

Session # 1

DL Reconciliation and Program Year Closeout: Start to Finish

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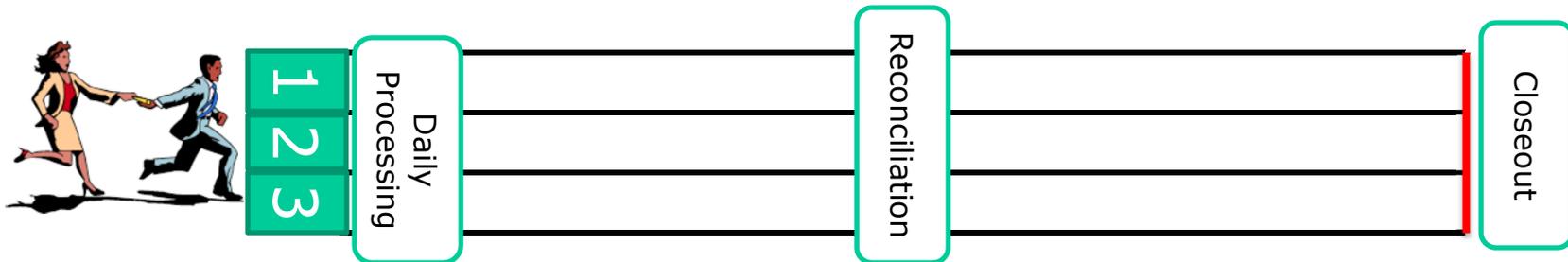
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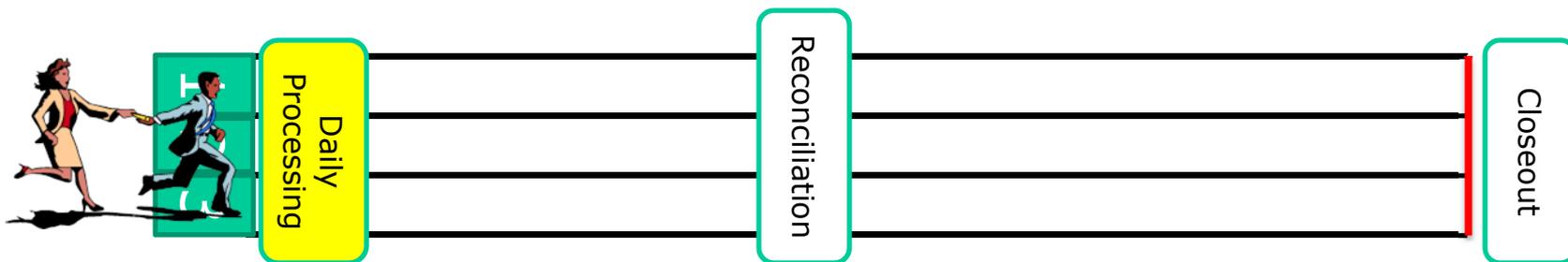


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Agenda

- Daily Processing - Start
- Reconciliation
- Closeout - Finish



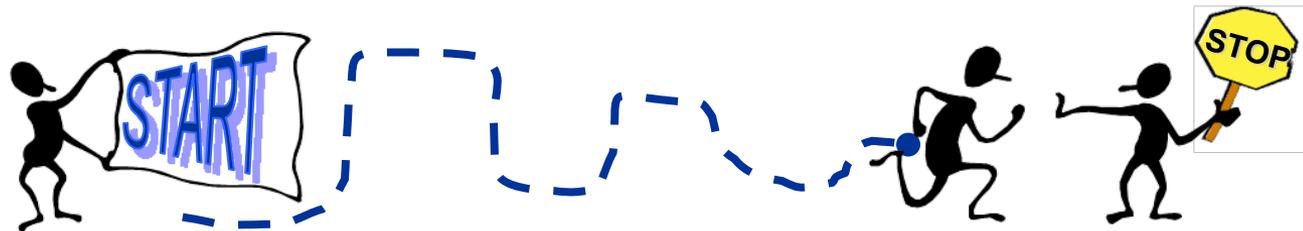


DAILY PROCESSING- WHERE IT ALL STARTS



Daily Processing

- Finish what you start
 - Map your process and procedures
 - Monitor your process
 - Ensure all records have been sent to and accepted by COD
 - Consider managing timing issues to finish what you start within the month



Daily Processing



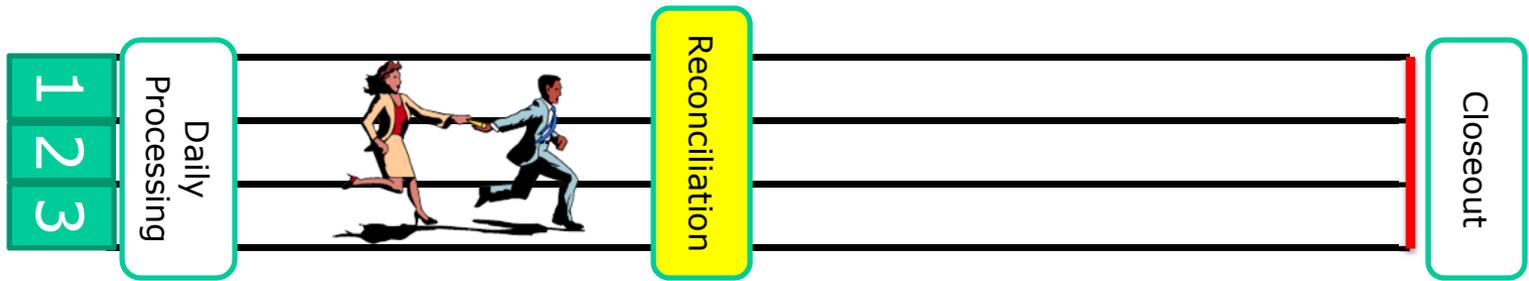
- Communicate to
 - All responsible staff/offices
 - COD Customer Service Representatives
- Use available resources
 - Help Desks
 - Reports
 - Training

Daily Processing



- Track trends
 - Repetitive rejects/edits
 - Late reporting of disbursements
 - Posting downward adjustments and not returning refunds of cash timely
 - Drawdowns in wrong year
- Assess your procedures





RECONCILIATION

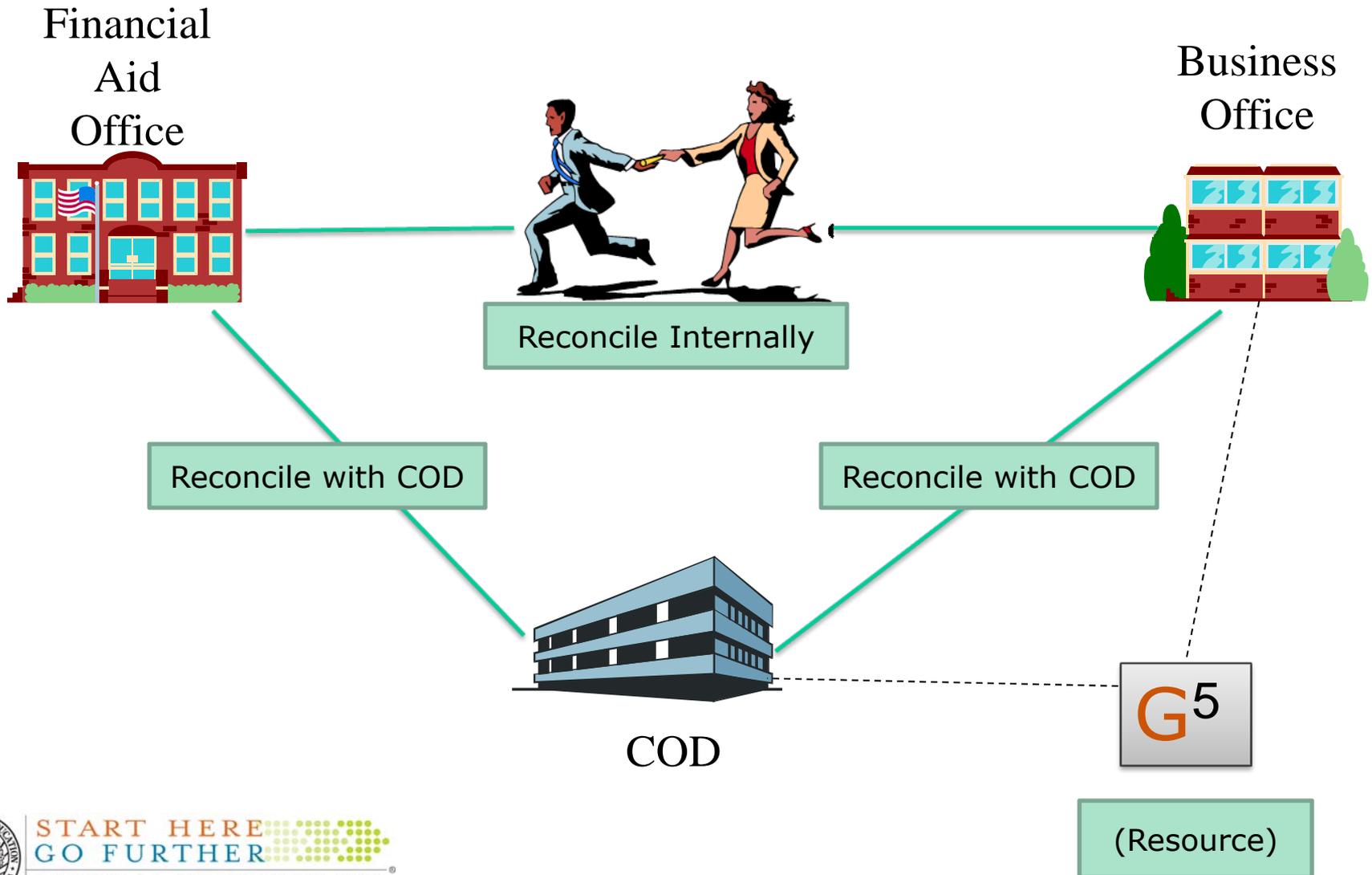


Direct Loan Reconciliation

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

- **Identify** and **resolve** discrepancies, and
- **Document** reasons for Ending Cash Balance (ECB)

Key Reconciliation Players



Preparing for Reconciliation

- Defining responsibilities
- Documenting procedures
- Preparing for end of month



Defining Responsibilities

- Pulling in School Account Statement(SAS)
- Comparing cash/disbursement data on SAS
- Identifying and using additional reports/tools
- Assigning user access to COD/G5
- Tracking and resolving discrepancies
- Documenting monthly reconciliation
- Meeting to assess discrepancies, process, and trends

Documenting Procedures

- Documenting current reconciliation/closeout procedures
- Revisit regularly



Preparing for End of Month

- **Communicate** between BO and FA
- **Resolve** as many rejected records as possible
- Identify and enter **pending actual disbursements** that should have been entered into system and sent to COD
- **Export/transmit** all records/batches
- **Import** all acknowledgements/responses
- Reconcile **internally** both cash and disbursement transactions

Implementing Reconciliation

- Reviewing the School Account Statement
- Identifying reconciliation discrepancies
 - reports and tools
- Documenting monthly reconciliation

School Account Statement (SAS)



- Contains the Department's official ending cash balance for your school
- Generated by COD on 1st full weekend of the month
- Contains data through the end of the previous month
- Separate SAS for each open award year
- Contains Cash Summary, Cash Detail, and optional Disbursement information

SAS Cash Summary

	A	B	C	D	E	F	G	H	I	J	K	L
1	Rec Type	BatchID	DL ID	Reg	S T	EndDt	ProcDt	Sum Type	BegBal	Cash Receipts	Refunds of Cash	Net Drawdowns /Payments
2	T	AS2G0099920110901144141	G00999	4	OR	20110831	20110901	Y1	0	705	-110	815
3	T	AS2G0099920110901144141	G00999	4	OR	20110831	20110901	T1	-2665	-225	0	-225

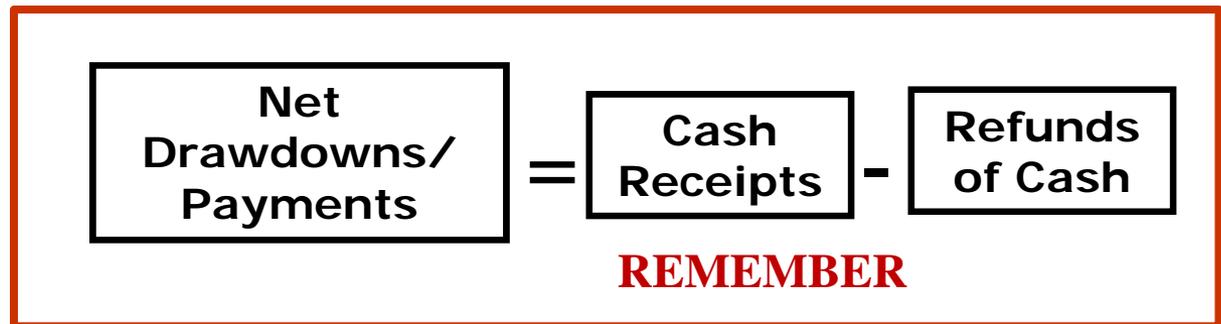
M	N	O	P	Q	R	S	T	U
Booked Disbs	Booked Adj	Total Net Booked Disbs	ECB	Unbooked Disbs	Unbooked Adj	Total Net Unbooked Disbs	Cash> NAPD	Rec Seq #
4778	-146	4632	-3817	0	0	0	-3817	1
1073	-146	927	-3817	0	0	0	-3817	2

Ending Cash Balance	=	Beginning Cash Balance	+	Net Drawdowns/ Payments
	-	Total Net Booked Disbursements		

REMEMBER

SAS Cash Detail

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Rec Type	BatchID	DLID	Reg	ST	End Dt	Process Date	Trans Type	Trans Date	Check #	Trans Amount	GAPS Ctrl #	Rec Seq#
2	C	AS2G009992011090114	G00999	4	OR	20110831	20110901	R	20110702		630	2011070211150	11
3	C	AS2G009992011090114	G00999	4	OR	20110831	20110901	R	20110702		500	2011070211150	12
4	C	AS2G009992011090114	G00999	4	OR	20110831	20110901	R	20110702		-200	2011070211150	13
5	C	AS2G009992011090114	G00999	4	OR	20110831	20110901	R	20110803		-225	2011070211150	14
6	C	AS2G009992011090114	G00999	4	OR	20110831	20110901	X	20110702		-110		15



SAS Disbursement Detail

	A	B	C	D	E	F	G	H	I	J
1	Rec Type	Batch ID	DL ID	Reg	S T	End Dt	Proc Dt	Loan ID	Loan Booked Date	Disb Booked Date
2	D	AS2G0099920110901144141	G00999	4	OR	20110831	20110901	xxxxxxxxxS12G00999001	20110702	20110702
3	D	AS2G0099920110901144141	G00999	4	OR	20110831	20110901	xxxxxxxxxU12G00999002	20110803	20110803
4	D	AS2G0099920110901144141	G00999	4	OR	20110831	20110901	xxxxxxxxxP12G00999001	20110702	20110702
5	D	AS2G0099920110901144141	G00999	4	OR	20110831	20110901	xxxxxxxxxP12G00999001	20110702	20110804

	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
	Gross	Fee	Rebate	Net	Net Adj	Disb Num	Seq Num	Trans Type	Trans Date	Total Gross	Total Fee	Total Rebate	Total Net	Servicer Name	Rec Seq#
	2400	96	36	2340	0	1	1	D	20110702	2400	96	36	2340	DEPT OF ED NELNET	16
	1100	44	17	1073	0	1	1	D	20110803	1100	44	17	1073	DEPT OF ED GREAT LA	17
	1400	56	21	1365	0	1	1	D	20110702	0	0	0	0	DEPT OF ED NELNET	18
	1250	50	19	1219	-146	1	2	A	20110702	1250	50	19	1219	DEPT OF ED NELNET	19

Total Net Booked Disbursements

=

Booked Disb

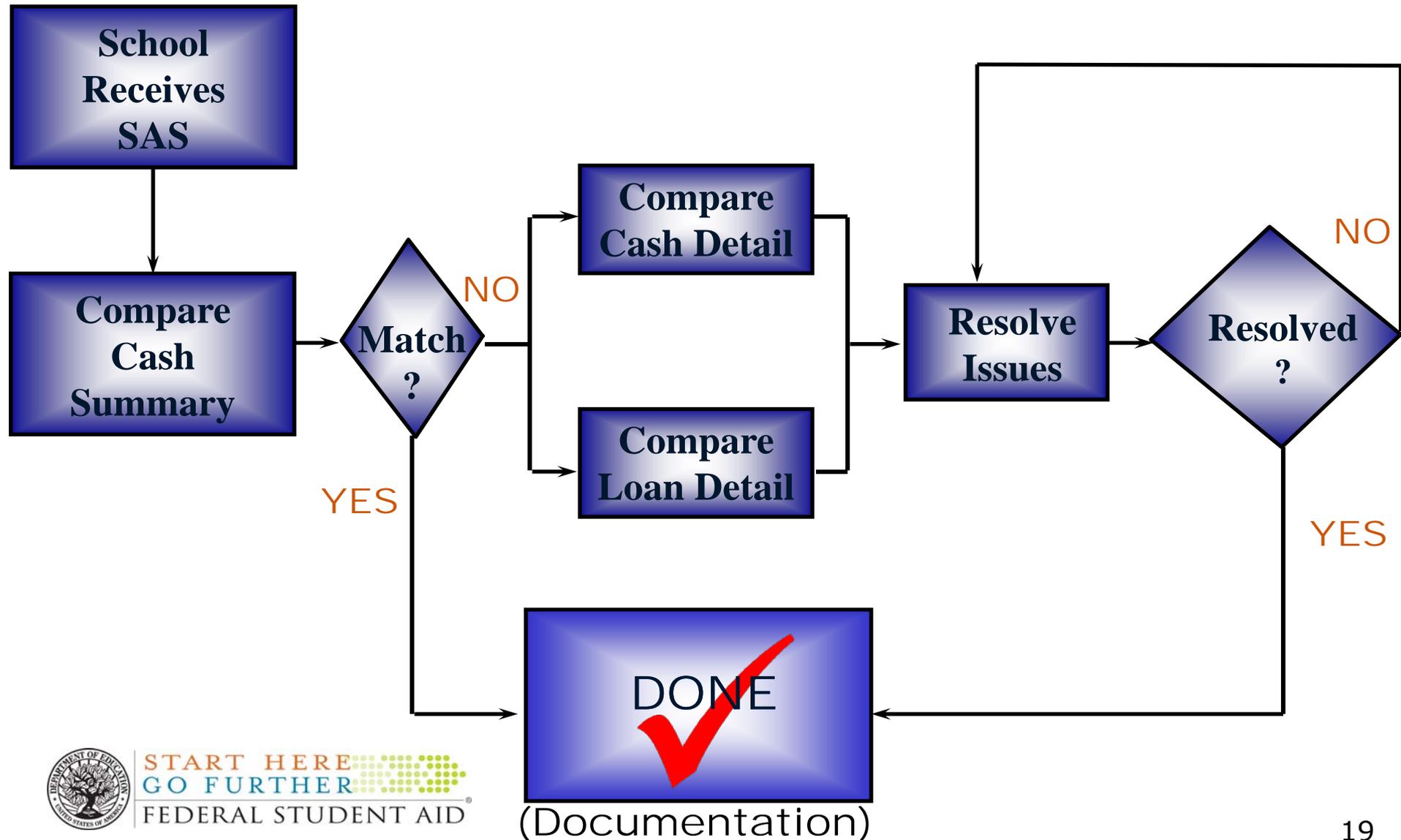
+

Booked Adj

REMEMBER



SAS - How to Use It?



Common Cash Discrepancies

- Cash transactions in **wrong year** or split between years
- Funds sent as **payment** that should have been a **refund of cash** (or reverse)
- Funds **recycled** for disbursement in a different **award year**
- Funds from a different **program** (i.e. Pell)
- Timing (Allow 5-7 days for refunds to move from G5 to COD)

Cash Reports and Tools

- COD website
 - School Summary Financial Information ★
 - Cash Activity ★
 - Refunds of Cash
- Internal reports
 - School cash summary reports
 - Bank statements
- G5

COD School Summary Financial Information

- Contains similar data to SAS Cash Summary
- Updated daily
- Monitor cash balances

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Person School Batch Award Services User Program

▶ School Search

▼ School Information

- School Summary
- Financial Aid Contact
- Eligibility
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- Relationships
- Balance Confirmation
- Request Post
- Deadline/Extended Processing
- Correspondence
- Report Selection

▶ Post Deadline Proc

▶ School Workflows

School Summary Financial Information HELP

UNIVERSITY ⓘ

Summary Financial Information

Program Award Year

Entity ID		72168715
Beginning Cash Balance		\$0.00
Cash Receipts	\$2,185,174.00	
Refunds of Cash	(\$18,882.00)	
Net Drawdowns/Payments		\$2,166,292.00
Booked Disbursements	\$2,166,292.00	
Booked Adjustments	\$0.00	
Total Net Booked Disbursements		\$2,166,292.00
Ending Cash Balance		\$0.00
Unbooked Disbursements	\$0.00	
Unbooked Adjustments	\$0.00	
Total Net Unbooked Disbursements		\$0.00
Cash > Accepted and Posted Disbursements		\$0.00

COD Cash Activity Screen

- Lists drawdowns & refunds of cash by program/year
- Updated daily
- Monitor cash detail and on-time reporting

The screenshot displays the 'COD Cash Activity' screen for 'THE UNIVERSITY'. The interface includes a navigation menu on the left with options like 'School Search', 'School Information', and 'Post Deadline Proc'. The main content area shows a 'Cash Activity Summary' table and a detailed 'Cash Activity' table.

Cash Activity Summary

Net Draws	\$131,336.00
Cash > Accepted & Posted Disbursements & older than 30 days	\$19,103.00

Cash Activity Table

	Totals	10/11/2011	10/11/2011
Date of Transaction		10/11/2011	10/11/2011
Time		11:17:04 AM	11:17:03 AM
GAPS Debit Date			10/11/2011
Drawdowns/Payments	\$154,696.00		\$2,737.00
Drawdown Adjustments	(\$11,692.00)		
Refunds of Cash	(\$11,668.00)	(\$5,224.00)	
Returns of Cash	\$0.00		
Drawdown Offsets	\$0.00		
Days Since Net Draws Increase			2
Days Left For On-time Reporting			028
Payment Control Number			20111007470:
Accepted & Posted Disbursements Applied	\$91,104.00		\$0.00
% of Accepted & Posted Disb. Applied to Net Draws	69.4%		
Cash > Accepted & Posted Disbursements	\$40,232.00		
% of Cash > Accepted & Posted Disbursements	30.63%		
Source System		GAPS	GAPS

Amounts in parentheses decrease net draws

Days Left for On-time Reporting

Common Disbursement Discrepancies

- **Unsent/unacknowledged** disbursement batches
- **Rejected** disbursements
- Disbursements **not entered** in any system (pending actuals)
- Disbursements recorded in **Business Office** but not in **FA system**
- **Unbooked** records
- **School data loss**

Disbursement Reports and Tools

- COD website
 - School Summary Financial Information
 - Action Queue
 - Batch Search
- COD reports
 - Actual Disbursement List ★
 - Pending Disbursement List
- Internal school reports

Actual Disbursement List

NEW

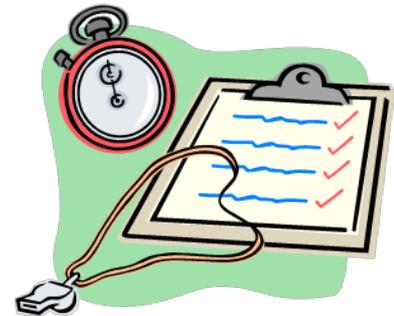
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	Direct Loan ID	School ID	Borrower's First Name	Borrower's Last Name	Borrower's SSN	Loan Type	Award ID	Post Date	Booked Date	Disb Date	Disb Number	Disb Sequence Number	Gross Amount	Fee Amount	Rebate Amount	Net Amount	Net Disb Adjustment Amount
2	G09990	10009990	MARYALICE	BONETTI	XXXXXXXXXX	S	XXXXXXXXXXS12G09990001	7/16/2011	7/16/2011	7/16/2011	1	1	640	6	3	637	0
3	G09990	10009990	MARYALICE	BONETTI	XXXXXXXXXX	S	XXXXXXXXXXS12G09990001	7/16/2011	7/16/2011	7/16/2011	2	1	1310	13	7	1304	0
4	G09990	10009990	TAMIKO	BESSETTE	XXXXXXXXXX	S	XXXXXXXXXXS12G09990001	7/16/2011	7/16/2011	7/16/2011	1	2	1200	12	6	1994	199
5	G09990	10009990	LACIE	BARETTE	XXXXXXXXXX	P	XXXXXXXXXXP12G09990001	7/15/2011	7/16/2011	7/15/2011	1	1	20000	800	300	19500	0

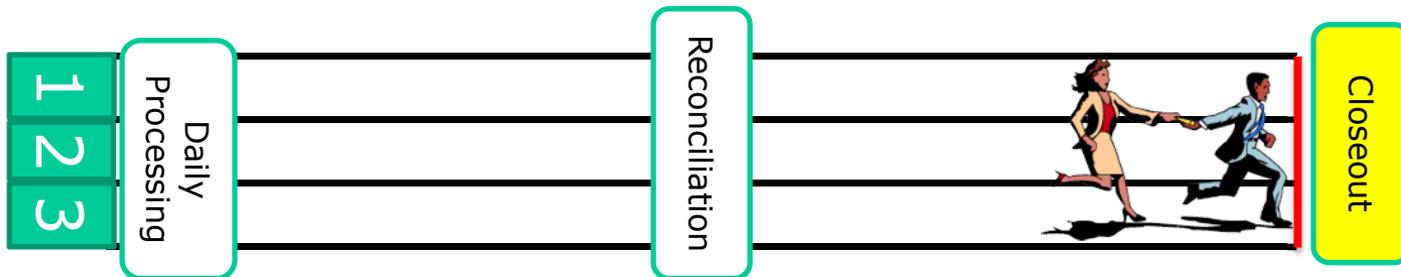
- Displays booked, unbooked disbursements and adjustments
- Generated on Saturday; Reporting period is previous Sat. to Fri.
- NewsBox in CSV; SAIG in comma delimited
- Compare to school's actual disbursements weekly



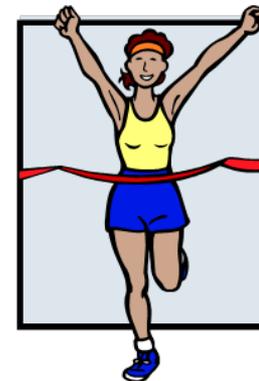
Documenting Monthly Reconciliation

- Documentation should show:
 - Reconciliation performed at least monthly
 - Any issues identified and resolved
 - Reasons for ending cash balance
- Format is at school discretion





PROGRAM YEAR CLOSEOUT



Program Year Closeout Defined

- The process by which schools complete processing at the end of a DL award year
 - Extension of monthly reconciliation process
 - Result is \$0 ending cash balance

When Should Closeout be Completed?



- Should follow final disbursements for Award Year, or Latest Award End Date
- No later than end of July of the year following end of the award year (7/31/2012 for 2010-11)*

* Certain Exceptions May Apply

Before the Closeout Deadline

- Schools will be notified of closeout requirements through:
 - Electronic announcements on IFAP
 - COD System-generated closeout correspondence

Pre-Closeout Correspondence

- System generated letters
 - Zero balance letter/Remaining balance letter
 - Sent monthly to FAA
 - Includes:
 - Balances
 - Latest award end date
 - Instructions for confirming closeout

Pre-Closeout Correspondence

- System generated letters
 - Notification warning letter
 - Reminder sent in May before Program year closeout deadline
 - Sent to President and FAA
 - Includes:
 - Balances
 - Latest award end date

School Correspondence Screen

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Person **School** Batch Award Services User Program

School Search School Correspondence ?HELP

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Post Deadline Proc

School Workflows

Program Year Closeout Letter

Request Date/Time	Award Year	Requested By	Status	Number of Reprints	Last Reprint Date/Time	Re-Request	View
10/12/2011 00:03:37	'10-'11	DLCLOSE	SENT	0		<input type="checkbox"/>	<input type="radio"/>
10/12/2011 00:03:36	'10-'11	DLCLOSE	SENT	0		<input type="checkbox"/>	<input type="radio"/>

Zero Balance Confirmation Letter

Request Date/Time	Award Year	Requested By	Status	Number of Reprints	Last Reprint Date/Time	Re-Request	View
10/07/2011 00:01:46	'10-'11	DLCLOSE	SENT	0		<input type="checkbox"/>	<input checked="" type="radio"/>

REQUEST AGAIN VIEW LETTER



Sample Zero Balance Letter

DEAR FINANCIAL AID DIRECTOR:

THE DIRECT LOAN CLOSEOUT DATE FOR THE 2010-2011 PROGRAM YEAR IS JULY 31, 2012 . AS OF THE DATE OF YOUR LAST SCHOOL ACCOUNT STATEMENT (SAS) 09/30/2011 , OUR RECORDS INDICATE THAT YOUR SCHOOL'S BALANCE FOR THE 2010-2011 AWARD YEAR IS:

TOTAL NET DRAWDOWNS/PAYMENTS: \$1,619,809.00

TOTAL NET BOOKED DISBURSEMENTS: \$1,619,809.00

ENDING CASH BALANCE: \$0.00

TOTAL NET UNBOOKED DISBURSEMENTS: \$0.00

WE HAVE ALSO OBTAINED THE FOLLOWING INFORMATION FROM 2010-2011 LOAN ORIGINATION RECORDS SUBMITTED BY YOUR SCHOOL, AS OF OCTOBER 06, 2011 :

LATEST REPORTED DIRECT LOAN AWARD (LOAN PERIOD) END DATE: 08/26/2011

YOUR SCHOOL IS AT LEAST 41 DAYS PAST YOUR LATEST REPORTED DIRECT LOAN AWARD (LOAN PERIOD) END DATE, AND SHOULD BE COMPLETING THE CLOSEOUT PROCESS AT THIS TIME. PLEASE FOLLOW THE INSTRUCTIONS BELOW TO COMPLETE THIS PROCESS.

IF YOUR SCHOOL'S RECORDS AGREE WITH THE ABOVE BALANCE, AND YOU HAVE NO FURTHER LOANS OR DISBURSEMENTS TO PROCESS FOR THE 2010-2011 PROGRAM YEAR, PLEASE GO TO COD'S WEBSITE AT [HTTP:COD.ED.GOV](http://cod.ed.gov) AND COMPLETE THE PROGRAM YEAR CLOSEOUT BALANCE CONFIRMATION FORM. THIS WILL ENABLE THE DEPARTMENT TO CLOSE OUT YOUR SCHOOL FOR

COMPLETE THE FORM ONLINE, PLEASE CONTACT COD CUSTOMER SERVICE AT 1-800-848-0976.



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How Do I Complete Closeout?

- School receives and reconciles to SAS, achieves \$0 balance
- School receives zero balance letter e-mail
- School completes balance confirmation form

Balance Confirmation Screen

https://cod.ed.gov/cod/SchoolBalanceConfirmationPage

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Person **School** Batch Award Services User Program

School Search School Balance Confirmation ?HELP

School Information

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Post Deadline Proc

School Workflows

Program: DIRECT LOAN Award Year: '10-'11

The main purpose of this screen is to allow you to submit your confirmation and to enter the School Ending Cash Balance and the End Date of the School Balance.

Date School Confirmed Program Year Closeout	
	10/11/2011

Current Program Year Close Data	
Today's Date	10/12/2011
Net Drawdowns/Payments	\$1,619,809.00
Total Net Booked Disbursements	\$1,619,809.00
Current Ending Cash Balance	\$0.00
Total Net Unbooked Disbursements	\$0.00
Latest Award End Date	08/26/2011

Days past the Latest Reported Award End Date: 047

Balance Confirmation Form	
Date	10/07/2011
School Name	
Name of School Official	



Balance Confirmation Screen

Last SAS Date 09/30/2010

School Ending Cash Balance

End Date of School Balance

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

1. The Department will send a closeout letter to my school.
2. COD will stop processing or accepting any data without Department review and approval.
3. The Department will reduce our school's Cash Funding Level (CFL) to Total Net Cash (Cash Receipts - Refunded Cash).
4. The SAS and other reports for this award year will no longer be sent unless our balance changes.

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

To Submit this form, please click either button:

I Agree or I Disagree

I AGREE

I DISAGREE

Oct 25 2010 18:36 EDT

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What Happens Next?



- After successfully confirming closeout, COD will:
 - Generate a Program Year Closeout Letter
 - Reduce funding to net Drawdowns/Payments
 - Reject additional data for the program/award year



Benefits of Confirming Closeout



- Program Year Closeout Letter documents closeout completion
- Reduction of CFL prevents drawdowns requested in closed year
- Award-year specific data is prevented from processing in COD

What if My Balance Changes after Closing Out?

- If your balance changes due to refunds or adjustments in G5 you will:
 - Receive a Change in Zero Balance Letter
 - Receive an updated SAS at the end of the month
 - Must request to be reopened



What if I have Additional Records to Report to COD?

- If school identifies additional disbursement or adjustment data after closing out:
 - School should request to re-open the award year



How do I Reopen before the Deadline?

- Contact COD School Relations at CODSupport@acs-inc.com and include:
 - School name and identifier
 - Award year to be reopened
 - Reason for the request
- School receives reopen letter



Remember to re-close!

After the Closeout Deadline

- The COD System:
 - Reduces funding to net drawdowns for all remaining schools
 - Rejects award year-specific awards/disbursements
 - Discontinues year-specific reports
 - Issues a final SAS to all schools

Can I Confirm Closeout after the Deadline?

- Yes! The process is the same both pre-and post-closeout deadline
- Schools are encouraged to confirm closeout as soon as possible after final disbursements/adjustments are processed for the award year

What if I Need to Process Data after the Deadline?

- Extended processing is available on a limited basis for authorized reasons:
 - Contact COD School Relations at 800-848-0978 or CODSupport@acs-inc.com

Extended Processing Requests

- Exception-based, case-by-case approval for limited time period
- Must include:
 - School name and identifier
 - Award year requested
 - Justification for the request

Be Specific!

(But no PII data, please!)

What if I do not Resolve My Ending Cash Balance?

- Schools will be notified of remaining balances through:
 - Final Demand Letter
 - Negative Balance Letter
- Remaining positive balances will result in final liability for school



ADDITIONAL INFORMATION – TO STAY ON TRACK



Reference Materials

- *Direct Loan School Guide*, Chapter 6
- *FSA Handbook*, Volume 4
- *COD Technical Reference*
 - Volume 2, Section 4 (Edits)
 - Volume 4, DL Tools
 - Volume 6, Section 8 (Reports)



Resources

- COD Resources and Tools
 - COD Customer Service:
1-800-848-0978
 - Issue identification and resolution
 - School monitoring e-mails
 - Adhoc reports
 - COD website, <https://cod.ed.gov>



Contact Information

We appreciate your feedback and comments. We can be reached at:

E-mail:

- allison.richards@ed.gov
- tracy.lardinois@ed.gov