

I. INTRODUCTION

This guide will assist financial aid administrators (FAAs) in interpreting student information, whether the information appears in a Student Aid Report (SAR), which is a paper output document that is sent to the student; or in an Institutional Student Information Record (ISIR), which is an electronic report that is sent to the institution.

The term ISIR refers to all processed student information records that are sent directly to institutions by the Central Processing System (CPS). SARs and ISIRs contain the same processed student information in different formats.

ISIRs may be records sent to an institution through the Electronic Data Exchange (EDE), the Department's electronic service that allows institutions to send and receive electronic applications and corrections to and from the CPS. ISIRs may also be full-data records on magnetic tape or cartridge that are mailed out on a schedule by the CPS to institutions participating in the Applicant Data Service. Drafts of the 1998-99 ISIR layout for institutions and state agencies have been provided at conferences beginning in July 1997, and can be downloaded from the OPE web page in portable document format, at: <http://www.ed.gov/offices/OPE>

This *Guide to 1998-99 SARs and ISIRs* explains codes and flags that appear as FAA information on the SAR and ISIR. Each code and flag described in the guide—rejects, database matches, comment codes, and so forth—has the same meaning whether it appears on a

presented in an interview format using graphics and friendly language, especially designed for students and parents who are first-time users of the FAFSA. Also new in 1998-99, students who receive a paper 1998-99 Renewal Application may be able to update their previous year's information and file for 1998-99 student financial aid through the Internet. See Action Letter #3 (GEN-97-13) for details about filing via the Internet. Both versions of the FAFSA, as well as the 1997-98 FAFSA on the Web, can be accessed at <http://www.fafsa.ed.gov>

Changes to CPS Edits

Reject 1, which applies when students and parents do not meet the criteria for the simplified needs calculation and do not provide asset information, has been revised. If the applicant responds only to question 82 in Section F (age of the older parent) but leaves all other asset questions blank, the CPS will apply Reject 1 to the application, indicating that no asset information was provided.

Reject 4, which is triggered when the year reported for the student's date of birth is the same as the current year, will also apply any time the reported date of birth is greater than the current year.

Changes to FAA Information

In the FAA Information sections that appear on SARs and ISIRs, we added one new intermediate value. This is the FISAP Total Income (FTI), which represents the family's total income for the independent student and spouse, or for the dependent student and parents. For a dependent student, the FTI amount is the sum of the STI (student's total income) plus the TI (parents' total income). For an independent student, the TI (total income) and the FTI amounts will be the same. The FTI value will also appear on SARs and ISIRs for students who qualify for the automatic zero EFC.

The "FTI" is the value that can be used when placing the applicant on the "income grid" (Section G) of the FISAP filed in the Fall of 1999.

processing errors are confirmed, the FSAIC will correct up to six items on-line. The CPS will then print and mail a new SAR to the student and send ISIRs to schools. Note: This system will be used only to correct keying errors made by the FAFSA processor. Students

“This page contains your previous financial aid information, which is contained in the National Student Loan Data System (NSLDS). Your Financial Aid Administrator will use it to determine your eligibility.”

Please see the SAR mockups in Appendix F to review these changes.

Processing Flow

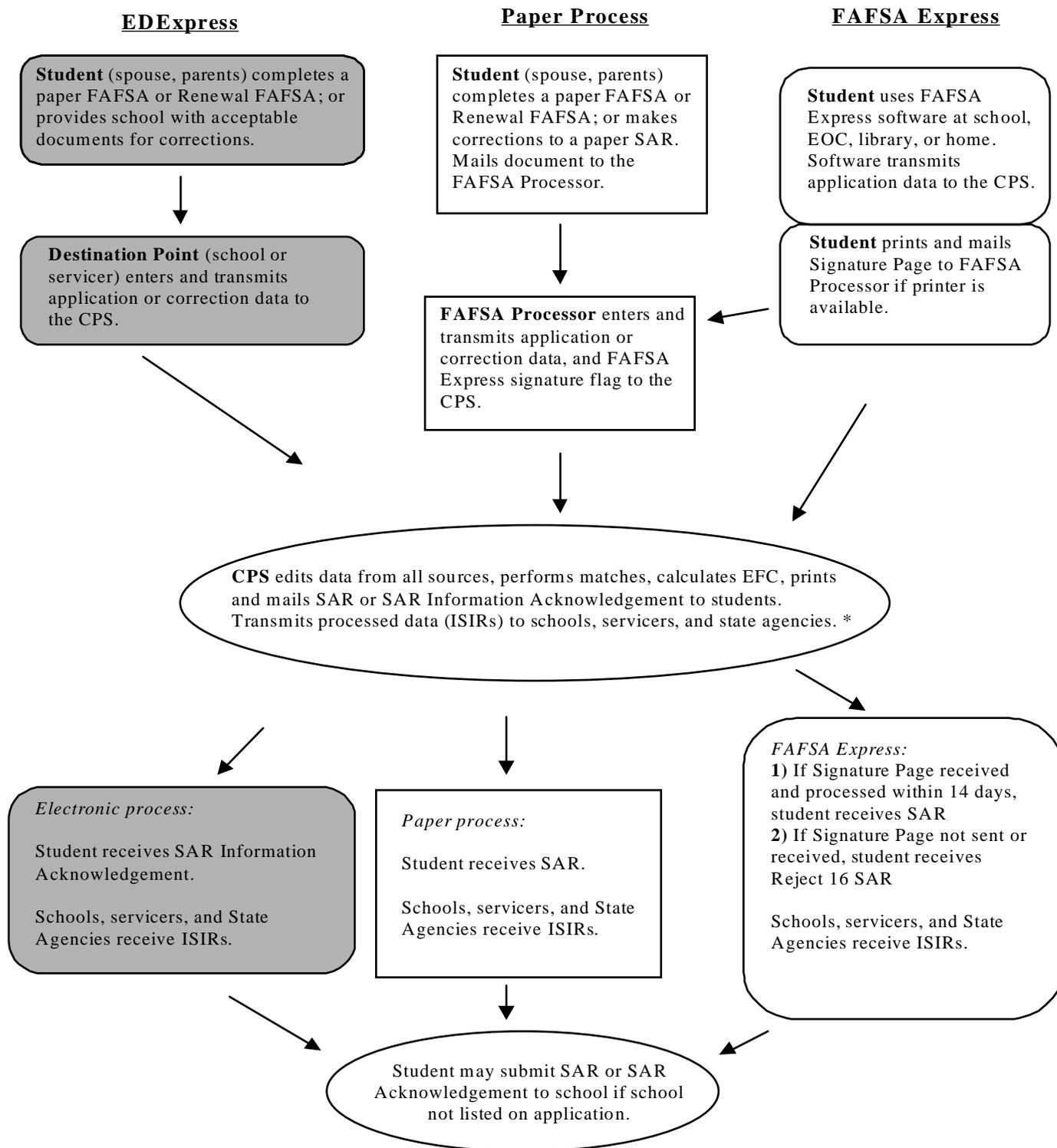
The flow of information through the system remains the same in 1998-99 as in 1997-98, except that all paper applications will be handled by one FAFSA processor.

The student starts the process by filling out a financial aid application, and this information is “processed” through the system and returned to the student and institution. The application information can be submitted on paper, electronically at the school through the Title IV Wide Area Network (TIV WAN), through FAFSA Express, or through the Internet using FAFSA on the Web.

The charts on the following page show how information about a financial aid applicant flows through the system for the various types of applications and corrections. The major participants and documents or records in the application process are:

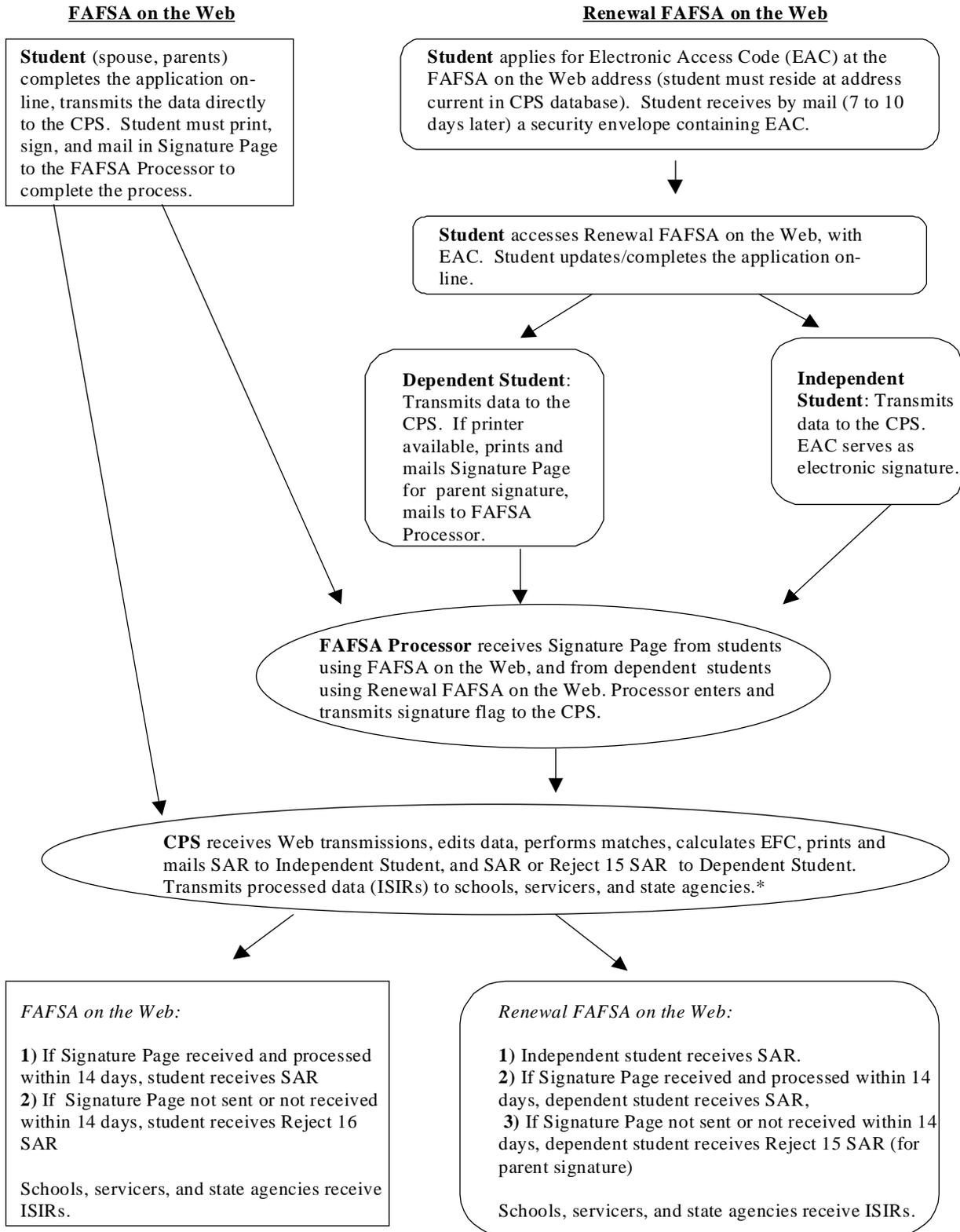
- 1) The U.S. Department of Education (ED).
- 2) The student. He or she may apply for federal student aid under the Title IV programs—Federal Pell Grant and Federal SEOG programs, Federal Work-Study, Federal Perkins Loans, the Federal Family Education Loan Program, and the William D. Ford Federal Direct Loan Program.
- 3) The applications. The paper Free Application for Federal Student Aid (FAFSA), the paper Renewal FAFSA, FAFSA Express, the electronic application or Renewal FAFSA through EDEXpress, FAFSA on the Web, or Renewal FAFSA on the Web, that the student must complete and submit in order to apply for federal student aid.
- 4) The FAFSA processor. One organization will serve as the data entry processor for the 1998-99 school year under contract with ED. The FAFSA processor receives applications in the mail, performs document analysis to check that signatures are present and dates are acceptable, and handles missing or unacceptable responses. The processor images the application, enters the information from the application, and transmits it electronically to the CPS.
- 5) The Central Processing System (CPS). The CPS operates under a contract with ED to receive and process application information. The CPS matches student records with other data bases to check eligibility. The CPS also applies a series of “compute edits” to the application information to check for inconsistencies, contradictions, and missing information. During the compute process, the CPS uses the need-analysis formula specified in the Higher Education Act of 1965, as amended, to calculate each applicant’s expected family contribution (EFC).
- 6) The Student Aid Report (SAR) and the SAR Information Acknowledgement. These documents provide the student with processed application information. The CPS prints SARs and mails them directly to the address the student provided.
- 7) The Institutional Student Information Record (ISIR). ISIRs are produced by the CPS and provide the institution with processed application information. ISIRs may be transmitted electronically to destination points (schools and servicers) through EDE daily, or they may be sent out on magnetic tape or cartridge via the Applicant Data Service, up to 40 times each processing cycle.
- 8) The school. The school refers to every postsecondary educational institution that the student listed on the financial aid application. The financial aid administrator (FAA) at the school will use the processed information from the SAR or ISIR to determine what federal aid the student is eligible to receive. Schools and states may also use information from the SAR or ISIR to award their own financial aid.

1998-99 Federal Application Processing System Paper and Electronic Processes



*Schools and states that do not participate in EDE may request and receive ISIRs on magnetic tape or cartridge from the CPS's **Applicant Data Service**.

1998-99 Federal Application Processing System Internet Process



*Schools and states that do not participate in EDE may request and receive ISIRs on magnetic tape or cartridge from the CPS's **Applicant Data Service**.

Transactions

A “transaction” is an interaction between the processing system and the financial aid applicant, or the school acting on behalf of the applicant, that changes any of the data on the applicant’s record. Each transaction results in a new SAR or ISIR, and is identified by transaction number (i.e., 01, 02, 03). A transaction may sometimes be “system-generated.” For example, when an applicant is released from a “hold” file, the CPS will automatically reprocess the application information and generate a new transaction without additional input from the student or from a school. However, the transactions discussed here will be student and system, or school and system, interactions.

When application data first enter the CPS and are processed, the report that results is called the “01” transaction. The student receives a SAR and the listed schools receive ISIRs. If corrections are necessary, the student makes these changes on Part 2 of the SAR, returns the SAR to the FAFSA Processor, and the information is reprocessed. Alternatively, a school can enter corrections electronically through EDEExpress, even if the school did not submit the original application electronically. The corrections generate a new record that is identified as an “02” transaction. This second type of transaction is called a “correction,” although the term also is used to refer to students’ updating information.

To make a correction transaction, the student changes at least one data element. The change can be anything, even an address correction or the addition of extra colleges. The first correction is labeled “02,” and subsequent corrections are labeled “03,” “04,” and so forth. Identifying the correct transaction is important when reporting Pell Grant payments and when requesting duplicate SARs or ISIRs. A duplicate will always be generated from the most recent transaction unless another, earlier transaction is specified.

For 1998-99, the maximum number of transactions that an applicant may have is 40; when a student has corrected or updated information more than 20 times, the student will receive SAR comment 106, advising him or her to seek assistance from the financial aid administrator.

Two-Part SARs

Part 1 of the SAR is an Information Summary that contains information for both the student and the FAA. Part 1 summarizes all the information reported by the student on the FAFSA plus the results of processing the information.

Part 2 of the SAR is used by the student to make corrections to application data. Corrections can also be entered electronically by the school. Part 2 of the SAR may be an Information Review Form (IRVF), which reports FAFSA information for the student to review and correct, if necessary. Part 2 of a rejected SAR is called the Information Request Form (IRQF). For this type of SAR, an EFC could not be calculated and the student is required to make corrections.

In the case where a student’s application is entered electronically by the school, the student only receives a SAR Information Acknowledgement. This type of SAR has only one part and resembles Part 1 of a two-part SAR, although the FAA Information and the student’s comments vary somewhat. The reason that the student only gets this “abbreviated” SAR is because the Department assumes, since the school entered it, that the application information is correct. We also assume that if, by some chance, any changes need to be made, that the student can go to the school and have them made electronically.

Subdividing SARs into major types may help in understanding references to “an eligible SAR,” an “ineligible SAR,” or a “rejected SAR.” The term “eligible” describes a SAR for an applicant whose EFC and undergraduate status indicate eligibility for a Pell Grant. The term “ineligible” describes a SAR for an applicant whose post-baccalaureate status or high EFC makes him ineligible for a Pell Grant.

The term “rejected” describes a SAR that does not have a calculated EFC.

<i>SAR Type</i>	<i>Student receives:</i>	
Pell-Eligible—EFC is 2800* or less, and applicant is not a graduate student and does not have a bachelor’s degree	Part 1, Part 2 (IRVF)	questioned are highlighted on Part 2 of the SAR. In certain instances the application is rejected because of a conflict—for example, the student answered that he or she is not married but provides financial information for a spouse. The CPS will reject this application (Reject 11) and print the questioned items in boldface type on Part 2 of the SAR. The CPS will not calculate an EFC, because key financial information is conflicting.
Pell-Ineligible—EFC is greater than 2800*; or applicant has a bachelor’s degree or will be enrolled in a graduate or professional program	Part 1, Part 2 (IRVF)	In other situations, the CPS makes an “assumption” and does not reject the student’s record. For example, a student reports that he/she is married and provides spouse’s income, but reports only one person in the household. In this case, the CPS assumes there are two persons in the household, highlights both questions and responses on the SAR, and calculates an EFC if the record is not rejected for other reasons. Both the reported and the assumed values are printed, with the word “ASSUMED” in parentheses next to the assumed response.
Rejected—no EFC is calculated (all reject reasons except 15, 16, or 19)	Part 1, Part 2 (IRQF)	Assumptions are most often made by the system when questions are left blank. Once an answer is assumed, the assumed information is used throughout all the subsequent edits and in the EFC calculation.
Rejected—Reject Reason 15 or 16, no EFC is calculated (paper application missing parent signature for dependent student, FAFSA Express or FAFSA on the Web, or Renewal FAFSA on the Web application processed without signatures)	Part 1, Part 2 (IRQF and certification statements)	If the CPS makes an assumption but then rejects the record for other reasons, an EFC is not calculated and the assumed values are not used. In this situation, the student receives an IRQF (Information Request Form) as Part 2 of the SAR, with arrows and brackets printed next to the questionable line items. The student is required to correct them.
Rejected—Reject reason 19, no EFC is calculated (applicant is in an ED hold file)	Part 1, Part 2 (IRVF)	

Highlights and Assumptions

Paper system. Instructions to the student for making SAR corrections refer to “information printed in boldface type” that is to be reviewed carefully for possible corrections. We refer to this information as “highlighted.” Both the student and FAA need to pay careful attention to questions and responses that are highlighted.

During the edit process, the CPS applies logic in comparing two or more pieces of information provided by the student. The CPS highlights information that is conflicting, missing, or contradictory. Items that are

Electronic System Highlights and Assumptions

Certain edits are contained in all application software that prompt the user who is entering application data to resolve inconsistencies before sending the student’s information to the CPS. These edits are contained in the Department’s EDEXpress, FAFSA Express, FAFSA on the Web, and Renewal FAFSA on the Web applications. When inconsistencies or missing data would cause the record to be rejected at the CPS, the software does not allow the record to be completed or transmitted until information is changed or added. When

* Maximum EFC for 1998-99

these inconsistencies would cause an assumption, however, the user is prompted to review and change the data, but will be allowed to transmit the record even if a change is not made (in which case, the assumption will still be made at the CPS). The ISIR that a school receives will set an “H,” for highlight next to the items that caused the reject or assumption.

In the EDEExpress software, an FAA can override certain assumptions that would be made at the CPS. When an FAA sets an override code on an electronic application, the CPS accepts the data as reported and does not make an assumption about that item. For example, if a student indicates more than two family members are attending college, and also indicates the same number of persons live in the household (e.g., four in the household and four in college), the CPS would assume “one” person in college during processing. If, in fact, there are four family members attending college, the FAA can eliminate the need for a second transaction by setting the appropriate override flag in the EDEExpress software.

In addition, EDEExpress allows the FAA to override certain “verifiable rejects” by setting a reject override flag before transmitting the student’s application. For example, a student may have an unusually large number of family members. If the FAA sets the appropriate override flag before sending the student’s record for processing, the student’s record will not be rejected.

Overall, less than 1% of electronic applications and renewal applications (from all electronic sources) are rejected, as compared with the paper application process where approximately 12% of the applications are rejected.