Direct Loan Reconciliation

Robert Berry
Barbara Davis
PASFAA October 2011
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)
Follow the Money …

SCHOOL

COD

G-5

Disbursements

Disbursement Records

Funding
Key Reconciliation Players

COMMUNICATION IS KEY

Financial Aid Office

COD

Reconcile Internally

Reconcile with COD

Business Office

(ResourceManager)
1. Basic Concepts Review
2. Funding
3. Loan Processing
4. Edits
5. Reconciliation
6. Resources & Contact Info
Request Funds via G5

Create Payments
- Modify/Cancel Payments
- Inquire Payments
- Create Payments - Loan
- Modify/Cancel Payments - Loan
- Inquire Payments - Loan

Enter Payments
Create payments using the form below. An * indicates a required field.

<table>
<thead>
<tr>
<th>Award No.</th>
<th>Payment Amount ($)</th>
<th>Deposit Date (MM/DD/YYYY)</th>
<th>Recipient Reference</th>
<th>Available Balance</th>
<th>Net Authorization</th>
<th>Last Day to Draw</th>
<th>Bank Account</th>
<th>Flag</th>
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<td>P268K081111</td>
<td>09/28/2009</td>
<td>Direct Loan 0708 8/1</td>
<td>$0.00</td>
<td>$9,567.163.00</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Total: 3 Page 1 of 1

0809  0910

1011 DL: P268K11xxxx
1112 DL: P268K12xxxx
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
Which Method Will You Use?

- 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
Which Method Will You Use?

1. **REQUEST FUNDS G5**
   - 3 bd
   - CREDIT STUDENT ACCOUNT
   - 30 cd
   - REPORT DISBS TO COD

2. **REPORT DISBS TO COD**
   - Up to 7 cd In adv
   - REQUEST FUNDS G5
   - 3 bd
   - CREDIT STUDENT ACCOUNT

3. **CREDIT STUDENT ACCOUNT**
   - 30 cd
   - REPORT DISBS TO COD
   - REQUEST FUNDS G5

Send to COD 11/1- DRI= True of 11/7
Create payment request 11/3
Post to student account 11/7
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
Chapter 2 – Requesting & Managing FSA Funds

- Drawing Down Federal Student Aid Funds
- Current Funding Level & GS
- The advance payment method
- Reimbursement & cash monitoring payment methods
- Maintaining and Accounting for Funds
- When a school does not maintain a separate account
- Bank account notification requirements
- Interest-bearing or investment account
- Excess Cash
- Allowable excess cash tolerances
- Holding FFEL funds if student is temporarily ineligible
- Holding FFEL Stafford loan funds for verification
- Administrative Cost Allowance (ACA)
- Fiduciary Responsibility
- Prohibition on escheating of FSA funds
  - Timeframe for returning unclaimed funds
- Garnishment of FSA Funds Prohibited
- Returning Funds
  - Returning federal funds by depositing them in a federal funds account
  - Downward adjustment of Pell, ACG/SMART, TEACH Grant, or Direct Loan required
  - Returning funds from an audit or program review
Total Net Drawdowns
– Total Net Booked Disbursements
= Ending Cash Balance
Common Funding Issues

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
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
Common Funding Issues

Mishandled refund

✓ The facts
  ▪ Actual disbursement is adjusted downward:
    o 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
2. Funding
3. Loan Processing
4. Edits
5. Reconciliation
6. Resources & Contact Info
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
Actual disbursement

- 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
Processing order *does* matter

(1) Actual Disbursement Adjustments

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

- **DISB-1**
  - **DISB-1 SEQ-1**

- **DISB-2**
  - **DISB-2 SEQ-1**
  - **DISB-2 SEQ-2**

(2) Inactivating or reducing a loan to $0

**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

One actual disb reported to COD
One outstanding
Anticipated disb
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
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
1. Basic Concepts Review
2. Funding
3. Loan Processing
4. Edits
5. Reconciliation
6. Resources & Contact Info
Edits

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
Resolving Rejects

• 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
<table>
<thead>
<tr>
<th>Document ID</th>
<th>Record Type</th>
<th>Doc Type</th>
<th>Date Received</th>
<th>Date Response Sent</th>
<th>Entity</th>
<th>Award Year</th>
<th>Name</th>
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Example Record Reject

Identified in Common Record Response and also in COD Batch Search (above)
### COD Technical Reference 2010-2011

<table>
<thead>
<tr>
<th>Document Title</th>
<th>Document Format</th>
<th>Date Posted</th>
<th>File Size</th>
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<tr>
<td>1011 COD Technical Reference Cover and Table of Contents</td>
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**IMPLEMENTATION GUIDE**

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

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<tr>
<th>C/R</th>
<th>Award, Disbursement</th>
<th>Inaccurate Award Amount</th>
<th>Award and/or Disbursement amount exceeds the maximum annual limit (Pell/DL)</th>
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<tbody>
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<td>C/R</td>
<td>Award, Disbursement</td>
<td>Inaccurate Award Amount</td>
<td>Pell: Refer to the Federal Student Aid Handbook for maximum annual limits. Direct Loan Subsidized:</td>
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<tr>
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<td></td>
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<td>Grade Level = 0 or 1 Max = 3500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Grade Level = 2 Max = 4500</td>
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<tr>
<td></td>
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<td>Grade Level = 3, 4, 5 Max = 5500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Grade Level &gt;=6 Max = 8500</td>
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**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.
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)
1. Basic Concepts Review
2. Funding
3. Loan Processing
4. Edits
5. Reconciliation
6. Resources & Contact Info
Reconciliation

- 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
Recommended Steps

Daily/Weekly:
1. Communication between BO and FA
2. Resolve as many rejected 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
School Receives SAS

Compare Cash Summary

Match?

NO

Compare Cash Detail

Resolve Issues

Resolved?

YES

DONE

NO

Compare Loan Detail
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.
School Account Statement

- **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.*
SAS Options

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 Processing
Correspondence
Report Selection

<table>
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<tr>
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<th>'08-'09</th>
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SAS Options

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<th>Report Format</th>
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<td>Include Names of Borrowers</td>
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Report Activity Type

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<tr>
<td>You will receive Monthly Cash Detail if you choose Monthly activity and Year-to-Date Cash Detail if you choose Year-to-Date.</td>
</tr>
<tr>
<td>You will receive both the Monthly and Year-to-Date Cash Detail if you select Both as your option.</td>
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Sections of SAS to Receive

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<table>
<thead>
<tr>
<th>Year-to-Date</th>
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<td>Disbursement Detail</td>
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<tr>
<td>Loan Level (optional)</td>
<td>No</td>
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COD.ED.GOV

YTD

DSDF

or

DSLF

**Functionality:**
- Cash Management
- SAS – Print
- SAS - Compare
- Rebuild
- Disbursement Measurement Tool Report
Download DL Tools from fsadownload.ed.gov
**Internal Ending Cash Balance Report**

- **Report Date:** 10/14/2010
- **Report Time:** 10:49:47
- **School Code:** G00824

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<td>Refunds of Cash</td>
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<tr>
<td>Total Cash (Receipts - Refunds of Cash)</td>
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<tr>
<td>Total Disbursement Net Amount from External Data</td>
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<td>Ending Cash Balance (Total Cash - Total Net Disbursements)</td>
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Report Date: 10/15/2010  
Report Time: 13:40:10  
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

*****
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)
Cash Discrepancies - Resolution

Research Tools

- SAS Cash Detail
- Cash Detail Comparison Report
- Cash Management: DL Tools
- COD Website
- Business Office Cash Report
- Bank Statements
- Cancelled Checks
<table>
<thead>
<tr>
<th>Trans Type</th>
<th>Date</th>
<th>Trans Amount</th>
<th>COD Process Date</th>
<th>GAPS Control/Check Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipt</td>
<td>07/01/2010</td>
<td>$8,523</td>
<td>08/05/2010</td>
<td>2010070112333</td>
</tr>
<tr>
<td>Receipt</td>
<td>07/06/2010</td>
<td>$7,256</td>
<td>08/05/2010</td>
<td>2010070612334</td>
</tr>
<tr>
<td>Receipt</td>
<td>07/20/2010</td>
<td>$5,853</td>
<td>08/05/2010</td>
<td>2010072012335</td>
</tr>
</tbody>
</table>

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
### Cash Detail Comparison Report

**Report Date:** 10/14/2010  
**Report Time:** 16:04:36  
**U.S. DEPARTMENT OF EDUCATION**

**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

<table>
<thead>
<tr>
<th>Trans Type</th>
<th>Date</th>
<th>Trans Amount</th>
<th>Match Status</th>
<th>Record Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipt</td>
<td>07/01/2010</td>
<td>$8,523</td>
<td>Matched</td>
<td>School</td>
</tr>
<tr>
<td>Receipt</td>
<td>07/01/2010</td>
<td>$8,523</td>
<td>Matched</td>
<td>COD</td>
</tr>
<tr>
<td>Receipt</td>
<td>07/06/2010</td>
<td>$7,000</td>
<td>Unmatched</td>
<td>School</td>
</tr>
<tr>
<td>Receipt</td>
<td>07/06/2010</td>
<td>$7,256</td>
<td>Unmatched</td>
<td>COD</td>
</tr>
<tr>
<td>Receipt</td>
<td>07/20/2010</td>
<td>$5,853</td>
<td>Unmatched</td>
<td>COD</td>
</tr>
<tr>
<td>Receipt</td>
<td>07/27/2010</td>
<td>$5,853</td>
<td>Unmatched</td>
<td>School</td>
</tr>
<tr>
<td>Excess</td>
<td>07/30/2010</td>
<td>$1,225</td>
<td>Unmatched</td>
<td>School</td>
</tr>
</tbody>
</table>

**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
Disbursement Discrepancies - Resolution

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

– 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
### SAS – Loan/Disbursement Detail

**Report Date:** 10/14/2010  
**Report Time:** 20:13:29  
**U.S. DEPARTMENT OF EDUCATION**  
**DIRECT LOAN TOOLS – 2010-2011**  
**PAGE:** 1

**THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT**

**Date Range:**
- **School Code:** G00824
- **End Date:** 07/31/2010
- **Booked Status:** Booked and Unbooked  
- **Loan Type:** All

<table>
<thead>
<tr>
<th>PLUS Borrower's Name</th>
<th>Loan ID</th>
<th>Record Type</th>
<th>Gross Amount</th>
<th>Fee Amount</th>
<th>Int Rebate Amount</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>999990001U11G00824001</td>
<td>Booked</td>
<td>$2,000</td>
<td>$20</td>
<td>$10</td>
<td>$1,990</td>
</tr>
<tr>
<td></td>
<td>999990002U11G00824001</td>
<td>Booked</td>
<td>$4,750</td>
<td>$47</td>
<td>$24</td>
<td>$4,727</td>
</tr>
<tr>
<td></td>
<td>999990003S11G00824001</td>
<td>Booked</td>
<td>$1,750</td>
<td>$17</td>
<td>$9</td>
<td>$1,742</td>
</tr>
<tr>
<td></td>
<td>999990004S11G00824001</td>
<td>Booked</td>
<td>$1,250</td>
<td>$12</td>
<td>$6</td>
<td>$1,244</td>
</tr>
<tr>
<td></td>
<td>999990006S11G00824001</td>
<td>Booked</td>
<td>$1,650</td>
<td>$16</td>
<td>$8</td>
<td>$1,642</td>
</tr>
<tr>
<td></td>
<td>999990007U11G00824001</td>
<td>Booked</td>
<td>$1,250</td>
<td>$12</td>
<td>$6</td>
<td>$1,244</td>
</tr>
</tbody>
</table>
**Disbursement Detail Comparison**

**Date Range:**

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

**Booked Status:** Both Booked and Unbooked

**Match Status:** All

**BOOKED RECORDS THAT ARE UNMATCHED**

<table>
<thead>
<tr>
<th>Loan ID</th>
<th>Student's Name</th>
<th>SCHOOL Disb#</th>
<th>Seq#</th>
<th>Date</th>
<th>Type</th>
<th>Gross</th>
<th>Fee</th>
<th>Rebate</th>
<th>Net</th>
<th>Net Adj</th>
</tr>
</thead>
<tbody>
<tr>
<td>999990061S11G00824001</td>
<td>NO MATCHING SCHOOL DISBURSEMENT</td>
<td>1</td>
<td>1</td>
<td>07/05/2010</td>
<td>D</td>
<td>$1,450</td>
<td>$58</td>
<td>$22</td>
<td>$1,414</td>
<td>$0</td>
</tr>
</tbody>
</table>
Report Date: 09/04/2011  
Report Time: 13:01:18  
U.S. DEPARTMENT OF EDUCATION  
DIRECT LOAN TOOLS - 2010-2011  
Loan Detail Comparison - Loan Level

DISBURSEMENT DETAIL COMPARISON

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

<table>
<thead>
<tr>
<th>Loan ID</th>
<th>Student's Name</th>
<th>School/COD</th>
<th>Net Amount</th>
<th># School</th>
<th>Disbs</th>
</tr>
</thead>
<tbody>
<tr>
<td>999990012P11G00824001</td>
<td>MAROON, SUSAN K</td>
<td>$1,414/ $1,414</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Disbursement Detail Comparison

**Report Date:** 09/04/2011  
**Report Time:** 13:01:18

**School Code:** G00824  
**End Date:** 07/31/2010  
**Match Status:** All

*NOTE - SCHOOL RECORDS OUTSIDE OF SAS DATE RANGE WILL APPEAR IN THIS SECTION*

<table>
<thead>
<tr>
<th>Loan ID</th>
<th>Student's Name</th>
<th>School/COD Net Amount</th>
<th># School Disbs</th>
</tr>
</thead>
<tbody>
<tr>
<td>9999900005P11G00824001</td>
<td>INDIGO, CRAIG P</td>
<td>$1,219/</td>
<td>1</td>
</tr>
<tr>
<td>9999900060U11G00824001</td>
<td>/</td>
<td>/</td>
<td>0</td>
</tr>
<tr>
<td>9999900062S11G00824001</td>
<td>/</td>
<td>/</td>
<td>0</td>
</tr>
</tbody>
</table>

**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
How Do I Know I Am Finished?

• 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)
# Documenting Your Reconciliation Efforts

<table>
<thead>
<tr>
<th>SCHOOL'S FINAID SYSTEM:</th>
<th>COD SCHOOL ACCT STATEMENT (SAS):</th>
<th>DIFFERENCE:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance</strong></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Cash Receipts</strong></td>
<td>$13,074</td>
<td>$13,074</td>
</tr>
<tr>
<td><strong>Refunds of Cash</strong></td>
<td>($2,075)</td>
<td>($1,350)</td>
</tr>
<tr>
<td><strong>Net Drawdowns/Payments</strong></td>
<td>$10,999</td>
<td>$11,724</td>
</tr>
<tr>
<td><strong>Booked Disbursements</strong></td>
<td>$5,721</td>
<td>$5,721</td>
</tr>
<tr>
<td><strong>Booked Adjustments</strong></td>
<td>$0</td>
<td>($1,250)</td>
</tr>
<tr>
<td><strong>Total Net Booked Disbs</strong></td>
<td>$5,721</td>
<td>$4,471</td>
</tr>
<tr>
<td><strong>Ending Cash Balance</strong></td>
<td>$5,278</td>
<td>$7,253</td>
</tr>
</tbody>
</table>

| **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**

| **Cash>Net Accepted and Posted Disbs** | $1,152                           | $3,989      | ($2,837)    |
## Monthly Reconciliation Action Items

**Month Ending:** 7/31/2010  
**Program Year:** 2010-2011

<table>
<thead>
<tr>
<th>No</th>
<th>Action Item</th>
<th>Date Due</th>
<th>Date Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Post 8/5 Disbursements totaling $2402 in Financial Aid System Batch and Send to COD.</td>
<td>8/11/2010</td>
<td>8/15/2010</td>
</tr>
<tr>
<td>2.</td>
<td>Business office must return $725 in G5 for George Washington</td>
<td>8/06/2010</td>
<td></td>
</tr>
</tbody>
</table>
School Summary Information

B and B’s school of Reconciliation tips

Enter the default selections here for Program and Award Year:

<table>
<thead>
<tr>
<th>Default Program</th>
<th>DIRECT LOAN</th>
<th>Default Award Year</th>
<th>'10-'11</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Contacts</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type</strong></td>
<td><strong>Name</strong></td>
</tr>
<tr>
<td>Pell Financial Aid Officer</td>
<td>Barb</td>
</tr>
<tr>
<td>FINANCIAL AID ADMINISTRATOR</td>
<td>Bob</td>
</tr>
</tbody>
</table>

Award Year:

- 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 Information

**B and B’s School of Reconciliation tips**

<table>
<thead>
<tr>
<th>Program</th>
<th>Award Year</th>
<th>Entity ID</th>
<th>Beginning Cash Balance</th>
<th>Cash Receipts</th>
<th>Refunds of Cash</th>
<th>Net Drawdowns/Payments</th>
<th>Booked Disbursements</th>
<th>Booked Adjustments</th>
<th>Total Net Booked Disbursements</th>
<th>Unbooked Disbursements</th>
<th>Unbooked Adjustments</th>
<th>Total Net Unbooked Disbursements</th>
<th>Cash &gt; Accepted and Posted Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECT LOAN</td>
<td>'10-'11</td>
<td>22093077</td>
<td>$0.00</td>
<td>$469,122,852.00</td>
<td>$0.00</td>
<td>$469,122,852.00</td>
<td>$487,206,325.00</td>
<td>($18,092,276.00)</td>
<td>$469,114,049.00</td>
<td>$16,150.00</td>
<td>($16,150.00)</td>
<td>$0.00</td>
<td>$8,803.00</td>
</tr>
</tbody>
</table>

**Sep 26 2011 15:39 GMT**
# COD Website - Cash Activity

### B and B’s School of Reconciliation tips

**Program/Year Selection**
- **Program:** DIRECT LOAN
- **Award Year:** '10-'11

**Cash Activity Summary**

<table>
<thead>
<tr>
<th>Description</th>
<th>09/23/2011</th>
<th>09/16/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Draws</td>
<td>$469,122,852.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Drawdowns/Payments</td>
<td>$467,891,035.00</td>
<td>$21,306.00</td>
</tr>
<tr>
<td>Drawdown Adjustments</td>
<td>$1,231,817.00</td>
<td>($44,336.00)</td>
</tr>
<tr>
<td>Refunds of Cash</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Returns of Cash</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Drawdown Offsets</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Days Since Net Draws Increase</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Days Left For On-time Reporting</td>
<td>027</td>
<td>0</td>
</tr>
<tr>
<td>Payment Control Number</td>
<td>2011092175415</td>
<td>0</td>
</tr>
</tbody>
</table>

**Accepted & Posted Disbursements Applied**
- **Amount:** $469,114,049.00

**% of Accepted & Posted Disb. Applied to Net Draws**
- **Percentage:** 100.0%

**Cash > Accepted & Posted Disbursements**
- **Amount:** $8,803.00

**% of Cash > Accepted & Posted Disbursements**
- **Percentage:** 0.00%

**Source System**
- **System:** GAPS

*Amounts in parentheses decrease net draws*
COD Website – Action queue

**Action Queue Search**

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:

- **Batch ID**

Note: Batch ID will search only by Review status.
Program Year Close-Out

- 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.
Closing-out the DL Program Year

• 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
### Current Program Year Close Data

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Today’s Date</td>
<td>09/26/2011</td>
</tr>
<tr>
<td>Net Drawdowns/Payments</td>
<td>$469,122,852.00</td>
</tr>
<tr>
<td>Total Net Booked Disbursements</td>
<td>$469,114,049.00</td>
</tr>
<tr>
<td>Current Ending Cash Balance</td>
<td>$8,803.00</td>
</tr>
<tr>
<td>Total Net Unbooked Disbursements</td>
<td>$0.00</td>
</tr>
<tr>
<td>Latest Award End Date</td>
<td>09/04/2011</td>
</tr>
</tbody>
</table>

Days past the Latest Reported Award End Date: 022

### Balance Confirmation Form

<table>
<thead>
<tr>
<th>Field</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td></td>
</tr>
<tr>
<td>School Name</td>
<td></td>
</tr>
<tr>
<td>Name of School Official</td>
<td></td>
</tr>
<tr>
<td>Telephone Number</td>
<td></td>
</tr>
<tr>
<td>E-Mail Address</td>
<td></td>
</tr>
<tr>
<td>Last SAS Ending Cash Balance</td>
<td>$16,716.00</td>
</tr>
<tr>
<td>Last SAS Date</td>
<td>08/31/2011</td>
</tr>
<tr>
<td>School Ending Cash Balance</td>
<td></td>
</tr>
</tbody>
</table>

**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
- I Disagree
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
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
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

Proactive!
Questions?

Robert.berry@ed.gov
202.377.3387
Barbara.davis@ed.gov
202.821.3953

THANK YOU!