

Federal Student Aid

Glossary



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FEDERAL STUDENT AID

Glossary

Developed by

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Federal Student Aid

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Federal Student Aid Glossary

– A –

Ability to Benefit (ATB) A Federal Student Aid (FSA) eligibility criteria for postsecondary students who: (a) do not have a high school diploma or its recognized equivalent and (b) are beyond the age of compulsory school attendance in the state where the school is located. To be eligible to receive FSA funds, the law requires these students to show that they have the ability to benefit from postsecondary education. To demonstrate this they must pass an independently administered test approved by the U.S. Department of Education.

Academic Calendar The structure of a school's academic year. For purposes of the FSA programs, there are three basic types of academic calendars: standard term, nonstandard term, and non-term. Note: Clock-hour programs are considered non-term.

Academic Competitiveness Grant (ACG) Program A FSA grant awarded to eligible applicants who are in their first or second year of undergraduate study and have completed an academically rigorous secondary school program of study. See *The Federal Student Aid Handbook, Volumes 1 & 3*.

Academic Level (in NSLDS) The borrower's academic level (e.g., freshman, sophomore, etc.) at the time a loan was provided. See *Grade Level*.

Academic Period A system for dividing an academic year into smaller discrete units (such as a semester, quarter, trimester, (usually measured in clock or credit hours). Sometimes used as a synonym for loan period or payment period.

Academic Year A period that begins on the first day of classes and ends on the last day of classes or examinations. A measure of the student's period of enrollment used to determine the duration of a student's award eligibility. See *The Federal Student Aid Handbook, Volume 3*, and 34 CFR 668.3.

Academic Year (in ACG/SMART) A measure of a student's progress, in weeks of instructional time and credit or clock hours, toward completion of their program of study (e.g., freshman, sophomore, etc.) that is one of the eligibility criteria.

Academic Year (in the TEACH Grant program) For elementary and secondary schools it is one complete school year, or two complete and consecutive half-years from different school years, excluding summer sessions, that generally fall within a 12-month period. If a school has a year-round program of instruction, ED considers a minimum of nine consecutive months to be the equivalent of an academic year.

Academically Qualified To receive FSA funds, a student must be academically qualified to study at the postsecondary level. See *The Federal Student Aid Handbook, Volume 2*. See *High School Equivalence* and *Ability to Benefit*.

Acceleration When the holder of a loan demands immediate repayment of the entire loan, including any late charges, collection costs and accrued interest because the borrower has failed to satisfy the terms of the promissory note. In the Federal Perkins Loan program, a school may accelerate a loan if the borrower does not (a) make a scheduled repayment on time; or (b) file cancellation or deferment forms) with the school on time. In the FFEL and Direct Loan programs, a lender may accelerate a loan if the borrower is in default or was ineligible to borrow.

Accounting Period A time period for which financial records are maintained and at the end of which financial statements are prepared. See Financial Statement.

Accredited The status of public recognition that a nationally recognized accrediting agency grants to a school or educational program that meets the agencies established requirements.

Accrediting Agency An accrediting agency sets educational standards, evaluates schools, and certifies that schools have met its standards. For FSA purposes, an agency recognized by the U.S. Department of Education as a reliable authority in evaluating the educational quality of programs offered by postsecondary institutions.

Accrual Basis The type of accounting under which incomes are recorded when earned (regardless of when cash is actually received) and expenses are recorded when liabilities are incurred (regardless of when cash is actually expended).

Accrued Interest Interest that accumulates on the unpaid principal balance of a loan.

Accrued Salaries Wages earned between the last pay date and the end of the accounting period being reported, but not yet paid to the appropriate workers. Unpaid student wages are considered a school liability.

ACG Multiple Reporting Record (ACG MRR) An ACG specific *Multiple Reporting Record (MRR)*.

ACG Pending Disbursement List Lists of anticipated ACG disbursements (Disbursement Release Indicator (DRI) set to false). COD sends ACG Pending Disbursement List weekly to a school's SAIG mailbox. The List can be used to monitor anticipated disbursements nearing disbursement dates to either set the DRI to true for confirmed eligible students, or to cancel the award for ineligible students.

ACG Reconciliation Report Provides a one-record student summary of YTD ACG disbursements in COD. The Schools can use the Report in both their monthly and year-end reconciliation efforts to identify discrepancies in ACG disbursement totals and use the COD system to see the COD detail of accepted records and resolve the discrepancies. The ACG Reconciliation Report is sent automatically by the COD system, prior to September 30, on an annual basis, and can be ordered over the COD Website using several different school selected options (see the COD Website for these options).

ACG Year-to-Date (YTD) Record Contains detailed award and disbursement information at a transaction level. Not automatically generated by COD, it is triggered only by school request. It can be requested on an individual recipient, or all recipients, basis. The ACG YTD All Recipient Record shows the number of recipients at the school; the number of award and/or disbursement records that were accepted or rejected; and, for certain edit codes, the number of times a school received that specific edit code on a response document. Due to the available detail the ACG YTD Record is a good tool for reconciling of student ACG data, and for rebuilding a school's corrupted database. ACG YTD Records are triggered only by school requests; they are not automatically generated by COD.

Acknowledgment File A file or response that provides an indication that information was processed by the receiving system. In some cases, it will provide information about accepted data as well as errors that need to be corrected.

Active (in NSLDS) A flag identifying whether a record reflects the NSLDS current understanding of a student's enrollment history. Active records reflect that history. Inactive records reflect enrollment data previously submitted to the NSLDS but corrected by a later submission.

Active Confirmation (in FSA loan programs) A means of confirming that a borrower wants a loan that is being disbursed for a subsequent academic year under a previously signed MPN. A school using active confirmation does not disburse a loan made under an MPN until the borrower either affirmatively requests or accepts the proposed loan type and amount or requests changes to the proposed loan package. See *Passive Confirmation*.

Actual Disbursement Record (in COD) A disbursement submitted to the COD system via the Common Record with a Disbursement Release Indicator or DRI equal to "True." Schools use actual disbursements to report (to the Department) the amount of money a student has received or will receive within "x" number of days and the date of the disbursement. These records post to a student/borrower's award (loan or grant) and are used in multiple ways, including, but not limited to, editing, monitoring school performance, determining school funding, determining the date interest accrual begins (for Direct Loans and TEACH Grants that convert to Direct Loans), and determining the amount a student/borrower has received.

Actual Interest Rate The annual interest rate a lender charges on a loan, that may be equal to or less than the applicable, or statutory, interest rate on that loan.

Additional Location An accredited and licensed location of a school offering 50% or more of one of the schools educational programs that does not meet the criteria for designation as a branch campus.

Additional Unsubsidized Loans for Health Professions Students Increased unsubsidized Stafford loan eligibility for graduate and professional students in certain health profession programs.

Adjusted Available Income (AAI) An intermediate value in the Federal Methodology calculation. AAI combines *Available Income* with the *Contribution from Assets* to represent that portion of a family's resources that exceeds basic, non-discretionary living needs and which may be used for financing education as well as enhancing the family's circumstances. It may be a negative number.

Adjusted Gross Income (AGI) All taxable income less IRS allowable adjustments to income. This figure is drawn from an individual's federal tax form. A data element used in calculating the EFC and one of the elements checked during *Verification*.

Adjusting Entry A journal entry made for purposes of correcting an error (such as a transfer of funds between accounts) or recording an accrual (such as earned, but unpaid, student payroll at the end of an accounting period).

Administrative Capability Standards (Also Standards of Administrative Capability) One of the two groups of requirements a school must meet to participate in the FSA programs (the other is financial responsibility). To participate in any FSA program, a school must demonstrate that it is administratively capable of managing its basic operations. See *The Federal Student Aid Handbook, Volume 2*, & 34 CFR 668.3.

Administrative Cost Allowance (ACA) An annual payment calculated by ED and automatically deposited in the school's account to help offset the costs of administering the FSA programs. The Department reimburses schools participating in the Pell Grant \$5 per award year for unduplicated recipients at the school who receive a Pell Grant. For the Campus-Based Program, the ACA is taken from the school's federal allocation and the maximum amount permissible is up to 5 percent of the sum of the loans advanced in Perkins, the total earned compensation in FWS, and the total awards to recipients in FSEOG.

Administrative Offset Funds withheld from a participating school to collect program review, audit, and formal fine debts. ED withholds a portion of a school's G5 (Grant Payment System) authorized payments and applies them toward the school's debt.

Administrative Relief Request A request for an extension of a processing deadline during the Closeout Period in the Pell Grant Program. The Pell Grant Program provides relief due to extenuating circumstances such as natural disaster or processing error. See Extended Processing.

Administrative (Non Judicial) Wage Garnishment Process by which a guarantor or the Department, under Section 488A of the HEA, may intercept a portion of the wages of a FSA borrower who is not making required repayments or, in the case of an FFEL loan, a loan for which a guarantee agency has been reimbursed by the Department.

Advance Payment Method Under this payment method, a school may submit a request for funds to ED before disbursing aid to eligible students. Schools initiate draw down requests through G5 to meet their immediate disbursement needs up to their available balance. The U.S. Treasury transmits funds electronically to a school's bank account.

Advanced Placement (AP) Credit and/or advanced standing in certain course sequences that postsecondary institutions may offer to high

school students who have taken high level courses and passed certain examinations. See the discussion of ACG/SMART Grants in *The Federal Student Aid Handbook, Volume 3*.

Adverse Credit History A credit history that makes a potential PLUS loan borrower (student or parent) an inappropriate candidate to borrow.

Age of Compulsory (School) Attendance The age through which students must attend school (varies by state as established by state statute).

Agent An officer or employee of a covered institution or institution-affiliated organization.

Aggregate Basis (for FSEOG Matching) In which a school matches total federal dollars with nonfederal dollars so that each FSEOG award contains a like percentage of federal funds and nonfederal funds. See *The Federal Student Aid Handbook, Volume 6*.

Aggregate Loan Amount The total amount disbursed to a borrower under a given loan type throughout the student's academic career. This amount must not exceed applicable total loan limits, which are based on the student's graduate/undergraduate status. (For undergraduates, the aggregate loan limit also varies according to the student's dependency status.) Reported on the SAR/ISIR in the *FFEL/Direct Loans and Perkins Loan Section*. TEACH grants that convert to Unsubsidized Direct Loans are not included in Direct Loan Aggregate amounts. See *The Federal Student Aid Handbook, Volume 3*.

Aging of Drawdown The process of tracking the time elapsed from the date funds were drawn down to the date a school fully substantiates the drawdown by submitting actual disbursement records in COD.

Agreement to Serve (ATS) (in TEACH) A student must complete an Agreement to Serve (ATS) electronically via the ATS Website each year that he or she is scheduled to receive a TEACH Grant award. See *Service Agreement*.

Agreement Fulfillment Status Information (in TEACH/Direct Loan Program) After a student is no longer enrolled, he or she must report annually on the completion of the teaching requirement for graduates who had TEACH grants. The student updates his or her agreement fulfillment status, including confirmation of each year's qualified teaching service, in response to notifications generated by the DLSS.

Aid Package A combination of financial aid (scholarships, grants, loans, and/or work-study) determined by an eligible and participating institution of higher education. See the discussion of packaging in *The Federal Student Aid Handbook, Volume 3*.

Alert (see *Transfer Monitoring Process*)

Alert Notification Message An e-mail message generated by the National Student Loan Data System (NSLDS) Transfer Student Monitoring System informing the school that there is new Alert information that may impact a student's eligibility. It signals the school to access the student's updated financial aid history on the NSLDS database.

Allocation A specific sum of money awarded for a school to use during a specific period. Campus-based funds (Federal Supplemental Educational Opportunity Grant [FSEOG], Federal Work-Study [FWS], and Federal Perkins Loan) are allocated to a school on an award-year basis. An allocation may also be referred to as obligation, award authorization, grant authorization, or Document Number.

Allowable Charges Educational expenses that a student incurs, for which a school may credit a student's account with FSA funds. See *The Federal Student Aid Handbook, Volume 5*, and the discussion under *Cost of Attendance* in Volume 3. Also see *Current charges*.

Amortization The process of gradually repaying a loan over an extended period of time through periodic installments of principal and interest.

Annual Award (in Pell) The maximum amount a student would receive during a full academic year for a given enrollment status, EFC, and COA. (For a full-time student, the annual award will be the same as the Scheduled Award.) See *The Federal Student Aid Handbook, Volume 3*.

Annual Award (in TEACH) The maximum TEACH Grant amount a student would receive for enrolling as a full-time, three-quarter-time, half-time, or less-than-half-time student and remaining in that enrollment status for a year.

Annual Loan Limit (in FFEL and DL) The maximum Stafford Loan amount a student may borrow per academic year, based on the student's dependency status and year in school. For each year there is a maximum amount that can be borrowed in subsidized loans that is less than the amount that can be borrowed in subsidized and unsubsidized loans together. See *The Federal Student Aid Handbook, Volume 3*.

Annual Maximum Loan (in Perkins) The maximum amount that a student may borrow at a particular grade level in one academic year. (See also Total Annual Loan Limit.)

Annual Percentage Rate (APR) The annual rate that is charged for borrowing expressed as a percentage that represents the actual yearly cost of funds over the term of a loan.

Annual Security Report A report participating schools must compile and make available annually that includes, for the previous three years, statistics concerning reported crimes that occurred on-campus, in certain off-campus buildings, and on property owned or controlled by the school; and on public property within, or immediately adjacent to and accessible from, the campus. The report also includes school policies concerning campus security, such as policies concerning sexual assault, and other matters. See *The Federal Student Aid Handbook, Volume 2*.

Anti-Lobbying Certification and Disclosure Certification required before a school that receives more than \$100,000 in Campus-Based funds may draw down funds. The school must certify that it will not use federal funds to pay a person for lobbying activities in connection with federal grants or cooperative agreements. See *The Federal Student Aid Handbook, Volume 2*.

Anticipated Completion (Graduation) Date The date on which a student is expected to complete an academic program. Reported to NSLDS as part of enrollment monitoring.

Anticipated Disbursement Record (in COD) An anticipated disbursement is submitted to the COD system via the Common Record with a Disbursement Release Indicator or DRI equal to "False". Anticipated Disbursements are usually submitted with an origination record and indicate when the school expects to disburse money to the student or borrower and how much. The anticipated amount appears on disclosure statements to students/borrowers for Direct Loan and TEACH Grant awards.

Applicable Interest Rate The maximum annual interest rate that a lender may charge on a loan. Sometimes referred to as the statutory interest rate.

Application to Participate That portion of the Fiscal Operations Reports and Application to Participate (FISAP) through which a school applies for Campus-Based funds.

Appropriation At the federal level, a congressional legislative act allocating a specific amount of public funds to be spent for a specific purpose during a fiscal year or award year. The dollar amount appropriated may be equal to or less than (but, not more than) the total amount permissible under the authorizing statute. See *Continuing resolution* and *Supplemental appropriation*.

Approved Loan Amount (in COD) For Direct, FFEL and Perkins Loans, the amount originated, certified, or awarded before any cancellations.

Asset An item that has a cash value and that a person owns, such as money in a savings or checking account, a rental home, some businesses, real estate, investments, etc. Information about an applicant's net assets (the current market value of the asset less any amount owed against the value of the asset) is reported on the FAFSA and may be included in the EFC calculation. See *The Application and Verification Guide*.

Assignment A school's transfer of a defaulted National Defense Student Loan, National Direct Student Loan (NDSL), or Federal Perkins Loan to ED for collection. Once ED accepts a loan, it acquires all rights, title, and interest on the assigned loan. In certain cases, guaranty agencies also assign defaulted FFEL Program loans to ED.

A school must assign to FSA Collections all its Perkins and NDSL loans if:

- the school is closing;
- the school is withdrawing from the Federal Perkins Loan Program; or
- the Department is terminating the school's participation in the program.

Associate's Degree (AA/AS) A degree given for successful completion of coursework required in a course of study at a two-year institution.

Assumptions The Central Processing System (CPS) may make assumptions during processing if there is incomplete or questionable data on an application. If the assumed data is incorrect, the student or financial aid administrator (FAA) can make the necessary corrections. The student or aid administrator can override (*Assumption Override*) selected assumptions on electronic applications and corrections. Assumptions are noted by placing an asterisk (*) next to an ISIR field.

Attach To seize funds because a debtor has refused to pay a legal debt. No grant, loan, or work assistance awarded under Title IV (or property traceable to that assistance) is subject to garnishment or attachment except to satisfy a debt owed to the Department.

Audit An independent examination of a school's financial transactions, accounts, reports, and compliance with applicable laws and regulations. Schools that participate in the FSA programs must have regular audits (See *The Federal Student Aid Handbook, Volume 2*).

Audit Exceptions / Audit Findings Actions identified through an audit that are not in compliance with federal guidelines.

(The) **Audit Guide** A manual published by the Office of the Inspector General used by independent auditors performing audits of FSA program funds at participating schools. Available on IFAP.

Audit Report A report prepared by an auditor after an audit is performed. In a nonfederal audit, this report is prepared by an auditor or audit firm according to the guidelines provided in the *Audit Guide* or according to *OMB Circular A-133*.

Audit Trail A clear, easy-to-follow path from summary reports and ledgers back to lower-level summary information and primary documentation of individual transactions.

Authorization (Legislative) At the federal level, a congressional legislative act that establishes a program, specifies its general purpose and conduct, and unless open-ended, sets a ceiling for the dollar amount that can be used to finance it. An authorization must be enacted before dollar amounts can be appropriated for program spending.

Authorizations (by student or parent) Permissions a school must obtain from a student (or parent borrower) before performing any of the following activities: disbursing FWS wages by EFT to a bank account designated by the student or parent; using FSA funds (including FWS) to pay for allowable charges other than tuition, fees and room and board (if the student contracts for room and board with the school);

holding an FSA credit balance; or applying FSA funds to prior-year educationally related charges other than for tuition, fees, room, and board up to a maximum of \$200. See *The Federal Student Aid Handbook, Volumes 2 & 4*.

(Program or Award) **Authorization** The approved expenditure level for a federal aid program for an award year. Each award year, ED notifies each participating school of its authorized levels of expenditures for the Federal Pell Grant Program and the campus-based programs in which it participates. A legal document, issued by a program office or by the Grant Policy Oversight Staff, obligating the Department to provide funds, through G5, in support of education programs. Also used to refer to the funds themselves.

Authorizing Official The individual in the payee (school) organization who has the authority to approve those individuals who can request funds from the Department of Education. The chief financial officer is the authorizing official for most organizations.

Auto Zero EFC (on SAR/ISIR) An applicant who meets certain federal benefit, tax filing, and income criteria qualifies automatically for an EFC figure of 0. When these criteria are met, the CPS assigns a 0 EFC and does not perform a full calculation except for *Total Income, Student's Total Income*, and *FISAP Total Income*. See *The Application and Verification Guide*.

Automated Clearinghouse (ACH) A computer-based clearing and settlement operation, often operated by a Federal Reserve Bank, established for the exchange of electronic transactions among participating depository institutions. Such electronic transactions can be substituted for paper checks used to make recurring payments. The U.S. Treasury uses the ACH extensively to pay certain obligations of the government.

Automated Secondary Confirmation (in DHS Match) If the database match with immigration records doesn't confirm a student's claim to be an eligible noncitizen, the DHS will automatically check to determine if it has documentation that determines the student's citizenship. If this automated process confirms a student's eligible noncitizen status, the process obviates the manual or paper secondary confirmation that uses the G-845 form. See *The Federal Student Aid Handbook, Volume 1* and *The Application and Verification Guide*.

Automated Suspension of Funds The automated decrease of an allocation (authorization amount) listed in the G5 System. This decrease occurs when an inactive award (allocation) is closed. As a result, the school must adjust its own expenditure records for that allocation to the appropriate disbursement amount.

Automatic Debit The automatic deduction of funds from the borrower's checking or savings accounts to cover monthly education loan payments.

Available Balance In G5, for Pell, ACG, and National SMART Grants – the difference between an obligation and net drawdowns. For TEACH and Direct Loans – the difference between a school's Current Funding Level (CFL) and drawdowns.

Available Income As an intermediate value in the Federal Methodology calculation, Available Income is the portion of family Total Income remaining after deducting federal, state, and local taxes, a living allowance, and other factors.

Average Daily Balance (ADB) The sum of unpaid principal balance outstanding on all qualifying loans at each actual interest rate for each day of the quarter, divided by the sum of the number of days in the quarter.

Award As a noun, a specific amount of financial assistance to pay for education costs offered to a student through one or more financial aid programs. As a verb, offering financial assistance to students.

Award Letter An official document issued by a financial aid office listing the types and amounts of all the financial aid awarded to the student. Generally, the award letter includes information about the cost of attendance and terms and conditions for the financial aid. (Note: An award letter can be electronically generated and sent via the Internet; it is not limited to a paper document.)

Award Methodology (in EDEXpress) A systematic approach to determining how assistance from various programs is awarded to students. A methodology dictates the funds and amounts allocated to a student meeting an established profile. See "Packaging" in *The Federal Student Aid Handbook, Volume 3*.

Award Period (in G5) The length of the award periods will vary by program. These periods include – Performance Period, Liquidation Period, and Closeout (Period).

Award Year The time period from July 1 of one year through June 30 of the following year for which financial aid awards are made. The award year differs from the federal fiscal year (October 1 through September 30). FFEL and Direct Loan funds are not tied to an award year. For the Federal Pell, ACG, SMART, and TEACH Grant and Campus-Based programs, eligible students are paid from funds designated for a particular award year, which may be different than the school's academic year. See *Crossover Period*.

– B –

Bachelor's Degree (e.g., BA, BS, etc.) The degree given for successful completion of the undergraduate curriculum (usually for a 4 year program of study at a post-secondary institution of higher education).

Bankruptcy A person is declared bankrupt when found to be legally insolvent and the person's property is distributed among creditors or otherwise administered to satisfy the interests of creditors. Generally, FSA loans cannot be discharged through bankruptcy.

Base Year (in Federal Methodology need analysis) The 12-month period ending on December 31 of the calendar year that precedes an award year. For example, calendar year 2007 is the base year for the 2008-2009 award year. Applicants are required to provide base year data upon which eligibility is determined since tax records are available to verify the information provided on the FAFSA.

Batch (in COD) A group of student records submitted together. The batch contains a network header record, the Common Record with one or more students / awards / disbursements and the network trailer record. Periodic sweeps of a school's SAIG mailbox are performed to pick up these batches and send them to the COD System for processing.

Batch Enrollment Data Transmission (in NSLDS) Transmitting groups of files electronically over ED's Student Aid Internet Gateway (SAIG). In batch processing, the Enrollment Detail records are received by schools from NSLDS as a single file (the Enrollment Reporting roster file), processed in a schools (or servicer's) computing environment, and then transmitted back to NSLDS – again as a single file (the submittal file).

Begin/End Date The month and year on which a grant award begins and ends. It is the funding period for the award, plus any amendment. Normally, the funding period is 12 months.

The Blue Book: Accounting, Recordkeeping, and Reporting by Postsecondary Educational Institutions for Federally Funded Student Financial Aid Programs (The Blue Book) The Blue Book provides guidance on general FSA program management, fiscal recordkeeping, accounting, and reporting functions to business officers and bursars. Available on IFAP.

(FSA) **Book Voucher** Credit at a school-affiliated bookstore based on a student's actual or expected FSA credit balance that the student can use to purchase required course materials.

Booked Loan A Direct Loan award that has been linked to a promissory note and an accepted actual disbursement, and has had the disbursement transmitted to DL servicing. See *The Direct Loan School Guide*.

Bookkeeping Analyzing, classifying, and recording financial transactions according to a pre-conceived plan to provide a means by which an organization's business may be conducted in an orderly fashion and to establish a basis for reporting the financial condition of an organization and the results of its operation. The two methods of bookkeeping are single entry and double entry.

Borrower The person who receives loan funds and is legally obligated to repay those proceeds with interest at a future date per the conditions established in a promissory note.

Borrower Based Academic Year (BBAY) One of two types of academic years that may be used to monitor annual loan limits for Stafford loans. The other is a Scheduled Academic Year (SAY). A BBAY does not have fixed beginning and ending dates. Instead, it "floats" with a student's (or group of students') attendance and progression in a program of study. See the *Federal Student Aid Handbook, Volume 3, chapter 5*. Also see *Scheduled Academic Year*.

Borrower Services – Collections Former name for Office within Federal Student Aid that oversees the collection of grant overpayments and defaulted student loans.

Borrower-specific Deferment Refers to the federal requirement that eligibility for deferment be applied to all of a borrower's loans, rather than to each separate loan. For example, a borrower who has used the maximum 24 months of internship deferment for one loan is not entitled to an additional internship deferment for another loan.

Branch Campus A location of a school that is geographically apart and independent of the main campus of the school. ED considers a location of a school to be independent of the main campus if the location –

- is permanent in nature;
- offers courses in educational programs leading to a degree, certificate, or other recognized educational credential;
- has its own faculty and administrative or supervisory organization; and
- has its own budgetary and hiring authority.

A branch campus at an eligible proprietary or a postsecondary vocational institution of higher education must be in existence for two years as a branch campus before seeking to be designated as a main campus of a free-standing institution. See *Additional Location*.

Budget See *Cost of Attendance*.

Budget Period A defined 12-month period in the life cycle of a discretionary with a specific spending limit. See also *Project Period Award*.

Bureau of Indian Affairs (BIA) Grants A grant program administered by the U.S. Department of the Interior for students who are one-quarter or more American Indian, Eskimo, or Aleut and are enrolled in accredited schools in pursuit of an undergraduate or graduate degree. Financial need must be demonstrated, as determined by the school the student will attend.

Bursar's Office / Business Office The school office that is responsible for the billing and collection of school charges.

Business Assets Property that is used in the operation of a trade or business, including real estate, inventories, buildings, machinery and other equipment, patents, franchise rights, and copyrights. Considered in determining the EFC.

Byrd Scholarship See *Robert C. Byrd Honors Scholarship Program*.

– C –

Call for Cash Requirement that a school returns unsubstantiated funds previously drawn down. Pertains to schools using the Advance Pay funding method.

Campus-Based Programs Federally funded financial aid assistance programs that are administered by eligible schools. Campus-Based Programs include Federal Perkins Loan, Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Work-Study (FWS). Also see Fiscal Operations Report and Application to Participate (FISAP). See *The Federal Student Aid Handbook, Volume 6*.

Campus-Based Reallocation Form A form that schools participating in the Campus-Based Programs must submit annually in order to let the Department know whether they will be unable to spend their entire allocation or have need for additional funds.

Campus Security Act See *Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act*.

Cancellation Releasing a borrower from part or all the obligation to repay his or her loan. In the FSA Programs this occurs when a borrower meets specific program requirements. Also when borrower requests a reduction in his or her approved loan amount within a specified time of disbursement. See *The Federal Student Aid Handbook, Volume 4*.

Capitalizing Interest In the FFEL and Federal Direct Loan Programs, the addition of interest that has accrued but has not been paid to the loan principal. An unsubsidized loan borrower can elect to pay the interest that accrues while the borrower is in school or have it capitalized. Capitalization increases the amount of the principal and, consequently, the total amount that must be repaid.

Carry Forward/Carry Back A special provision of the Federal Work-Study (FWS) Program and the Federal Supplemental Educational Opportunity Grant (FSEOG) Program that allows a school to transfer up to 10 percent of its annual FWS and FSEOG allocations back to the previous award year or forward to the next award year. In addition, a school may carry back funds from the current award year to pay student wages earned from May 1 through June 30 of the previous award year. See *Federal Work-Study (FWS) Program* and *Federal Supplemental Educational Opportunity Grant (FSEOG) Program*. Also see *The Federal Student Aid Handbook, Volume 6*.

Case Management Team (CMT) See *School Participation Team*.

Cash Advance A transfer of funds from a federal agency (from an account in the U.S. Treasury through the Federal Reserve Bank) to a school, or institutional funds used in advance of a school receiving FSA funds.

Cash Basis The basis of accounting where revenues are recorded when cash is received, and expenditures are recorded when cash is disbursed.

Cash on Hand (COH) The federal funds in the federal funds account at the payee's financial institution available to be disbursed. Cash on hand is calculated as the total funds received less the Federal share of disbursements made plus refunds received. The balance does not include accruals, accounts payable, or funds belonging to the Department of Education (e.g., interest earned). See also excess cash.

Cash Management The federal regulations contained in Subpart K of 34 CFR 668. These regulations establish the rules and procedures a school must follow to request, maintain, disburse, and otherwise manage FSA funds. See *The Federal Student Aid Handbook, Volumes 2, 3, & 4*.

Cash Pooling For schools permitted to do so, depositing federal funds for all FSA programs (except Direct Loans) in a single bank account. See *The Federal Student Aid Handbook, Volume 4*.

Census Date The date a school determines and/or reports its final enrollment figures for an enrollment period. At public institutions, the date on which a school determines the enrollment it uses to qualify for financial support from the city, county, or state as appropriate. Generally, it is also the date after which the school will not permit further changes in students' enrollment status.

Central Processing System (CPS) The U.S. Department of Education's processing facility for Free Application for Federal Student Aid (FAFSA) and Institutional Student Information Record (ISIR) data. The CPS uses student information from the FAFSA to calculate each student's eligibility and official expected family contribution (EFC) and returns a Student Aid Report (SAR) to the student and an ISIR to the schools the student listed on the application.

Certificate The formal acknowledgement of successful completion of a particular program or course of study, particularly at a vocational school, trade school, or junior college. See *The Federal Student Aid Handbook, Volume 2*.

Certification The act of attesting that something is true or meets a certain standard. For example, as part of the process of establishing a student's eligibility for a FFEL loan, the school certifies the borrower's eligibility for the loan. Also, the process of determining whether a school is eligible to participate in FSA programs. See *The Federal Student Aid Handbook, Volume 2*.

Certification Date (in NSLDS) The date as of which a school certifies that a student's enrollment information is accurate and up-to-date.

Checks and Balances (Internal) The system at a school that ensures, at a minimum, that the functions associated with authorizing payment

of FSA funds are separated from the functions associated with delivering or disbursing them. See *The Federal Student Aid Handbook, Volume 2*.

Chart of Accounts A list of financial account numbers, titles, and types of accounts arranged in a systematic way to help schools identify the accounts in their fiscal management system and ledgers. These accounts form the foundation for the school's FSA reporting process.

Chief Operating Officer (COO) Federal Student Aid (the organization) has a chief operating officer overseeing it. At most participating institutions of higher education, the college or institutional president generally is also known as the COO. See *Performance Based Organization*.

Citizenship Status A student must be a citizen or an eligible noncitizen to receive aid from the FSA Programs. See *The Federal Student Aid Handbook, Volume 1* and *The Application and Verification Guide*.

Classification of Instructional Programs (CIP) Code The CIP is a taxonomy of instructional program classifications and descriptions developed by the U.S. Department of Education's National Center for Education Statistics and used to identify eligible majors for the National SMART Grant Program. Further information on CIP can be found on the NCES Website. See *The Federal Student Aid Handbook, Volumes 1 & 3*.

Clock hour A period of time consisting of –

- A 50- to 60-minute class, lecture, or recitation in a 60-minute period; or
- A 50- to 60-minute faculty-supervised laboratory, shop training, or internship in a 60-minute period; or
- Sixty minutes of preparation in a correspondence course.

Closed School Discharge The Department may discharge a borrower's FSA loan if the borrower is unable to complete his or her program of

study due to the closure of the school or if he or she withdraws within 90 days of the school closure date.

Closeout Process (in G5) The process of closing a suspended award. The closeout process includes the following periods: liquidation, suspension, and closeout.

Closeout Period (in G5) Closeout follows the suspension period. During this period, the award is closed and any remaining funds are de-obligated.

Closing The process of preparing, entering, and posting closing entries. A closing entry is a journal entry through which balances in revenue accounts and expense accounts are transferred to the fund balance at the end of the accounting period (calendar year or fiscal year). Because revenue accounts and expense accounts provide the information for a statement of operations of a given accounting period, it is essential these accounts have zero balances at the beginning of each new period. Asset, liability, and fund balance accounts are not closed at the end of the accounting period, as their balances carry over to the new period.

Code of Federal Regulations (CFR) The Code of Federal Regulations is the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government. It is divided into 50 titles that represent broad areas subject to Federal regulation. Each volume of the CFR is updated once each calendar year and is issued on a quarterly basis. Education (Title 34) is updated on July 1st of each year. You can search the most recent CFR by accessing the Website through IFAP.

Cognizant Authority (in ACG/SMART/TEACH) For all, it includes, but is not limited to –

- a local education agency;
- a State education agency or other state agency; or

- a public or private secondary school.
- a home-schooled student's parent or guardian is the cognizant authority for purposes of providing the documentation of a home schooled student's secondary school GPA.

For ACG/SMART also includes: a testing organization such as the College Board or State agency.

Cohort Default Rate (CDR) A measurement of the percentage of a school's borrowers who enter repayment in a federal fiscal year and default on their loans before the end of the next federal fiscal year. See The Federal Student Aid Handbook, Volume 2 and *The Cohort Default Rate Guide*.

Collection The activities and/or actions by lenders, guarantors, servicers, and collection agencies to obtain payment on unpaid loan principal and interest from a borrower after that borrower defaults on the loan.

Collection Agency A business organization that receives delinquent or defaulted loan accounts from lenders and attempts to collect on those accounts. A fee is charged for the service.

Collection Charges Costs incurred by the lender or its agents in collecting overdue payments. These charges may include, but are not limited to, attorney's fees, court costs, and telegrams. They may not include routine costs associated with preparing letters or notices or making telephone calls to the borrower.

College Cost Reduction and Access Act (Pub. L. 110-84) (**CCRAA**) Signed on September 27, 2008, it made substantial changes to the FSA programs and contained a number of benefits for students and borrowers. For more information on the CCRAA, see Dear Colleague Letter: GEN-08-01 on IFAP.

College Level Examination Program (CLEP) A series of examinations demonstrating a student's proficiency in a subject area, for which some postsecondary schools offer credit. See the discussion under ACG/SMART in *See The Federal Student Aid Handbook, Volume 1*.

Combined Loans (in NSLDS) Total of both subsidized and unsubsidized Stafford Direct loans.

Comment (on SAR/ISIR) The Central Processing System (CPS) adds comment codes and text to the Student Aid Report (SAR) or Institutional Student Information Record (ISIR) transaction to provide information to the student and to the school about the student's processed Free Application for Federal Student Aid (FAFSA). The comment codes and text are printed on paper SARs and on ISIRs printed from EDEXpress or other financial aid software the school may use. Each comment code is three digits.

Common Application A standardized application and promissory note developed by Federal Family Education Loan Program (FFELP) participants and approved by the Department by which a borrower applies for a FFELP loan. Common applications are periodically revised and approved to reflect major changes in FFELP regulations.

Common Origination and Disbursement (COD) System The system for processing origination and disbursement information for the Academic Competitiveness Grant (ACG), Federal Pell Grant (Pell Grant), National Science and Mathematics Access To Retain Talent Grant (National SMART Grant), Teacher Education Assistance for College and Higher Education (TEACH) Grant, and William D. Ford Federal Direct Loan (Direct Loan) programs.

Common Origination and Disbursement Technical Reference A document focusing on the technical requirements of the COD system. It provides a COD system overview, a list of changes, processing information (e.g., comment codes and edits), print specifications, and technical specifications (e.g., Common Record

layout, XML information). The appendices also contain more reference information, like conversion tables, calculation tables, and physical Common Record layout. Located at: www.fsad-ownload.ed.gov.

Common Record The Common Record is a data transport mechanism exchanged by trading partners participating in the FSA programs. The Common Record is a document formatted in Extensible Markup Language (XML). It is used extensively by the Common Origination and Disbursement (COD) System.

Common School Identifier (CSID) See *Routing Identifier*.

Community Service Jobs Federal Work Study positions identified by a school through formal or informal consultation with local nonprofit, governmental, and community-based organizations that are designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to their needs. See *The Federal Student Aid Handbook, Volume 6*.

Compliance Audit See *Audit* and *Independent audit*.

Composite Score A measure of a school's financial condition that combines different factors to yield a single measure of the school's overall financial health. ED uses the composite score to determine whether proprietary and private nonprofit schools demonstrate financial responsibility. Schools provide the information that is used to calculate the composite score in their required annual financial statement audits. See *The Federal Student Aid Handbook, Volume 2*.

Concurrent Enrollment Condition when a two or more schools create or originate a disbursement for a student for the same period. A concurrent enrollment condition generates a *Multiple Reporting Record (MRR)* (Pell, ACG/SMART, TEACH) or *Potential Overaward (POP)* to alert the schools of the problem.

Conditional Acceptance Some schools admit students under a conditional or provisional acceptance. For example, a student might be conditionally accepted until he or she provides further documentation, such as academic transcripts or test scores, or demonstrates an ability to succeed in the program (by receiving acceptable grades in program coursework). Typically a school will limit the student's enrollment, in terms of number of courses or enrollment status, until the student meets the necessary conditions. Students admitted as conditional are regular students only if the school officially accepts them into the eligible degree program. See *The Federal Student Aid Handbook, Volume 1*.

Conditional Discharge A conditional discharge is granted when the Department makes an initial determination that an individual who has applied for a total and permanent disability discharge of a FSA loan or TEACH Grant service obligation is totally and permanently disabled. A conditional discharge of a loan due to a total and permanent disability allows the applicant to stop making loan payments during the conditional discharge period (see definition). For TEACH Grant service obligations, the 8-year period for completing the service obligation remains in effect during the conditional discharge period unless the individual qualifies for a suspension of the 8-year period based on the Family and Medical Leave Act of 1993 due to a serious health condition that makes the individual unable to perform the functions of a teacher.

Conditional Discharge Period For an individual who has been granted a conditional discharge (see definition), the conditional discharge period begins on the date that the physician certifies the individual's discharge application and lasts for up to three years. During this period, the Department monitors the individual's eligibility for a final discharge. If the individual meets certain requirements throughout the conditional discharge period, the Department grants a final discharge at the end of the conditional

discharge period. The conditional discharge period ends when the Department either grants a final discharge or determines that the individual no longer qualifies for a total and permanent disability discharge.

Confirmation Process Procedures through which a student borrower making a loan through an MPN must accept, either actively (see active confirmation) or passively (see passive confirmation), the loan amount offered.

Conflicting Information Any information held by an office at a school that bears upon a student's eligibility for FSA program assistance and conflicts with the information on a student's application for FSA program assistance. A school must resolve such discrepancies before disbursing FSA funds. (Also see Verification.) See *The Federal Student Aid Handbook, Volume 2*.

Consolidation Refinancing multiple education loans into one new loan with a new repayment term, monthly payments, and interest rate. Both the FFEL and Direct Loan programs offer consolidation loans to FSA borrowers. A consolidation loan combines two or more FSA loans into one loan with one interest rate and repayment schedule.

Consortium Agreement A written agreement between two or more eligible schools wherein the home school agrees to give its students full credit for certain course work provided by the host school. Such an agreement signifies that the home school considers the host school's academic standards and offerings equivalent to its own.

Consumer Information Information a school must make available to students on an annual basis including information about: financial assistance; the school's academic programs and policies; graduation or completion rates, and the school's security policies and crime statistics report. See *The Federal Student Aid Handbook, Volume 2*.

Consumer Reporting Agency An agency that regularly engages in the practice of assembling or evaluating, and maintaining, for the purpose of furnishing consumer reports regarding consumers residing nationwide to third parties bearing on a consumer's credit worthiness, credit standing, or credit capacity using public record information, and credit account information from persons who furnish that information regularly and in the ordinary course of business.

Contra Account The side of an account where a reduction or offsetting deduction is recorded. For example, if a Cash Control, G5 account is debited, the contra account (the account to be credited) might be Accounts Receivable, G5.

Contractual Agreement A written agreement between an eligible school and an ineligible school wherein the home school agrees to give its students full credit for certain course work provided the host school. Such an agreement signifies that the home school considers the host school's academic standards and offerings equivalent to its own. See *The Federal Student Aid Handbook, Volume 2*.

Control (Institutional/School) The control of a school distinguishes whether the school is public or private, nonprofit or for-profit. An institution of higher education or a postsecondary vocational institution can be either public or private, but is always nonprofit. A proprietary institution of higher education is always a private, for-profit institution. See *The Federal Student Aid Handbook, Volume 2*.

Control Account A ledger account in which posting occurs simultaneously to a number of identical, similar, or related accounts, usually called subsidiary ledger accounts (the detail flows upward therefore supporting the control account). When these subsidiary ledger account balances are added together, that total should agree with the balance in the control account. A familiar example is accounts receivable. When several students have receivable balances in subsidiary accounts (an account receivable system),

the sum of the balances for all the students agrees with the total in the general ledger, control account.

Control Number A 13-digit number assigned by G5 to all payment requests. The control number is used to track the payment request during its processing by G5. It consists of the date of the request expressed as YYYYMMDD and a unique 5-digit sequence number.

Cooperative Education A structured form of experiential learning in which students earn academic credit for part-time or full-time employment.

Coordinating Official The official designated by each participating school to administer the FSA programs and to coordinate aid from these programs with all other aid received by students attending the school. The Coordinating Official ensures that if a school has conflicting information about a student, the school resolves such discrepancies before disbursing FSA funds. See *The Federal Student Aid Handbook, Volume 2*. Also see *Conflicting Information*.

Correction Data on the Student Aid Report (SAR)/Institutional Student Information Record (ISIR) that was changed to correct a FAFSA error. Students can use "Corrections on the Web" on the FAFSA Website or a paper SAR to submit corrections. Schools can submit corrections electronically by entering the data on the FAA Access to CPS Online Website or by transmitting it to the Central Processing System (CPS). See *The Application and Verification Guide*.

Corrective Action As part of any fine, any limitation, suspension, or termination proceeding, or any adverse finding in a report or review, ED may require a postsecondary school to take action that will move the school's processes and/or procedures toward compliance with ED's regulatory requirements. This action may include making payments to eligible students or repaying any illegally used funds to ED. ED may offset any funds to be repaid against any benefits or claims due to the school from ED. See *The Federal Student Aid Handbook, Volume 2*.

Corrective Action Plan (CAP) A written plan a school submits to ED, as required by an ED official, a hearing official, or the U.S. Department of Education. In this plan, the school explains what reasonable and appropriate steps it will take to remedy any ED-determined violation(s) of applicable laws, regulations, special arrangements, agreements, or limitations based on present or prior financial aid audit or program review findings.

Correspondence Course A correspondence course is a home-study course provided by a school under which the school provides instructional materials, including examinations on the materials, to students who are not physically attending classes at the school. When a student completes a portion of the instructional materials, the student takes the examinations that relate to that portion of the materials and returns the materials to the school for grading. There are limitations on the eligibility of correspondence courses and students receiving FSA program funds. See the discussion of “Distance Education” in *The Federal Student Aid Handbook, Volume 2*.

Correspondence Course Limitation In general, a school does not qualify as eligible to participate in the FSA programs if, for the latest complete award year more than 50% of the school’s courses were correspondence courses. See *The Federal Student Aid Handbook, Volume 2*.

Correspondence Student Limitation In general, a school does not qualify as eligible to participate in the FSA programs if, for the latest complete award year 50% or more of the school’s regular enrolled students were enrolled in correspondence courses.

Cosigner An individual who signs a promissory note in addition to the borrower and is legally responsible for repayment of the loan.

Cost of Attendance (COA) Costs related to a student’s enrollment in a postsecondary school for a defined academic period. COA components include tuition and fees, room and board, allowances for books and supplies, transportation,

and miscellaneous personal expenses, along with other applicable expenses such as loan fees, dependent-care costs, costs related to a disability, and study-abroad costs, as outlined in Section 472 of the HEA. The EFC is subtracted from the COA to determine the student’s need for aid. See *The Federal Student Aid Handbook, Volume 3*.

Covered institution Any institution of higher education, as that term is defined in section 102 of the HEA, that receives any Federal funding or assistance.

CPS/SAIG Technical Support Responds to questions about CPS processing, EDEXpress and ED Connect software, Student Aid Internet Gateway (SAIG) enrollment and passwords, Web products such as FAA Access to CPS Online, and Return of Title IV aid software, and data transmissions. 800/330-5947 (TDD/TTY 800/511-5806) Fax: 319/665-7662. CPSSAIG@ed.gov

CPS Web Applications Demo System This Website is a demonstration version of FAFSA on the Web, Corrections on the Web, Student Inquiry, and FAA Access to CPS Online, including ISIR Analysis (IA) Tool and Return of Title IV Funds (R2T4) on the Web. The site provides a way for financial aid administrators to show students and parents, as well as financial aid office staff, how to use FAFSA on the Web and FAA Access to CPS Online. It offers most of the features of the production versions of the FAFSA on the Web and FAA Access to CPS Online Websites, except that no data is processed. Located at: fafsademo.test.ed.gov. User Name: eddemo. Password: fafsatest.

Credit Balance (Title IV/FSA) Refers to those FSA funds that exceed the student’s allowable charges. A school must pay this balance directly to the student (or parent, if PLUS Loan funds create the credit balance) as soon as possible, but no later than 14 days after the credit balance occurs (or no later than 14 days after the first day of classes of the payment period if the credit balance occurs on or before the first day of class).

Credit Bureau An agency that gathers and stores credit information on individuals. When a credit report is needed for a loan application, a credit bureau produces a report to the lender based on the gathered data. The lender also reports back to credit bureaus how much an individual borrowed and whether the individual makes payments when due. FSA loans that are in default are reported to the national credit bureaus. (See also *Consumer Reporting Agency*.)

Credit Check A review of a borrower's credit history. An applicant must have a satisfactory credit history in order to receive a PLUS loan. See *The Federal Student Aid Handbook, Volume 3*.

Credit Hour A unit of measure of educational achievement based on the number of classroom hours a week throughout a period of instruction such as a semester, trimester, or quarter term.

Critical Field A data element in the student's record that is necessary to determine FSA eligibility.

Crossover Payment Period In general, payment, award, or loan periods that overlap two award years. See the individual program chapters in *The Federal Student Aid Handbook, Volume 3*.

Current Charges Fees assessed the student by the school for the current period of enrollment, current award year or loan period. See *The Federal Student Aid Handbook, Volume 4*.

Current Funding Level (CFL) Total amount of cash available for a school to draw down at any point in time, and is a subset of the school ceiling amount (SCA). A school's current funding level may be adjusted based on the amount of substantiated cash. A change in CFL will directly impact the SCA. See *The COD Technical Reference*.

Current Social Security Number The numerical identifier assigned by the Social Security Administration to an individual is called the Social Security Number (SSN). If a student incorrectly reports his/her SSN on the first FAFSA for the year, then corrects the error, the correct SSN will become the Current Social Security Num-

ber. Current Social Security Number will not replace the Original SSN as a component of the student identifier in the COD system.

Custodial Parent The parent with whom a dependent student lives, also, the parent whose financial information is used in need analysis when parents are divorced or separated. See *The Application and Verification Guide*.

Customer Service Centers Places for schools and students to get answers to questions about Federal Student Aid (FSA), or one of the FSA services the Department of Education provides. If unsure which one to call, contact the Research Customer Care Center at 1-800-433-7237, or email FSA at fsa.customer.support@ed.gov or see complete list by topic at: <http://ifap.ed.gov/contacts.htm>.

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Data In general, factual information, especially information used in analysis and organization. In computing, information given in the form of alphabetic letters, numerals, symbols, etc.

Data Release Number (DRN) A four-digit unique student identifier that schools may use in combination with an applicant’s identifying information to access the student’s record if the school was not listed on the Free Application for Federal Student Aid. Anyone with the proper student identifiers (name, SSN, date of birth, relationship to applicant, and DRN) may call the Federal Student Aid Information Center (FSAIC) to make changes to certain fields on the Student Aid Report.

Database Information entered in a computer and systematically stored in various tables.

Database Matches The comparison of selected data elements by two or more databases. The Central Processing System matches certain Free Application for Federal Student Aid (FAFSA) information with other federal databases to determine if an applicant meets certain FSA eligibility criteria. These federal databases include the Social Security Administration (SSA), Selective Service (SS), Department of Veteran’s Affairs (VA), Department of Homeland Security (DHS) (formerly Immigration and Naturalization Service (INS)), and the National Student Loan Data System (NSLDS). See *The Federal Student Aid Handbook, Volume 1* and *The Application and Verification Guide*.

Date of Disbursement The date on which the Department considers that a school has provided FSA funds to a student. A disbursement occurs when a school credits a student’s account or pays a student or parent directly with: FSA funds received from the Department; FSA funds received from an FFEL lender; or school funds labeled as FSA funds in advance of receiving actual FSA funds. See *The Federal Student Aid Handbook, Volume 4*.

Date of Determination In the Return of Title IV Aid, the date that ED considers a school knew or should have known that a student ceased attendance. The date that begins the time periods in which a school must return funds, provide any required notifications, make post-withdrawal disbursements students who have withdrawn, and make any repayment arrangements. See *The Federal Student Aid Handbook, Volume 5*.

Days Past Due For loans, the number of days that have passed since an unsatisfied payment due date.

Deadline Date Notice A deadline notice published each year by the Department in the Federal Register that provides processing and submission deadline dates for FSA Applications and SAR/ISIRs. When the official deadline notice for an award year is published, it will be available on the IFAP website under “Federal Registers.”

Dear Partner/Colleague Letter (DCL) Communications that ED posts to the Information for Financial Aid Professionals (IFAP) Library Website containing notices, guidance on FSA requirements and processes, and information about products and services. IFAP includes the most recent five calendar years of DCLs as well as an archive of DCLs dating back to 1995.

Debarment Action taken by a federal government agency against individuals whom the government determines constitute a current risk to the agency or its programs. In Federal Student Aid, debarment by the Department prohibits the debarred individuals from any participation in the FSA programs. The “List of Parties Excluded from Federal Procurement and Nonprocurement Programs” is available for review at a Website maintained by the General Services Administration. See *The Federal Student Aid Handbook, Volume 2*.

Debt-Management Counseling Advice and instruction provided to a student about debt and tips on how to successfully manage accumulated indebtedness. See the discussion under “Consumer Information in *The Federal Student Aid Handbook, Volume 2*.

Default (in general computer usage) The setting or value the program automatically uses if the user does not specify a different one.

Default (in FFEL/DL) The failure of a borrower and endorser, if any, or joint borrowers on a PLUS or Consolidation loan, to make an installment payment when due, or to meet other terms of the promissory note, if the Secretary or guaranty agency finds it reasonable to conclude that the borrower and endorser, if any, no longer intend to honor the obligation to repay, provided that this failure persists, for a Direct Loan, for 270 days and for an FFEL loan –

- 270 days for a loan repayable in monthly installments; or
- 330 days for a loan repayable in less frequent installments.

Default (in Perkins) The failure of a borrower to make an installment payment when due or to comply with other terms of the promissory note or written repayment agreement. Perkins loans are included in a school’s Cohort Default rate provided that this failure persists for –

- 240 days for a loan repayable in monthly installments; or
- 270 days for a loan repayable quarterly.

Defaulted Loan Flag (On SAR/ISIR) Indicator that appears on the SAR/ISIR when any loans are in a defaulted status. Appendix C of the ISIR Guide (available on IFAP) includes a chart of loan status codes and eligibility.

Default Reduction Assistance Program (DRAP) A service that assists schools participating in the Federal Perkins Loan Program in collecting funds from defaulted borrowers. Schools that

use the no-cost DRAP (participation is voluntary) can request that ED send letters to defaulted borrowers on official ED letterhead. See *The Federal Student Aid Handbook, Volume 6*.

Deferment A period during which a borrower, who meets certain criteria, may qualify to have their FSA loan payments suspended. For some types of loans (subsidized), the federal government pays the interest during a deferment. On others (unsubsidized), the interest accrues and is capitalized and the borrower is responsible for paying it. The promissory notes and associated documents for FSA loans contain information about the available deferments.

Deferral Period (In PLUS) For PLUS loans made to parents that are first disbursed on or after July 1, 2008, the borrower has the option of beginning repayment on the PLUS loan either 60 days after the loan is fully disbursed or requesting a deferral period under which payments are not required until six months after the dependent student on whose behalf the parent borrowed ceases to be enrolled on at least a half-time basis.

Grad PLUS loans that are first disbursed on or after July 1, 2008, automatically receive a deferral period under which payments are not required until six months after the graduate or professional borrower ceases to be enrolled on at least a half-time basis.

Degree Audit Determination by a school of the earned credits applicable toward a degree in a student’s declared program of study and the grade point average associated with those credits.

Delinquency Failure to make monthly loan payments when due. Delinquency begins with the first missed payment. See *Direct Loan Delinquency Borrower Report*.

De Minimis (Amount) An amount that ED does not require a student or school to repay or disburse, as appropriate.

Demonstrations of Compliance Attestation by the independent auditor who prepares a school's audited financial statement or its FSA compliance audit that the school complies with a participation requirement or is eligible for a waiver. Among the criteria that require attestation are: the 90/10 Rule (applicable to proprietary schools only); the correspondence course limitation and the correspondence student limitation; the incarcerated student limitation; and the 50% limit on students without a high school diploma or equivalent. See *The Federal Student Aid Handbook, Volume 2*.

Deobligation Action by ED to reduce all or part of a school's allocation for a FSA program. Deobligation usually results from a school releasing funds back to the federal government that will not be used during the period for which the funds were allocated.

The Department of Education (ED) (The Department) The federal agency or an official or employee of the Department acting for the Department under a delegation of authority that establishes policy for administering and coordinating most federal assistance to students and schools. ED publishes regulations and is responsible for compliance and oversight. It also establishes and manages the process by which students and schools receive federal dollars allocated for the programs.

Department of Homeland Security (DHS) The federal agency that has oversight for issues related to immigration and citizenship. The Central Processing System (CPS) conducts a match of applicant data against this agency's database to confirm the student's identification and eligibility for FSA program assistance. See the discussion of "Citizenship" in *The Federal Student Aid Handbook, Volume 1*.

To verify the immigration status of U.S. permanent residents other eligible noncitizens, the Department collects "A-Numbers" on the FAFSA. (The DHS assigns A-Numbers to all legal immigrants.) When an applicant who indi-

cates on the FAFSA that he or she is an eligible noncitizen provides an A-Number, identifying information is automatically sent to the DHS for "Primary Verification." The results of the match are shown by a match flag in information section of the output document, under the heading the ISIR or "DHS Match Flag" on the SAR. There will be a comment about the results on the output document.

Department of Justice (DOJ) The Central Processing System maintains a hold file, obtained from DOJ, of persons convicted of drug trafficking or possession. Federal and state judges may deny certain federal benefits, including student aid, to such persons. Confirmation that a student is in the drug abuse hold file will produce a rejected application and a comment on the SAR/ISIR. (Note that this is not the same as when a student is declared ineligible because the student indicates of the FAFSA a conviction for a drug offense.)

Department of Veterans Affairs This federal agency has oversight of programs for veterans of the US Armed Forces. The Central Processing System (CPS) conducts a match of applicant data against this agency's database to determine whether the FAFSA applicant is a qualifying veteran of the U.S. Armed Forces for the purposes of receiving FSA program assistance.

Dependency Override Action taken by a financial aid administrator to indicate to the Central Processing System that an application submitted by a dependent student should be processed as an independent student. A financial aid administrator may make dependency overrides on a case-by-case basis for a student with unusual circumstances. If a financial aid administrator determines that an override is appropriate, he or she must write a statement detailing the determination and must include the statement and supporting documentation in the student's file.

Dependent Student A student who at the time a FAFSA is submitted is not married, is under 24 years of age, has no legal dependents, is not on active duty (other than for training), is not a veteran of the U.S. Armed Forces, is not pursuing a graduate or professional degree, and who answers “No” to specific questions about his or her status as orphan, ward of the court, legal guardianship, unaccompanied homeless youth, and emancipated minor.

Parents of a dependent student must submit parental information on the FAFSA for their son or daughter to be considered for financial aid.

Destination Point In the Electronic Data Exchange, the transmitter of FSA data (applications and/or corrections) through the FAA Access to CPS Online interface with EDEExpress or through Third-Party software. The results of processing (ISIRs) as well as COD data and reports are transmitted to the destination point through the Student Aid Internet Gateway. May be a postsecondary school servicing one or more schools or a service agent servicing multiple schools.

Destination Point Administrator (DPA) The school employee responsible for ensuring secure access to the Student Aid Internet Gateway (SAIG), a communication system between the school and ED systems. The DPA is responsible for assigning and providing access via SAIG for other employees of the school.

DHS Verification Number (On SAR/ISIR) A 15-digit confirmation number that the The Department of Homeland Security (DHS) returns on the SAR/ISIR when a match is conducted to confirm the status of an applicant for FSA program funds as an eligible noncitizen. DHS Verification Numbers appears under the Match Flags section of FAA Information. The financial aid administrator must provide this number on the G-845 form, when manual Secondary Confirmation is required. See *The Federal Student Aid Handbook, Volume 1*.

DHS Secondary Confirmation Flag An indicator on the ISIR that indicates the results of subsequent CPS data matches with the DHS database (after the initial match fails) to confirm the status of an applicant for FSA funds as an eligible noncitizen.

Diploma mill An entity that

- offers, for a fee, degrees, diplomas, or certificates that may be used to represent to the general public that the individual possessing such a degree, diploma, or certificate has completed a program of postsecondary education or training;
- requires completion of little or no education or coursework to obtain the credential; and
- lacks accreditation by an accrediting agency or association that is recognized by the Secretary or a Federal agency, State government, or other organization or association that recognizes accrediting agencies or associations.

Direct Assessment Program A program in which a school measures a student’s body of knowledge vis-à-vis a given educational program. These measures provide evidence that: a student has command of a specific subject, content area, or skill; or that the student demonstrates a specific quality such as creativity, analysis or synthesis associated with the subject matter of the program. See *The Federal Student Aid Handbook, Volume 3*.

Direct Disbursement Delivering FSA funds to a student or parent by one of four ways: issuing a check or other instrument payable to and requiring the endorsement or certification of the student or parent; initiating an electronic funds transfer (EFT) to a bank account designated by the student or parent; disbursing to the student in cash; or releasing a FFEL check sent by a lender. See *The Federal Student Aid Handbook, Volume 4*.

Direct Loan 30-Day Warning Report A listing of unbooked loans for which COD has not received the elements required for booking. The report also lists MPNs received by COD that do not have an accepted origination record. Schools should monitor this report and investigate loans it identifies to ensure the loans book in a timely manner. All booking items must be received within 30 days of the initial actual disbursement date or the 30 day reporting requirement may not be met. The Report is sent to the school's SAIG mailbox on a monthly basis (if data for the given month exists for the report).

Direct Loan Delinquent Borrower Report Lists borrowers who are at least 31 days delinquent in their Direct Loan payments. The report gives the most recent contact information for the borrower and can be used in default reduction efforts by helping schools identify and contact borrowers. The Delinquent Borrower Report is available by subscription or on request from the Direct Loan Servicing Website.

Direct Loan Duplicate Student Borrower Report Lists student borrowers for which the COD system has multiple subsidized/unsubsidized awards with overlapping academic years within the same award year. Schools should monitor this report and contact other schools involved to verify that the student's academic and award years are correct in both COD and the schools' systems. Failure to monitor this report may cause records to reject in COD for going over the annual Stafford limits.

Direct Loan Entrance Counseling File/Report Lists students who have completed entrance counseling on the Direct Loan Servicing Website. Schools should monitor this report to assist with their default reduction efforts and insure compliance with entrance counseling requirements. The Entrance Counseling File/Report is available from the Direct Loan Servicing Website.

Direct Loan Exit Counseling File/Report Lists students who have completed exit counseling on the Direct Loan Servicing Website. Schools

should monitor this report to assist with their default reduction efforts and insure compliance with exit counseling requirements. The Exit Counseling File/Report is available from the Direct Loan Servicing Website.

Direct Loan Expired MPN Report Lists MPNs that have expired (become inactive) within the last 30 days. Possible reasons for the expiration of the MPNs include: (1) there are no awards linked within a year of the date of the MPN's receipt; (2) there are no actual disbursements on a linked award within a year of the date of receipt; (3) 10 years have passed since the MPN's receipt; or (4) a PLUS loan has been linked with an endorser. Schools should monitor this report to verify that their records are current and reflect the most recent status of the loan.

Direct Loan Funded Disbursement Listing Report Generated only for Pushed Cash schools and schools on the restricted funding controls of Reimbursement and HCM2, the Funded Disbursement Listing Report lists all the school's funded disbursements. It should be used by schools during reconciliation; to help identify disbursements that were expected to be funded but were not; and to identify any downward adjustments made to loans. The Report is sent to Pushed Cash schools' SAIG mailboxes on a daily basis (if new data exists in COD).

Direct Loan Inactive Loans Report Lists all the loans a school has reduced to zero (\$0) for the reporting period, and can help schools reconcile cancelled loans. Schools should monitor the report to confirm that cancelled loans are at \$0 and that no loans for which they are expecting disbursements are listed.

Direct Loan MPN Discharge Report Lists MPNs that have become inactive within the last 30 days due to discharges for death, unauthorized signature, or identity theft. Schools should monitor the report to confirm their systems show the most current information and status of the loans affected by discharges.

Direct Loan MPNs Due to Expire Report Lists MPNs that will expire (become inactive) within the next 60 days. It can help schools determine those borrowers who need a new MPN by identifying award that have an actual disbursement date after the MPN expiration date.

Direct Loan Origination System (DLOS) The system that processed Direct Loan data through the 2001-2002 processing cycle. The Common Origination and Disbursement (COD) system replaced the Direct Loan Origination System beginning with the 2002-2003 award year processing cycle.

Direct Loan Pending Disbursement Listing Report Informs schools of loans with anticipated disbursement dates (Disbursement Release Indicator (DRI) = false) on file at COD and the dates of those anticipated/pending disbursements. The information on the Pending Disbursement Listing Report helps schools reconcile disbursements, determine immediate funding needs, and identify disbursements that have not yet been reported to COD as actual disbursements (DRI equals "True").

Direct Loan (DL) Program See *Federal Direct Loan Program*.

Direct Loan Rebuild File A file that can be used to help a school rebuild a lost or corrupted Direct Loan Database, or recreate specific student records. Currently, this file is available only by request through the COD School Relations Center. It may be imported into "Direct Loan Tools" to rebuild an EDEExpress database or into a school's vendor or mainframe system.

Direct Loan School Account Statement (SAS) A COD-generated statement, created monthly (comparable to a bank statement) that summarizes a school's processing activity for the month. The SAS provides the Department's official ending cash balance from records submitted by the school, and a school will receive

this report on a monthly basis until the Department has officially closed the school's activity for a program year. Schools should compare Financial Aid Office and Business Office records monthly to comply with the 30-day reporting requirement. Any identified discrepancies must be reconciled. See *The Direct Loan School Guide*.

Direct Loan Servicing Center The holder of Direct Loans after they are "booked." The Center offers on-line entrance and exit counseling, updates the student's choice of repayment plans, and process deferments, forbearances, and cancellation requests.

Direct Loan SSN/Name/Date of Birth Change Report Is sent to all schools that have students who have had changes to their identifiers – SSN, name, or date of birth. A change can come from your school; another school attended by the borrower and in some cases (SSN change) Direct Loan Servicing. See *The COD Technical Reference*.

Direct Loan Tools A multi-year Windows-based application schools can use to:

- compare the School Account Statement (SAS) to loans and actual disbursements recorded in the school's database or the DL Tools cash database;
- print the SAS in a readable format;
- track cash receipts and refunds of cash; and
- rebuild DL origination and disbursement records in EDEExpress.

Disabled See *Total and Permanent Disability*.

Disbursement For FSA purposes, the process through which FSA program funds are credited to a student's account or paid directly to a student (or parent for PLUS Loan funds). A school may pay a student or parent directly by cash payment, check, or electronic funds transfer (EFT). See *The Federal Student Aid Handbook, Volume 4*.

Disbursement Record An electronic record sent from a school to COD notifying ED when a Pell, ACG, SMART or TEACH Grant or Direct Loan disbursement will be or has been made to a student. See *The COD Technical Reference*.

Disbursement Release Indicator (DRI) (in COD) A tag on the Common Record that designates a disbursement as anticipated (DRI equals “False”) or actual (DRI equals “True”). Set to “True,” it signals the COD System to post the amount of disbursement to an award (loan/grant). Formerly referred to as the *Payment Trigger Flag*.

Disbursement Schedule A spreadsheet defining a student’s scheduled Federal Pell Grant Payment amount as a result of a calculation based on the Cost of Attendance (COA), Expected Family Contribution (EFC) and the student’s enrollment status. ED publishes schedules for appropriate enrollment statuses each year in a Dear Colleague Letter.

Discharge The release of a borrower from the obligation to repay his or her loan. See also *Cancellation* and *Forgiveness*.

Disclosure Statement (in Direct/FFEL/Perkins) Loan specific information provided to a borrower receiving a new loan under the multi-year feature of an MPN. See also *Plain Language Disclosure*. See *The Federal Student Aid Handbook, Volumes 2 & 4*.

Disposable Income That part of a borrower’s compensation (from any source) that remains after the deduction of any amounts required by law to be withheld, or any child support or alimony payments that are made under a court order or legally enforceable written agreement. Amounts required by law to be withheld include, but are not limited to, federal and state taxes, social security contributions, and wage garnishment payments.

Distance education The use of one or more technologies to deliver instruction to students who are separated from the instructor and to support regular and substantive interaction between the students and the instructor, either synchronously or asynchronously.

Distribution SAIG User For organizations that receive enrollment information by the Student Aid Internet Gateway, the address of the mailbox to which that information is sent.

Document Number See *Grant Award Number*.

Double-entry Bookkeeping The method of accounting in which each posted transaction involves a two-way, self-balancing journal entry with equal debit and credit amounts. This entry is then posted from the journal to the corresponding ledger accounts involved.

Drawdown A school’s request for and subsequent transmission of money to the school via G-5. A drawdown occurs when a school or COD, on behalf of a school, initiates a request for money through G-5, and the funds are transmitted from the US Treasury to the school’s bank account.

Due Diligence The full and timely disclosure to student borrowers of their rights and obligations, explained during entrance and exit interviews. Also the use of extensive, persistent procedures for servicing and collecting student loans. For Perkins Due Diligence, see *The Federal Student Aid Handbook, Volume 6*.

D-U-N-S Number The acronym for the Dun and Bradstreet Data Universal Numbering System Number. The D-U-N-S number is a unique identification code that is assigned to a school by Dun & Bradstreet, a nationally recognized credit rating bureau. Used on the E-APP and when a school returns funds using a paper check.

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Early Disbursement FSA funds credited to a student's account up to 10 days prior to the first day of classes in the payment period for which the funds are intended. See *The Federal Student Aid Handbook, Volume 4*.

Early Childhood Education Program One of the following types of programs:

- a Head Start program or an Early Head Start program (including a migrant or seasonal Head Start program), or an Indian Head Start program, carried out under the Head Start Act;
- a Head Start program or Early Head Start program that receives State funding;
- a state licensed or regulated child care program or a program that serves children from birth through age six that addresses the children's cognitive, social, emotional and physical development;
- a State prekindergarten program;
- a program authorized under section 619 or Part C of the Individuals with Disabilities education Act; or
- a program operated by a local educational agency.

The Individuals with Disabilities Education Act can be found at

<http://idea.ed.gov/explore/view/p/%2Croot%2Cstatute%2C>

Economic Hardship One of the conditions under which repayment of a borrower's FSA loan may be deferred or the payments reduced for a period of up to three years. Borrowers can apply for an economic deferment if they:

- are receiving federal or state public assistance, such as Temporary Assistance to Needy Families (TANF) (formerly, Aid to families with Dependent Children [AFDC]), Supplemental Security

Income, Food Stamps, or state general public assistance; or

- if their income falls below ant of several defined criteria; or
- they have an excessive federal education debt burden.

See 34 CFR 674.34(e); 682.210(s) (6); and 685.204(b) (3)

ED Connect A Windows-based file transfer protocol (FTP) program that enables users to send and receive FSA program data electronically. Users collect data on their PCs or computer systems and transmit the collected data in batches over the SAIG using ED Connect. The appropriate FSA Application System receives the data, processes the data, performs any required database matches, and returns the processed data to the user's SAIG mailbox, where it can be downloaded to the user's PC or system with ED Connect. Available at FSA Downloads – Software and Manuals..

ED Pubs ED center for ordering information products. All publications are provided at no cost to the general public by the U.S. Department of Education. To place an order for an FSA Publication, go to <http://edpubs.ed.gov/>.

EDE (Electronic Data Exchange) Technical Reference Technical requirements of the EDExpress software and the ED Connect software (used for sending and receiving electronic files) for programmers and data processing staff. It includes record layouts, required edits, print assistance, and reject messages applicable to the electronic Free Application for Financial Student Aid (FAFSA), Institutional Student Information Record (ISIR), electronic corrections and signature records. Located at <http://fsadownload.ed.gov>.

EDExpress A PC application that processes, packages, and manages FSA student financial aid records. Federal Student Aid provides EDExpress free of charge to postsecondary schools that participate in its Electronic Data Exchange (EDE) process.

EDEXpress Verification Worksheets A Web-based tool available through FAA Access online to compare ISIR data with data an applicant provides on verification documents, such as a Verification Worksheet. It displays the differences between the ISIR and the verification document. The FAA can tell if the differences are within the verification tolerance level. Users can also update student and parent ISIR information and submit it to the CPS.

EDESuite A suite of software products available, free of charge, from the U.S. Department of Education, for schools and other aid-processing entities to use with the FSA systems. Products include EDEXpress, Direct Loan Tools, and SSCR. Available for download at: fsadownload.ed.gov.

Edit/Comment Codes A series of numeric codes that explain processing results, including data corrections, duplicates, and record rejects, for specific processed records for all award years.

Education Benefits Funds, primarily federal that are awarded to certain categories of students (veterans, children of deceased veterans or children of other deceased wage earners, and students with handicaps) to help finance their post-secondary education regardless of their ability to demonstrate need in the traditional sense.

Education Department Central Automated Processing System (EDCAPS) A centralized financial management system for ED's financial processes, including financial management, contracts and purchasing, grants administration, and payment management.

Education IRA A tax-deferred savings and investment account for educational expenses. In some cases information about an Education IRA is reported on the FAFSA. See *The Application and Verification Guide*.

Education loan Any FFEL, Direct Loan, or private education loan.

Educational Service Agency A regional public multi-service agency authorized by State statute

to develop, manage, and provide services or programs to local educational agencies.

Educational Program A legally authorized post-secondary program of organized instruction or study that leads to an academic, professional, vocational degree, or certificate, or other recognized educational credential. ED does not consider that a school provides an educational program if the school does not provide instruction itself (including a course of independent study) but merely gives credit for one or more of the following: instruction provided by other institutions or schools; examinations or direct assessments provided by agencies or organizations; or other accomplishments such as "life experience."

Educationally Related Expenses Charges or fees not considered institutional charges that are associated with the students program of study. With a student's or parent's authorization, a school may credit a student's account with FSA funds to pay educationally-related expenses.

Electronic Application for Approval to Participate in the Federal Student Aid Programs (E-App) The application a school must submit to the Department in order to begin the process of being certified to participate in the FSA programs. The E-App collects information that allows the Department to examine three major factors about the school: institutional eligibility, administrative capability, and financial responsibility. The E-App is available through the Financial Aid Professionals Website.

Electronic Corrections The function of Electronic Data Exchange (EDE) that provides for two-way electronic transmission of ISIR records between the CPS and destination points.

Electronic Data Exchange (EDE) Process for schools (and other participating destination points, such as third-party servicers) to electronically transmit, receive, and correct application data, package student awards, and transmit Federal Pell Grant and Direct Loan payment information through the Student Aid Internet Gateway (SAIG).

Electronic Data Processing (EDP) Controls System of rules and precautions that ensure the integrity and reliability of data. They encompass operating procedures, software security, data access, program modification, segregating computer security duties and responsibilities, backup and recovery plans, and physical computer security.

Electronic Data Request (in COD) A file sent by a school to the Common Origination and Disbursement (COD) System containing a request for information. A school can receive reconciliation files, Multiple Reporting Records, Year-To-Date data, Statement of Account data, Potential Overaward Project (POP) Reports, and/or Verification Status Reports.

Electronic Funds Transfer (EFT) Transfer of funds initiated through electronic means, such as data transmission by computer rather than a paper-based transaction, such as a check.

Electronic Signatures in Global and National Commerce Act (E-Sign Act) Enacted on June 30, 2000. The E-Sign Act provides, in part, that a signature, contract or other record relating to a transaction may not be denied legal effect, validity or enforceability solely because it is in electronic form, or because an electronic signature or electronic record was used in its formation. Voluntary consent to participate in electronic transactions is required for all financial information provided or made available to student loan borrowers, and for all notices and authorizations to FSA recipients required under 34 CFR 668.165. See *The Federal Student Aid Handbook, Volume 2*.

Electronic ISIR Electronic counterpart to the Student Aid Report (SAR). School and other EDE destination points designated on the student's application receive this report that shows the results of FAFSA applications or corrections.

Electronic Master Promissory Note (eMPN) A Web-based Master Promissory Note. A student can complete and sign an MPN electronically

instead of using a paper MPN. Users must have a PIN to initiate the process. Also see Master Promissory Note.

Electronic Statement of Account (ESOA) An official statement from ED that sets a school's authorization level for the upcoming award year and projects adjustments to the school's FSA program funding needs. Summarizes the status of a school's Current Funding Level (CFL) as it compares to the net drawdowns for the award year. An ESOA also details the amount expended to date. ESOAs are produced for the Federal Pell Grant Program, ACG/SMART Grants and the Campus-Based programs. ED produces an ESOA whenever there is an adjustment to a school's current FSA program authorization.

Elementary School (in TEACH) A nonprofit day or residential school, including a public elementary charter school, that provides elementary education, as determined under State law.

Eligible Borrower A borrower or potential borrower who meets federal eligibility criteria for Title IV loan. *The Federal Student Aid Handbook, Volume 1*.

Eligible Institution/School An institution of higher education, a postsecondary vocational school, or a proprietary institution of higher education that meets all the requirements for participation in the FSA programs. These requirements include state authorization accreditation and specific program and admission requirements. These requirements are found primarily in 34 CFR Part 600 and are discussed in *The Federal Student Aid Handbook, Volume 2*.

Eligible Noncitizen A student aid applicant who is neither a U.S. citizen nor U.S. national, but is eligible to receive FSA program funds because he or she meets certain other criteria. See the *Federal Student Aid Handbook, Volume 1*.

Eligible Postbaccalaureate Program A program of study beyond a bachelor's degree required for teacher certification or licensure. A student who is enrolled at least half time in a postbaccalaure-

ate teacher certification or licensure program is eligible to receive a Pell Grant for the period necessary to complete the program if the:

- program does not lead to a graduate degree,
- school offering the program does not also offer a bachelor's degree in education,
- student is pursuing an initial teacher certification or licensing credential within a state, and
- program consists of the courses required by a state to receive a professional certification or licensing credential necessary for employment as a teacher in an elementary or secondary school in that state.

Eligible Program An educational program that meets regulatory requirements for participating in FSA programs. A student must be enrolled in an eligible program to receive FSA program funds.

Eligible Student A student who has submitted a Free Application for Federal Student Aid (FAFSA), meets the eligibility requirements for the FSA programs, and is enrolled in an eligible program. For a detailed treatment of student eligibility, see *The Student Financial Aid Handbook, Volume 1*.

Eligibility and Certification Approval Report (ECAR) Summary of a school's eligibility information, including the FSA programs in which the school is eligible to participate. The ECAR contains the most critical data elements that form the basis of a school's approval (e.g., accreditation and state licensing) and lists the highest level of programs offered; any nondegree programs or short-term programs; and any additional locations that have been approved for FSA programs. The ECAR must be kept up to date, and, along with the PPA, must be available for review by auditors and ED officials. See *The Federal Student Aid Handbook, Volume 2*.

Eligibility Used Percentage (in COD/Pell) Calculated by summing all of the accepted actual disbursement records for a student at the attended school and dividing by the Scheduled Federal Pell Grant Award at the attended school. See *The Federal Student Aid Handbook, Volume 3*.

Emergency Action Generally, actions taken by the Department to fine a school or to limit, suspend, or terminate a school's/servicer's participation in the FSA programs. See *The Federal Student Aid Handbook, Volume 2*.

Employer Identification Number (EIN) The IRS issues EINs to businesses for tax filing purposes. The EIN preceded by the letters "ED" is the password for accessing the Electronic Application (E-App) that schools use to apply for and update institutional FSA eligibility.

English as a Second Language (ESL) Remedial coursework that prepares students for whom English is not their native language to succeed in postsecondary training offered in English. See *The Federal Student Aid Handbook, Volume 1*.

English as a Second Language Program A program that consists solely of English as a Second Language (ESL) instruction and for which the students are eligible for FSA funds only from the Pell Grant program. In addition to meeting the general requirements for an eligible program, an ESL Program must lead to a degree, certificate, or other recognized educational credential and may admit only students who need instruction in English to be able to use the knowledge, training, or skills they already have. See *The Federal Student Aid Handbook, Volume 1*.

Endorser An individual who signs an addendum to a PLUS MPN on behalf of the parent or graduate/professional student because the parent or student was determined to have an adverse credit history. The endorser accepts full financial responsibility to pay back the PLUS loan if the parent or student does not do so.

Enrolled Status of a student who has completed the registration requirements (except for the payment of tuition and fees) at the school that he or she is attending. For a student who has been admitted into an educational program offered predominately by correspondence, the student must have submitted one lesson, completed by him or her and without the help of a school representative.

Enrollment Date The first date that the student was enrolled in an eligible program for the designated award year.

Enrollment Reporting A process, required by law, through which schools confirm and report the enrollment status of students who have received an FSA loan. Enrollment Reporting is required at least once per term for term-based schools or twice a year for non-term schools. A student's enrollment status determines deferment eligibility, grace periods, and repayment schedules, as well as the government's payment of interest subsidies. Schools report the enrollment information to the National Student Loan Data System (NSLDS) and, in turn, NSLDS merges the reported enrollment information and reports it to guarantors, lenders, and servicers of student loans. The Enrollment Reporting process was formerly known as Student Status Confirmation Report.

Enrollment Reporting Roster File (in NSLDS)

The file through which a school or servicer reports students' enrollment status. It is placed in a school's or servicer's designated SAIG mailbox on the business day of the month designated by the *Enrollment Reporting Schedule*.

Enrollment Reporting Schedule (in NSLDS) The schedule established by a school or servicer for receiving the required Enrollment Reporting Roster File. A school specifies – a starting date, frequency and default sort order. Responses to the Enrollment Reporting Roster File are due within 30 days of the creation of the file. (The default frequency is every two months for schools and every week for all other organizations.

Enrollment Reporting Summary Report (SCHER2) Report sent by NSLDS to a school or servicer showing the dates Enrollment Reporting roster files were sent and returned, the number of errors, date and number of online updates, and the number of letters sent for overdue Enrollment Reporting rosters.

Enrollment Status An indication of a student's current enrollment status at a postsecondary institution. A school is responsible for reporting the enrollment status, the effective date of the status, and the anticipated completion date of all borrowers attending its school.

Ensuring Continued Access to Student Loans Act (H.R. 5715) Signed May 7, 2008 (P.L. 110-227), the Act makes significant changes to the student loan programs as well as the ACG and SMART Grant programs.

Entitlement Program A government program that is funded sufficiently to ensure that all eligible applicants will receive awards. As long as the student applicant meets all the eligibility requirements and is enrolled in an eligible program at an eligible institution, he/she will receive the award for which eligibility has been established.

Entity Identifier On the Common Record, the unique Common School Identifier for each data exchange partner (e.g., school, third-party servicer, vendor, etc.). When performing entity searches via COD Website, the Entity ID is the school's Common School Identifier, Pell ID, Direct Loan ID or OPE ID.

Entrance Counseling Financial advice and instruction for first-time FFEL and DL borrowers. Students are required to receive counseling, during which their rights and responsibilities, loan terms and conditions are reviewed, before they receive their first loan disbursement. The Perkins program does not require entrance counseling, but a school must disclose similar to a borrower before disbursing Perkins funds.

Entrance Interview (for a compliance audit) A meeting, before the start of a financial aid audit, between an auditor and school administrative officials involved in the audit. Operating rules, an agenda, and a schedule for the on-site work are established. A similar interview is conducted by a federal official before conducting a program review.

Equity in Athletics Disclosure Act (EADA) A report required of coeducational institutions of higher education that participate in a FSA program and have an intercollegiate athletic program. The report informs prospective students of the school's commitment to providing equitable athletic opportunities for its men and women students. Officially known as *The Report on Athletic Program Participation Rates and Financial Support Data*. It is referred to as the *EADA Report*.

Escheat The reversion of funds to an unintended Third-Party, (e.g. when a FSA credit balance check to a student is not cashed, and the funds remain in the school's account or are transferred to the state's escheatment account). Schools must have a process to ensure that FSA program funds never escheat to the state or any other Third-Party. See *The Federal Student Aid Handbook, Volume 4*.

Estimated Financial Assistance (EFA) The school's estimate of the amount of financial assistance that a student has been or will be awarded for the enrollment period for which a loan is sought. EFA includes assistance from federal, state, or school scholarship, grant, financial need-based employment, or assistance from other sources.

Exceptional Financial Need An eligibility criterion in the SEOG and Perkins Loan Programs. Exceptional financial need for SEOG is defined in statute as the lowest expected family contribution at a school. The law does not define the term in the Perkins Loan Program; the school must create its own definition. See *The Federal Student Aid Handbook, Volume 6*.

Excess Cash Any amount of FSA program funds (other than FFEL Program or Federal Perkins Loan Program funds) that a school has not disbursed to students or parents by the end of the third business day following the date the school received the funds. There are penalties for holding excess cash. There are exceptions for FFEL funds and FFEL funds for students who are expected to become eligible. See *The Federal Student Aid Handbook, Volume 4*.

Excess Cash Tolerances The amount greater than excess cash limitation a school may retain for up to seven days. The tolerance is one percent of the total amount of funds the school drew down in the prior award year. See *The Federal Student Aid Handbook, Volume 4*.

Excess Liquid Capital (in Perkins) The amount a school's available Perkins Loan funds for an award year that significantly exceeds the school's Perkins Loan expenditures for that award year. Excess liquid capital is based on a formula that determines if a school's cash on hand for the identified award year, in combination with the school's collections for the same 12-month period, far exceed the school's use of funds. The formula includes a collections offset equal to 25% of the school's total collections to account for unanticipated changes in collection behavior. See *The Federal Student Aid Handbook, Volume 6*.

Excluded Assets Assets not reported on the FAFSA.

Exit Counseling (for a student borrower) Each school participating in the Federal Perkins Loan, FFEL, and Direct Loan Programs must offer instruction and advice called "exit counseling" to student borrowers. For Federal Perkins Loan borrowers, the interview must take place before the borrower leaves school. In the case of FFEL and Direct Loan student borrowers, the interview must take place shortly before the borrower ceases to be enrolled at least half time.

Exit Interview (for a compliance audit) A closing meeting, following completion of a financial aid audit, between an auditor and administrative officials of the school involved in the audit. General audit findings and conclusions that will be included in the audit report are discussed. A similar interview is conducted by a federal official after conducting a program review.

Expected Family Contribution (EFC) A comparative measure, determined according to need analysis of FAFSA data and expressed as a dollar value of a family's capacity to finance a student's post-secondary education for an award period. The financial aid administrator subtracts the EFC from the student's Cost of Attendance to compute the student's Financial Need. The EFC figure is shown on the SAR and ISIR produced by the CPS. See *The Application and Verification Guide* and "Packaging" in *The Federal Student Aid Handbook, Volume 3*.

Expenditure Funds drawn and used for a grant award. The Department records drawdowns as expenses. See also *Disbursements*.

Export (in EDEExpress) To send data from one system to another. The Export function in EDEExpress creates a file containing information that can be used in a system outside EDEExpress or transmitted using ED Connect to one of the FSA's Application Systems, such as the Common Origination and Disbursement (COD) System.

Extended Processing (Request) A request for an extension of a processing deadline during the Closeout Period in the Direct Loan Program. The Direct Loan Program provides relief due to extenuating circumstances such as natural disaster or processing error. See *Administrative Relief*.

Extended Repayment Plan A repayment plan under which the length of the borrower's repayment period is increased and monthly payments are reduced. The repayment period cannot exceed 25 years.

External Access System The system that payees use to access G5 in order to make payment requests and report expenditures.

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FAA Access to CPS Online A Website that financial aid administrators use to enter application data, view ISIR information, and make corrections. Located at <http://www.fafsa.ed.gov/FOTWWebApp/faa/faa.jsp>.

FAFSA on the Web (FOTW) A Website through which students can apply for FSA program funds by completing the Federal Student Aid (FAFSA) or Spanish FAFSA on the Web. Students can check the status of their financial aid application and use their FSA PIN to view their Student Aid Report (SAR) information, correct their application data, and electronically sign their application. Parents can also use their FSA PINs to sign their children's financial aid applications electronically. Located at <http://fafsa.ed.gov>

FAFSA on the Web Demo (FOTW Demo) A demonstration site that enables financial aid administrators and others to practice and/or demonstrate entering FAFSA data online. The demo site offers all the functionality and features of the live FAFSA on the Web (FOTW) site. Data entry is simulated and data cannot be saved because the database is cleared nightly. It is located at <http://fafsademo.test.ed.gov>. User ID: eddemo Password: fafsatest.

FAFSA Processor The data entry processor under contract with ED. The Free Application for Federal Student Aid (FAFSA) processor receives paper applications, paper Student Aid Report (SAR) corrections, and paper signature pages in the mail, performs document analysis to ensure that the data is acceptable, and handles missing or unacceptable responses. The processor images the application, enters the information from the application, and transmits the data and image electronically to the Central Processing System (CPS).

FAFSA4caster A Website that enables students and parents to receive an early estimate of eligibility for federal student aid, and learn more about the FSA programs, the financial aid process, and other sources of assistance. To access FAFSA4caster, go to federalstudentaid.ed.gov and click the FAFSA4caster link on the upper right-hand corner of the page. A link to FAFSA4caster is also available on the FAFSA on the Web home page.

Family Educational Rights and Privacy Act (FERPA) A Federal law that sets limits on the disclosure of personally identifiable information from school records, and defines the rights of the student to review the records and request a change to the records. See *The Federal Student Aid Handbook, Volume 2*.

Federal Audit A financial and/or compliance audit conducted by an office or officer of a federal agency, such as a representative from ED's Office of Inspector General.

Federal Capital Contribution (FCC) The portion of a school's Federal Perkins Loan fund allocated to a school by the federal government for a specific award year.

Federal Consolidation Loan A loan funded by a private lender that combines multiple FSA student loans into a single loan with one monthly payment. Borrowers may also consolidate certain student loans provided by the U.S. Department of Health and Human Services.

Federal Direct Consolidation Loan A loan funded by the federal government rather than a private lender that combines multiple FSA student loans (including non-Direct loans) into a single loan with one monthly payment. Borrowers may also consolidate certain student loans provided by the U.S. Department of Health and Human Services.

(William D. Ford) ***Federal Direct Loan Program***

A federal program in which the U.S. government (not a commercial lender) provides four types of education loans to student and parent borrowers directly through schools:

- Direct Subsidized Stafford Loan (subsidized, for students);
- Direct Unsubsidized Stafford Loan (for students);
- Direct PLUS Loan; and
- Direct Consolidation Loan (for students and parents).

These loans are referred to collectively as Direct Loans. The same types of loans are available through the Federal Family Education Loan (FFEL) Program where commercial lenders provide the funds to eligible students.

Direct Consolidation Loans A consolidation loan combines (refinances) two or more FSA loans into one loan with one interest rate and repayment schedule.

Direct PLUS Loan Program that allows parents to borrow on behalf of their dependent children or graduate/professional students to borrow for themselves. As part of the Federal Direct Loan Program, Direct PLUS Loans are made through participating schools by the federal government (rather than commercial lenders).

Direct Stafford Loan A federally subsidized, low-interest student loan, awarded on the basis of financial need. The federal government does not charge interest on subsidized loans while borrowers are enrolled at an eligible school at least half time, during the six-month grace period, or during authorized periods of deferment. As part of the Federal Direct Loan Program, these loans are made directly by the federal government (rather than by a commercial lender) through participating schools.

Direct Unsubsidized Stafford Loan A low-interest loan for students who do not meet the financial-need criteria for a subsidized loan or who wish

to borrow beyond their annual limit in the Stafford Loan program. The borrower is responsible for all interest on the loan. As part of the Direct Loan Program, these loans are made directly by the federal government (rather than by a commercial lender) through participating schools.

Federal Family Education Loan Program (FFELP)

A federal loan program under which commercial lenders provide education loans to student and parent borrowers. The program offers four types of loans:

- Stafford Loan (subsidized, for students)
- Unsubsidized Stafford Loan (for students)
- Federal PLUS Loan (for parents and graduate/professional students); and
- Federal Consolidation Loan (for students and parents)

All of these are long-term loans insured by state or private nonprofit guaranty agencies that are reimbursed by the federal government for all or part of any insurance claims paid to lenders. This guarantee replaces the collateral or security usually required with long-term consumer loans. (The same types of loans are available through the *Federal Direct Loan Program*, in which the U.S. government provides the funds directly through schools.)

Federal Interest Subsidy For subsidized Stafford loans, a payment by the federal government to the lender of the interest charged while the student is in school, as well as during the grace period and authorized periods of deferment.

Federal Loan Loans made or guaranteed by the U.S. Government.

Federal (Needs Analysis) Methodology (FM) The formula established by Congress and used to calculate the Expected Family Contribution (EFC) from the FAFSA. Also known as Federal Need Analysis Methodology and Need Analysis.

Federal Pell Grant Payment Schedule A chart showing Federal Pell Grant Awards based on the student's EFC, enrollment status, and the school Cost Of Attendance (COA). The schedule is usually posted in January on the IFAP Website for the upcoming award year.

Federal Pell Grant Program A FSA grant program for undergraduate students who have not received a bachelor degree or a first professional degree. (Certain other students with baccalaureate degrees enrolled in state-required teacher certification programs may also be eligible.) It is targeted at students with the greatest financial need. See *The Federal Student Aid Handbook, Volume 3*.

Federal Perkins Loan Program A Campus-Based loan program that provides low-interest student loans to undergraduate and graduate students with financial need. Formerly, it was called the National Direct Student Loan Program (now referred to as the NDSL Program) and, originally, the National Defense Student Loan Program. In 1987, it was renamed to honor Congressman Carl D. Perkins; later the word "Federal" was added to its name. See *Campus-based Programs*. See *The Federal Student Aid Handbook, Volume 6*.

Federal PLUS Loan Program that allows parents to borrow on behalf of their dependent children or graduate/professional students to borrow for themselves. Loans are made by commercial lenders such as banks, credit unions, or savings and loan associations. Loans made to graduate/professional students are informally referred to as Grad PLUS loans.

Federal Register A federal government publication that contains regulations, regulatory amendments, notices and proposed regulatory changes for all federal executive agencies. It is published each business day. ED regularly posts Federal Register excerpts pertaining to FSA programs on the Information for Financial Aid Professionals (IFAP) Website to make this information readily available to schools and the financial aid community.

Federal Reserve Bank (FRB) One of 12 banks in the Federal Reserve System (the Fed), the central banking system of the United States. ED uses this system to deliver funds to schools.

Federal School Code A unique number assigned by the Department of Education to schools participating in the FSA programs. Students can enter up to these codes on the Free Application for Federal Student Aid (FAFSA) to indicate the postsecondary schools they want to receive the results of their FAFSA. The electronic list of Federal School Codes is updated quarterly and is available online at: www.fafsa.ed.gov/ifap.ed.gov. A searchable list is also available on the FAFSA on the Website, under "Before Beginning a FAFSA."

Federal School Code File (in EDEXpress) Programmed into EDEXpress, this file contains the Federal School Codes for the FSA eligible schools. To access the Federal School Code list, select "Tools" and "Setup" from the menu bar, then "Global" and School. Click the Retrieve button.

Federal Share The portion of a school's FSEOG awards to students and/or FWS earned compensation that comes from the federal government. The federal share of FSEOG or FWS awards made to students may not exceed 75 percent of the total FSEOG or FWS awards made by the school during an award year, unless the school has received a waiver of the matching requirement. See *The Federal Student Aid Handbook, Volume 6*.

Federal Stafford Loan (Subsidized) A federally subsidized, low-interest student loan funded by a private lender and awarded on the basis of financial need. The federal government does not charge interest on subsidized loans while borrowers are enrolled at an eligible school at least half time, during the six-month grace period, or during authorized periods of deferment.

Federal Student Aid (FSA) (the programs) U.S. Department of Education programs that provide financial assistance to postsecondary students. The programs are administered by an office within the U.S. Department of Education also called *Federal Student Aid*. In financial aid circles, the term *Federal Student Aid* is used to refer to both the programs and the ED office administering them.

Federal Student Aid Assessments (FSA Assessments) Web-based management assessment modules for helping schools assess their compliance with FSA program requirements and enhance services. Each assessment is self-guided and contains links to applicable laws and regulations. Available on IFAP.

Federal Student Aid (FSA) COACH A comprehensive, introductory course on school requirements for administering the FSA programs. The 36 lessons can be completed individually, allowing you to tailor the training to your schools specific needs. A version for foreign schools, *FSA COACH for Foreign Schools* contains 23 lessons designed specifically for staff at non-U.S. schools who administer FFEL loans used by U.S. students at participating foreign schools. Available at www.ed.gov/FSA/training.

Federal Student Aid (FSA) Handbook Annual ED publication that explains the procedures schools must follow when administering the FSA programs.

Federal Student Aid Information Center (FSAIC) Serves the public by providing information, in both English and Spanish, about the FSA programs and the application process. Customers include students, parents, and financial aid administrators seeking general information about federal grant and loan programs and specific assistance with the Free Application for Federal Student Aid (FAFSA) and processing timeframes. 800/4-FED-AID (800/433-3243); 319/337-5665; or TDD/TTY 800/730-8913

The Federal Student Aid Personal Identification Number See *Personal Identification Number (PIN)*.

Federal Student Aid (FSA) Schools Portal The former entry point for schools, this site was retired in November, 2008 and its functions and services subsumed into the IFAP Website.

FSA Tech Listserv An e-mail listserv maintained by Federal Student Aid as a way to share information and answer questions about electronic systems, software, and mainframe products. Register at: www.ed.gov/FSA/services/fsatechsubscribe.html.

Federal Supplemental Educational Opportunity Grant Program (FSEOG Program) A federal Campus-Based grant program that provides grant assistance to undergraduate students who have not earned a bachelor degree or first professional degree. Priority in awarding FSEOG funds is given to students who have exceptional financial need and are Federal Pell Grant recipients with the lowest EFC.

Federal Unsubsidized Stafford Loan A low-interest loan for students who do not meet the financial-need criteria for a subsidized loan or who wish to borrow beyond their annual loan limit for a subsidized Stafford loan. The borrower is responsible for all interest charges on the loan, which is funded by a commercial lender. See also *Capitalizing Interest*.

Federal Work-Study Program (FWS Program) A federal Campus-Based employment program that provides funding to participating schools to provide jobs to undergraduate and graduate students who have demonstrated financial need to help them meet their education expenses.

FEDWIRE This system provides for electronic funds transfer (EFT) through the Federal Reserve Communications System (FRCS). The system differs from the automated clearinghouse (ACH) in that funds are deposited directly into a school's deposit account the day the payment is sent through the FRCS. Financial institutions charge for this type of funds transfer. (There is no charge to a school for ACH transfer.)

The U.S. Treasury Department's Financial Communications System (TFCS) Deposit Message

Retrieval System (DMRS) uses FEDWIRE for returning funds to ED.

Fellowship A grant or stipend for postgraduate study that may require teaching or research.

File In a computer system, a location within computer storage where entered information is kept in an ordered fashion.

File Layouts A detailed description of field names, position, length, and valid contents for files sent through EDEXchange process. Layouts are provided in technical references that are available for downloading from the FSAdownload Website located at fsadownload.ed.gov in Adobe PDF format.

Final Audit Determination ED's evaluation of findings and recommendations included in an audit report and the issuance of a final decision by ED management including actions determined to be necessary.

Final Audit Determination Letter (FADL) The official written response to a school, and ED's detailed evaluation of findings and recommendations included in the school's audit report. It includes ED's evaluation of the findings, and the necessary actions and financial adjustments a school must make to resolve the findings in an external audit report.

Final Demand Letter A letter that a lender sends to a borrower demanding full payment of a delinquent account. The letter is required as part of the due diligence procedures for collecting a loan that is seriously delinquent or ineligible.

Final Funding Authorization An electronic notification that tells a school the final allocations for each Campus-Based program in which it participates.

Final Funding Worksheet The document sent in conjunction with a school's Final Funding Authorization. The worksheet explains in detail a school's allocation for each campus-based program and shows the figures used to make this determination.

Final Program Review Determination (FPRD)

The letter ED sends to school officials to close the program review process. The FPRD finalizes the status of findings that were outlined in the original Program Review Report, indicating issues that are considered "resolved" and those the school failed to resolve. This may include assessment of liabilities the school must pay to ED. The school has the right to appeal the FPRD.

Final Regulations Federal government operating rules published in the Federal Register. When published, final regulations have the force of law and identify when the regulations will take effect.

Financial Aid Financial assistance in the form of scholarships, grants, work-study, and loans for education.

Financial Aid Administrator (FAA) An individual employed by a school to coordinate and administer federal, state, school and private student financial aid programs.

Financial Aid Administrator Adjustment A change to either the student's FAFSA data or cost of attendance (COA) that the financial aid administrator makes when exercising professional judgment (PJ). The action taken must be documented and the Professional Judgment flag must be set. Also see *Professional Judgment*.

Financial Aid Award An offer of financial or in-kind assistance to a student attending a post-secondary educational institution. This award may be in the form of one or more of the following types of financial aid: Repayable loan, a non-repayable grant or scholarship, and student employment.

Financial Aid Consultant A person who, for a fee, provides a variety of services to students, parents, and schools including assistance preparing the FAFSA and other financial aid forms, finding forms of financial aid, estimating the Expected Family Contribution (EFC), and estimating financial need. (NOTE: Students should never provide a consultant with their ED PIN number.)

Financial Aid History Information on a student's previous financial aid, defaults, and overpayments, available on the NSLDS Website. This information is also reported on the Student Aid Report (SAR) and the Institutional Student Information Record (ISIR). See *National Student Loan Data System (NSLDS)* and See *The Federal Student Aid Handbook, Volume 1*.

Financial Aid Management System (FMS) The general ledger for FSA. FMS works with ED's G5 data system to communicate financial information and deliver federal cash to schools.

Financial Aid Officer A college or university employee who is involved in the administration of financial aid. Also see *Financial Aid Administrator*.

Financial Aid Package The combination of funds from the various financial aid programs (federal and nonfederal) such as scholarships, grants, loans, and/or work-study awarded to a student. See "Packaging" in *The Federal Student Aid Handbook, Volume 3*.

Financial Aid Professionals Portal (FAP Portal) Former name of the Financial Aid Professionals Website. This site was retired in November, 2008 and its functions and services subsumed into the IFAP Website.

Financial Aid Transcript (FAT) A document formerly used by schools to collect data about FSA awards and other financial aid received by a student at other schools. This function is now available through NSLDS. See *The Federal Student Aid Handbook, Volume 1*.

Financial Control The school eligibility regulations define three sources of financial control: for eligible schools:

1. Public (tax-supported, nonprofit),
2. Private, nonprofit (supported primarily, by a nongovernmental agency), and
3. Proprietary (private, for-profit)

See *The Federal Student Aid Handbook, Volume 2*.

Financial Need The difference between the Cost of Education (COE) and the Expected Family Contribution (EFC) for a student. It is the gap between the cost of attending the school and the student's resources for the award period. See "Packaging" in *The Federal Student Aid Handbook, Volume 3*.

Financial (Responsibility) Standards One of the two groups of requirements a school must meet to participate in the FSA programs (the other is administrative capability). The financial responsibility standards include those that measure a school's financial health and those that cover the past performance of a school and persons affiliated with it. See *The Federal Student Aid Handbook, Volume 2*.

Financial Statement A report prepared at the end of a school's fiscal year that provides an overview of the school's financial activities for that fiscal year. Financial statements are audited by an independent certified public accountant (ICPA) and submitted to ED according to applicable regulations. See *The Federal Student Aid Handbook, Volume 2*.

Findings See *Program Review Exceptions*.

First Selection Group (in FSEOG) That group of students awarded highest priority in awarding FSEOG funds. Students at a school with the lowest expected family contribution who will also receive Pell Grants in that award year. See *The Federal Student Aid Handbook, Volume 6*.

Fiscal Operations Activities related to managing and completing financial transactions. Funds management, including student accounts, is typically the primary responsibility of a school's business office.

Fiscal Operations Report That portion of the Fiscal Operations Reports and Application to Participate (FISAP) through which a school reports its expenditure of Campus-Based funds. See *The Federal Student Aid Handbook, Volume 6*.

Fiscal Operations Report and Application to Participate (FISAP) An annual report of campus-based expenditures for an award year combined with an application to participate in the Campus-Based Programs in an upcoming award year. All schools that receive Campus-Based funds must submit this report to ED via the Web. Located at: www.cbfnisap.ed.gov. A PIN is required to access this site.

Fiscal Records Those pertaining to the request for, receipt of, expenditure of, and return of FSA funds. Fiscal records must be maintained in accordance with generally accepted accounting principles including, for example: financial records that reflect each FSA program transaction; and general ledger control accounts including related subsidiary accounts that identify each FSA program transaction and separate those transactions from all other school financial activity. See *The Federal Student Aid Handbook, Volume 2*.

Fiscal Year Any 12-month period established for accounting purposes, for example, October 1, 2006 to September 30, 2007.

Fixed Interest When the interest rate remains the same for the life of the product, typically a loan.

Forbearance (in Direct Loan Program) A temporary delay or reduction of loan payments agreed to by the lender and borrower during which interest continues to accrue. (See *Mandatory Administrative Forbearance*).

Foreign Student A student belonging to or owing allegiance to another country. Foreign students are not eligible for the basic federal programs. However, there are categories of non-U.S. citizens who owe permanent allegiance to the United States and are eligible for student aid.

Forward Funding At the federal level, the practice of authorizing funds in the fiscal year prior to the award year in which they will be disbursed. For example: the amount of public funds Congress allocates to the FSA programs in

2007 is to be used in the 2008-09 award year.

Fraud Loan Flag (On SAR/ISIR) New for 2008-2009: An indicator set when any loans or overpayments are flagged for potential fraud status.

Free Application for Federal Student Aid (FAFSA) A student financial aid application form completed by students and parents to apply for FSA program funds. The information provided is the source for all FSA need analysis computations, including the student's expected family contribution (EFC). Electronic (and paper) versions of the FAFSA are available, in both English and Spanish. An electronic application with certain fields pre-filled is available to a Web filer, if he or she applied for aid in the previous year.

The school can also submit an application for the student by completing an online FAFSA through FAA Access to CPS Online or by submitting an ASCII flat file through the Student Aid Internet Gateway (SAIG).

High school students (prior to their senior year) can use FAFSA4caster prior to entering college to get an early estimate of their eligibility for federal financial aid. A FAFSA4caster filer can have his or her data pre-filled on the FAFSA on the Web system the following year, similar to a returning student electing to pre-populate certain fields in his or her application.

Freeze Cash Period during which a school is temporarily prevented from drawing down cash until unsubstantiated cash previously drawn down is substantiated by submitting actual disbursements. Pertains to schools using the Advance Payment funding method.

Full Data Element Formula also Full Needs Test (FNT) A formula that uses the full range of data elements in calculating a student's Expected Family Contribution (EFC) under the Federal Need Analysis Methodology. Also called the regular formula. See also *Expected Family Contribution (EFC)*.

Full-time Student An enrolled student who is carrying a full-time academic workload, as determined by the school, under a standard applicable to all students enrolled in a particular educational program. The student's workload may include any combination of courses, work, research, or special studies that the school considers sufficient to classify the student as a full-time student (within regulatory minimums). For a complete discussion of "Enrollment Status," See *The Federal Student Aid Handbook, Volume 1*.

Full-time Teacher (in TEACH) A teacher who meets the standard used by a State in defining full-time employment as a teacher. For an individual teaching in more than one school, the determination of full-time is based on the combination of all qualifying employment.

Fund A self-balancing group of accounts that consists of: assets, liabilities, revenues, expenses, and fund balance. Funds separated in a school's books are limited to specific uses and are accounted for using a double-entry bookkeeping system.

Fund-specific Basis (for FSEOG matching) In which a school establishes an FSEOG fund into which it deposits federal program funds and the required 25 percent nonfederal share. Awards to FSEOG recipients are then made from this "mixed" fund.

– G –

G5 This system, formerly GAPS is that part of the Education Central Automated Processing System (EDCAPS) that manages the grant cycle. By managing the complete grant cycle G5 provides full financial management support services in a single system. Functions supported by G5 include obligation of award authorizations, disbursement of funds, and final grant closeout. In addition, G5 controls payments for the Department's programs, including payments for FSA program grants, direct loans, and various other program-related obligations.

G5 Activity Report (Activity Report) Essentially a bank statement for a school's G5 awards that displays both cumulative and detailed information on drawdown activity, refunds, and authorization changes for each award.

G5 Award Balance Report (Balance Report) A listing of the authorizations, net draws, and available balance in G5 for each of a school's awards.

G5 Payee Hotline Department of Education office/service responsible for: assisting G5 customers, accumulating financial data, and processing G5 payments. The Hotline phone number is 1-888-336-8930.

Garnish See *Attach*.

Generally Accepted Accounting Principles (GAAP) A common set of industry standards for recording and reporting financial and economic data.

Generally Accepted Government Auditing Standards (GAGAS) Audit requirements for audits described in the U. S. General Accounting Office's publication, General Auditing Standards, (*The Yellow Book*).

General Education Development Certificate (GED) Nationally recognized equivalent of a high school diploma granted after a student has passed a standardized examination. See *The Federal Student Aid Handbook, Volume 1*.

Gift Aid Financial aid, such as grants and scholarships, that do not need to be repaid.

Grace Period The time period that begins the day after a student loan recipient ceases to be enrolled at least half time and ends the day before the loan repayment period starts. Note that a borrower who consolidates his or her loans does not receive an additional grace period. Information about grace period can be found on the promissory note for that loan.

Grade Level A student's academic class level (e.g. freshman, sophomore. etc.)

Grade Level Progression When a student advances a grade level, often with a higher annual FSA grant or loan limit. Sometimes this progression occurs in the middle of an academic year. See *The Federal Student Aid Handbook, Volume 3*.

Grade Point Average (GPA) An average of a student's grades where the grades have been converted to a numerical scale. See *The Federal Student Aid Handbook, Volumes 1 & 2*.

Graduate or Professional Student A student who—

- is not receiving FSA assistance as an undergraduate student for the same period of enrollment;
- is enrolled in a program or course above the baccalaureate level or is enrolled in a program leading to a graduate or professional degree; and
- has completed the equivalent of at least three years of full-time study either prior to entrance into the program or as part of the program itself.

Graduated Repayment A repayment schedule where the monthly payments are smaller at the start of the repayment period and become larger later on.

Grant Financial aid award that does not have to be repaid and does not have a work obligation.

The FSA grant programs are the Federal Pell Grant Program, the Federal Supplemental Educational Opportunity Grant (FSEOG) Program, and the Leveraging Educational Assistance Partnership (LEAP) Program, Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent Grant (SMART). The Teacher Education Assistance for College and Higher Education Grant (TEACH) does not have a work obligation while the recipient is a student but does carry a service obligation following completion of the educational program for which the grant was awarded.

Grant Award Number The Department of Education assigns a unique, eleven-character number to identify a grant award issued by a specific program office to a specific grantee. Each grant award has a series of codes identifying: the program office issuing the award, the CFDA code, the funding fiscal year, and the organization receiving the grant. For example, the grant award number P063P9821111 refers to a grant issued by the Pell Grant program office within the Office of Postsecondary Education during the 1998 fiscal year.

Grant SSN/Name/Date of Birth Change Report Is sent to all schools that have reported a Pell, ACG or SMART Grant recipient's attendance within the three most recent award years if there are any changes to the component's of a recipient's student identifier; SSN, name, or date of birth. The purpose of the report is to assist schools with keeping the Grant identifier information consistent and accurate. Schools must monitor the report and compare it to their existing records to make sure the student identifier is consistent across all systems.

Green Card The Resident Alien Card (Form I-551) that is commonly referred to as the "Green Card" (although it may or may not be green) that is issued by the Department of Homeland Security. See *The Federal Student Aid Handbook, Volume 1*.

Gross Income For purposes of the EFC calculation, income before taxes, deductions, and allowances have been subtracted.

Guaranty Fee A fee charged by a guarantor to a lender for each loan it guarantees. The fee is usually included in the total a borrower must repay.

Guaranteed Loan Amount For FFEL loans, the original amount, before any cancellations.

Guarantor or Guaranty Agency State or private non-profit agencies that insure student loans for lenders and administer the student loan insurance program for the federal government.

– H –

Half-time Student An enrolled student who is carrying a half-time academic workload, as determined by the school, that amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student. Special rules apply to correspondence students. See *The Federal Student Aid Handbook, Volume 1*.

Hardship See *Economic Hardship*.

Header (in a crossover payment period) When a school chooses, for a student enrolled in a crossover payment period, to use funds for the student's award from the award year in the crossover period that ends on June 30. See *The Federal Student Aid Handbook, Volume 3* for rules governing crossover payment periods.

Health Education Assistance Loan Program This loan program, no longer available, allowed health profession students to obtain loans from commercial lenders. Students in the health professions may borrow under the *Health Professions Student Loan Program (HPSL)* and they are eligible for higher annual and aggregate loan limits in the FFEL and Direct loan programs.

Health Professions Student Loan Program (HPSL) Administered by the U.S. Department of Health and Human Services, this program provides long-term, low interest loans to full-time, financially needy students pursuing a degree in the health professions. Information is available at http://bhpr.hrsa.gov/DSA/sfag/health_professions/2hpslcom-01.htm.

Heightened Cash Monitoring There are two payment methods (Cash Monitoring and Reimbursement) and three levels of heightened cash monitoring – Heightened Cash Monitoring 1 (HCM1), Heightened Cash Monitoring 2 (HCM2), and Reimbursement through which ED more closely monitors the expenditure of

federal funds by schools whose policies and procedures have been called into question. See *The Federal Student Aid Handbook, Volume 4* and *The Blue Book*.

High-Need Field A subject area in elementary or secondary education that has been designated as having a high need for teachers. Agreeing to teach in a high-need field is one of the criteria for receiving a TEACH grant. See *The Federal Student Aid Handbook, Volume 1*.

High School Equivalence For the purpose of determining a student's qualification to study at the postsecondary level, the Department recognizes several equivalents to a high school diploma. See *The Federal Student Aid Handbook, Volume 1*.

Higher Education Act (HEA) Federal legislation passed in 1965, and its subsequent amendments and reauthorizations (most recently in August, 2008) authorizing the majority of Federal postsecondary student financial aid programs and mandating that the programs be regulated and administered by the Department of Education. Approximately every five years Congress reauthorizes the act or extends the legislation for up to one additional year. The statute's most current version, as amended, is always the official version of the law.

Higher Education Reconciliation Act of 2005 (HERA) Budget reconciliation act that created two new grant programs: Academic Competitiveness Grants (ACG) and National Science and Mathematics Access to Retain Talent Grant (National SMART); and extended eligibility for PLUS loans to Graduate and Professional Students (Grad PLUS). It also made other changes to student and institutional eligibility.

Highly-qualified (in TEACH) Has the meaning set forth in section 9101(23) of the Elementary and Secondary Education Act of 1965 (ESEA) or section 602(10) of the Individuals With Disabilities Education Act .

Historically Black Colleges and Universities

(HBCU) The Higher Education Act of 1965, as amended, defines an HBCU as: “. . . any historically black college or university that was established prior to 1964, whose principal mission was, and is, the education of black Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the Department [of Education] to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation.”

Holder See *Loan Holder*.

Home School The postsecondary school where a student attending through a contractual or consortium agreement is enrolled in a degree or certificate program. In a study abroad agreement, the home school must be located in the United States. See the discussion of Written Agreements in *The Federal Student Aid Handbook, Volume 2*.

Homeschooling Elementary or secondary educational instruction outside of a state-approved facility, usually provided by parents for children at the elementary or secondary level. See the discussion of Written Agreements in *The Federal Student Aid Handbook, Volume 2*.

Host School The school where a student is taking part of his or her program requirements through either a consortium agreement, contractual agreement or study abroad program. See *The Federal Student Aid Handbook, Volume 2*.

– I –

Idle Cash All or part of previously disbursed funds if and when they are returned to the school's FSA account(s). The return may be due to a refund or the student returning a disbursement. As of July 1, 2008, these funds are now considered excess cash.

Immediate Need The funds a school needs to make FSA disbursements to students within the required three business days. Schools request funds as needed, for example, every three days, once a week, or whenever is appropriate. (Note: Immediate need does not authorize a school to maintain a federally funded cash-on-hand balance.)

Immigration and Naturalization Service (INS)

This agency has been renamed U.S. Citizenship and Immigration Services (USCIS) and is now a bureau of the Department of Homeland Security. Some FSA references still refer to INS.

Import (in EDEExpress) The Import function enables a school to select files that add or update records in the EDEExpress database or that print reports or other types of information.

Import ID (in EDEExpress) The import ID is a unique, 14-character identifier created for each batch of records at the time a file is imported into EDEExpress.

Inadvertent Overpayment Occurs when a school disburses FSA funds to a student who is no longer in attendance, for example, when a school makes a scheduled disbursement on Monday to a student who dropped out on the previous Friday. Inadvertent overpayments are included in Return calculations as Aid that could have been disbursed rather than Aid that was disbursed. See *The Federal Student Aid Handbook, Volume 5*.

Incarcerated Student A student who is serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, or other similar correctional institution. A student is not considered incarcerated if that student is in a halfway house or home detention

or is sentenced to serve only weekends. Students incarcerated in federal or state correctional facilities are not eligible to receive FSA program funds. However, students incarcerated in local correctional facilities might be eligible for Federal Pell Grant, FSEOG, and LEAP funds. See *The Federal Student Aid Handbook, Volume 1*.

Incarcerated Student Limitation A school is not eligible for FSA program participation if, in its latest complete award year, more than 25% of its regular students are incarcerated.

Incentive Compensation A salary structure upon which the Department has placed stringent controls. Schools may not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any individual or entity engaged in recruiting or admission activities or in making decisions regarding the award of FSA program funds. See *The Federal Student Aid Handbook, Volume 2*.

Incentive Repayment Program A repayment plan in the Federal Perkins Loan Program in which a school may: reduce a borrower's interest rate; discount the balance owed; or (with the Department's approval) provide other repayment incentive options. See *The Federal Student Aid Handbook, Volume 6*.

Income The amount of money received from employment (salary, wages, and tips), profit from financial instruments (interest, dividends, and capital gains), or other sources (welfare, disability, child support, unemployment benefits, Social Security, and pensions).

Income-contingent Repayment A repayment schedule available in the Direct Loan Program under which the monthly payment amount is adjusted annually, based on the total amount of the loans, the family size, and the adjusted gross income (AGI) reported on the most recently filed federal income tax return. In the case of a married borrower who files a joint income tax return, the AGI includes the spouse's income.

Income Protection Allowance An allowance to meet the subsistence expenses of a family, including food, shelter, clothing, and other basic needs. Used in federal need analysis (EFC) formula.

Income-sensitive Repayment Schedule A repayment schedule available in the FFEL Program under which the borrower's monthly payment amount is adjusted annually, based solely on the borrower's expected total monthly gross income received from employment and other sources during the course of the repayment period.

Independent Auditor An accountant who is a certified public accountant or government auditor who is qualified under both generally accepted auditing standards and government auditing standards, and who: is free from personal and external impairments to independence; organizationally independent; and who maintains an independent attitude and appearance.

Independent Student A student who at the time a FAFSA is submitted is married, is at least 24 years of age, has legal dependents, is on active duty (other than for training), is a veteran of the U.S. Armed Forces, is pursuing a graduate or professional degree, or who answers "Yes" to specific questions about his or her status as orphan, ward of the court, legal guardianship, unaccompanied homeless youth, and emancipated minor.

Individual Loan Check A draft that is payable on demand and requires the personal endorsement or other written approval of the borrower to be cashed.

Ineligible Borrower A borrower or potential borrower who does not meet federal eligibility criteria for a Stafford loan or, in the case of a graduate, professional or parent-borrower, a PLUS loan.

Inform (in the Transfer Monitoring Process) Instead of sending paper Financial Aid Transcript (FAT) requests to prior schools or checking NSLDS within the 30-day period, under the

"Inform, Monitor, Alert" process a school "Informs" NSLDS of its mid-year transfer students. See *The Federal Student Aid Handbook, Volume 1*.

Information for Financial Aid Professionals (IFAP) An FSA online database/library of current and archived FSA information/materials (e.g., technical publications, reference manuals, regulatory and policy guidance, Dear Partner and Action Letters) pertaining to the administration of FSA programs. Also provides automatic updates electronically to financial aid professionals who subscribe to this service.

Located at: www.ifap.ed.gov. A user ID and password are required to enroll for electronic updates.

Individual Recipient Basis (for FSEOG matching) The school may provide its share to each individual FSEOG recipient together with the federal share such that each student's total FSEOG award consists of 25 percent nonfederal dollars and 75 percent federal dollars. A school using this method calculates and documents on a student-by-student basis what portion of the student's FSEOG award comes from federal funds and what portion comes from nonfederal funds. See *The Federal Student Aid Handbook, Volume 6*.

In-house Control Documents Documents a school uses to meet federal record-keeping requirements for federal student financial aid programs, provide data needed for aid-related reports, and maintain a clear audit trail.

Initial Application The original electronic application data entered for a student in an award year.

Initial Certification A school's first period of participation in the FSA programs.

Initiating Official The designated department official authorized to begin an emergency action to fine a school or to limit, suspend, or terminate a school's participation in the FSA programs under 34 CFR 668.83. See *The Federal Student Aid Handbook, Volume 2*.

In School The period during which borrowers are enrolled in a postsecondary educational program. For purposes of eligibility for loan deferments (other than Perkins) a student must be enrolled at least half-time to be considered “in-school.”

Institution-affiliated organization Any organization that is directly or indirectly related to a covered institution, and is engaged in the practice of recommending, promoting, or endorsing education loans for students attending such covered institution or the families of such students. Such an organization may include an alumni organization, athletic organization, foundation, or social, academic, or professional organization of a covered institution.

Institution of Higher Education For FSA program purposes, a public or private nonprofit educational institution that meets the basic institutional eligibility criteria and:

- offers a program leading to an associate, baccalaureate, graduate, or professional degree; or
- offers at least a two-year program that is acceptable for full credit toward a baccalaureate degree;
- offers at least a one-year degree or certificate training program that leads to a degree or certificate (or other recognized educational credential) and prepares students for gainful employment in a recognized occupation; or
- awards a degree that is acceptable for admission to a graduate or professional degree program, subject to the Department’s approval.

See *The Federal Student Aid Handbook, Volume 2*.

Institutional Aid Financial assistance funded by school resources. Usually consists of grants and/or scholarships but may also include work opportunities and loans.

Institutional Capital Contribution (ICC) The portion of a school’s Federal Perkins Loan fund contributed by a school. See *The Federal Student Aid Handbook, Volume 6*.

Institutional Charges The charges for tuition and fees, room and board, and other educational expenses that are paid to the school directly. A charge does not have to appear on a student’s account to be considered an institutional charge. See *The Federal Student Aid Handbook, Volume 3*.

Institutional Liability Financial penalties or repayments that a school must pay to ED as a result of incorrect school action or actions. A liability is the difference between the actual expenditures reported by the school in G5 for an Obligation Document Number for the award year and the final allowable expenditures as determined by the auditor, program reviewer, or hearing official.

Institutional Loan Loans specific to a college, university, or other post-secondary educational institution and made from institutional funds. Eligibility and loan characteristics will vary among institutions.

Institutional Methodology A formula a college or university uses to determine financial need for allocation of the school’s own financial aid funds.

Institutional Student Information Record (ISIR) An electronic output document generated by the Central Processing System (CPS) that summarizes information provided on a student’s Free Application for Federal Student Aid (FAFSA). Also provides the result of the expected family contribution (EFC) calculation, results of eligibility matches with certain databases, reject reasons, comments, and data assumptions. ISIRs are sent to schools through the Electronic Data Exchange (EDE) to their SAIG mailbox and also available on FAA Access to CPS Online.

Insurance Fee A fee charged by FFEL guarantee agencies and the Direct Loan Program that is deducted from loan proceeds and used to insure against defaulted loans.

Interest A fee charged to the borrower for use of a loan holder's money. The borrower pays their loan holder interest in addition to repaying the principal (the sum borrowed). Usually, interest is calculated as a percentage of the principal. Interest and principal payments are usually paid monthly.

Interest Benefits The interest payments (benefits) made by ED to an FFEL Program lender on behalf of a student. These payments are based on the student's subsidized Federal Stafford Loan interest rate, but only during certain periods: the student's enrollment (at least half time), the grace period, or any authorized deferment period. Interest benefits are not paid on unsubsidized Federal Stafford Loans. See *Special allowance*.

Interest-only Payment A payment that covers only accrued interest owed on a loan and none of the principal balance. Borrowers eligible for interest-only payments are not prohibited from making additional or larger payments.

Interest Rate The percentage of a sum of money charged to a borrower for its use.

Interest Subsidy See *Interest Benefits*.

Interim Disbursements Disbursements a school can make before a student has completed verification. A school is liable for an interim disbursement for which a student turns out to be ineligible. See *The Federal Student Aid Handbook, Volume 4* and See *The Application and Verification Guide*.

Internal Revenue Service (IRS) The agency of the federal government responsible for handling tax collection. The IRS tax form is used to verify income information on the FAFSA. See *The Application and Verification Guide*.

Internships Part- or full-time opportunities to gain professional work experience while in college. Some interns are paid; others gain college credits; some receive both.

Investment Plans Educational savings programs, usually sponsored by commercial banking institutions or financial investment companies. Most are included on the FAFSA. See *The Application and Verification Guide*.

ISIR Analysis Tool Tools used to review and analyze a school's Institutional Student Information Record (ISIR) data, and better understand the verification process and the characteristics of its FSA applicant population. The ISIR Analysis Tool is accessible through the FAA Main Menu of the FAA Access to CPS Online Website.

ISIR FAA Information The ISIR section that displays for FAAs all information about a student's eligibility in one place. FAA information is printed on the third page of the ISIR following the summary of application data and is labeled "FAA Information." Descriptive labels are provided to help financial aid administrators identify reject codes, match flags, intermediate values, and so forth.

ISIR Guide Annual ED reference publication that financial aid administrators (FAAs) use to interpret student information on the Institutional Student Information Record (ISIR). It also explains codes and flags that appear in the FAA Information section of the ISIR. Located at: www.ifap.ed.gov.

Issuing Checks When schools use checks to disburse funds directly to students and parents. A check is issued if a student (or parent for PLUS Loan funds) is notified that his or her check is available for immediate pickup, or the school mails the checks to the students or parents.

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Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery/Campus Security Act) Requires all postsecondary institutions participating in FSA programs each year, by October 1, to publish and disclose campus crime statistics and security information.

Job Location and Development Program (JLD Program) Under the Job Location and Development Program, a school can use up to 10 percent or \$50,000 (whichever is less) of its annual Federal Work-Study (FWS) Program allocation to expand off-campus job opportunities (including community-service jobs) for its currently enrolled students. See *Federal Work-Study (FWS) Program* and *The Federal Student Aid Handbook, Volume 6*.

Journal A record of original accounting entries, providing a chronological record of the debit and credit elements of each transaction. As transactions occur, they are entered initially into the journal. At frequent intervals, such as daily, weekly, or at least monthly, the debits and credits recorded in the journal are transferred (posted) to the individual accounts in a ledger.

Just-In-Time Payment Method Under this payment method, a school electronically submits a request for funds up to five days before the actual date of disbursement for the Federal Pell Grant Program. The school's request includes the date and amount of the disbursement it will make or has made to each student. ED places funds in the school's bank account immediately before the funds are needed to make student disbursements. Unlike schools using the advance payment method, these schools do not receive advance authorization of funds. See *Pushed Cash* and See *The Federal Student Aid Handbook, Volume 4*.

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Late Disbursement A disbursement may be made to an ineligible student who has withdrawn or otherwise ceased attendance if the student became ineligible only because of a change in enrollment status and he or she is otherwise eligible for the funds. See *The Federal Student Aid Handbook, Volume 4*.

Late Enrollment Reporting Roster Notification Any of a series of notifications sent to a school that fails to return a submittal file to NSLDS within 30 days from the date the Enrollment Reporting Roster file was created and sent to the school.

Late Fee Charges A fee that may be assessed if a scheduled FSA loan payment is not made by the due date.

Leave of Absence (LOA) A temporary interruption in a student's enrollment, not including semester, winter or spring break, requested by the student and sanctioned by the school that meets the conditions established by ED. A student on an approved FSA leave of absence is not considered a withdrawal.

A leave of absence granted by a school that does not meet the regulatory requirements is (for FSA purposes) an unapproved leave of absence. See *The Federal Student Aid Handbook, Volume 5*.

Ledger A book of accounts in which each item of a monetary nature to be included in reports is assigned an account. Posting from a journal to the ledger results in each account having either a debit or credit balance that is shown on a particular report listing. Separate ledgers should be maintained for each program or fund.

Legal Dependent An individual whose relationship with the applicant falls into one of the following categories:

- the natural or adopted child of an applicant; or
- a person for whom the applicant is a legal guardian; or
- a person who lives with and receives more than half-support from the applicant and will receive more than half-support during the award year.

See *The Application and Verification Guide*.

Legal Guardian A person whom a court with jurisdiction in the applicant's state of residence has appointed as a guardian. See *The Application and Verification Guide*.

Legally Authorized The legal status granted to a school through a charter, license, or other written document issued by the appropriate agency or official of the state in which the school is physically located. See *The Federal Student Aid Handbook, Volume 2*.

Lender An eligible lender in the FFEL Program, the Department for the purpose of the Direct Loan Program, and a private educational lender (as defined in section 140 of the TILA for purposes of private educational loans.

Lender of Last Resort (LLR) (in FFEL) A guaranty agency (or a lender or lenders under an agreement with the guaranty agency) that provides a FFEL loan for an eligible borrower who is otherwise unable to obtain one.

Less-Than-Half-Time Student A student taking less than half the minimum course load of a full-time student as determined by the school.

Letter of Credit An instrument issued by a bank or other financial institution that serves the purpose of securing liquid funds against potential loss to the secured party. ED may require a

school to post a letter of credit for a specified amount of money for reasons such as late return of Title IV funds, weak financial condition or to secure a waiver of the annual audit requirement.

Letter of Credit Requirement If a school fails to meet the Refund Reserve Standard for returning funds in a timely manner in either of its two most recently completed fiscal years, the school may be required to submit an irrevocable letter of credit acceptable and payable to the Department equal to 25% of the returns the school made or should have made during its most recently completed fiscal year. Public schools and schools covered by a state tuition recovery fund that has been approved by the Department are not subject to the letter of credit requirements.

Level of Expenditure (LOE) The total amount of Federal Perkins Loan funds a school is allowed to use to make loans to students and to pay administrative and collection costs in a given award year. A school's level of expenditure (LOE) is calculated by ED on the basis of funds available from a school's collection of outstanding Federal Perkins Loans, the amount of Federal Capital Contribution (FCC) the school receives, and the amount of Institutional Capital Contribution (ICC) the school provides. See *The Federal Student Aid Handbook, Volume 6*.

Leveraging Educational Assistance Partnership Program (LEAP Program) A FSA gift-aid program jointly funded by the federal government and participating states. It provides state scholarship or grant assistance to students who show financial need. Formerly called the State Student Incentive Grant (SSIG) Program.

Limitation (on participation in the FSA programs) A restriction or regulatory limit on participation by a school that exceeds limits on:

- correspondence courses,
- correspondence students,
- incarcerated students, and
- students admitted without high school diploma or its equivalent.

Liquidation (Perkins) Part of the process of voluntarily ending participation in the Federal Perkins Loan Program. Liquidation requires a school to either assign all outstanding loans to ED for collection or purchase them and to return the Federal share of the cash on hand in its Loan Fund. See Dear Partner Letter CB-00-05.

Liquidation Period (in G5) The period immediately following the end of the performance period. During liquidation, no new expenditures may be made on an award, but payment requests and adjustments may still be processed for expenditures incurred during the performance period.

Loan An advance of funds guaranteed by a signed promissory note in which the recipient of the funds promises to repay a specified amount under prescribed conditions. In the FSA programs, a financial source that is available to students and their parents through student loan programs with varying interest rates and repayment provisions to supplement the family's financial resources, scholarships, and grants.

Loan Balance The total unpaid amount of a specific loan. This sum includes outstanding principal, capitalized interest, accrued interest, late charges, and any miscellaneous fees such as returned check fees.

Loan Certification (in FFEL Program) The submission of borrower data by a school indicating the intent and eligibility to borrow. Loan certification can be thought of as a loan application. See Loan Origination.

Loan Discharge An entitlement under which borrowers of FSA loans may have part of their debt discharged based on conditions outlined in the Higher Education Act, as amended. See *Cancellation* and *Forgiveness*.

Loan Disclosure Statement A statement sent to a loan borrower by the lender before or at the time a loan is disbursed, as well as before the start of the repayment period. The purpose of the disclosure statement is to provide the borrower with thorough and accurate information about the loan terms and the consequences of default.

Loan Holder The agency, financial institution, or school that “owns” a loan.

Loan Origination (in The Direct Loan Program) A school’s submission of borrower data to COD. See *Loan Certification*.

Loan Payoff Calculator An on-line feature that displays how much a borrower would save by paying off their loan immediately. There are Direct Loan payoff calculators available at www.direct.ed.gov and www.dl.ed.gov.

Loan Period The period of enrollment for which a loan application is certified or originated.

Loan Period Begin and End (in NSLDS) The date classes are (or were) to begin or end for the period covered by the loan.

Loan Rehabilitation The removal of a loan from default status after a borrower makes a minimum number of payments over a specified period of time. See *The Federal Student Aid Handbook, Volume 1*.

Local Area Network (LAN) Connects multiple PCs through a common server, enabling them to share software, files, and devices such as printers.

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Major (in NSLDS) The academic area in which a student is seeking a degree. In the SMART Grant program, a student's major course of study is also known by its Classification of Instructional Programs (CIP) code.

Mandatory Administrative Forbearance Forbearance that a lender is required to grant for periods during which the borrower is involved in a local or national emergency or military mobilization or resides in a designated disaster area. A lender is also required to grant a mandatory administrative forbearance for up to three years if the borrower's repayment period must be extended due to the effect of changes in the variable interest rate on standard or graduated repayment terms and for up to five years to accommodate income-sensitive repayment schedules. There are similar provisions in the Direct Loan Program.

Mandatory Forbearance Forbearance granted for medical or dental internships and residencies after the borrower's in-school deferment period has expired for service in AmeriCorps, for excess student loan debt burden, for participation in the student loan repayment programs as administered by the U.S. Department of Defense, and for non-medical or dental internships.

Master Calendar To assure adequate notification about, and timely delivery of, FSA program funds, ED operates using a master calendar defined in the Higher Education Act of 1965, as amended (HEA). This calendar gives specific dates by which federal forms will be developed and distributed, as well as dates campus-based funds will be allocated and Federal Pell Grant funds will be authorized for an award year. The master calendar determines the effective date for FSA regulations, based on the date of their publication. The provisions governing the Master Calendar are in *Part G, Section 481, of The Higher Education Act*.

Master Check A master check is a single check, written by a lender, that contains all the lender's FFEL Program funds for the school's borrowers for a given disbursement date. A master check must be accompanied by a list of names, Social Security numbers, and loan amounts of borrowers who are to receive a portion of the master check. See *The Federal Student Aid Handbook, Volume 4*.

Master Promissory Note (MPN) A legal document borrowers must sign before receiving a FSA loan. An MPN may be used as both a single-year and multi-year note. A borrower who elects to use the multi-year feature may obtain additional loans, based on that same note, during the same year or in subsequent years. Both schools and borrowers have the option to opt out of the multi-year feature.

By signing an MPN, a borrower promises to repay the loan, with interest, in specified installments. See *The Federal Student Aid Handbook, Volume 4*.

Master Promissory Note Manifest (MPN Manifest) (in Direct Loans) A cover sheet submitted by a school with a group of Sub/Unsub master promissory notes (MPNs) and PLUS MPNs.

Match Flag (on SAR/ISIR) Alphabetic or numeric code indicating the results of data matches the Central Processing System performs against the databases of certain federal agencies to confirm the identification and eligibility of FSA applicants.

Matriculate To enroll at a school, working toward a degree or certificate in an eligible program.

Maximum Loan Amount The maximum annual amount a student may borrow. It is based on dependency status, grade level, additional eligibility for a Health Profession Program loan, and additional unsubsidized loan eligibility. A student may borrow less than the maximum. See also *Total Annual Loan Limit*.

Merit-Based Financial aid awarded on the basis of specific accomplishments or talents rather than financial need.

Message Class (In SAIG) The part of a file name that identifies the type of records in the file. For example, message class ISRF09OP contains specific ISIRs requested from the Central Processing System (CPS).

Module A course or group of courses offered for a period of time that is different (usually shorter) than the school's quarter, term, semester or period of enrollment.

Monitor See *Transfer Monitoring Process* and *The Federal Student Aid Handbook, Volume 1*.

MPN ID The unique identifier printed on a Direct Loan MPN.

Multiple Disbursements The requirement that FSA funds, except the Federal Work-Study wages, be paid in two or more installments of approximately equal increments.

Multiple Reporting Record (MRR) A record automatically generated by the Common Origination and Disbursement (COD) System when it receives origination and disbursement records from more than one school for the same student during the same payment period. It informs a school about other schools that have submitted origination and disbursement records for the same student during that period.

The MRR is sent to all schools involved in the issue detected by the COD edit, and contains contact information (in COD via PEPS) to assist schools in resolving the reported issue. Schools must monitor MRRs and, as part of the ongoing reconciliation process, resolve the issue with the other concerned parties as soon as possible.

Schools may also request MRRs. (See also *Potential Overaward (POP)*).

Multi-Year Feature The feature of the Master Promissory Note, that allows multiple loans for the same student/borrower to link to the same MPN. Once an MPN has been accepted and remains open, schools that choose to use this feature do not have to obtain a new promissory note each academic year. A multi-year MPN expires after 10 years (sooner if no loan is made). See *The Federal Student Aid Handbook, Volume 4*.

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National Association of Student Financial Aid Administrators (NASFAA) A non-profit membership association representing financial aid professionals at colleges, universities, and career schools.

National Credit Bureau A credit reporting agency with a service area encompassing more than a single region of the country.

National Defense Student Loan Program (Defense Loans) The first of the Campus-Based loan programs. Subsequently renamed The National Direct Student Loan Program and later, the Federal Perkins Loan Program.

National Direct Student Loan Program (NDSL Program) The Campus-Based loan program that succeeded the National Defense Student Loan Program and preceded the Federal Perkins Loan Program.

National Science and Mathematics Access to Retain Talent Grant Program (SMART Grant Program) Provides grants during the third and fourth years of study to eligible undergraduate students with financial need who are pursuing eligible majors in the physical, life, or computer sciences, mathematics, technology, or engineering, or foreign languages determined to be critical to the national security of the United States.

National Service Trust A national community service program whereby students who participate in this program before attending school may be able to use Education Award funds provided by the Trust to pay educational expenses. If students participate after graduating, the funds may be used to repay their federal student loans. Eligible types of community service include education, human services, the environment, and public safety.

National SMART Grant Electronic Statement of Account (SMART ESOA) Summarizes the status of a school's Current Funding Level (CFL) as it compares to the net drawdowns for the award year. The SMART ESOA also provides: the previous CFL, CFL change amount, new CFL amount, YTD total accepted and posted disbursements, and the net drawdown payments from G5. An SMART ESOA is sent to the school's SAIG mailbox each time its CFL changes and schools can request that the last system generated ESOA be resent to their SAIG mailbox.

National SMART Grant MRR Identifies students who are in a concurrent enrollment situation (based on COD reported enrollment dates), informs all schools involved of the condition, and provides information helpful in resolving the condition. Schools must monitor MRRs and, resolve issues with the other concerned parties as quickly as possible. A SMART Grant MRR is triggered automatically by COD when a record comes in which the COD edits show creating a possible concurrent enrollment condition. The MRR is sent to all schools involved in the issue detected by the COD edit.

National SMART Grant Pending Disbursement List The National SMART Grant Pending Disbursement List produces a list of anticipated disbursements (Disbursement Release Indicator (DRI) set to false). The List can be used to monitor anticipated disbursements nearing disbursement dates to either set the DRI to true for confirmed eligible students, or to cancel the award for ineligible students. A National SMART Grant Pending Disbursement List is generated for each ACG school on a weekly basis if there is anticipated disbursement data present in COD for the week and it is sent to the school's SAIG mailbox.

National SMART Grant Reconciliation Report

Provides a one-record student summary of YTD COD processed SMART Grant disbursement records. The Report is useful for both monthly and year-end reconciliation efforts, and for identifying discrepancies in National SMART Grant disbursement totals. Schools can use the COD system to see the COD detail of accepted records and resolve the discrepancies. The National SMART Grant Reconciliation Report is sent automatically by the COD system, prior to September 30, on an annual basis, and can be requested on an ad hoc basis.

National SMART Grant YTD Record Contains detailed award and disbursement information at a transaction level. It can be requested on an individual recipient, or all recipients basis. The Record shows the number of recipients at the school; the number of award and/or disbursement records that were accepted or rejected; and, for certain edit codes, the number of times a school received that specific edit code on a response document. Due to the available detail the National SMART Grant YTD Record is a good tool for individual reconciling of student SMART Grant data. The National SMART Grant YTD Record also can be used to rebuild a school's corrupted data base.

National Student Clearinghouse Privately run organization that facilitates school reporting of degree and enrollment data.

National Student Loan Data System (NSLDS) An integrated ED system that collects and reports information about the financial aid history of students who receive FSA funds and maintains that information in an online database available to the financial aid community. The database stores information about FSA loans and grants received by students as well as information about lenders, guaranty agencies, schools and loan servicers. The CPS conducts a match of FAFSA data against this database to confirm the student's identification and eligibility for federal student financial aid. Located at: www.nslsdfap.ed.gov. A user ID and Password are required to access the database.

National Student Loan Data System Financial Aid History Section on the SAR and ISIR that reports a student's previous federal student financial aid, defaults, and overpayments. Also known as Financial Aid History. Also see *Financial Aid Transcript*.

National Student Loan Data System Transaction Number A number that appears at the end of the Match Flags section. It is the number of the last transaction on which the student's NSLDS data changed and is a signal to the financial aid administrator to review the NSLDS information on a particular transaction.

National Student Loan Data System Transfer Student Monitoring Process The three-step process FAAs use to automatically receive information from the NSLDS database pertaining to the FSA eligibility of mid-year transfer students. The three steps to the process include: Inform, Monitor, and Alert.

Nationally Recognized Accrediting Agency An agency or association the Department recognizes as a reliable authority for determining the quality of education or training offered by a school or a program offered by a school. The Department recognizes these agencies and associations under the provisions of 34 CFR part 602 and publishes a list of the recognized agencies in the Federal Register.

Need See *Financial Need*.

Need Analysis The process of determining the student's Expected Family Contribution (EFC) based on Federal Methodology (FM). See Federal Methodology. Also known as Federal (Need Analysis) Methodology.

Need-Based Financial aid awarded using financial need as the determining factor.

Negotiated Rulemaking A legislatively mandated process for developing FSA regulations that includes representatives of ED and affected communities.

Net Income Income after taxes, deductions, and allowances have been subtracted from gross income.

Net Income Ratio Under the financial responsibility regulations, the equity ratio is:

For proprietary schools:

$$\frac{\text{Income Before Taxes}}{\text{Total Revenue}}$$

For private, nonprofit schools:

$$\frac{\text{Change in Unrestricted Net Assets}}{\text{Total Unrestricted Revenue}}$$

For further definitions and other details, refer to 34 CFR 668–Subpart L, Appendix A (proprietary) and Appendix B (private, nonprofit).

See *The Federal Student Aid Handbook, Volume 2*.

(The) **90/10 Rule** To be eligible for FSA participation, a proprietary institution may derive no more than 90% of its revenues from the FSA programs. See *The Federal Student Aid Handbook, Volume 2*.

Nonfederal Audit A school financial statement and/or compliance audit conducted by an independent public accountant (as defined by the audit standards of the U.S. General Accounting Office) who has been hired by the school. Also called an *Independent Audit* or an *OMB Circular A-133 audit*.

Nonfederal Share The portion of campus-based program funds that a school must contribute from a nonfederal source (usually the portion comes from the school itself). Sometimes called the *Nonfederal Match*.

Nonfederal Share of FSEOG Methods of Matching There are three methods by which a school may meet the 25 percent nonfederal share requirement for FSEOG: Individual, Aggregate, and Fund-Specific. See *The Federal Student Aid Handbook, Volume 6*.

Non Need-Based Aid Assistance based on criteria other than need, such as academic, musical, or athletic ability. Also, refers to FSA programs where the expected family contribution (EFC) is not part of the eligibility determination.

Nonparticipating School A school that has established its eligibility for FSA programs but elected not to participate in them. Designation as an eligible, nonparticipating school may qualify a school or its students for non-FSA programs, such as the HOPE and Lifetime Learning Tax Credit. In addition, only students attending eligible schools qualify for in-school deferments of payments on their FSA loans. See *The Federal Student Aid Handbook, Volume 2*.

Nonprofit institution A school that –

- is owned and operated by one or more nonprofit corporations or associations;
- is legally authorized to operate as a nonprofit organization by each State in which it is physically located; and
- is determined by the U.S. Internal Revenue Service to be an organization that qualifies for this status under section 501(c)(3) of the Internal Revenue Code (26 U.S.C. 501(c)(3)).

See *The Federal Student Aid Handbook, Volume 2*.

Nonstandard Terms Terms that are not semester, trimester, or quarter terms.

Non-Subsidized Loan A loan that is not eligible for federal interest benefits. The borrower is responsible for paying the interest on the outstanding principal balance of a non-subsidized loan throughout the life of the loan. During the in-school, grace, and deferment periods, these interest payments are normally made on a monthly or quarterly basis, or are capitalized.

Non-Taxable Income See *Untaxed Income*.

Non-term A program that measures progress in credit hours is considered to be using a non-term calendar if it has: courses that do not begin and end within a set period of time; courses that overlap terms, self-paced and independent study courses that overlap terms, or sequential courses that do not begin and end within a term. If a program measures progress in clock hours, it is always treated as a non-term program. See *The Federal Student Aid Handbook, Volume 3*.

Notice of Proposed Rulemaking (NPRM) Notice printed in the Federal Register of proposed regulations from a government agency, such as ED. Interested parties are invited to submit comments and recommendations about proposed regulations.

Notification of Disbursement Providing information to FSA recipients of pending disbursement of FSA funds.

General Disbursement Notification A school must notify a student of the amount of funds the student and his or her parent can expect to receive from each FSA program, including FWS, and how and when those funds will be disbursed. This notification must be sent before the disbursement is made.

Loan Notification Except when loan funds are being credited to a student's account, as a post-withdrawal disbursement, a school must notify the student or parent in writing of the: anticipated date and amount of the disbursement; the student's (or parent's) right to cancel all or part of the loan or disbursement (not required if issuing a paper check under the FFEL program); and procedures and the time by which the student (or parent) must notify the school that he or she wishes to cancel the loan or disbursement.

Numeric Equivalent A numeric value assigned to represent information given in a non-numeric form, e.g., January may be equated with 1, February with 2, etc. Also, for school programs that do not use a standard grading system where A = 4.0, this refers to the conversion of the non-standard grades to the 4.0 scale.

O

Object Class (OC) Also referred to as Objective Classification, this is a method of recording financial transactions in terms of the nature of the services or articles for which obligations are first incurred. This method is prescribed by the OMB circular A-12 and the Department of Treasury circular 1073. It is used throughout the federal government when submitting budgets.

Obligation An encumbrance of funds issued by the Department of Education to a grantee in support of education projects.

Off-Campus Agreement (in FWS) A written agreement between a school and an off-campus organization to employ FWS students. See *The Federal Student Aid Handbook, Volume 6*.

Office of Postsecondary Education (OPE) The office with the U.S. Department of Education that develops policies and regulations governing the FSA programs. OPE directs, coordinates, and recommends policies for programs that are designed to provide financial assistance to eligible students; improve postsecondary educational facilities and programs; recruit and prepare disadvantaged students for postsecondary programs; and promote the domestic study of foreign languages and international affairs, research, and exchange activities.

Office of Postsecondary Education Identifier (OPE-ID) An eight-digit identification number assigned by ED's Office of Postsecondary Education to an institution that has been approved to participate in FSA programs. Schools that don't administer Title IV funds but want their students to qualify for in-school deferments and are approved as Title IV, HEA eligible institutions also are assigned an OPEID number. Additional locations of a school are designated by the last two digits of the OPEID (e.g., the OPEID of a school's main campus is 00163900; while the OPEID of the school's additional location is 00163901).

Officer A director or trustee of a covered institution or institution-affiliated organization, if the director or trustee is treated as an employee of the institution or organization.

OMB Circular A-133 A publication published by the Office of Management and Budget (OMB) that gives specific guidelines under limited circumstances to nonprofit postsecondary schools on procedures for conducting an audit. For A-133 audits, the auditor is required to report only audit findings of noncompliance.

(FSA) **Ombudsman** An office within Federal Student Aid that is a resource for borrowers to use when other approaches to resolving student loan problems have failed.

Operator-Assisted Mode One of the two modes schools and other G5 recipients use to request funds from G5 under the automated clearinghouse (ACH). As the name implies, recipients speak directly to an operator to request funds. Compare *Automated Voice Response (AVR)*.

Operations Services Name of the Office within Federal Student Aid that oversees the collection of grant overpayments and defaulted student loans.

Order of Return of Title IV Funds A federally prescribed order of returning funds resulting from return of Title IV funds calculation. See *The Federal Student Aid Handbook, Volume 5* and 34 CFR 668.22.

Original Social Security Number (Original SSN) The Social Security number (SSN) reported by the student on his or her initial FAFSA application. If the student corrects his or her SSN, the student's correct SSN appears in the Current Social Security number field on any future FAFSAs, but the Original SSN remains the same.

Original Student ID The original student ID is the student's original Social Security number (SSN) followed by the name code and transaction number. The original student ID is also sometimes called the trankey. The Original SSN is a component of the student identifier in the COD system, and remains so even if the student later corrects it. (See *Current Social Security Number*.)

Origination The process by which a school reports to the COD System that it is submitting grant or loan award information.

Origination Fee A fee charged a borrower to help defray the cost of making a FFEL or Direct loan.

Origination Record (in COD) A Common Record containing student or borrower identifiers and other demographic, award, and disbursement information.

Orphan The student is an orphan if both parents are dead and the student doesn't have an adoptive parent. Such a student is considered an orphan even if she has a legal guardian.

Output Document The Student Aid Report (SAR), electronic Student Aid Report (eSAR), ISIR, or other document or automated data generated by the Central Processing System (CPS) after processing a Free Application for Federal Student Aid (FAFSA).

Outstanding Principal Balance Amount (in NSLDS) The cumulative dollar value remaining due on a loan. If the field is preceded by an exclamation mark, the amount may include capitalized interest and/or other fees.

Outside Resources Assistance awarded to students by organizations outside of the school, for example: scholarships, alternative loans, vocational rehabilitation benefits, and veterans' benefits.

Overaward Any FSA assistance awarded in excess of the amount the student is eligible to receive.

Overaward Tolerance Threshold An amount in excess of a student's eligibility that a student receiving Campus-Based funds can receive without penalty so long as the overaward occurs after the Campus-Based aid has been packaged and the package contains no ACG or National SMART Grant funds. Currently the overaward tolerance is \$300.

Overpayment FSA funds paid to a student in excess of the amount the student is eligible to receive. Except for Federal Work-Study funds a student has earned, unless adjustments can be made to eliminate the overpayment within the same award year, either the student or school must repay an overpayment.

Overpayment Flag (On the SAR/ISIR) Indicate that an overpayment appears on the student's NSLDS record for ACG, Pell, FSEOG, Perkins, or National SMART Grant. The flags are D – Deferred; N – N/A; S – Satisfactory Payment Arrangements; F – Fraud; W – Waived; Y – Overpayment exists.

Overpayment Indicator (in NSLDS) The code identifying the status of the overpayment. Codes include – *Overpayment, Repaid, Satisfactory Arrangement Made, and Fraud.*

Overpayment Source (in NSLDS) The code identifying where an overpayment is being held, including:

- *Transfer* (DCS) – When a school has transferred an overpayment to the U.S. Department of Education's Debt Collection Service.
- *School* (SCH) – Whenever a school is attempting to add a new, or update an existing overpayment record;
- *ED Region* – The debt is now held by one of the U.S. Department of Education's Debt Collection Service regional offices.

Overpayment Type (in NSLDS) The FSA program (Perkins, SEOG, Pell, Academic Competitiveness Grant, or National SMART Grant) for which the student has received an amount in excess of what the student is eligible to receive.

Override A flag the financial aid administrator sets on a student record in FAA Access to CPS Online to instruct the Central Processing System (CPS) to use school-provided data provided in processing the student's record and calculating the expected family contribution (EFC).

– P –

Packaging The process of determining the types and amounts of financial aid awards – loans, grants, scholarships, and employment – and offering those awards to a student. See *The Federal Student Aid Handbook, Volume 3*.

Paper Secondary Confirmation (in DHS match) Process used when a school has conflicting information about a student’s immigration status. See *The Federal Student Aid Handbook, Volume 1* and *The Application and Verification Guide*.

Parent A student’s biological or adoptive mother or father or the student’s stepparent, if the biological parent or adoptive mother or father has remarried at the time of application.

Parent Contribution The financial amount parents can be expected to contribute each year to the cost of the student’s education. The result of the EFC calculation performed by the CPS.

Participating Institution An eligible institution that meets the standards for participation in Title IV, HEA programs in subpart B and has a current program participation agreement with the Department.

Part-time Student One who attends a school on less than a full-time basis as defined by the school.

Pass-through Charges Fees for institutional housing or board provided by a Third-Party under contract with a school that may be paid with FSA funds.

Passive Confirmation Process in which a school does not disburse a loan made under an MPN until the borrower is notified of the proposed loan package and the time given to the borrower to respond has elapsed. The borrower only needs to take action if he or she wants to decline the loan or make adjustments to the type or amount of the loan. See *Active Confirmation* and *The Federal Student Aid Handbook, Volume 4*.

Past Due Amount The current amount delinquent on the loan.

Payee (in G5) The recipient (organization or individual) of Department of Education funds who is responsible for accounting for those funds. The payee may be a single entity, such as a college, or a central finance office which requests funds and prepares financial reports for several organizations within its system.

Payment (in G5) Funds deposited into payees accounts. The payment must be disbursed within three business days.

Payment Analyst An FSA employee who ensures that schools placed on the Reimbursement Payment Method have accurately determined the eligibility of and payment to each student for whom a school has submitted data. Formerly referred to as “Reimbursement Analyst.”

Payment Data An electronic record that is provided to the Department by a school showing student disbursement information.

Payment Period An academic term or other subdivision of an academic year for which financial aid funds are paid to a student. See *The Federal Student Aid Handbook, Volume 3 & Volume 4*.

Payment Trigger Flag See *Disbursement Release Indicator*.

Payoff Amount (in DL) The total loan amount required to pay off a specific loan. Includes the loan principal, capitalized interest, borrower accrued interest, billed interest, any late charges, any returned check charges, any refinancing fees, and any collection costs. It is calculated based on what the accrued interest will be 10 days from the date the payoff amount is requested. This is to allow time for the borrower to forward a check in the mail and not leave a small outstanding balance.

Payoff Date The date on which the loan payoff calculation is based. The ending principal balance, interest, fees, etc. are combined to determine the final payment amount.

Peak Enrollment Period Occurs when at least 25 percent of a school's students start classes during a given 30-day period. A school is given some leeway under the excess cash rules during this period. See *The Federal Student Aid Handbook, Volume 4*.

Peer Evaluation An objective review of a school's policies, procedures, and practices by a financial aid administrator from another school or by a consultant. Peer evaluations allow first-hand observations and comparisons of how comparable schools carry out financial aid responsibilities.

Pell Grant Funded Disbursement List (For Pushed Cash/Just-in-Time (JIT) Funded Schools) Provides Pushed Cash funded schools with a list of disbursements that have been funded. It also allows JIT schools to monitor those actual (DRI = true) Pell disbursements accepted and posted to COD that have been funded. The List is automatically sent to schools SAIG mailbox daily if any new data is on file in COD.

Pell Grant Multiple Reporting Record (MRR) An MRR is triggered automatically by COD when a record comes in that the COD edits show as creating a possible concurrent enrollment or **Pell Grant Potential Overaward** condition. The Pell Grant MRR is sent to all schools the COD edits detect are involved in the issue and contains information about a student's origination and disbursement status at all schools. Schools must monitor MRRs as part of the ongoing reconciliation process, and resolve the issue with the other concerned parties as soon as possible. See *Pell Grant Potential Overaward Process (POP) Report*.

Pell Grant Payment Schedule Chart posted annually on the IFAP Website through which financial aid administrators can combine a student's Pell Grant cost of attendance, EFC, and enrollment status in order to determine the student's Pell Grant award.

Pell Grant Pending Disbursement List This list is automatically generated by COD and sent to a school's SAIG mailbox. It produces a listing of anticipated disbursements (Disbursement

Release Indicator (DRI) set to false) and actual disbursements (DRI = true) with dates set 8 to 30 days in the future. The List can be used to monitor anticipated disbursements nearing disbursement dates to either set the DRI to true for confirmed eligible students, or to cancel the award for ineligible students. The List also can be used to monitor awards scheduled for upcoming disbursements to determine current eligibility.

Pell Grant Potential Overaward Process (POP) Report On a weekly basis, the Report is automatically sent to the SAIG mailbox of all schools that have reported disbursements for students who are in, or have been in, an overaward situation for the award year. The Report lists all students who are currently in a POP situation, students who have been (but are no longer) in a POP situation, and all schools involved in the POP situation. The Report can also be requested over the COD Website, and will provide data as of the previous night's processing. See *Pell Grant Multiple Reporting Record*.

Pell Grant See *Federal Pell Grant Program*

Pell Grant Reconciliation Report Sent annually by COD just prior to the close of the Award Year (September 30), the Report provides a one-record per student summary of the total YTD Pell Grant disbursements in COD. Pell Grant Reconciliation Reports can also be ordered by a school over the COD web and are useful for both monthly and year-end reconciliation.

Pell Grant Verification Status Report Provides a list of students selected by the CPS for verification who have either a 'blank' or 'W' verification status in COD. Students whose verification status is "W" must be updated to be reconciled. Students whose verification status is "blank" must be updated to be disbursed. COD automatically sends the Report to the school's SAIG mailbox on a monthly basis through the last day of December for the award year ending on July 31.

Pell Grant Year-to-Date (YTD) Record Contains detailed award and disbursement information at a transaction level. Pell Grant YTD Records are not automatically generated by COD; they are triggered only by school requests. They can be requested on a per student, or all students, basis and they are a good tool for reconciling of student Pell data and rebuilding a school's corrupted data base. On an "all student" basis, the Pell Grant YTD Record shows the number of recipients at the school; the number of award and/or disbursement records that were accepted, corrected, and rejected; and, for certain edit codes, the number of times a school received that specific edit code on a response document.

Percent (%) Eligibility Used Scheduled Award (ACG SMART) The percent of his or her ACG/SMART eligibility the student has used across award years for a specific grade level. The percentage is calculated by summing all of the accepted disbursements across all award years and all schools for a specific Grade Level and dividing by the Scheduled Award Amount for a specific grade level and award year. See *The Federal Student Aid Handbook, Volume 3*.

Percent (%) Scheduled Award Used by Award Year (Pell) The percent of his or her Pell eligibility a student has used in an award year. The percentage is calculated by summing all of the accepted disbursement records for a student within an award year across all schools and dividing that amount by the Scheduled Federal Pell Grant Award for the student for the award year. See *The Federal Student Aid Handbook, Volume 3*.

Performance-Based Organization (PBO) In the U.S. government, a PBO is an agency or office that is formally designated and granted authority to deviate from Government-wide rules if this is needed to achieve agreed-upon results. A PBO sets forth clear measures of performance and holds the head of the organization clearly accountable for achieving results. The head of a Performance Based Organization is its chief operating officer (COO). Federal Student Aid was designated a Performance Based Organization (PBO) in 1998.

Performance Period (in G5) Period of time between the grant award begin date and the grant award end date during which the grantee satisfies the requirements of the grant award. During this time, a payee may make expenditures, request funds, modify payment requests, and adjust drawdown amounts on the award. Once the performance period ends, a grant award begins the closeout process.

Period of Enrollment The period for which a Stafford or PLUS loan is intended. The period of enrollment must coincide with a bona fide academic period established by the school for which institutional charges are generally assessed (e.g. semester, trimester, quarter, length of the student's program or academic year). Also referred to as the loan period.

Perkins Loan Program See *Perkins Loan Program*.

Personal Identification Number (PIN) An identifier that allows students and parents to access their personal information in ED systems. The PIN is also used to electronically sign the FAFSA and make corrections electronically to data submitted on the form. A PIN should always be protected, and never provided to anyone other than the person for whom it was created.

Plain Language Disclosure (PLD) (in Direct Loans/FFEL/Perkins) An abbreviated version of a *Statement of Borrower's Rights and Responsibilities* provided to a borrower receiving a new loan under the multi-year feature of an Master Promissory Note. A PLD does not contain any loan specific information. (See also *Disclosure Statement*.)

PLUS Loan See *Federal PLUS Loan*

Policies And Procedures Manual An in-house manual that helps a school effectively and consistently manage financial aid using a set of written policies and procedures. Although ED does not require such a manual, it recommends

that a school compile one since FSA regulations require schools to have, maintain, and disclose certain written policies. See the *Policies and Procedures Assessment and Assistance Tool* on IFAP and *The Blue Book*.

Portable Document Format (PDF) A file format developed by Adobe Systems, Inc. PDF that can be used to share text and graphic documents with readers who may have different software, hardware, and operating systems. Using Adobe® Reader®, a free product that can be downloaded from the Adobe® Website, one can view a PDF document without having the same software and fonts as the computer on which the document was created. Most FSA publications are posted to the IFAP Website in the PDF format.”

Post-baccalaureate Program A program of instruction for individuals who have completed a baccalaureate degree. Some Post-baccalaureate Programs qualify for Pell and TEACH grants.

Posting In accounting, transferring debits and credits from a journal to the proper control and subsidiary ledger accounts. Each amount recorded in the debit column of a journal is posted by entering it on the debit side of the appropriate ledger account, and each amount recorded in the credit column of the journal is posted by entering it on the credit side of the appropriate ledger account.

Postscreening A process subsequent to pre-screening whereby the NSLDS database is scanned regularly to check for changes to the eligibility of FSA applicants identified for *transfer monitoring*. These changes include loan aggregates and the student’s moving into or out of a default or overpayment status, and are reported to the CPS. The CPS then creates new record transactions and generates new SARs and ISIRs.

Postscreening Reason Code (On SAR/ISIR)

Codes listed in the NSLDS Postscreening Reason Code field that help schools identify students whose FSA eligibility may have changed since the last SAR/ISIR transaction was produced.

Postsecondary Education Participants System (PEPS) The FSA’s management information system for all organizations that have a role in administering FSA and related Higher Education Act programs. It maintains eligibility, certification, demographic, financial, review, audit, and default rate data about schools, lenders and guarantors participating in the FSA programs.

Postsecondary Institution An institution providing education beyond the high school level. The term refers to trade and technical schools, two-year colleges, community colleges, and four-year colleges and universities.

Postsecondary Vocational Institution A public or private nonprofit educational institution that is otherwise eligible to participate in the FSA programs and that offers at least:

- a 15-week undergraduate program (of 600 clock hours, 16 semester or trimester hours, or 24 quarter hours); or
- a 10-week program (of 300 clock hours, 8 semester or trimester hours, or 12 quarter hours) that is also a graduate/professional program or that admits only students with an associate degree or equivalent; or
- a 10-week undergraduate program (of 300-599 clock hours) that admits at least some students without an associate degree or equivalent and meets some specific qualitative standards (such a program is eligible for FFEL and Direct Loan participation only).

See *The Federal Student Aid Handbook, Volume 2*.

Post-withdrawal Disbursement A disbursement a school is required to make or offer, as appropriate, to a student who has withdrawn from school that the student has earned as determined by a Return of Title IV Aid calculation.

Potential Overaward Process (POP) An electronic process that sends an alert to a school's SAIG mailbox when it appears that a student may be receiving more than a full Scheduled Pell Grant or simultaneous Pell disbursements at two or more schools. The COD System allows a potential overaward situation to exist for 30 days before reducing all of the students Pell Grant disbursements for that award year to zero.

Poverty Line The official poverty line defined by the Office of Management and Budget (OMB) based on the most recent data available from the Bureau of the Census.

Preaccredited A status that a nationally recognized accrediting agency, recognized by the Department to grant that status has accorded an unaccredited public or private nonprofit institution that is progressing toward accreditation within a reasonable period of time. See *The Federal Student Aid Handbook, Volume 2*.

Preeacquisition Review A review performed when a school submits an E-App a school 45 days prior to undergoing a change in ownership. The review determines whether the school has answered all the questions completely and accurately. See *The Federal Student Aid Handbook, Volume 2*.

Preferred Lender Arrangement An arrangement or agreement between a lender and a covered institution, or an institution-affiliated organization of such covered institution, (1) under which the lender provides or otherwise issues education loans to students attending such covered institution or the families of such students and (2) involves the covered institution or institution-affiliated organization recommending, promoting, or endorsing the lender's education loan products. Such an arrangement does not include an institution participating in the Direct Loan Program or arrangements or agreements under the PLUS auction pilot program.

Preferred Lender List Annually updated list of (at least three) lenders provided by a school of lenders that make FFEL loans to a school's students. See *The Federal Student Aid Handbook, Volume 2 & 4*.

Pre-paid Debit Card See *Stored Value Card*.

Prepaid Tuition Plan A college savings plan that is guaranteed to rise in value at the same rate as college tuition. See *The Federal Student Aid Handbook, Volume 2*.

Preparatory Coursework Prepares a student for entry into a given program of study. The courses must be part of an eligible program otherwise offered by the school. If enrolled at least half time in these prerequisite courses, a student might eligible to receive some types of FSA assistance.

Prepayment Paying off all or part of a loan before it is due.

Prescreening The initial match of FAFSA data that CPS performs against the NSLDS database to identify applicants for federal student financial aid who are in default on an existing Title FSA loan; who owe overpayments on Federal Pell Grants, FSEOGs, and/or Perkins Loans; or who have exceeded maximum loan limits. Prescreening is performed before the CPS processing of FAFSA data is complete.

Primary Accreditor Typically an accrediting agency whose scope is institution-wide rather than only programmatic. A participating institution must advise the Department which accrediting agency it wants to serve as its primary accrediting agency for the purpose of FSA eligibility. See *The Federal Student Aid Handbook, Volume 2*.

Primary EFC The expected family contribution (EFC) that appears on the first page of the Student Aid Report (SAR) or Institutional Student Information Record (ISIR). It is the highest priority system-calculated EFC. If the simplified

needs test is met, the primary EFC will be calculated using a simplified formula. If the simplified needs test is not met, the primary EFC will be calculated using the full data formula.

Primary Reserve Ratio Under the financial responsibility regulations, the primary reserve ratio is:

For proprietary schools:

$$\frac{\text{Adjusted Equity}}{\text{Total Expenses}}$$

For private, nonprofit schools:

$$\frac{\text{Expendable Net Assets}}{\text{Total Expenses}}$$

For further definitions and other details refer to 34 CFR 668–Subpart L, Appendix A (proprietary) and Appendix B (private, nonprofit). Also see *The Federal Student Aid Handbook, Volume 2*.

Principal The amount of a loan on which interest is calculated.

Principal Balance The amount that remains outstanding amount on a the loan. As the loan is repaid, a portion of each payment is used to satisfy interest that has accrued and the remainder of the payment is applied to the outstanding principal balance.

Prior-year Recoveries Funds a school recovers in a given award year from money disbursed in prior award years. Schools must adjust award expenditures and administrative cost allowances (ACAs) in award years in which recoveries are made. See *The Blue Book*.

Priority Deadline The latest date at a school that students who apply for financial aid for the award year can apply for aid and be able to receive maximum consideration for institutional funds. Many schools award the bulk of their institutional financial aid to students who apply by this deadline.

Privacy Act of 1974 Federal law that ensures the confidentiality of information gathered from individuals in association with such governmental programs as the Federal Pell Grant Program. Also see *FERPA* which governs the privacy of educational records. See *The Federal Student Aid Handbook, Volume 2*.

Private Loans A loan provided by a private educational lender that is not a Title IV loan, is issued expressly for the postsecondary educational expenses of the borrower regardless of whether the loan is provided through the educational institution that the subject student attends or directly to the borrower from the private educational lender, and does not include an extension of credit under an open end consumer credit plan, a reverse mortgage transaction, a residential mortgage transaction, or any other loan that is secured by real property or a dwelling.

Private, Nonprofit Institution A school under private control that was not established for the purpose of making a profit. See *The Federal Student Aid Handbook, Volume 2*.

Processed Edit Codes These codes communicate unique messages from the Common Origination and Disbursement (COD) System when a school's reported student payment data is found to be in error or inconsistent with related data. See the *2008-2009 Common Origination and Disbursement (COD) Technical Reference* for a current list of processed edit codes.

Processing Period The time allowed for completing the processing financial transactions for Title IV funds for one award year. Example: For the award year July 1, 2009 to June 30, 2010 the financial aid processing period is January 1, 2009 through September 30, 2010.

Professional Degree A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. Examples of a professional degree include but are not limited to Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), and Theology (M.Div., or M.H.L.).

Professional Judgment (PJ) A provision in the Higher Education Act that allows financial aid administrators to:

- override the student's dependency status to make the student independent;
- adjust the components of the student's cost of attendance; and
- adjust the data elements used to calculate the student's Expected Family Contribution (EFC).

Professional judgment must be used only on a case-by-case basis, and the reason must be documented in the student's file.

Program Participation Agreement (PPA) A written agreement that must be signed by both a top official at a school and ED that permits the school to participate in one or more FSA programs. The signed agreement makes the school's initial and continued eligibility to participate in FSA programs conditional on compliance with all provisions of the applicable laws and program regulations. This agreement may have to be updated periodically due to changes at the school. Schools must apply for recertification at regular intervals.

Program Records Those a school must maintain that reflect its general administration of the FSA programs including, for example: information included on any application for FSA funds; the school's approval to participate in the FSA programs; the FSA eligibility of the school's pro-

grams of education; the school's administration of the FSA programs; and the school's administrative capability and financial responsibility. See *The Federal Student Aid Handbook, Volume 2*.

Program Review An audit-like examination by ED or a guaranty agency of a school's compliance with federal laws and FSA regulations and its own school policies. The process may also review the school's overall management and administrative capabilities.

Program Review Exceptions School policies, procedures, or actions cited in a program review report as being contrary to federal laws or regulations that govern the FSA programs. Also referred to as *Findings*.

Promissory Note (P-Note) The promissory note is the legally binding document that is evidence of a borrower's indebtedness. See *Master Promissory Note*.

Prompt Disbursement Schools that are not receiving federal cash from the Department through one of the heightened cash monitoring payment methods must make disbursements as soon as administratively feasible but no later than 3 business days after receiving funds from the Department.

Proprietary Institution of Higher Education (Proprietary School) A private for-profit educational institution that is otherwise eligible to participate in the FSA programs, and that offers at least:

- a 15-week undergraduate program (of 600 clock hours, 16 semester or trimester hours, or 24 quarter hours); or
- a 10-week program (of 300 clock hours, 8 semester or trimester hours, or 12 quarter hours) that is also a graduate/professional program or that admits only students with an associate degree or equivalent; or

- a 10-week undergraduate program (of 300-599 clock hours) that admits at least some students without an associate degree or equivalent and meets some specific qualitative standards (such a program is eligible for FFEL and Direct Loan participation only).

See *The Federal Student Aid Handbook, Volume 2*.

Proration A reduction of the standard annual loan limit for an undergraduate student. Proration of the loan amount is required if the student's program, or the remainder of the student's program, is less than a full academic year in length. See *The Federal Student Aid Handbook, Volume 3*.

Provisional Certification Rather than granting full approval to participate, the Department may grant a school conditional approval to participate in the FSA programs for up to three complete award years. This level of approval is granted at the Department's discretion. See *The Federal Student Aid Handbook, Volume 2*.

Public Institution A school maintained at public expense and under public control. See *The Federal Student Aid Handbook, Volume 2*.

Pushed Cash The delivery method associated with the Just-in-Time payment method. Based on accepted actual disbursements submitted by a school and accepted by COD, funds are automatically deposited in the school's bank account without the school submitting a drawdown request. For Direct Loans, an origination record and accepted MPN is required before an actual disbursement is accepted and cash pushed to the school. (Applicable to schools in the Direct Loan Program, some schools receiving Pell Grant funds, and schools on the reimbursement Payment Method.)

– Q –

Qualified Drug Rehabilitation Program A program through which a student denied eligibility for conviction of possession or sale of drugs can regain eligibility for FSA funds. See *The Federal Student Aid Handbook, Volume 1*.

Qualified Education Benefits The HERA grouped qualified tuition programs ((QTP), also known as section 529 plans because they are covered in section 529 of the IRS tax code) and Coverdell education savings accounts in the new category of qualified education benefits. These savings vehicles are all considered an asset of the owner (not the beneficiary because the owner can change the beneficiary at any time). Effective July 1, 2009, when the owner is a dependent student, the value of the asset is reported as a parental asset. See *The Application and Verification Guide*.

Qualitative Standard One of the standards a student must satisfy in order to be considered making satisfactory academic progress. This standard consists of grades or comparable factors that are measurable against a norm. See *The Federal Student Aid Handbook, Volumes 1 & 2*.

Quality Assurance Program (QA Program) Helps schools attain, sustain, and advance exceptional student aid delivery and service excellence. You can find it at: <http://www.ifap.ed.gov/qahome/Default.html>

Quantitative Standard One of the standards a student must satisfy to be considered making satisfactory academic progress. This standard includes a maximum time frame in which a student must complete his or her educational program. The school's academic progress policy must divide the maximum time frame into equal evaluation periods called *increments* that can't be longer than half the program or one academic year, whichever is less. See *The Federal Student Aid Handbook, Volume 2*.

Quarter A standard of measurement in higher education used to group weeks of instructional time in the academic calendar. A quarter academic term is usually 10 to 12 weeks long, and a traditional quarter calendar generally includes three quarters in the fall, winter, and spring (and often a summer quarter as well). Students successfully completing a course earn quarter credits.

– R –

Real and Reasonable Opportunity When a school can document that required course materials are available for purchase at a relatively convenient location unaffiliated with the school; and that the school provides financial aid funds in a way and at a time that made it possible for a student to purchase the required materials in a timely manner. If a student has a real and reasonable opportunity to purchase materials at an unaffiliated location, the materials are not institutional charges (e.g. in a Return calculation).

Reallocation The release, back to the federal government, of Campus-Based funds that will not be used during the period for which the funds were allocated. A *Supplemental Allocation* may then provide additional funding to schools in need of additional Campus-Based funds.

Reauthorization The process of extending current authorizing legislation. It is generally conducted every five to six years in the case of the Higher Education Act (HEA), at which time Congress reviews and then renews, terminates, or amends existing programs.

Receipt (in COD) An electronic notification COD sends to schools indicating that the COD system has received a school's Common Record and that it is readable and complies with the Extensible Markup Language (XML) schema. The receipt is sent after the Common Record is received by the COD System, but before actual processing of the Common Record.

Recertification The process through which a school that is presently certified to participate in the FSA programs applies to have its participation extended beyond the expiration date of its current Program Participation Agreement (PPA) and Eligibility and Certification Approval Report (ECAR).

Recipient System Lists of all organizations doing business with the Department of Education. The system maintains each organization's name, address, and D-U-N-S Number or SSN.

Recognized Equivalent of a High School Diploma For FSA purposes, a General Education Development Certificate (GED or other documentation of readiness for postsecondary education as defined by regulation. See *The Federal Student Aid Handbook, Volume 1*.

Recognized Occupation For purposes of FSA program eligibility, an occupation that is –

- listed in an “occupational division” of the latest edition of the Dictionary of Occupational Titles, published by the U.S. Department of Labor; or
- determined by the Department in consultation with the Department of Labor to be a recognized occupation.

See *The Federal Student Aid Handbook, Volume 2*.

Reconciliation File/Report A one-record summary of the award and disbursement data in COD for an individual Pell Grant recipient.

Reconciliation of Cash A confirmation that the cash amount shown in a school's accounting records agrees with the cash amount reported by the school's bank.

Reconciliation of Federal Funds Balancing the school's records of federal funds received, expended, and returned against ED's records. Reconciliation should be performed monthly to ensure that reported expenditures, the trial balance, ED's year-to-date summary for the Pell Grant Program, the school's FISAP (Fiscal Operations Report and Application to Participate) for the campus-based programs, and any other allocation (other than FSA funds) are in agreement. There should also be a yearly reconciliation of the same items included in a school's nonfederal audit.

Record Layout (RL) A list of the field definitions for data records, including field numbers, field lengths, field descriptions, valid values, start positions, and end positions. The layouts for records transmitted to and received from the Central Processing System (CPS) and Common Origination and Disbursement (COD), can be found in the *Electronic Data Exchange (EDE) Technical Reference* and the *COD Technical Reference*. The record layouts used to transmit data to and from mainframe systems, Import External Add and Import External Change, are available in the *EDE Technical Reference*, the *COD Technical Reference*, and *Packaging Technical Reference*. Available for at fsadownload.ed.gov.

Record Retention Period The length of time for which a school is required to retain and make available for review records pertaining to its administration of the FSA programs. In general three years from the end of the award year, but the starting point for all record retention is not the same, and some records (e.g. loan records) must be retained for much longer periods. See *The Federal Student Aid Handbook, Volume 2*.

Reference An individual to whom inquiries may be made regarding another person's character, ability, or whereabouts. A lender generally will ask a borrower to provide the names, phone numbers, and addresses of individuals to be used as references for the borrower. In the event that the lender loses track of the borrower's whereabouts, the lender will contact these individuals to try to find the borrower.

Referring an Overpayment When a school assigns a student's overpayment to ED's Borrower Services for collection.

Refund The return of interest or excess cash to ED from G5 drawdowns or the return of audit and program review liabilities and fines. Previously, the required return of funds by a school to the Title IV programs when a student withdrew. That process is now referred to as the *Return of Title IV funds*. Also used by schools to refer to a school's distribution of a FSA credit balance to a student.

Refund Policy A school policy that determines the conditions under which a student is entitled to a refund of payments made to the school, or whether the student owes the school for outstanding charges. A school's refund policy has no bearing on the amount of funds a school might have to return to ED or disburse to a student under the Return of Title IV requirements. See *The Federal Student Aid Handbook, Volume 5*, and 34 CFR 668.22.

Refund Reserve Standard One of the standards that a school must satisfy in order to be considered financially responsible. A school must have sufficient cash reserves to return FSA funds when a student withdraws. See *The Federal Student Aid Handbook, Volume 2*.

Regular Student A person who is enrolled or accepted for enrollment at a school for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that school. See *The Federal Student Aid Handbook, Volume 1*.

Rehabilitation (of a defaulted loan) A process by which a borrower may bring a loan out of default by adhering to specified repayment requirements.

Reimbursement (in Perkins) The requirement that a school replace with school funds, money for an outstanding balance on an overpayment or defaulted loan when the school failed to fulfill its regulatory responsibilities. A school must also reimburse the Perkins Loan Fund for the amount of the administrative cost allowance claimed on the reimbursed portion of a loan.

Reimbursement Payment Method Under Reimbursement, the FSA School Participation Team initiates a drawdown through G5 on behalf of a school or direct cash payments are deposited in the school's bank account based on actual disbursements submitted to and accepted by the COD System and released by the FSA School Participation Team.

Reinstatement (of borrower Title IV eligibility) A process by which a borrower with a defaulted FSA loan may regain eligibility for FSA funds by adhering to strict repayment requirements.

Reject Codes (On SAR/ISIR) An alphabetic or numeric code that indicates to the financial aid administrator (FAA) why a record has been rejected. Some reject reasons are verifiable – that is, the student can confirm the questionable data by reentering the same value or correct it to a different value. Other reject reasons are not verifiable – the questioned data must be changed or provided. In all reject situations, the questioned information is highlighted on the Student Aid Report (SAR) and an expected family contribution (EFC) is not calculated.

Rejected ISIR/SAR When significant information on the Free Application for Federal Student Aid (FAFSA) is missing, incomplete, or contradictory, the Central Processing System (CPS) cannot calculate an expected family contribution (EFC) and the record is rejected.

Release of Proceeds Delivery of loan proceeds by the school to the borrower. Release of proceeds is not disbursement of proceeds by the lender.

Release Record In the COD process, a record that changes an Edit Only or Anticipated Disbursement to an Actual Disbursement Record. Schools using the Common Record submit a new record with the Disbursement Release Indicator set to “True.”

Remedial Coursework Prepares a student for study at the postsecondary level. A student enrolled solely in a remedial program is not considered to be in an eligible program if acceptance into an eligible program is contingent on completing remedial work. However, if a student is admitted into an eligible program and takes remedial coursework within that program, he or she can be considered a regular student; even if he or she is taking all remedial courses before taking any regular courses (also see *Preparatory Coursework*). See *The Federal Student Aid Handbook, Volume 1*.

Renewal FAFSA on the Web Term formerly used to refer to a Free Application for Federal Student Aid (FAFSA) pre-populated with the student’s prior year data and used for applying for the upcoming award year. While financial aid administrators (FAAs) may continue to use the term “Renewal FAFSA”, the term is no longer used for students applying on the Web. When a renewal-eligible student accesses FAFSA on the Web, the student is asked if he or she would like to “pre-fill” his or her application with data from the previous year.

Repayment When a borrower pays back an education loan or overaward/overpayment.

Repayment Period The period during which principal payments are required. The repayment period excludes any period of authorized deferment or forbearance.

Repayment Schedule A written document, usually provided during exit counseling, that indicates the total principal and interest due, the payment amount, and the number of payments required to pay the loan in full. A Repayment Schedule also contains the interest rate for the loan included on the schedule, the due date of the first and subsequent payments, and the frequency of payments.

Repayment Start Date The date the repayment period begins. For Stafford loans, repayment begins on the day following the last day of the grace period. For PLUS loans, repayment begins on the date the loan is fully disbursed. See *Deferral Period*.

Required Verification Items The items that must be verified if the CPS selects an application for verification including –

- household size,
- number enrolled in college,
- adjusted gross income (AGI),
- U.S. income tax paid, and
- certain untaxed income and benefits.

Response The Common Record document sent back to the school after processing of an incoming Common Record document is complete. It contains processing results and edit codes.

Reporting an Overpayment When a school enters a student's overpayment in NSLDS.

Reporting Pell ID (in COD) The six-digit Pell ID for a participating independent campus or central administrative campus/office for branch campuses that have unique Pell IDs. The Reporting Pell ID is the funded school.

Reporting School (in COD) The school that sends and receives data for the campuses or students it serves. The Reporting School must be a school and cannot be a 3rd Party Servicer.

Reporting Waiver (in NSLDS) A school may apply for a waiver for the Enrollment Reporting process if there are unusual or unforeseen circumstances that will prevent it from submitting its roster within the required 30-day period. To apply for a waiver, a school must call the NSLDS Customer Service Center at 800-999-8219.

Resources Student aid that must be taken into account to prevent an overaward. (See Estimated Financial Assistance.)

Response (in COD) For all Common Records the Common Origination and Disbursement (COD) System receives and processes, it returns a response document indicating the status of Common Record processing, including any rejected data elements and reasons for the rejection.

Restricted (limited use) **Funds** A restricted fund made up of a self-balancing group of accounts: assets, liabilities, capital (fund balance), revenues, and expenses. It is important to note that individual funds are separated completely from one another and from the general fund of the school and are self-balancing.

Retroactive Payment Paying a student for any completed payment periods within the award year if the student was eligible for payment in that period.

Return of Title IV Funds (R2T4) When a recipient of Title IV FSA aid ceases enrollment (or withdraws from a school) prior to the planned ending date of the payment period or period of enrollment in which the recipient began attendance, the school must calculate the recipient's earned and unearned Title IV aid. Unearned Title IV funds must be returned to the appropriate Title IV programs.

Return of Title IV Funds (R2T4) on the Web An FSA developed online calculator schools can use to calculate the earned and unearned portion of Title IV program assistance in accordance with section 484B of the Higher Education Act. The site is accessible at: https://www.fsadownload.ed.gov/arc_ReturnT4Funds.htm

Rigorous Secondary School Program of Study For the purpose of qualifying for an ACG, a student must have received a high school diploma and completed a rigorous secondary school programs designated by state education agencies (SEAs) and state-authorized local education agencies (LEAs) and recognized by the Secretary of Education, or meet another standard recognized by the Secretary. For each calendar year the Secretary publishes a list of all rigorous secondary school programs of study. The webpage at

<http://www.ed.gov/admins/finaid/about/ac-smart/state-programs.html>

links to separate pages for each year of graduation.

Robert C. Byrd Honors Scholarship Program (Byrd Scholarship) An OPE administered Title IV financial aid program that makes scholarships available to full-time postsecondary students with exceptional ability and promise. Students apply for the merit-based scholarships through their state education agencies.

Roster File This file is the output document from the Enrollment Reporting process. The Roster File lists all Direct Loan Program and Federal Family Education Loan (FFEL) Program borrowers at a school who were last reported as enrolled at the school. Formerly known as *Student Status Confirmation Report (SSCR)*. Also see *Enrollment Reporting*.

Routing Identifier A randomly generated eight-digit number assigned to schools and Third Party Servicers and common across the Pell Grant and Direct Loan programs. It replaces the Pell Institution Number and Direct Loan School code for the reporting of Pell Grant and Direct Loan data. Previously referred to as the *Common School Identifier (CSID)*.

– S –

Safe Harbor In general usage, a provision of a regulation that reduces or eliminates a party's liability under the law on the condition that the party performed its actions in good faith. The FSA regulations sometimes grant minor exceptions to a general rule that are also called safe harbors, as in the 12 Safe Harbors to the Incentive Compensation regulations. See *The Federal Student Aid Handbook, Volume 2*.

Sanctions Include emergency actions, fines, limitations, suspensions, and terminations that the Department may initiate against any school or group of schools that:

- violate the law or regulations governing the FSA programs, its PPA, or any agreement made under the law or regulations;
- substantially misrepresent the nature of its educational programs, its financial charges, or its graduates' employability; and
- no longer meet the criteria for participation in the programs.

Similarly, the Department may also sanction a third-party servicer that performs functions related to the FSA programs or a group of schools or servicers if it finds that a person or entity with substantial control over all schools or servicers within the group has violated any of the FSA program requirements or has been suspended or debarred from program participation.

SAR/ISIR Comment Codes and Text Companion document to the Electronic Data Exchange (EDE) Technical Reference. It can be used as a stand-alone guide for interpreting comment codes and text found on the Student Aid Report (SAR).

SAR Acknowledgement See *Student Aid Report*.

SAR "C" Flag Prints on the Student Aid Report (SAR) next to the expected family contribution (EFC) and indicates to the school that there is an issue with the student's record and one of the database matches. Resolution by the school is required. See *The ISIR Guide* for information on resolving SAR C flag issues.

Satisfactory Academic Progress (SAP) The qualitative (grade point average) and quantitative (time limit) measure of a student's progress toward completing a program of study. To maintain eligibility for FSA funds, the student must show adequate progress. Schools must establish policies regarding satisfactory academic progress, and must check the progress of federal aid recipients at least once each academic year.

Satisfactory Repayment Arrangement (of a FSA loan) A specified number of consecutive, on-time, voluntary, reasonable, and affordable payments made directly to the guarantor or loan holder by a borrower with a loan or loans in default.

Satisfactory Repayment Arrangement (of an overpayment) An agreement between a student who owes an overpayment and the student's school or ED Borrower Services, as appropriate, under which the student promises to repay the overpayment within a specified period of time.

Scheduled Academic Year (SAY) For purposes of monitoring Stafford annual loan limits, an SAY corresponds to a traditional academic year calendar that is published in a school's catalogue or other materials (for example, fall and spring semesters, or fall, winter, and spring quarters). An SAY is a fixed period of time that begins and ends at the same time each year. For more information see *The Federal Student Aid Handbook, Volume 3*. Also see *Borrower-Based Academic Year*.

Scheduled Award (in Pell) The amount paid to a full-time student for a full academic year within a Pell Grant award year based upon the student's Estimated Family Contribution (EFC) and Cost of Attendance (COA).

Scheduled Break An interruption in training that appears on a school's published calendar. In the Return of Title IV Aid, institutionally scheduled breaks of five or more consecutive days are excluded from the Return calculation as periods of nonattendance and therefore do not affect the calculation of the amount of earned FSA program funds.

Scholarships Financial assistance that does not have to be repaid. Scholarships may be awarded based on any number of criteria, such as: academics, achievements, hobbies, talents, and affiliations with various groups, or career aspirations. Scholarships, unlike grants, may not have a need component.

School Closeout The process of identifying and submitting any outstanding records for an award year and returning any money for which there are no records to substantiate its use.

School Lender A school that has been approved as a lender under the FFELP and has entered into a contract of guarantee with the Department or a similar agreement with a guarantor.

School Participation Team (SPT) Assist participating schools with eligibility issues, including management improvement services, program review, financials, eligibility and re-certification, and audits. There are 10 School Participation Teams within FSA. Formerly known as Case Management Team.

School Serving Low-Income Students (Low-income School) For purposes of FSA loan cancellation and satisfying the TEACH Grant obligation, an elementary or secondary school that is listed in the Department's Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits. It is located at: <http://www.tcli.ed.gov/CBSWebApp/tcli/TCLI-PubSchoolSearch.jsp>

School Transfer Profile The information a school provides to the NSLDS pertaining to its participation in the *Transfer Student Monitoring Process*. The profile designates the school's contact, email address where Alert Notification Messages should be sent, and Inform and Alert options.

Schools Portal Former name of the Financial Aid Professionals Website. This site was retired in November, 2008 and its functions and services subsumed into the IFAP Website.

Second Selection Group (in FSEOG) That group of students with the second highest priority in awarding FSEOG funds. Students at a school with the lowest expected family contribution who will **not** receive Pell Grants in that award year.

Secondary Confirmation Flag Indicator on ISIR reporting results of subsequent CPS data matches with DHS (after the initial match fails) to confirm eligible noncitizen status. See *The Federal Student Aid Handbook, Volume 1*.

Secondary EFC A second expected family contribution (EFC) is calculated when a student qualifies for the simplified formula but also provides information about assets. In these cases a Primary EFC is calculated excluding assets, and a Secondary EFC is calculated with the assets. The Secondary EFC only appears in the information summary of the Student Aid Report or Institutional Student Information Record.

Secondary School A nonprofit day or residential school, including a public secondary charter school, that provides secondary education, as determined under State law, except that the term does not include any education beyond grade 12.

Secretary The Secretary of the Department of Education or an official or employee of the Department of Education acting for the Secretary under a delegation of authority.

Section 529 Plans State tuition savings plans, named for the section of the IRS code authorizing their existence. See *The Application and Verification Guide*.

Selective Service System (SSS) The federal system, mandated by the Military Selective Service Act, that delivers manpower to the U.S. Armed Forces during emergencies. Males between the ages of 18 and 25 are required to register with the Selective Service System.

Selective Service System Match (SSS Match) To check that students who must be registered actually are registered; the CPS performs a match with the Selective Service System. The CPS provides a match flag showing the results in the FAA Information section of the output document. In addition, the output document has a comment about the match results. See “Packaging in *The Federal Student Aid Handbook, Volume 3*.”

Self-Evaluation A school’s in-house evaluation of the way it administers its student financial aid program. A self-evaluation is undertaken in an effort to detect any problems early on and resolve them.

Self-Help Aid Financial aid that must be repaid (loans) or is earned through employment. See *The Federal Student Aid Handbook, Volume 1*.

Self-Paced Program An educational program without terms that allows a student to: complete courses without a defined schedule; or at the student’s discretion, to begin courses within a program either at any time or on specific dates set by the institution for the beginning of courses without a defined schedule for completing the program.

Semester A standard of measurement in higher education used to group weeks of instructional time in the academic calendar. A semester provides 15 to 17 weeks of instruction. Students earn semester credits.

Separation of Functions As a part of administering FSA programs, a school is required to establish and maintain a checks-and-balance/internal-control system that ensures no single school office or individual can both authorize payments of FSA program funds and disburse those funds to students. Often this required separation is created by dividing the functions between the school’s financial aid office and the school’s business office.

Servicer See *Third-Party Servicer*.

Show-cause Official Designated department official authorized to conduct a show-cause proceeding for an emergency action.

Simplified Needs Test (Simplified Formula) A formula under the Federal Methodology that ignores the asset information reported on the FAFSA in calculating a student’s Expected Family Contribution (EFC). It is also referred to as a simplified formula. Also see Federal Methodology (FM).

Single Audit Act (A-133 audits) In lieu of audits performed under the FSA Audit Guide, some schools are permitted to have audits performed under the guidelines of the Single Audit Act (also known as A-133 Audits because the guidelines for the audits are provided in *OMB Circular A-133 Audits of States, Local Governments, and Non-profit Organizations*). Audits performed under the Single Audit Act satisfy the Department’s audit requirements. See *The Federal Student Aid Handbook, Volume 2* and *The Audit Guide*.

Single-entry Bookkeeping The system, for example, in a personal checkbook, where generally only records of cash accounts are maintained. Where transactions are infrequent and receivables, payables, and assets other than cash are few, carefully maintained single-entry records may be adequate.

Single-year Feature (SY Feature) Using a Master Promissory Note to make FFEL or Direct Loans within a single academic year. The single year feature applies to schools or borrowers that choose not to use the multi-year feature. Schools/borrowers that choose to use this feature must complete a new promissory note for each academic year.

Site Visit A visit to a school during which an independent auditor, nationally recognized accrediting agency, or ED representative seeks to understand the school's physical plant, enrollment, student financial aid application process, and methods of monitoring student attendance.

Skip Tracing Traditionally, searching for someone with unpaid debts who has moved without leaving a forwarding address. When a FSA loan borrower no longer lives at an address the Direct Loan Servicing Center, or lender or school must attempt to locate the borrower's correct address. In the search, the law allows the use of any information obtained from the borrower while the borrower was at the school (such as data taken from applications and files), as well as information gleaned from any school office (including the registrar's office and the alumni office). If the borrower still cannot be located using information from the school (or otherwise available to the lender), the lender or school must use ED's free skip-tracing service to try to locate the missing loan borrower.

Social Security Administration (SSA) The federal agency that establishes policy and coordinates Social Security earnings and benefits. The Central Processing System (CPS) conducts a match of Free Application for Federal Student Aid (FAFSA) data against this agency's database to confirm the student's identification and eligibility for federal student financial aid.

Social Security Number (SSN) The nine-digit number assigned by the Social Security Administration. The SSN is used as an identifier for students applying for and receiving FSA. Applicants from the Pacific Islands who do not have SSNs are assigned SSNs beginning with 888 by the Central Processing System (CPS).

Social Security Match (SSN Match) A program that compares the student's (and parents, where applicable) SSN as reported on the FAFSA with the Social Security Administration (SSA). See *The Application and Verification Guide*.

Source Document The original supporting document used by a school to determine the value of any data element used to determine a student's eligibility for aid (e.g. a tax return or divorce agreement).

Special Leveraging Educational Assistance Partnership Program (SLEAP Program) State grant programs providing aid to students with financial need to assist them in paying for their postsecondary cost or help states fulfill service programs to strengthen opportunities for elementary school and secondary school students with financial need to enter postsecondary education. The SLEAP Program is funded only when the Leveraging Educational Assistance Partnership (LEAP) Program fund is in excess of \$30 million. The excess amount must be applied to the SLEAP Program.

SSCR (Enrollment Reporting) for Windows A multi-year PC application used by schools to electronically certify borrowers' enrollment and update student information on the National Student Loan Data System (NSLDS). It can be used to import, update, and export student records in the Enrollment Roster (sent on a regular basis to each school by NSLDS) to return to NSLDS. Available for download through FSA Downloads through IFAP.

Standard Repayment Schedule A repayment schedule under which a borrower pays the same amount for each installment payment throughout the entire repayment period, or pays an amount that is adjusted to reflect annual changes in the loan's variable interest rate. The Standard Repayment Schedule cannot exceed 10 years, excluding in-school, grace, deferment, or forbearance periods.

Standard Response (in COD) A standard response is a Common Record returned to a school by the Common Origination and Disbursement (COD) System that contains only rejected data elements and reason codes. A full response, on the other hand contains all the original tags as well as the rejected data elements and reason codes.

Standard Terms Semesters and trimesters generally contain 15 to 17 weeks of instructional time. Quarters generally contain 10 to 12 weeks of instructional time.

State A state of the union, American Samoa, the Commonwealth of Puerto Rico, the District of Columbia, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. The latter three are also known as the Freely Associated States.

State Lender In any state, a single state agency or private not-for-profit agency designated by the state that has been approved as an FFEL lender and that has entered into a contract of guarantee with the Department or a similar agreement with a guarantor.

State Student Incentive Grant (SSIG) Program
See *Leveraging Educational Assistance Partnership (LEAP) Program*.

Statement of Borrower's Rights and Responsibilities (BRR) A list of an FSA borrower's rights under his or her promissory note as well a list of the actions a borrower must take in order to satisfy his or her obligations under the note. A school or lender must provide a BRR as part of the MPN.

Statement of Educational Purpose Formerly known as the "Affidavit of Educational Purpose," this statement is certified by the student applicant when completing the FAFSA indicating his/her agreement to use the financial aid funds awarded for the educational or educationally-related purposes only.

Stored Value Card A prepaid debit card that can be used to withdraw cash from an automated teller machine (ATM) or to purchase goods from a merchant. A school may use stored-value cards as a way to make direct payments to students of FSA credit balances. We distinguish a stored-value card from a traditional debit card by defining a stored-value card as not being linked to a checking or savings account. See *The Federal Student Aid Handbook, Volume 4*.

Statutory Interest Rate The maximum annual interest rate (under the Higher Education Act) that a lender may charge on a FSA loan.

Student Aid Internet Gateway (SAIG) ED vehicle for electronically transmitting and receiving data for the FSA programs. Entities exchanging data through the SAIG include the CPS, NSLDS, COD, schools, third-party servicers, state agencies, lenders and guarantors. Enrollment in the SAIG (formerly known as the Title IV WAN) is available at: www.fsawebroll.ed.gov.

Student Aid Master Record A school record (not an FSA requirement) for a single student containing information relating to all student aid programs, including institutional and other aid programs for a single award year.

Student Aid Report (SAR) A paper federal "output" document sent directly to a student from FSA's Central Processing System (CPS). The SAR contains the family financial information submitted on the student's Free Application for Federal Student Aid (FAFSA) and provides the Expected Family Contribution (EFC) calculated by the CPS.

If the student provided an e-mail address, the CPS will send an e-mail instructing the student how to access the SAR electronically. A student who applies using a paper FAFSA but does not give an e-mail address will receive a paper SAR. A student who applies electronically but does not give an e-mail address will receive a paper *SAR Information Acknowledgement*.

Student Aid Report Information Acknowledgement (SAR Acknowledgment) See *Student Aid Report*.

Student Consumer Information Data and procedures that participating institutions are required to disclose to their consumers, enrolled students, and prospective students, including:

- basic information about the school's academic programs, facilities, and financial aid;
- disclosures on campus security, graduation and transfer-out rates, revenue, and expense data at schools awarding athletically-related student aid; and
- for schools participating in the Campus-based Programs, disclosure on drug-abuse and alcohol-abuse prevention.

Student Contribution A quantitative estimate of the student's ability to contribute to postsecondary expenses for a given year.

Student Identifier (SID) A unique identifier for each applicant, made up of an applicant's Social Security Number (SSN), and the first two letters of the applicant's last name.

Student Loan Interest Statement The Form 1098-E issued from the financial institution, from a governmental unit (or any of its subsidiary agencies), from schools, or any other person to whom interest of \$600 or more was paid.

Student Service Jobs (in FWS) Jobs at a proprietary school that qualify for the FWS program. See *The Federal Student Aid Handbook, Volume 6*.

Student Status Confirmation Report (SSCR) The former name of the enrollment reporting function in the National Student Loan Data System (NSLDS) that monitors student enrollment status.

Subsidiary Accounts Accounts related to the *control account* that support in detail the summary transactions posted in the control account.

Subsidiary Records School records required to support the totals in each FSA program account. Reconciliation between accounts and subsidiary record detail should be performed at least once a month.

Subsidized Loan A FFEL or Direct loan eligible for interest benefits paid by the federal government. The federal government pays the interest that accrues on subsidized loans during an in-school, grace, authorized deferment, and (if applicable) post-deferment grace periods if the loan meets certain eligibility requirements.

Subsidy Refers to the federal government's payment of interest on a borrower's behalf until repayment of the subsidized loan begins, including authorized periods of deferment.

Substantially Equal Academic terms are substantially equal in length if no term in the program is more than two weeks of instructional time longer than any other term in that program.

Substantiation of Cash The act of accounting for funds already drawn. In the COD Process, schools can substantiate funds by sending in actual disbursement records (Disbursement Release Indicator or DRI equals "True").

Successfully Completes A student successfully completes credit hours or clock hours if the school considers the student to have passed the coursework associated with those hours.

Supplemental Appropriation An additional allocation of available funds for one or more Campus-Based programs that may be given to a school on the basis of the school's need for additional funds. Supplemental allocations are made after schools release unexpended campus-based funds at the end of an award year.

Suspension Period The suspension period follows liquidation. During the suspension period, no new payment actions can take place without the approval of a FSA program office.

System-generated Transaction A change to a student's Free Application for Federal Student Aid (FAFSA) data not resulting directly from a student's or school's changes and causing a new transaction to be generated by the Central Processing System (CPS). Such changes may result from a change in National Student Loan Data System (NSLDS) status, CPS reprocessing, a CPS system-generated signature, or a match with the SSA Death Master File.

– T –

T-account A short method accountants use to illustrate ledger accounts, alleviating the tedious reproduction of accounts as they actually appear in a school's ledger. Accountants use the T-account as a worksheet to check the debit and credit balances of individual ledger accounts and to trace posting of transactions to the various ledger accounts.

T-Bill A short-term debt obligation backed by the U.S. government with a maturity of less than one year. T-bills are sold in denominations of \$1,000 up to a maximum purchase of \$5 million and commonly have maturities ranging from a few days to 52 weeks. Some Direct Subsidized, Direct Unsubsidized, and Direct PLUS loans have a variable interest rate based on a specified T-Bill rate.

Tag In XML, a tag is an element name that is used inside brackets to denote the beginning and end of content. For example, <LastName>Jones</LastName> uses the tag of LastName.

Taxable Income Income earned from wages, salaries and tips as well as interest income, dividend income, business or farm profits, and rental or property income.

Taxpayer Identification Number (TIN) A unique nine-digit number assigned by the Internal Revenue Service that uniquely identifies organizations receiving funds from the Department of Education.

Teacher (in Loan Cancellation) A person who provides direct classroom teaching or classroom-type teaching in a non-classroom setting, including special education teachers and reading specialists.

Teacher Cancellation Payments (TCPayments) Reimbursements made to a school's Perkins loan fund as a repayment for a Perkins borrower serving as a teacher in a qualified program.

Teacher Certification Coursework Coursework required for elementary or secondary teacher certification or recertification in the state where a student plans to teach and offered in credit or clock hours (courses using direct assessment in lieu of credit or clock hours are not eligible). A student may receive Federal Work-Study and Stafford, Perkins, and PLUS loans if he is enrolled at least half time in required teacher certification coursework, even though it does not lead to a degree or certificate awarded by the school.

Teacher Education Assistance for College and Higher Education Grant Program (TEACH Grant Program) The College Cost Reduction and Access Act (the CCRAA), Pub. L. 110-84 authorized the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program for implementation beginning with the 2008-2009 Award Year. TEACH grants are awarded by a school to students who are completing, or intend to complete, coursework to begin a career in teaching and who agree to serve for not less than four years as a full-time, highly-qualified, high-need field teacher in a low-income school. If the recipient of a TEACH Grant does not complete four years of qualified teaching service within eight years of completing the course of study for which the TEACH Grant was received or otherwise fails to meet the requirements of 34 CFR 686.12, the amount of the TEACH Grant converts into a Federal Direct Unsubsidized Loan.

Teacher Loan Forgiveness (TLF) A program to encourage individuals to enter and continue in the teaching profession. Under this program, individuals who teach full-time for five consecutive complete academic years in certain elementary and secondary schools that serve low-income families and meet other qualifications may be eligible for forgiveness of a portion of the principal and interest of their FFEL and/or Direct Loan program loans.

Teacher Preparation Program (in TEACH) A State-approved course of study, the completion of which signifies that an enrollee has met all the State's educational or training requirements for initial certification or licensure to teach in the State's elementary or secondary schools. A teacher preparation program may be a regular program or an alternative route to certification, as defined by the State. For purposes of a TEACH Grant, the program must be provided by an institution of higher education.

Teacher Shortage Area (in FSA loan forgiveness) A federally designated geographic area, grade level, academic, instructional, subject matter, or discipline that has been classified as a shortage area as defined by the Department. See *The Federal Student Aid Handbook, Volume 2*.

Telecommunications Course A telecommunications course is one that is offered principally through the use of one or more technologies to deliver instruction to students who are separated from the instructor and to support regular and substantive interaction between these students and the instructor, whether asynchronously or in "real-time." These technologies include:

- television, audio, or computer transmission through open broadcast, closed circuit, cable, microwave, or satellite, and
- audio and computer conferencing.

A course taught through video cassettes or discs is also considered a telecommunications course, but only if the course is delivered to students physically attending classes at the school and is providing the course during the same award year, through another technology.

Distance courses that do not qualify as a telecommunications course are considered to be correspondence courses. Programs offered at foreign schools in whole or in part through telecommunications are not eligible programs for FSA purposes.

Temporary Approval for Continued Participation Provisional approval by the Department, at its discretion, to permit a school undergoing a change in ownership that results in a change in control to continue to participate in the FSA programs on a temporary basis as long as the school meets specific requirements. See *The Federal Student Aid Handbook, Volume 2*.

Temporary Assistance to Needy Families (TANF) Also known as *Aid to Families with Dependent Children (AFDC)* – A welfare program aiding low-income parents with children. See *The Application and Verification Guide*.

Tentative Allocation The amount of funding in a Campus-Based program a school is initially expected to receive based on data from the previous award year.

Term-Based Program A degree or certificate program that uses semesters, trimesters, or quarters to divide the academic year.

Third-Party Servicer An individual, state, private, profit or non-profit organization that enters into contract with an eligible school to administer any aspect of the school's participation in any Title IV, HEA program.

Three-quarter Time Student An enrolled student who is carrying a three-quarter-time academic workload, as determined by the school, that amounts to at least three quarters of the work of the applicable minimum requirement outlined in the definition of a full-time student.

Title IV/FSA Recipient A student who has actually received Federal Student Aid funds or has met the conditions that entitle the student to a late disbursement.

Title IV Student Financial Aid Federal financial aid programs for students attending postsecondary educational schools, authorized under Title IV of the Higher Education Act of 1965, as amended. Those Title IV programs administered by Federal Student Aid are:

- Academic Competitiveness Grant (ACG),
- Federal Consolidation Loans,
- Federal Direct Student Loans,
- Federal Family Education Loan (FFEL) Program,
- Federal Pell Grants,
- Federal Perkins Loans,
- Federal Supplemental Educational Opportunity Grant (FSEOG),
- Federal Work Study (FWS),
- Gaining Early Awareness and Readiness for Undergraduates Program (GEAR-UP),
- Leveraging Educational Assistance Program (LEAP),
- National Science and Mathematics Access to Retain Talents (SMART) Grant,
- Robert C. Byrd Honors Scholarships, and
- TEACH Grant Program.

Tolerance Levels (in Verification) The maximum error level (in dollars) at or below which income or asset information on a FAFSA does not have to be corrected or reprocessed.

Total and Permanent Disability Discharge The final discharge granted to a borrower who had been granted a *Conditional Discharge*, and who met the applicable requirements throughout the Conditional Discharge Period.

Total Amount Outstanding Unpaid balance on a loan including late fees, outstanding principal balance, and interest.

Total Annual Loan Limit (in FFEL/DL) The maximum annual amount a student may borrow through the combined eligibilities of the subsidized and unsubsidized portions of the loan program, taking into consideration dependency status, grade level and whether or not the student's parents (if the student is dependent) are eligible to borrow through the PLUS program. Regardless of the annual loan limit, a student may only borrow up to his or her unmet need.

Total Student Contribution The Total Student Contribution (TSC) is calculated from the income and assets of independent students with dependents other than a spouse (except in the simplified needs calculation, where the assets are excluded). The TSC is divided by the number of persons in the student's household who are in college to yield the expected family contribution (EFC).

Trading Partner Two parties that exchange electronic data. Trading partners include: COD and schools; FFEL partners and schools; state grant agencies and schools; and alternative loan partners and schools.

Trailer (in a crossover payment period) When a school chooses, for a student enrolled in a crossover payment period, to use funds for the student's award from the award year in the crossover period that ends on June 30.

Trankey The trankey is the student's Social Security number (SSN) followed by the first two letters of the last name and transaction number. The trankey is also called the original student ID.

Transaction (in CPS) An interaction between the Central Processing System (CPS) and a financial aid applicant or a school that changes any of the data on a student's record. Each transaction results in a new Student Aid Report (SAR) and Institutional Student Information Record (ISIR), and is identified by a two-byte transaction number (for example, 01, 02, 03). A transaction may be system-generated.

Transaction Number Indicates the number of times a student's information has been processed. New transactions can be caused by corrections made by either the student or a school, or they can be caused by automatic functions such as a change in the reported loan information and status with the National Student Loan Data system (NSLDS). Each time a Free Application for Federal Student Aid (FAFSA) or a correction to a Student Aid Report (SAR)/ Institutional Student Information Record (ISIR) is processed, a transaction number is created. The transaction number is located on each page of a paper SAR, right after the Social Security Number (SSN) and the first two letters of the last name.

Transcript A list of all the courses that a student has taken at a particular high school or college with the grades that the student earned in each course. Transcripts are usually required for college applications.

Transfer (of Campus-Based funds) To help meet their students' need, schools may transfer funds from certain Campus-Based programs into certain other Campus-Based programs. In all cases, funds transferred that are unexpended at the end of the award year must be transferred back to the original program, and all transfers must be reported on the FISAP. See *The Federal Student Aid Handbook, Volume 6*. See *Carry Forward, Carry Back*.

Transfer Monitoring Alert (Alert) Information generated by the NSLDS as a result of the Transfer Monitoring process. The Alert tells a school that new information has been reported that may affect eligibility for FSA program funds on one or more students on that school's Transfer Monitoring List.

Transfer Monitoring Inform (Inform) Information provided to the NSLDS by a school or servicer. An Inform consists of identifiers and Enrollment Begin dates for one or more students that the school has identified as Transfer

students. The Inform tells the NSLDS to monitor those student records for information being reported that may affect eligibility for FSA program funds.

Transfer Monitoring List Those students a school has identified as Transfer Students, and for whom the school has requested NSLDS to monitor and report record changes.

Transfer Monitoring Process / Transfer Student Monitoring An NSLDS process that provides schools with the most current relevant data about the financial aid history of its transfer students – especially its mid-year transfers. There are three steps in the process: Inform, Monitor, and Alert.

(School) **Transfer Profile** (on NSLDS FAP Website) The information a school provides to NSLDS pertaining to its participation in the Transfer Student Monitoring Process. Includes the school's contact person, e-mail address for receipt of Alert Notification Messages and Inform and Alert options. Also see *Alert Notification Message* and *NSLDS Transfer Student Monitoring Process*.

Trial Balance A comparison of debit, credit balances, and account balances. Taking a trial balance should be performed at least monthly. See *The Blue Book*.

Trimester A standard of measurement in higher education used to group weeks of instructional time in the academic calendar. A trimester academic term provides about 15 weeks of instruction and a traditional trimester program generally consists of fall, spring, and summer terms.

Trio Programs Title IV programs administered by the Office of Postsecondary Education that support college preparation, placement, and retention of educationally disadvantaged students. The TRIO programs include:

- Ronald E McNair Postbaccalaureate Achievement
- Educational Opportunity Centers

- Student Support Services
- Talent Search
- TRIO Dissemination Partnership Program
- Training Program for Federal TRIO Programs Staff
- Upward Bound
- Upward Bound Math/Science

Truth-in-Lending Statement The document provided to loan recipients that delineates the interest rates and other information relative to the loan the student has received. The use of the statement is required by the Consumer Credit Act. The FSA loan programs are exempt from compliance with Truth-in-Lending.

Tuition The amount of money colleges charge for classroom and other instruction, and use of some facilities such as libraries.

Tuition Payment Plan An arrangement in which payment for present costs of postsecondary education is extended into a future period of time.

Two Plus Two Program A partnership between a two-year and four-year school that facilitates a student's completing the last two years of the student's four-year degree.

Two-Year Rule To be eligible as a proprietary institution or a postsecondary vocational institution, a school must be legally authorized to give (and have continuously been giving) the same postsecondary instruction for at least two consecutive years prior to its application.

– U –

Unclaimed Funds Credit balances a school is unable to deliver to a student. Unclaimed funds must be returned to the Department consistent with the provisions of 34 CFR 668.164(h). (See Escheat.)

Undergraduate Student A student who is enrolled in an undergraduate course of study that usually does not exceed four years, or is enrolled in a longer program designed to lead to a degree at the baccalaureate level. For purposes of the Pell Grant program, students who have completed a baccalaureate program of study and who are subsequently completing a State-required teacher certification program are treated as undergraduates.

In addition to meeting the definition above a student is only considered an undergraduate for purposes of the Federal Supplemental Educational Opportunity Grant (FSEOG) Program, the Federal Pell Grant Program, the Academic Competitiveness Grant (ACG) Program, and National Science and Mathematics Access to Retain Talent (SMART) Grant Program if the student has not yet earned a baccalaureate or professional degree.

For purposes of dual degree programs that allow individuals to complete a bachelor's degree and either a graduate or professional degree within the same program, a student is considered an undergraduate student for at least the first three years of that program. A student enrolled in a program of any other, longer length is considered an undergraduate student for only the first four years of that program.

Unearned Aid For a student who has ceased attendance in a period of training during which the student received FSA program funds, the difference between the FSA program funds that were disbursed or could have been disbursed for the payment period or period of enrollment and the FSA program funds that were “earned” when a student withdrew. See *The Federal Student Aid Handbook, Volume 5*.

Unemployment Benefits Temporary and partial wage replacement to workers who have become unemployed through no fault of their own.

Uniform Commercial Code Statement (UCC-1 Statement) A notice that discloses to the appropriate state or local government entity that a school's account contains federal funds. If the form is required, the school must retain a copy in its records. See *The Federal Student Aid Handbook, Volume 4*.

Universal Design A concept or philosophy for designing and delivering products and services that are usable by people with the widest possible range of functional capabilities, which include products and services that are directly usable (without requiring assistive technologies) and products and services that are made usable with assistive technologies.

Universal Design for Learning A scientifically valid framework for guiding educational practice that provides flexibility in the ways information is presented, in the ways students respond or demonstrate knowledge and skills, and in the ways students are engaged; and that reduces barriers in instruction, provides appropriate accommodations, supports, and challenges, and maintains high achievement expectations for all students.

U.S. Citizen or National A citizen of the United States; or a person defined in the Immigration and Nationality Act who though not a citizen of the United States owes permanent allegiance to the United States.

U. S. Citizenship and Immigration Services (USCIS) Part of the Department of Homeland Security (DHS) responsible for enforcing the laws regulating the admission of foreign-born persons (i.e., aliens) into the United States. Free Application for Federal Student Aid (FAFSA) data is compared to the DHS database to confirm the student's identification and eligibility for FSA funds.

U.S. Department of Education (ED, The Department) Government department that administers the Title IV programs.

Unmet Need The difference between a student's total available resources and the total cost for the student's attendance at a specific school.

Unprocessed Deobligations Negative available balances in the Pell Grant program that are generally created when a school submits disbursement decreases and those decreases cause the CFL to fall below the amount already sent to the school by G5.

Unsubsidized Loan A loan that is not eligible for federal interest benefits and that begins accruing interest charges from the disbursement date forward. A borrower can elect to pay the interest on the outstanding principal balance during the in-school, grace, and deferment period or elect to have that interest added to the principal. See *Capitalization*.

Unsubstantiated Cash Net cash by a school received for an award year (not including cash at schools for less than 30 days) minus total accepted disbursements (booked disbursements for DL) for award year.

Untaxed Income All income received that is not required to be reported to the Internal Revenue Service (IRS) or income reported but excluded from taxation. Such income would include but not be limited to any untaxed portion of Social Security benefits, Earned Income Credit, welfare payments, untaxed capital gains, interest on tax-free bonds, dividend exclusion, and military and other subsistence and living allowances.

Update Data on the SAR/ISIR that has been updated to reflect changes in a student's situation after the FAFSA was signed. Updates are limited to dependency status for reasons other than the student's marital status, household size and number in college under certain conditions.

User Identification (User ID) A unique eight-character identifier issued to payees by the Department of Education. The G5 User ID and password are required for a payee to access G5.

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Valid ISIR/SAR An Institutional Student Information Record (ISIR) or Student Aid Report (SAR) having a calculated expected family contribution (EFC), accurate and complete data, and no unresolved SAR “C” flags. Also referred to as “Valid Output Document.”

Variable Interest Rate An interest rate that is recalculated on a periodic basis, usually based on the prime rate or the T-bill rate. For FSA loans, this rate changes yearly on July 1.

Verification The process a school follows to check the accuracy of information reported by a student on the Free Application for Federal Student Aid (FAFSA). If an application is selected for verification by the Central Processing System (CPS), an asterisk will appear to the right of the applicant’s Expected Family Contribution (EFC) on the Student Aid Report (SAR). Schools may also choose to verify other applications. Whether the application is selected by the CPS or chosen for verification by the school, the school verifies the application information by comparing it to documentation provided by the student (and parents, if required).

Verification Exclusions A selected application may be exempt from some or all of the verification requirements due to unusual circumstances. Except in the case of the student’s death, however, none of these exemptions excuse the school from the requirement to resolve conflicting information.

Verification Flag In the ISIR record layout it indicates that a student has been selected for verification on any transaction. After the student is selected, he or she will always be selected for the current processing year. Flags include: “Y” – Selected for Verification; “N” – Not selected for Verification; “*” – Selected for Verification on a subsequent transaction.

Verification Items FAFSA data that must be checked for accuracy during the verification process.

Verification Status Code For each Pell Grant award disbursed to a student who was selected for verification, a school must report the student’s verification status via the Common Origination and Disbursement (COD) System. See *The Application and Verification Guide* and the Electronic Announcement at <http://ifap.ed.gov/eannouncements/0928VeriStatusCode.html>

Verification Tolerance The acceptable limit for small dollar-value errors that are detected when verifying a student’s FAFSA data but that do not significantly affect the student’s eligibility. See *The Application and Verification Guide*.

Verification Tool A Web-based application used to compare Institutional Student Information Record (ISIR) data with data on verification documents such as Federal tax returns and the verification worksheet. The tool provides a comparison of ISIR data to Tax/Worksheet data and calculates individual value differences, as well as a Verification Tolerance. Schools can access the Verification Tool from any Student Inquiry screen in FAA Access to CPS Online, located at <http://fafsa.ed.gov/FOTWWebApp/faa/faa.jsp>.

Verification Worksheet A worksheet provided by a school to students who are selected for verification. FSA provides a sample worksheet on IFAP, but schools are not required use it.

Veteran For FSA purposes, such as determining dependency status, a veteran is a former member of the US Armed Forces who served on active duty and was discharged other than dishonorably.

Veteran Match If a student answers “Yes” to the question about veteran status, the CPS performs a match with the Department of Veterans Affairs

records to confirm that status. The VA sends the back the result which appears as a match flag in the FAA Information section of the output document.

(U.S. Department of) ***Veterans Affairs (VA)***

The federal agency responsible for administering and managing the education, health care and financial assistance benefits of U.S. veterans and their families. The Central Processing System (CPS) conducts a match of Free Application for Federal Student Aid (FAFSA) data against this agency's database to confirm the student's identification and eligibility for federal student financial aid.

Veteran's Education Benefits Non-need-based assistance a student is eligible to receive because of his or her service in the U.S. military, or a dependent student is eligible to receive because of the service of a deceased or disabled (due to military service) parent. Some VA Education benefits are excluded from, or receive special treatment in the calculation of a student's EFC and the packaging process. See *The Federal Student Aid Handbook, Volume 3*, and *The Application and Verification Guide*.

Vocational-Technical Institution A school that provides a program of training to prepare students for gainful employment in a recognized occupation.

– W –

W-2 Forms Statement of wages earned and taxes withheld for a given year. Issued by an employer to an employee in quadruplicate and appended to appropriate income tax returns.

Waiver Relief from a regulatory requirement or financial obligation, for example, when a school grants a waiver from out-of-state tuition for veterans, or ED grants a waiver from change in ownership training, the correspondence course limitation, or the incarcerated student limitation.

Ward of the Court A student for whom a court has assumed custody. In some states a court may impose its authority over a juvenile who remains in the legal custody of his or her parents. Such a student is not a ward of the court. Also, neither emancipation (when a child is released from control of a parent or a guardian) nor incarceration of a student qualifies a student as a ward of the court.

Week of Instructional Time For all FSA programs, any period of seven consecutive days in which at least one day of regularly scheduled instruction, examination, or (after the last day of classes) at least one scheduled day of study for examinations occurs. Instructional time does not include periods of orientation, counseling, homework, vacation, or other activity not related to class preparation or examination. The “number of weeks of instructional time” is based on the period that begins on the first day of classes in the academic year and ends on the last day of classes or examinations.

William D. Ford Federal Direct Loan Program
See *Direct Loan Program*.

Willingness to Repay Evidence that a borrower intends to repay a loan. In selecting loan recipients, a school must consider evidence of a borrower’s willingness to repay the loan. Previous delinquency, default, or other failure to meet repayment obligations on a previous loan may

be evidence that the borrower is unwilling to repay other loans.

Withdrawal When a student ceases attendance in all classes before the end of the semester, term, or period of enrollment, as applicable.

- *Official Withdrawal* – For Return of Title IV Aid Purposes, a student who provides notice in writing (including electronically) or orally to a designated campus official acting in his or her official capacity in the withdrawal process that the student intends to interrupt his or her attendance.
- *Unofficial Withdrawal* – For Return of Title IV Purposes, a student who withdraws without providing official notification.

Withdrawal Date The date the student withdraws, as determined by the school.

Work College An eligible institution that:

- is a public or private nonprofit school with a commitment to community service;
- has operated a comprehensive work-learning program for at least two years;
- provides students participating in the comprehensive work learning program with the opportunity to contribute to their education and to the welfare of the community as a whole;
- requires all students who reside on campus to participate in a comprehensive work-learning program; and
- requires providing services as an integral part of the school’s educational program and as part of the school’s educational philosophy.

Work-study See *Federal Work Study Program*

- X -**- Y -**

Year-to-date Data (YTD) The total year-to-date processed Pell payment records that were accepted by the Common Origination and Disbursement (COD) System for a school as of the current date for a school year.

Year-to-date Record (YTD Record) A YTD Record contains more detailed origination and disbursement data than a Reconciliation Report. The YTD Record can be requested for an individual student or for all Pell Grant recipients at a school.

YTD Data Request Record Provides details of the record layout for the year-to-date Pell data requests.

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Federal Student Aid plays a central and essential role in the American community of postsecondary education. We ensure that all eligible Americans can benefit from federally funded assistance for education beyond high school. As one of the government's select Performance-Based Organizations, we uphold the high standards of operational efficiency, innovation, and customer care. Throughout, we consistently champion the promise of postsecondary education to all Americans – and its value to our society.

**UNITED STATES
DEPARTMENT OF EDUCATION
FEDERAL STUDENT AID**

