



U.S. Department of Education
1998 Electronic Access Conferences



Session 4

Direct Loan Reconciliation



The Presenters...



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- Jeanette Johnson, AFMS
- Mark Wise, AFMS
- Rob Vallas, DLCAMG



Grant Administration and Payment System (GAPS)

GAPS Hotline (888) 336-8930

Call For General GAPS Questions Including:

- GAPS User ID and Password
- Status of Payments
- Draw Down Procedures

**GAPS Hotline is staffed from
8A.M. to 8P.M. Eastern Standard Time (EST)
Monday-Friday except Holidays**





Direct Loan Document Numbers in GAPS

P268k993299

p=Program Office issuing the award

268=CFDA numeric suffix of the program

k=sub program identifier

99=last 2 digits of funding year-99
corresponds to academic year 1998-99

3299=unique institution identifier



Methods of Requesting Funds Through GAPS

- Internet - <http://gapsweb.ed.gov>
- GAPS Hotline (telephone)
1-888-336-8930
- EDExpress - Until February 1999



Methods of Receiving Payments

- Automated Clearing House (ACH) approximately 2 days for funds to be deposited.
- FEDWIRE - Same day receipt of funds if requested before 12:30P.M. EST. Next day receipt if requested after 12:30P.M. EST.



Adjusting Direct Loan Draw Downs

- One academic year to another

School	Document	Draws	Adjustment
School A	p268k983288	\$54,000	\$5,000
School A	p268k993288	\$98,000	-\$5,000
	Total	\$152,000	\$0

- One school to another

School	Document	Draws	Adjustment
School B	p268k983289	\$50,000	-\$5,000
School C	p268k993290	\$60,000	\$2,000
School D	p268k993291	\$70,000	\$3,000
	Total	\$180,000	\$0



Returning Excess Cash

- **Send Checks to:**

Loan Origination Center

ATTN: Excess Cash

PO Box 2011

Montgomery, AL 36102-2011



- **Excess cash greater than \$100,000**
needs to be **FEDWIRED** to:

Compass Bank

Bank Act.# 707 2672 6

ABA Routing# 06 200118 6

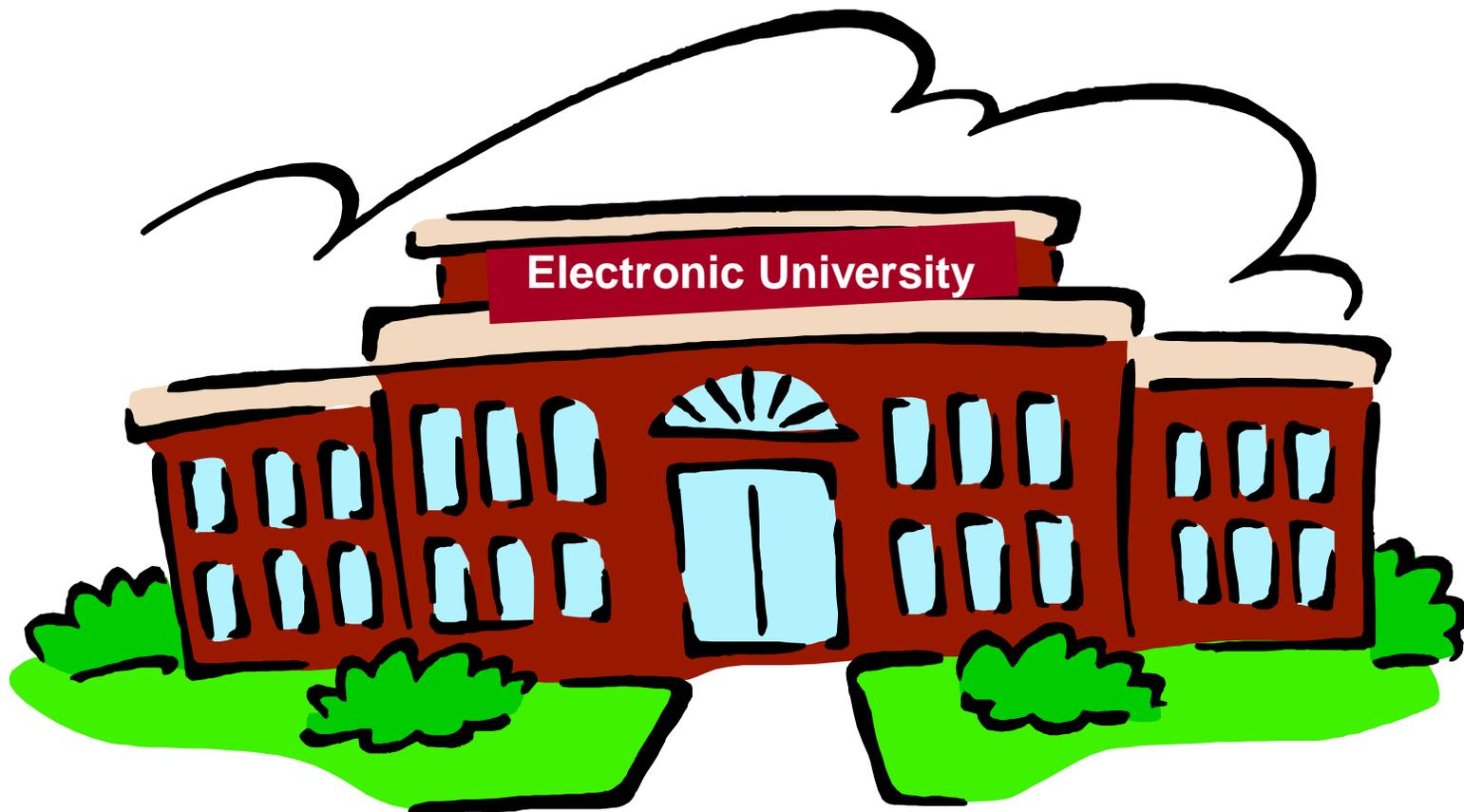


Drawing Down at the Branch Campus Level

- **Main Campus 1998** _____
- **Main Campus 1999** _____
- **Branch Campus A 1998** _____
- **Branch Campus A 1999** _____
- **Branch Campus B 1998** _____
- **Branch Campus B 1999** _____



Institutional Responsibilities





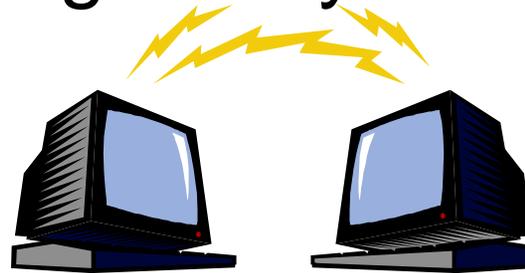
Shared Responsibilities of the Institution



Business Office



- Reconciliation
- Data Management
- Processing Responsibilities
- Regulatory Compliance



Computer System Staff



Reconciliation

Business Office



- Monthly Reconciliation
- Annual Close Out Process



Computer System Staff



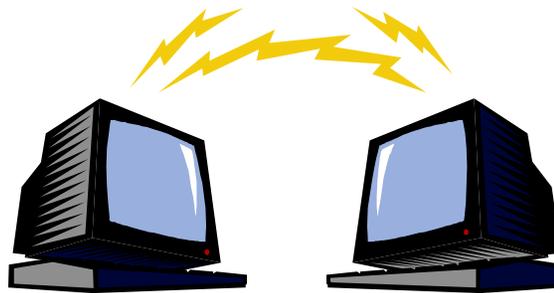
Data Management



Business
Office



- Back Up Your Data
- Production Schedules
- Activity Logs



Computer
System Staff



Processing Responsibilities

Business Office



- Tracking Promissory Notes Status
- Importing Acknowledgments
- Resolving Rejects
- Reporting Disbursements
- Verifying Booked Loan Status



Computer System Staff

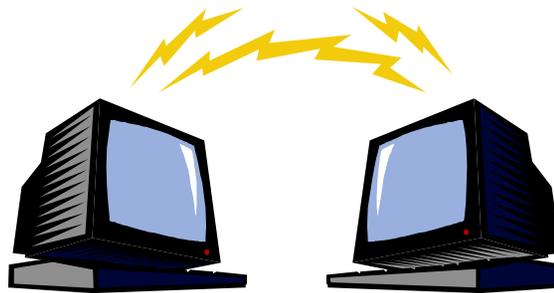


Regulatory Compliance

Business Office



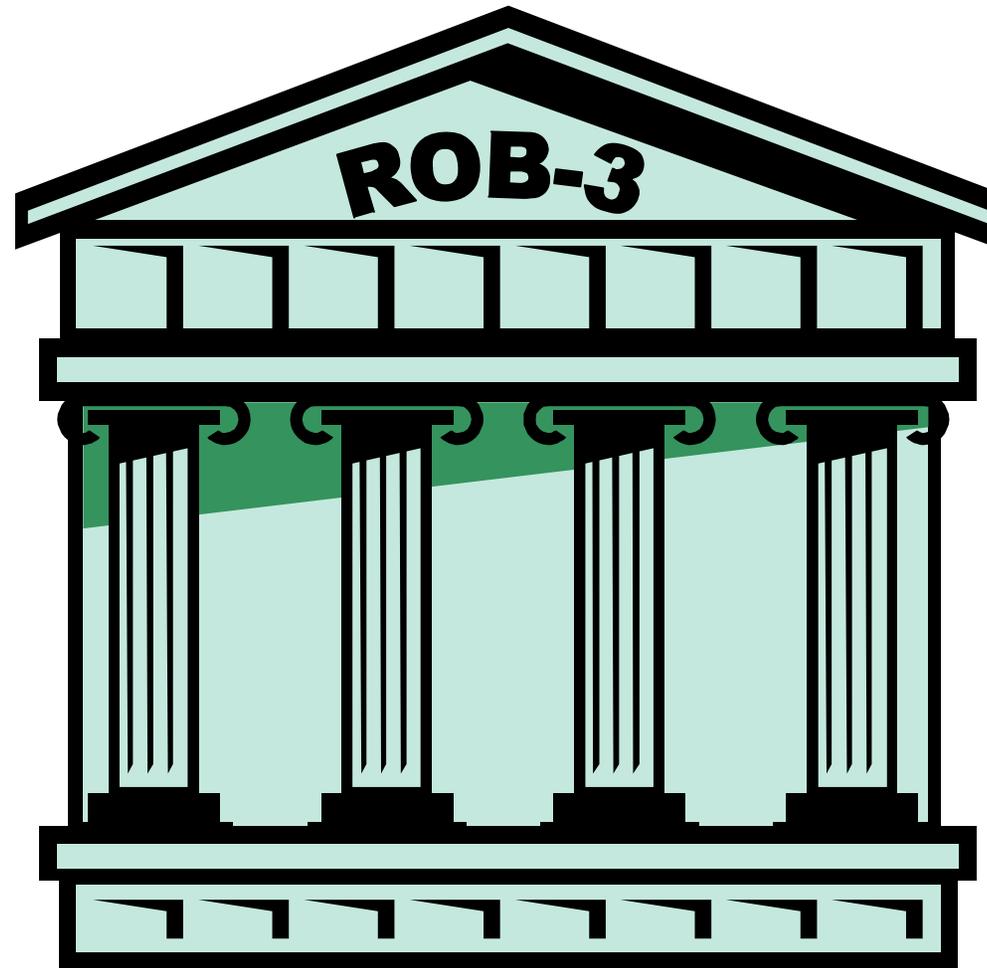
- Cash Management Regulations
- 30 Day Reporting Requirement



Computer System Staff



Departmental Responsibilities





Loan Origination Center Responsibilities

- Transmits the DLSAS each month
- Customer Service Representatives for assistance
- Reconciliation Accountants



AFMS: Direct Loan Program Operations Team Responsibilities

- School Reconciliation Activities (DLSAS)
- 30 Day Reporting Requirement
- School Drawdown Activities
- Coordinating and Managing the Close Out Process for DL Program Years



Direct Loan Client Account Management Group (CAMS)

The Role of the CAMS





Direct Loan Client Account Management Group (CAMS)

- Training (Spring 1999)
 - Direct Loan Year 6
 - Advanced and beginner sessions
 - Reconciliation





Direct Loan Client Account Management Group (CAMS)

- **Technical Assistance**
 - Electronic process evaluation
 - Policy issues
 - Close out procedures
 - Compare program



Direct Loan Client Account Management Group (CAMS)

- Customer Service
 - Problem resolution
 - Site visits
 - Special on-site training



Monthly Reconciliation

- Reconciliation: Pieces of the Puzzle
 - DLSAS (Direct Loan School Account Statement)
 - Internal school ledgers
 - Daily Direct Loan processing
 - Reports and queries (ad hoc)





The DLSAS

- Automatically generated for each school
 - Monthly
- Three-part “Bank Statement”
 - Cash summary
 - Cash detail
 - Loan detail (optional)
- Simultaneous processing years





DLSAS Cash Summary

- Cash Summary Summarizes
 - Drawdowns for the month
 - Excess cash received by LOC for the month
 - All disbursements acknowledged for the month
 - Disbursements, adjustments, cancellations
 - Booked loans **ONLY**
 - Accepted disbursements for unbooked loans
- Timing is **EVERYTHING**



DLSAS Cash Detail

- Cash Detail Provides
 - Listing of drawdowns, by transaction
 - Furnished by GAPS
 - Listing of excess cash returned, by transaction
 - Furnished by LOC



DLSAS Optional Loan Detail

- Loan Detail Provides
 - Booked disbursements* acknowledged during month
 - Accepted but unbooked disbursements* for the **academic year**
 - (*Note: “disbursements” = disbursement, adjustment, and cancellation transactions)
- Call the LOC if you do not want this part of the report



DLSAS Fun Facts!

- Message class is **DSAS99OP**
- Batch Identifier is **AS**
- **File/Import/Direct Loans**
 - **DL School Account Statement**
- Message Class for Unbooked Totals is **EDM599OP**



The DLSAS and Internal Accounts

- DLSAS cash balance must be reconciled to internal cash balance
 - Checkbook/bank statement analogy
- The path you take is NOT defined by ED
- Document monthly differences



If All Else Fails...

- **Loan Detail Exception File (#L Batch)
Data Compare Option**
 - Export loan data from internal system
 - Booked data for specified month
 - Unbooked data is cumulative
 - LOC returns side-by-side comparison report
 - LOC data versus school data, line by line



Tools to Help in Reconciliation

- School System Reports
 - Booked Status report
 - Cash Management report
 - Loans with Origination not in “A” status
 - Loans with Prom Note not in “A” status
 - Loans with Disbursement not in “A” status
 - **QUERIES**
 - Anything else that helps reconciliation



Annual Program Year Close Out Process

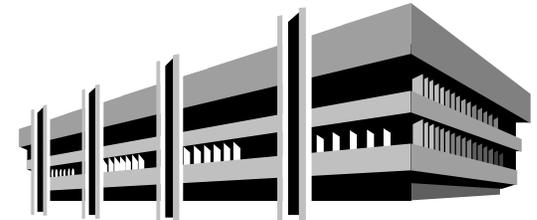


Comparing Your Data Against the LOC

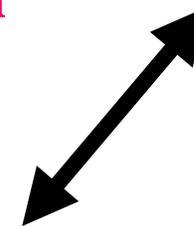
**Internal Student Files/
Business Office Records**



LOC



3-way Reconciliation



EDExpress or Other School DL Database



Reconcile Internally

**Internal student files/
business office records**



Does the data on your database (EDEXpress or other) match in your internal accounting records/student records?

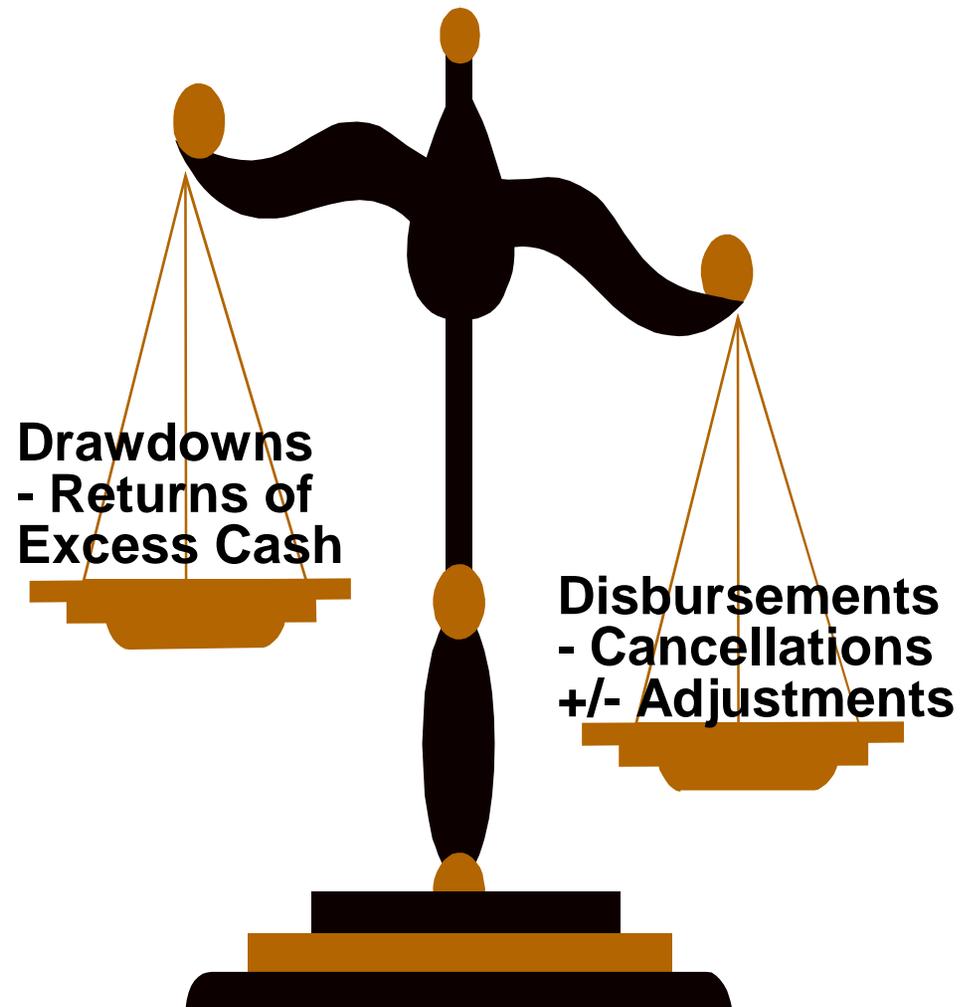


EDEXpress or Other DL Database



Reconcile Internally - Cont'd

- Internally, are you at a zero cash balance for 1997/98?





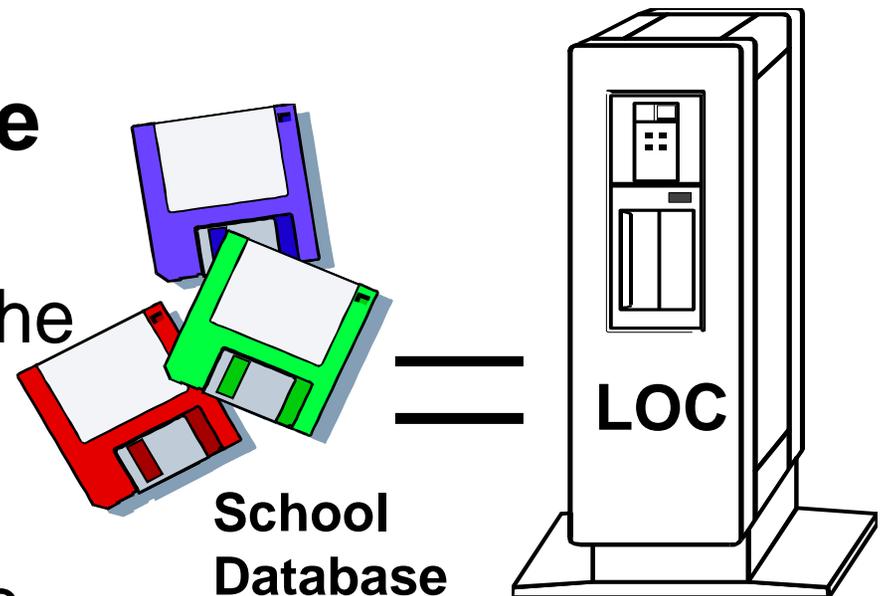
The 732-LOS Report

- For 1997/98 the First Report Run Date in December
- Message classes:
 - **dis498OP** 732-LOS Summary Report
 - **dis598OP** 732-LOS Cash & Loan Detail Report
 - **dis698OP** 732-C File
- See DLB for Report Layouts



732-LOS Detail Report

- Lists all Cash Records and Loan Records on the LOC System
- The DLCAMG **Compare Program*** can Electronically Compare the Report Against Your EDExpress Database
- The Program can also be Adapted for Other Database Systems

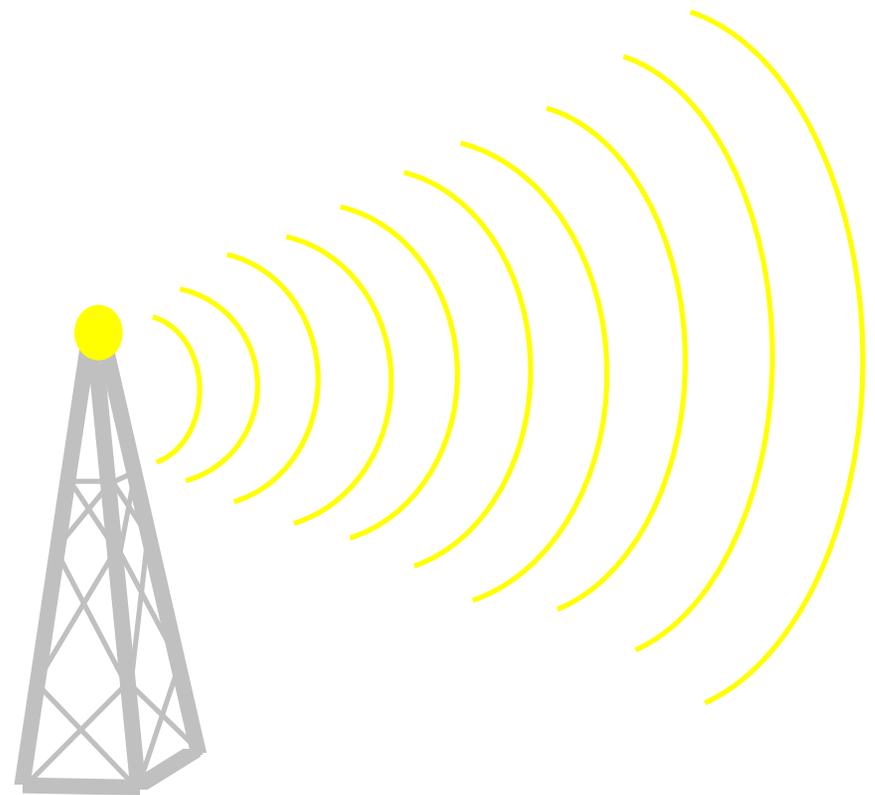


*contact your account manager



Ensure You've Sent All Records to the LOC

- Are All Disbursements Entered?
- Were They Batched and Transmitted?
- Loan Origination Records/Changes?
- Promissory Notes?
- Did You Remember to Send Back All Returns of Excess Cash?





Have the Acknowledgements Been Imported?

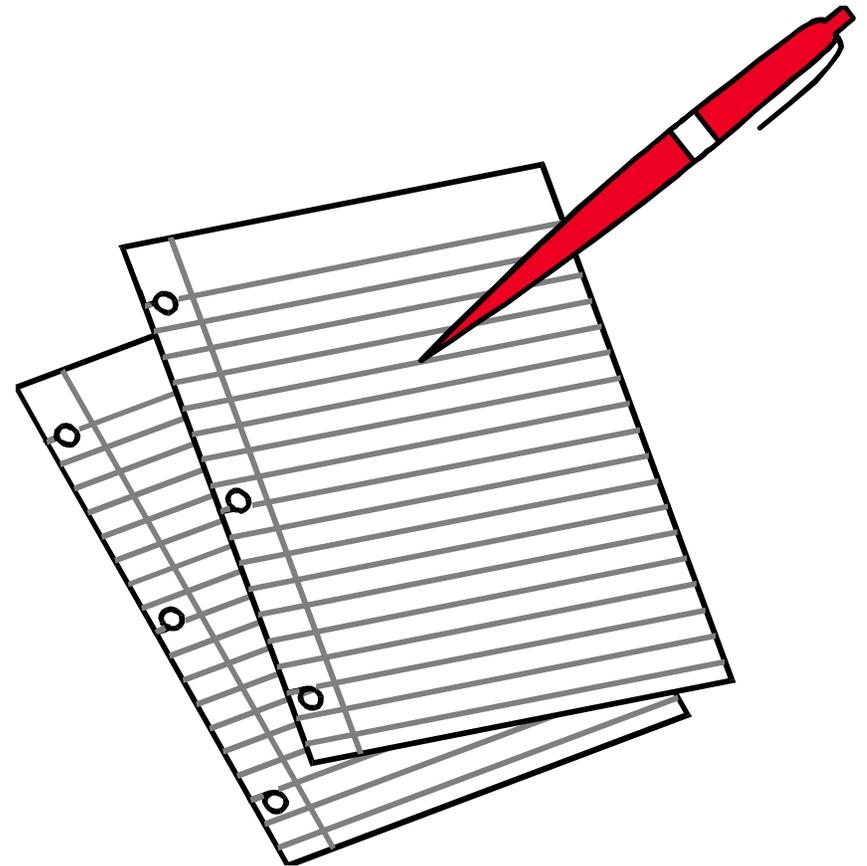
- Are All Batches Confirmed?
- In EDEExpress Check the Batch Activity Database for Dates in the Confirmation Column





Determine if Loans/ Disbursements are Booked

- Run Reports/Queries to Determine if any LORs, Disbursements or P-notes are NOT in an “A” Status
- Use the 30 Day Warning Reports
- In EDEExpress, Run the Reconciliation Measurement Tool





What the Compare Program Does

School Data
Exported from
EDExpress or
Other System



LOC Data Exported
from the 732-LOS
Detail Report
(dis598OP)



Output Reports
Show Mismatched
Cash and Loan Records



What Does the Compare Program Tell Me?

- If there are loan records on the school system but no corresponding record on the 732
- If there are loan records on the 732 but no corresponding record on the school system

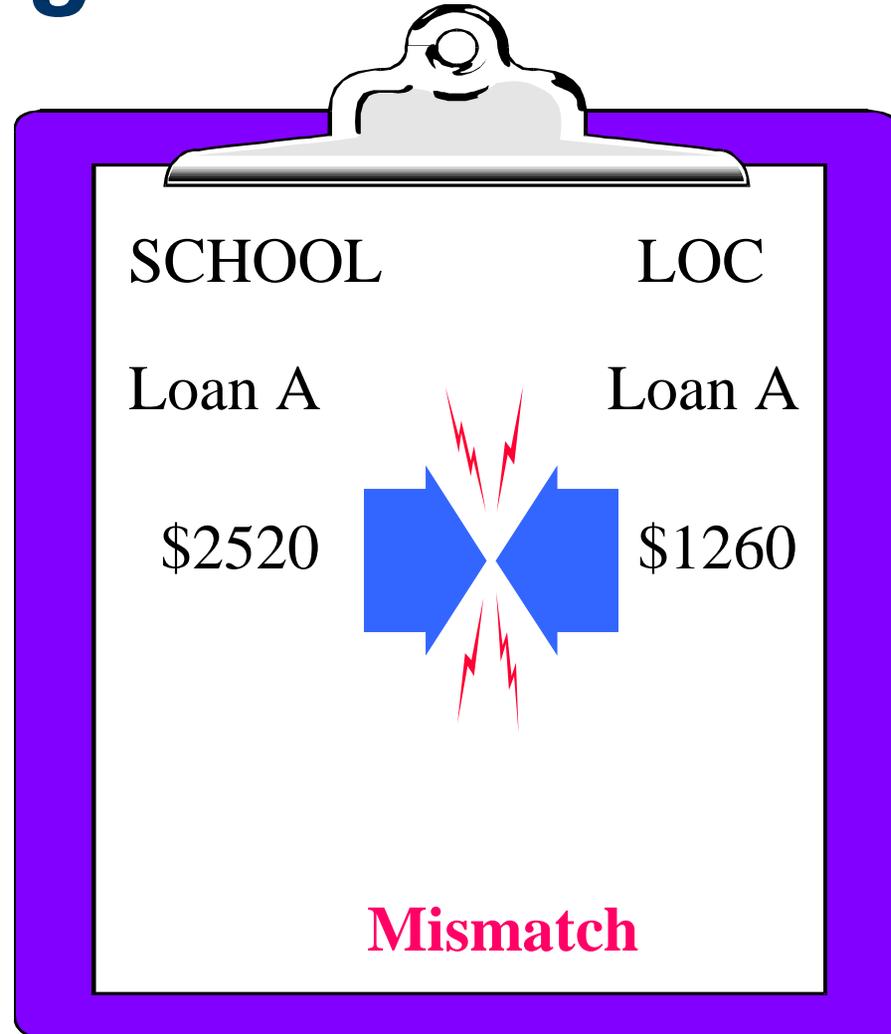
SCHOOL	LOC
Loan A	?
Loan B	?
?	Loan C

Unmatched



What Does the Compare Program Tell Me?

- If there are corresponding loan records but net disbursement amounts don't match





What Does the Compare Program Tell Me?

- If any cash records can't match because of different amounts, missing records or dates outside a tolerance window

SCHOOL	LOC
R 3/15 \$3000	3/15 \$3000 <input checked="" type="checkbox"/>
R 4/20 \$5000	4/24 \$5000 <input checked="" type="checkbox"/>
X 5/30 \$4000	6/1 \$4000 <input type="checkbox"/>
R 7/10 \$900	7/11 \$9000 <input type="checkbox"/>
X 8/11 \$2000	? <input type="checkbox"/>

Mismatched and Unmatched



What Does the Compare Program Tell Me?

- If there are unbooked loans on the 732

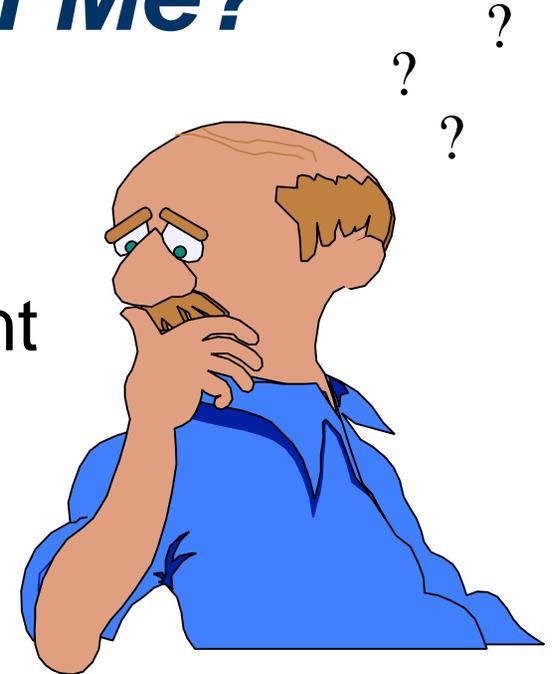
SCHOOL	LOC
Loan A	Loan A
\$2520	\$2520
P-note = S	P-note???

Unbooked



What Doesn't the Program Tell Me?

- why a cash or loan record is missing
- why a cash or loan record amount is mismatched
- why a loan is unbooked
- doesn't identify records I haven't entered and/or reported to the LOC because neither side will show those





We Recommend ...

- Close out efforts should begin NOW- begin reviewing 732 files and share information with other offices
- Work closely with your LOC customer service representative and CAM
- Coordinate your close out effort with your third -party servicer





Program Year Close Out 1997-98 (Year 4)

- Deadline date: July 31, 1999
- Waiver of Data Match requirement (#L batch) effective immediately
- 732-LOS file to be released soon to schools



Questions...