memos
Yearly Totals
Relationships
Balance Confirmation
Request Post
Deadline/Extended
Processing
Correspondence
Report Selection

School Summary Information

？HELP

B and B's school of Reconciliation tips

Enter the default selections here for Program and Award Year:

Default Program	DIRECT LOAN ▼	**Default Award Year**	'10-'11 ▼

Contacts

Summary

Type	Name	Phone
Pell Financial Aid Officer	Barb	(202) 821-3953
FINANCIAL AID ADMINISTRATOR	Bob	(202) 377-3387

Award Year	'10-'11 ▼
Program	DIRECT LOAN ▼
Cash > Accepted & Posted Disbursements & older than 30 days	$0.00
% of Cash > Accepted & Posted Disbursements	0.00188%
Cash > Accepted & Posted Disbursements	$8,803.00
Current CFL	$472,031,184.00

School Summary Financial

| Person | School | Batch | Award | Services | User |

School Summary Financial Information

?HELP

▶ **School Search**

▼ **School Information**
School Summary
Financial Aid Contact
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Correspondence
Report Selection

B and B's School of Reconciliation tips

Summary Financial Information

Program	DIRECT LOAN ▾	**Award Year** '10-'11 ▾

Entity ID		22093077
Beginning Cash Balance		$0.00
Cash Receipts	$469,122,852.00	
Refunds of Cash	$0.00	
Net Drawdowns/Payments		$469,122,852.00
Booked Disbursements	$487,206,325.00	
Booked Adjustments	($18,092,276.00)	
Total Net Booked Disbursements		$469,114,049.00
Ending Cash Balance		$8,803.00
Unbooked Disbursements	$16,150.00	
Unbooked Adjustments	($16,150.00)	
Total Net Unbooked Disbursements		$0.00
Cash > Accepted and Posted Disbursements		$8,803.00

U.S. DEPARTMENT OF EDUCATION
COMMON ORIGINATION & DISBURSEMENT

FSA FEDERAL STUDENT AID

| Person | School | Batch | Award | Services | User |

- ▶ **School Search**
- ▼ **School Information**
  - School Summary
  - Financial Aid Contact
  - Eligibility
  - General
  - Options
  - Funding Info
  - Summary Financial Info
  - Refunds of Cash
  - Cash Activity
  - Events
  - Memos
  - Yearly Totals
  - Relationships
  - Balance Confirmation
  - Request Post Deadline/Extended Processing
  - Correspondence
  - Report Selection

Cash Activity

🅱 HELP

B and B's School of Reconciliation tips

Program/Year Selection

Program DIRECT LOAN ▾   **Award Year** '10-'11 ▾   Printer Friendly

Cash Activity Summary

Net Draws	$469,122,852.00
Cash > Accepted & Posted Disbursements & older than 30 days	$0.00

Date of Transaction	Totals	09/23/2011	09/16/201
Time		10:48:02 AM	11:42:38 AM
GAPS Debit Date		09/23/2011	
Drawdowns/Payments	$467,891,035.00	$21,306.00	
Drawdown Adjustments	$1,231,817.00		($44,336.00
Refunds of Cash	$0.00		
Returns of Cash	$0.00		
Drawdown Offsets	$0.00		
Days Since Net Draws Increase		3	
Days Left For On-time Reporting		027	
Payment Control Number		2011092175415	
Accepted & Posted Disbursements Applied	$469,114,049.00	$12,503.00	$0.00
% of Accepted & Posted Disb. Applied to Net Draws	100.0%		
Cash > Accepted & Posted Disbursements	$8,803.00		
% of Cash > Accepted & Posted Disbursements	0.00%		
Source System		GAPS	GAPS

Amounts in parentheses decrease net draws

COD Website – Action queue

U.S. DEPARTMENT OF EDUCATION
COMMON ORIGINATION & DISBURSEMENT

FSA
FEDERAL STUDENT AID

Person	School	Batch	Award	Services	User

▶ Batch Search
▼ Action Queue
　▶ Grant Data Requests
　▶ PLUS App Rsp Request
　▶ Rebuild Search

Action Queue Search

❓HELP

Use this screen to search the Action Queue.

To search the Action Queue for a particular school, please enter the School ID and the date range:

Entity ID Type　　COD ▼　　**Entity ID**　　[_____]

Award Year　　'10-'11 ▼

Disb. Start Date　　April ▼　10 ▼　2010 ▼

Disb. End Date　　September ▼　26 ▼　2011 ▼

Disbursement Status　　All ▼

To search the Action Queue for a specific Batch, please enter the Batch ID:

Note: Batch ID will search only by Review status.

Batch ID　　[_____]

SEARCH

Sep 26 2011 15:55 GMT　　Home | Privacy Act | Links | Contact Us | Today's Update | Help | Glossary | Log Off

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GO FURTHER
FEDERAL STUDENT AID

- Culmination of the monthly reconciliation process
- Final deadline: last processing day in July of the year following end of the award year

  (7/31/2012 for 10/11 award year

- School and COD show a cash balance of $0

- COD records match all school DL records and business office system transactions,

- School Account Statement (SAS) reflects a $0 unbooked balance.

- COD website-balance confirmation screen

- No unsubstantiated cash

- Close out means no more reporting of disbursements, no more draws of cash, no more reports

- Can re-open the year if needed

Balance Confirmation

Current Program Year Close Data

Today's Date	09/26/2011
Net Drawdowns/Payments	$469,122,852.00
Total Net Booked Disbursements	$469,114,049.00
Current Ending Cash Balance	$8,803.00
Total Net Unbooked Disbursements	$0.00
Latest Award End Date	09/04/2011

Days past the Latest Reported Award End Date: 022

Balance Confirmation Form

Date	
School Name	
Name of School Official	
Telephone Number	
E-Mail Address	
Last SAS Ending Cash Balance	$16,716.00
Last SAS Date	08/31/2011
School Ending Cash Balance	
End Date of School Balance	

I am certifying that my school's internal cash balance is $0 for the Award Year referenced above. This is in agreement with the Department's official ending cash balance reflected in my school's most recent SAS report. My school has no outstanding issues for this program year. I understand that by submitting this request I authorize the Department of Education to take the following actions for the Award Year listed above:

1. The Department will send a closeout letter to my school.

2. COD will stop processing or accepting any data without Department review and approval.

3. The Department will reduce our school's Cash Funding Level (CFL) to Total Net Cash (Cash Receipts - Refunded Cash).

4. The SAS and other reports for this award year will no longer be sent unless our balance changes.

I understand that these measures are being taken to protect my school from further changes to my Ending Cash Balance. If I should need to submit data for this year at a future time, I will contact the COD Customer Service Center at 1-800-848-0978.

To Submit this form, please click either button:

I Agree or I Disagree

I AGREE	I DISAGREE

START HERE
GO FURTHER
FEDERAL STUDENT AID

Agenda

1. Basic Concepts Review
2. Funding
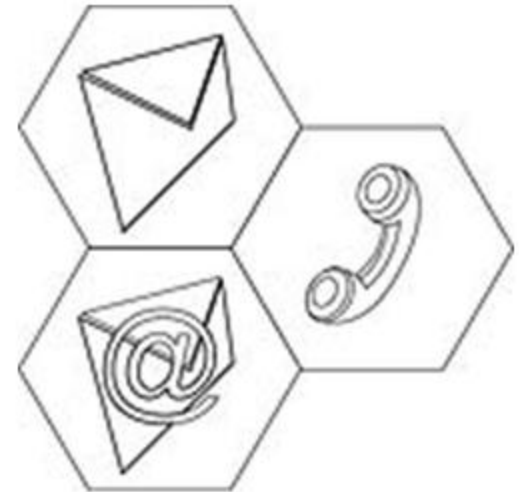3. Loan Processing
4. Edits
5. Reconciliation
6. **Resources & Contact Info**

General DL Processing and Reconciliation

- COD Customer Service
  - Customer Service Representative
  - Weekly monitoring e-mails
  - Reconciliation Team
  - 800.848.0978 or
  - codsupport@acs-inc.com

COD School Monitoring

School OPE ID:

As part of our proactive approach to assist schools with the financial aid disbursement process, the Common Origination and Disbursement (COD) School Relations Center would like to alert you to one or more of the following conditions at your school:

- Unsubstantiated Cash
- Pell Grant Potential Overaward Process (POP) Situations
- 30-Day Disbursement Reporting

Note: We understand that some of the information provided in this e-mail may be associated with outstanding COD System issues currently logged with the COD School Relations Center. However, the information will still help your school identify and resolve conditions that are not associated with COD System issues. If your school discovers additional COD System issues that have not yet been logged, please notify the COD School Relations Center.

Your school's information is listed below and is current as of [December 30, 2008].

Unsubstantiated Cash

Regulations require schools to submit disbursement and adjustment records within certain timeframes. (For Pell Grant, ACG, and National SMART Grant, the timeframe is published annually in the Federal Register.) Additionally, the cash management regulations require schools to return excess cash (i.e., refund of cash) within certain timeframes. You can

Resources

- Blue Book

- FSA Handbook, Vol. 3 & 4

- Direct Loan School Guide

- 34 CFR 668 Subpart K, Cash Management Regulations

- COD Tech Ref

- IFAP Electronic Announcements

Who to Call

➢ **COD** 800-848-0978 **codsupport@acs-inc.com**

  ❖ Processing questions, rejects

  ❖ Batches, COD Website, StudentLoans.gov

  ❖ Funding Level increases

  ❖ Reconciliation

➢ **Federal Loan School Support Team- Point of Contact**

➢ **CPS/SAIG** 800-330-5947 **CPSSAIG@ed.gov**

  ❖ FAFSAs, ISIRs

  ❖ FAA Access to CPS Online

  ❖ R2T4 on the Web

  ❖ SAIG enrollment, participation, errors

  ❖ EDConnect

  ❖ EDExpress, DL Tools, SSCR

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GO FURTHER
FEDERAL STUDENT AID

- **Servicers**

  http://ifap.ed.gov/ifap/helpContactInformationDetailedList.jsp?lsc=1

  - ❖ Borrower payments, payment plans
  - ❖ Deferment, Forbearance, Reaffirmation

- **Research & Customer Care Center (RCCC)**

  800-433-7327   fsa.customer.support@ed.gov

  - ❖ Questions about Title IV programs, policies, regulations

- **G5 Hotline** 888-336-8930 **edcaps.user@ed.gov**

  - ❖ Banking, funding, drawdowns/payments, refunds

- **School Participation Teams**

 See **eligcert.ed.gov** for regional contact information

  - ❖ Technical assistance, Institutional Improvement Specialists
  - ❖ School/program eligibility, recertification ,E-APPs

START HERE
GO FURTHER
FEDERAL STUDENT AID

Effective Processing Means …

- **Internal communications**
- **Track your funding**
- **Finish what you start**
- **Work your Response files/rejects**
- **Work the SAS**
- **Assess your procedures routinely**
- **Monitor your success**
- **Use the resources provided**
  - **Help Desks**
  - **Reports**
  - **Training**
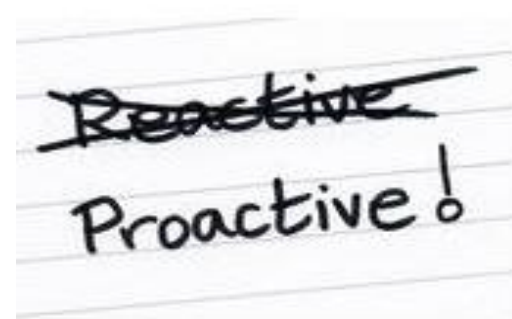
Robert.berry@ed.gov

202.377.3387

Barbara.davis@ed.gov

202.821.3953

THANK YOU!

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