SESSION 6 Reporting Requirements for Title IV Programs

INSTRUCTOR'S OVERVIEW

(105 MINUTES)

A. Specific Program Reporting Requirements (30 Minutes)
   1. Federal Pell Grant Reporting
   2. Federal Direct Loan Program Reporting
   3. Federal Family Education Loan (FFEL) Program Reporting
   4. National Student Loan Data System (NSLDS)

B. The Fiscal Operations Report and Application to Participate (FISAP) (30 Minutes)

C. ED/PMS Reports (20 Minutes)
   1. ED/PMS 272
   2. ED/PMS 272-A
   3. ED/PMS 272-B
   4. ED/PMS 272-F
   5. ED/PMS 272-G

D. Monthly Electronic Expenditure Reporting System (MEERS) (5 Minutes)

E. Adjusting Expenditures Reported to ED/PMS (20 Minutes)
   1. Open Awards (Current Year Adjustments)
   2. Closed Awards (Prior Year Adjustments)
   3. Reconciliations of School's ED/PMS Report to ED Records

MAIN OBJECTIVE

◊ Participants will be able to recognize the reporting requirements for Title IV programs.

REFERENCES

Detailed information on the topics for this session can be found in:

◊ *The Blue Book*, Chapter 4 – Obtaining, Managing, and Returning Title IV Funds

◊ *The Blue Book*, Chapter 5 – Accounting Procedures for Title IV Programs

◊ *The Blue Book*, Chapter 6 – Title IV Reporting Requirements

Instructor's Notes

Please take a moment to look at the overview and objectives for this session.

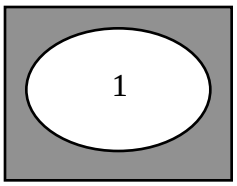
This session describes basic reporting requirements for the Federal Pell Grant, Federal Direct Loan, Federal Family Education Loan, and campus-based programs.

◊ We will discuss how to correctly provide required reports for each of the programs.

◊ However, for complete information you need to check other sources, such as *The Blue Book*, as well as to carefully read and follow any instructions that come with each of the ED reports.

A. SPECIFIC PROGRAM REPORTING REQUIREMENTS

The reporting requirements are outlined for us on this overhead. (OH 1)



As you can see in the first column of the diagram, schools might need to submit six main types of reports to ED.

Let's start with the most frequently submitted report, the **Institutional Payment Summary (IPS).** It is:

◊ specifically for the **Federal Pell Grant Program** and

◊ must be returned to ED either three times or six times a year, at a minimum, depending on the amount of a school's authorization.

Instructor's Notes

The next most frequently submitted report is the **ED/PMS Report** package—a series of ED Payment Management System Reports. These reports cover the Federal Pell Grant and campus-based programs.

◊ Some of these reports must be completed and returned to ED either quarterly or monthly; other reports are only for the school's information and do not require any action on the school's part.

Schools participating in the **Direct Loan Program** must initiate a **reconciliation report** with the Direct Loan Servicing Center each month.

Yet another type of report, a **Student Status Confirmation Report (SSCR),** is sent to your school periodically.

◊ This report covers student borrowers in the **FFEL Program and Direct Loan Program.**

34 CFR 682.401(b) (18)

Each September, schools that participate in any of the **campus-based programs** must complete and submit a **FISAP**, which stands for Fiscal Operations Report and Application to Participate. This is due by October 1 each year.

Finally, schools must prepare **audit reports** for the **Federal Pell Grant, FFEL, Direct Loan, and campus-based programs** once a year.

◊ In other words, audit reports must be filed to cover each of the Title IV financial aid programs in which a school participates.

We will now discuss the specific federal reporting requirements for each program.

Note that the nonfederal compliance audits for all federal student financial aid programs must be submitted within 180 days after the end of the fiscal year.*

1. Federal Pell Grant Reporting

◊ Schools submit three types of reports for the Federal Pell Grant Program:

- **ED/PMS Reports**, which are reconciled and submitted every quarter **or** every month, as just discussed;
- The **audit report**, which is completed and submitted at least once every year; and
- The **Institutional Payment Summary (IPS),** which is completed and submitted, at a minimum, three times a year **or** six times a year.

Both the **ED/PMS 272** and **ED/PMS 272-A** include Federal Pell Grant information and will be discussed later in this session.

The **Institutional Payment Summary (IPS)** reports only Federal Pell Grants.

- The IPS serves two purposes: (OH 2)
- it establishes certain basic demographic information about a school and

Instructor's Notes

*Because the school can't complete an audit for an award year that has not ended, the 180-day timeframe refers to the fiscal year that ends on or after the relevant award year.

For instance, if a school's fiscal year ends on June 1, 1996 and the award year ends on June 30, 1996, then the audit for the '95-'96 AY is not due until 180 days after June 1, 1997; otherwise, the 180-day timeframe would have started before the end of the award year.

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Instructor's Notes

- it accompanies and summarizes each batch of paper student payment records transmitted for Federal Pell Grants.

In the case of student payment records being submitted via an automated method, the IPS information is submitted electronically.* We will discuss the automated methods in just a moment.

*Unless a Recipient Data Exchange (RDE) school is submitting paper student documents as part of the same batch submission.

However, whether the school processes Pell Grant payments via paper or by an electronic/magnetic equivalent, a school may submit a paper IPS without student payment information if:

◊ a school needs to meet a reporting requirement and has no new or revised payment information to report **or**

◊ a school needs to revise the demographic information contained in the IPS.

On June 1 of the beginning of each award year, ED mails the initial Institutional Payment Summary and an initial Statement of Account to schools, along with detailed instructions for completing and submitting the IPS and student payment records to ED.

Dear Colleague Letter P-95-2

Please turn in *The Blue Book* to Section 6.1.1.3, page 208. (OH 3)

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The minimum number of required IPS reports (or the electronic/magnetic equivalents) depends on the size of a school's Pell Grant authorization for the prior award year:

◊ If the school's authorization was under $750,000, three reports for that award year are required.

Instructor's Notes

- ◊ If the school's authorization was $750,000 or more, six reports for that award year are required.

The deadline for each of the IPS reports is the last day of the reporting period.

If a school's authorization was under $750,000, the reporting periods for 1995-96 are:

- ◊ July 1 through December 15;
- ◊ December 16 through April 15; and
- ◊ April 16 through August 15.

If a school's authorization was $750,000 or more, the reporting periods for 1995-96 are:

- ◊ July 1 through October 15;
- ◊ October 16 through December 15;
- ◊ December 16 through February 15;
- ◊ February 16 through April 15;
- ◊ April 16 through June 15; and
- ◊ June 16 through August 15.

A school reports its student payment information to ED through the Pell Grant Recipient and Financial Management System (PGRFMS)

PGRFMS enables ED to track a school's need for Federal Pell Grant funds and adjust the school's funding authorization throughout the award year.

Instructor's Notes

Through the 1995-96 award year, schools can report Federal Pell Grant payment information to ED manually by using individual students' paper Payment Vouchers and the IPS. However, beginning in the 1996-97 award year, paper Payment Vouchers will no longer be produced, and reporting must be done electronically.

A school may use one of the three automated, electronic/magnetic methods to report Federal Pell Grant payment information. (OH 4)

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◊ **Electronic Data Exchange (EDE)**:

- This is the most widely used automated Pell Grant reporting method.
- Schools use a personal computer to enter and transmit initial and revised payment data to ED.
- The information is transmitted electronically by telephone (modem).

◊ **Recipient Data Exchange (RDE)**:

- This automated system enables schools to report information on a magnetic tape or cartridge.
- Schools download payment data from their mainframe computers to a tape or cartridge, then mail the tape or cartridge to PGRFMS. A signed transmittal form must accompany the tape or cartridge. RDE is commonly used by schools with large numbers of Federal Pell Grant recipients.

Note to Instructor:
Appendix D in *The Blue Book* provides contact telephone numbers and addresses for EDE, RDE, and FDDE.

Instructor's Notes

◊ **Floppy Disk Data Exchange (FDDE)**:

- This automated system permits schools to submit payment information to PGRFMS on 3.5-inch or 5.25-inch IBM PC-compatible diskettes.

- A signed transmittal form must accompany the diskettes.

- Processed payment data are returned to schools on diskettes.

- FDDE is recommended for schools that do not have access to automated data processing and electronic communication resources required for EDE or RDE.

Each time a batch of processed information is received from ED, schools should use their processed payment data and IPS Batch Reports to reconcile their institutional fiscal records and student aid records with federal records. This practice allows schools to detect any errors or omissions as they occur and to take action to correct them in a timely manner.

For more information about student payment information records, see Sections 6.1.1.2 to 6.1.1.5 in *The Blue Book*.

2. Federal Direct Loan Program Reporting

Schools participating in the William D. Ford Federal Direct Loan Program (Direct Loan Program) perform a number of reporting functions for the program. Because Direct Loans are ED funds loaned directly to students and their parents through their schools, schools must report payment and other information to ED on a regular basis.

Drawing down cash using ED/PMS generally is the same as for Pell Grants. However:

- ◊ Direct Loan funds must be requested, tracked, and reported separately from all other program funds, and

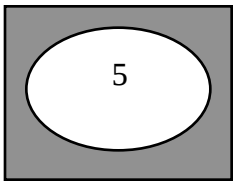
- ◊ reconciliation with the Direct Loan Servicing Center (Servicing Center) must be accomplished monthly, by a date the school selects.

Direct Loan schools send a number of other reports and communications (including Student Status Confirmation Reports [SSCRs]) directly to the Servicing Center.* (OH 5)

- ◊ With the exception of Direct Loan promissory notes, Direct PLUS Loan combined applications and promissory notes, and audits, all reports transmitted by schools are electronically formatted records that can be submitted using either ED-provided PC software or school-developed software.

Instructor's Notes

*Starting in January 1996, NSLDS will transmit SSCRs to schools.



Note to Instructor: For more information about Direct Loan reporting, refer to Section 6.1.2 in *The Blue Book.*

3. Federal Family Education Loan (FFEL) Program Reporting

Schools must submit two types of reports for the FFEL Program:

- ◊ an audit report—which, as noted earlier, is required to be completed and submitted at least once every year—and

- ◊ Student Status Confirmation Reports—which must be submitted to certain guaranty agencies at least twice a year.

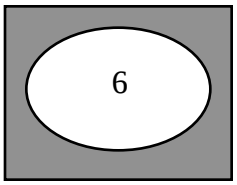
Each guaranty agency that has approved a loan (or loans) for attendance at a school sends a Student Status Confirmation Report to the school at least twice a year. (OH 6)*

- ◊ The Student Status Confirmation Report **must** be returned to the originating agency within 30 days of the school receiving it.

  - This report is important because it requires a school to certify the enrollment status, or last date of attendance, for student borrowers who are reported as attending that school.

  - Confirmation reports also provide space for corrections or comments—for instance, when a student is transferring to another school, a student's address changes, or a correction is needed to a student's Social Security Number.

Instructor's Notes



*NSLDS is expected to assume this role in November 1995. For more information, refer to *The Blue Book*, Chapter 6, Section 6.1.3.

Instructor's Notes

◊ Each guaranty agency produces its own confirmation report, so the reports will differ in appearance. However, the data collected on the reports generally are the same. Some agencies also offer schools electronic exchange of enrollment information.

Are there any questions so far on required reports?

4. National Student Loan Data System (NSLDS)

The National Student Loan Data System (NSLDS) is the first national database for Title IV financial aid. NSLDS, which began operating in November 1994, contains data on the following programs:

◊ Federal Direct Loan Program (Direct Loan Program),

◊ Federal Family Education Loan (FFEL) Program,

◊ Federal Perkins Loan Program (including National Direct, National Defense, and Income Contingent Loans),*

◊ Federal Pell Grant Program, and

◊ Federal Supplemental Educational Opportunity Grant (FSEOG) Program.*

*Dear Colleague Letter CB-94-20 (August 1994) wa sent to all schools with activ Perkins Loans and/or that participate in the FSEOG Program. The letter provide detailed specifications on h schools were to begin submitting loan data to NSLDS no later than August 31, 1995.

- This data is provided to the system by guaranty agencies (for FFEL Program loans), schools (for Perkins Loans and FSEOG), the Direct Loan Servicing Center, and the U.S. Department of Education's (ED's) Title IV program offices.*

The data in NSLDS will be used to: (OH 7)

◊ replace existing information-processing systems at schools and guaranty agencies (such as Student Status Confirmation Reports and financial aid transcripts) and

◊ provide a database of Title IV information that can be used for research purposes.

NSLDS will be directly accessible to users at schools and guaranty agencies.

Instructor's Notes

* By fall 1995, all schools participating in Title IV programs need to be subscribers to ED's Title IV Wide-Area Network (TIVWAN), the means by which users access the NSLDS system from their microcomputers.

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[30 minutes so far]

B. FISCAL OPERATIONS REPORT AND APPLICATION TO PARTICIPATE (FISAP)

» You may receive a number of questions from the audience in this portion of the session. Keep in mind that these questions might not be pertinent to the material being discussed. Instead, they may be school-specific questions about the FISAP. Please plan how you will handle these questions. One approach would be to have the participants put them in writing, for you to answer the questions later.

The FISAP—Fiscal Operations Report and Application to Participate has two functions. It serves as an application for campus-based funds for the upcoming award year and provides an annual report of financial and student data for the previous award year. (OH 8)

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The FISAP is an electronically generated report that ED mails to schools each year by August 1. It comes with detailed instructions on how to complete each line item.

- ◊ A copy of the FISAP is in *The Blue Book*'s, Chapter 6.
- ◊ Schools are required to return the FISAP and its accompanying certifications to ED by October 1 each year.
  - · Along with their electronic FISAPs, schools must submit signed certifications about debarment, suspension, and other matters.

Completing the FISAP requires accurate, detailed accounting information.

- ◊ This process can be greatly simplified if you design your chart of accounts and student master records with the FISAP in mind.
- ◊ Chapter 6 of *The Blue Book* gives step-by-step instructions on how to use information from your accounts in completing the FISAP.

The Six Parts of the FISAP

Please turn to page 269 in *The Blue Book*. (OH 9)

Parts I and II of the FISAP are the campus-based program application portions of the report.

Instructor's Notes

Note to Instructor: Schools applying for Title IV funds for the first time will not have Title IV program expenditures to report for the previous award year; however, a FISAP still must be filed to request funds for the upcoming year.

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Instructor's Notes

Parts III through VI detail the Fiscal Operations Report for the school, with a section for each campus-based program and an overall summary of program activities during the most recently concluded award year.

Part I—Identifying Information, Certifications, and Warning

Section A—Identifying Information gathers school information that ED uses to update its campus-based records (for example, the school's address). It also includes a question about additional locations. Separately eligible campuses have separate approval letters.

Section B—Certifications and Warning includes an area for required signatures. If the school uses a financial aid consultant who signs for the financial aid administrator or fiscal officer, the name of the consultant's firm and its address must also be provided.

Part I, because it contains signatures, must be returned in paper form, even when the rest of the FISAP is transmitted electronically.

Part II—Application to Participate

Section A—Request for Funds for the 1996-97 Award Year includes the amounts requested for each campus-based program. If a school enters "$0" for a program, it will not receive an allocation for that program, even if it is eligible to do so. The actual allocated amounts will be computed by ED and may differ (but never be greater) from the school's requested amounts.

Instructor's Notes

34 CFR Parts 607 and 608

Section B—FWS and/or FSEOG Institutional Share Waiver Request is used for requesting a waiver of the required institutional share for the FWS and FSEOG Programs, if the school qualifies for a waiver under Title III of the HEA.

Section C—Information on Enrollment provides space for traditional and nontraditional schools to report enrollment data ED needs to compute an institution's campus-based allocations.

Section D—Assessments and Expenditures is used by ED to compute a school's need for FSEOG, FWS, and Perkins Loan funds.

Section E—Information on Eligible Aid Applicants for Award Year 1994-95 provides ED with demographic information on the school's population. ED uses this data to determine allocations for campus-based programs.

- ◊ Schools **must** retain backup documentation for the income information reported in Section E.
- ◊ This section asks for demographic information on less-than-full-time students and on full-time students.
- ◊ A separate line in this section is used to report students who received an "automatic zero" Expected Family Contribution (EFC) designation.

The undergraduate independent column has been divided into two parts to separately report independent students with or without a baccalaureate or first professional degree.

Part III—Federal Perkins Loan Fiscal Operations Report

Section A—Fiscal Report (cumulative) as of June 30, 1995 requests the cumulative loan activity from the inception of the Federal Perkins Loan Program at the school through the end of the report award year, June 30, 1995.

- ◊ This section tracks the number of Perkins Loan borrowers at the school.
- ◊ It also reports Perkins Loan debit and credit balances; these must be equal when totaled.
- ◊ *The Blue Book*, Chapter 6, contains instructions for setting up accounting data in a way that helps complete this part of the FISAP.

Section B—Fund Activity (Annual) During the 1994-95 Award Year requests information on the annual loan activity of the Federal Perkins Loan fund. This section of the report includes the final adjusted federal capital contribution (FCC), loans advanced to students, administrative cost allowance (ACA) claimed, the amount of FCC transferred and spent in FSEOG and FWS, the amount of institutional capital contribution (ICC) deposited in the school's Perkins Loan fund, and the total amount repaid by borrowers.

Section C—Cumulative Repayment Information as of June 30, 1995 gathers repayment information for analyzing the repayment statuses of all of a school's Perkins Loan borrowers (past and present).

Instructor's Notes

Note to Instructor:
A new line has been added to this portion of the FISAP, where the school is to list its cash on hand in depository as of 10/31/95. This line is completed, however, only during the FISAP edit and correction process in November; it is not dealt with at this point.

Instructor's Notes

Section D—Cohort Default Rate requires a school to calculate its Perkins Loan Program cohort default rate.

- ◊ Remember, a school's default rate is a factor in evaluating its administrative capability.
- ◊ The default rate is also a factor when ED calculates a school's new allocation (FCC).

Part IV—Federal Supplemental Educational Opportunity Grant (FSEOG) Fiscal Operations Report

Section A—Federal Funds Authorized for FSEOG is where a school reports its final adjusted FSEOG allocation.

Note to Instructor:
The 1992 reauthorization of the Higher Education Act prohibited transfer of **any** FSEOG funds to other programs as of the 1993-94 award year.

Section B—Federal Funds Available for FSEOG Expenditures reports available FSEOG funds, taking into account any funds transferred from the FWS or Perkins Loan federal capital contribution (FCC).

Section C—Funds to FSEOG Recipients reports the total amount of funds received by FSEOG recipients, including the 25% nonfederal share of those funds.

Section D—Federal Funds Spent for FSEOG Program reports how available federal funds were spent.

- ◊ Schools must report the amount of federal funds provided to FSEOG recipients.
- ◊ The administrative cost allowance (ACA) claimed from the federal share of FSEOG funds is also reported in this section.

Instructor's Notes

Section E—Use of Federal FSEOG Authorization lists the amount of allocated funds expended and not expended by the school.

Section F—Miscellaneous Information is for reporting any recoveries of FSEOG awards from prior years.

Part V—Federal Work-Study (FWS) Program Fiscal Operations Report

Section A—Federal Funds Authorized is for reporting the final adjusted FWS allocation from ED for the award year.

Section B—Federal Funds Available for FWS Expenditures is for reporting allowable transfers between years and programs, including the new carry-back provision for summer employment and the Perkins Loan Program's federal capital contribution (FCC) funds transferred to and spent in FWS.

Section C—Total Compensation for FWS reports the total amount paid to students under the FWS Program.

Section D—Funds Spent from Federal Share of FWS reports the amounts spent from the federal share of FWS wages, the federal share of Job Location and Development (JLD) Program expenses, and the administrative cost allowance (ACA) the school claimed from the federal share of FWS funds.

Section E—Use of Federal FWS Authorization reports the total of federal funds spent from the authorization during the award period and calculates any unspent funds.

Instructor's Notes

Section F—Miscellaneous Information is for reporting any recoveries of FWS awards from prior years.

Section G—Information about the Job Location and Development (JLD) Program requests information on JLD expenditures, the number of students for whom jobs were located and developed, and the earnings of those students.

Part VI—Program Summary Fiscal Operations Report

Section A—Distribution of Program Recipients and Expenditures by Type of Student gathers information for identifying campus-based aid recipients by type of student and income category to create a recipient profile
and provide an overview of program expenditures. Less-than-full-time dependent undergraduate student reporting has been eliminated.

Providing income information on undergraduate independent recipients is **required** beginning in the 1994-95 FISAP.

Section B—Calculating the Administrative Cost Allowance provides for calculating the ACA and identifies the amount and program source.

- ◊ Some schools prefer to use all of their allocated amounts for awards to students instead of charging administrative costs to program funds.

- ◊ If any part of the allowance is taken, it may be taken from one or more of the programs that have expenditures.

Are there any questions about the FISAP?

Electronic Submission of the FISAP

Instructor's Notes

The FISAP **must** be prepared and submitted electronically using a computer system.

Schools can use IBM or IBM-compatible PCs or mainframe computers.

◊ The *Electronic FISAP User Guide* that accompanies the FISAP materials contains detailed specifications.

The electronic FISAP package for personal computers that ED sends to a school contains:

◊ two 5.25-inch program diskettes and one data diskette—a total of three diskettes (for 5.25-inch diskette users) **or**

◊ one 3.5-inch diskette that includes program and data notes on a single diskette (for 3.5-inch diskette users).

The data on the diskette contain general edits and information about the school receiving the diskette that already have been entered by ED.

◊ General edits include checking that entered column totals actually equal the sum of related individual entries.

◊ School-specific edits include cross-checking the school's prior year information with new information being reported.

The program is menu-driven—meaning it allows you to select what you want to do from a computer menu. The program is designed to be user friendly.

Instructor's Notes

The electronic FISAP may be submitted to ED by:

- ◊ mailing the completed data diskette **or**
- ◊ transmitting FISAP data to ED via modem.

Part I of the FISAP and the drug-free workplace and debarment certifications each require original signatures. They must be mailed in paper form along with the data diskette. If data is sent electronically, these signed documents still must be sent by mail.

Please turn to Section 6.3.2, page 248, of *The Blue Book*.

[60 minutes so far]

Note to Instructor:
A Dear Business Officer letter distributed in March 1995 announced that the method of payment for Federal Pell Grant Program administrative cost allowances (ACA) for the 1994-95 award year will be changed from paper checks issued by the Teasury Department to the electronic funds transfer payment system. This change in method became effective Summer 1995.

C. ED/PMS REPORTS

The ED/PMS reports cover the use of Title IV funds in the Federal Pell Grant, FSEOG, FWS, and Federal Perkins Loan Programs.

It is an excellent idea to establish ledger accounts for each financial aid program that are directly compatible with the ED/PMS system.

- ◊ Chapter 5 of *The Blue Book* can help you do this.
- ◊ The system recommended in *The Blue Book* provides direct links between the chart of accounts and line numbers on the ED/PMS reports.

Now we'll discuss the five different reports that might be included in the ED/PMS report package ED sends to schools each quarter. (OH 10)

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Instructor's Notes

1. ED/PMS 272

The ED/PMS 272 is the "Federal Cash Transactions Report: Status of Federal Cash."

This report contains accounting data that summarizes the status of cash and funds activity received through ED/PMS during the reporting period.

A copy of this report is on page 281 of *The Blue Book*.

The ED/PMS 272 includes:

- ◊ the total amount of federal funds advanced to the school;
- ◊ the net amount of federal funds disbursed by the school; and
- ◊ the school's remaining amount (if any) of federal funds, called "Cash on Hand End of Period."

The total amount of net disbursements is obtained from the **ED/PMS 272-A**, which the **school completes before filling out the 272**.

The ED/PMS 272 is sent to schools monthly or quarterly. Schools that receive monthly ED/PMS 272 reports perform their ED/PMS reporting through the Monthly Electronic Expenditure Reporting System (MEERS), which will be discussed later in this session. These monthly reports must always be reconciled by the school and returned to ED with appropriate corrections or changes. They must be returned to ED, even if there are no changes.

Do not attempt to alter any preprinted data on the form. In other words, **do *not* cross out, white out, or write on top of preprinted data.***

As with any of the 272-series reports, schools must fill in changes or corrections to the preprinted school data **on the appropriate blank lines provided**.

The ED/PMS 272 report shows any federal cash on hand at the school.

- ◊ Schools must not have excess cash on hand.
- ◊ Schools must draw down federal funds only for their immediate need, avoiding excess cash on hand.
- ◊ Under the electronic funds transfer (EFT) payment system used by most schools, known as ACH/EFT, **immediate need** is defined as need for the next **three business days**.*
- ◊ For more information on how to avoid or deal with excess cash situations, see Chapter 4 of *The Blue Book.*

Are there any questions about the ED/PMS 272?

2. ED/PMS 272-A

The **ED/PMS 272-A** is the "Federal Cash Transaction Report." This report includes open and active Title IV program allocations and authorizations ("awards") for which schools are receiving funds and reporting disbursements to students.

A copy of this report is on page 282 of *The Blue Book.*

Instructor's Notes

*Call your account representative to find out how to correct any pre-printed data.

*This definition also applies to schools that use FEDWIRE.

Instructor's Notes

ED provides preprinted data on:

- open active awards for each authorized program at a school—in other words, authorizations for the current award year;
- the school's cumulative amount of each award; and
- the school's previously reported cumulative expenditures.

ED's preprinted data also include previously reported corrections to cumulative expenditures for inactive awards that are still open. This is shown under "Resolution of previously reported award problems."

An example is in *The ED/PMS Recipient's Guide*, Appendix L.

The school must update this report by filling in its new cumulative expenditures for the award period to reflect all disbursements made during the quarter.

The ED/PMS 272-A report is sent to schools each month or quarter, and it must be reconciled and returned to ED with appropriate corrections or changes. It **must** be returned to ED, even if there are no errors.

The school computes its net disbursements for the period and transfers this figure to the 272 report. Remember, both of these reports must be returned to ED.

Are there any questions about the ED/PMS 272-A?

Instructor's Notes

3. ED/PMS 272-B

The **ED/PMS 272-B** is the "Statement of Cash Accountability." This report shows how the school's cash accountability was determined by ED/PMS, and it gives schools a way to review any problems about the way payments they received are displayed on the report.

The Blue Book has a copy of this report on page 283.

All of the information on the report is preprinted by ED. The data include:

- ◊ previously reported information from the school that was used to determine the amount of cash for which the school is accountable and

- ◊ payments the school received through ED/PMS during the past period (advances), which are shown under "Advances to Payee During This Period."

The report also provides preprinted information on closed awards and prior period adjustments; these are shown under "Document Activity."

If you find any problems on this report, you should call your account representative as stated in the report's cover letter.

You cannot make corrections on the 272-B report. Corrections must be made on the 272-A.

The ED/PMS 272-B report is sent to schools each quarter. It must be reviewed, but is not returned to ED.

Instructor's Notes

4. ED/PMS 272-F

The **ED/PMS 272-F** is the "Authorizations for Future Periods."

A copy of this report is on page 284 of *The Blue Book*.

This report simply confirms that awards shown on a school's "Official Notice of Funding" have been added to the ED/PMS system.

However, disbursements may **not** be made from the awards until the start date of the upcoming official award year.

The ED/PMS 272-F report is sent to schools as part of the ED/PMS package. Generally, it is sent only once a year, before the start of a new award year.

The report is for the school's information; it requires no action on the school's part.

5. ED/PMS 272-G

The **ED/PMS 272-G** is the "Inactive Documents Report."

Please turn to page 285 in *The Blue Book*.

The report includes a record of the authorizations, or "documents," that have become inactive.

- ◊ In other words, this report includes authorizations that were for a prior award year but that have not yet been closed in the ED/PMS system.

Instructor's Notes

This report gives schools an opportunity to contact ED to make corrections before an expired award is closed. It includes the following information:

- ◊ original authorization amount;
- ◊ amount reported as disbursed;
- ◊ proposed reduction of cash available; and
- ◊ proposed closing date.

These awards are normally listed for 18 months on the ED/PMS 272-G before they are closed by ED's awarding offices.

- ◊ The information is listed on the basis of the latest disbursements reported by the school.

An automated suspension process is use to close expired awards.

The ED/PMS 272-G report is sent each quarter but only to those schools that have open inactive awards from prior award years.

This report is also only for the school's information; it requires no action by the school unless there are discrepancies between what is reported on the 272-G and the school's records.*

Are there any questions about the ED/PMS 272-G?

Note to Instructor:
The automated suspension process is explained in more detail in *The Blue Book*, Section 6.3.2.6, page 250.

*If corrections need to be made to the ED/PMS 272-G report, they are entered under "Please enter documentation missing from above" on the 272-A ED/PMS report.

[80 minutes so far]

Instructor's Notes

D. MONTHLY ELECTRONIC EXPENDITURE REPORTING SYSTEM (MEERS)

Schools that report on a monthly basis use MEERS—the Monthly Electronic Expenditure Reporting System. (OH 11)

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Schools that may be required to report expenditures on a monthly basis include:

- ◊ schools with annual authorizations of $1 million* or more; and
- ◊ schools experiencing cash-management difficulties.

*This factor is likely to affect more schools in the future due to the Direct Loan Program.

Other schools may use MEERS if they wish.

- ◊ ED began developing MEERS in fiscal year 1991.
- ◊ Five schools took part in the pilot project, converting to MEERS on September 30, 1991.
- ◊ Now several thousand schools are using MEERS.
- ◊ ED's Financial Services (FS) is in the process of expanding MEERS use to a larger population.
- ◊ MEERS will eventually replace the paper ED/PMS 272 Report.

MEERS operates through a service bureau. If you are selected or volunteer for transfer to MEERS, the service bureau provides the following items without charge:

- ◊ the MEERS software and user's guide;
- ◊ a user ID and password to access MEERS; and
- ◊ a list of contacts at ED and the service bureau.

If ED puts your school on MEERS, you will perform the following electronic steps each month:

- ◊ download your current ED/PMS computer data file from ED's service bureau into your computer on or after the **tenth** of the month;
- ◊ add the required information to the file, using your computer; and
- ◊ upload the file to ED's service bureau by the **twenty-fifth** of the month.

Schools on the MEERS system will also receive printed (hard copy) monthly ED/PMS reports, but they only have to complete, sign, and return one page—the 272-A report.

Instructor's Notes

Note to Instructor:
The hardware and software requirements for MEERS are listed in *The Blue Book* on page 251.

[85 minutes so far]

Instructor's Notes

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E. ADJUSTING EXPENDITURES REPORTED TO ED/PMS

Frequently, the school must amend records and reports of expenditures. Some of the reasons for changes are: (OH 12)

- ◊ institutional refunds—payments by the school to Title IV accounts when students withdraw, drop out, or are expelled from school;
- ◊ student repayments—payments by students to Title IV accounts when students withdraw, drop out, or are expelled from school;
- ◊ recovery of funds—recovering funds disbursed improperly in the form of an overpayment or a payment to an ineligible student;
- ◊ required payments—disbursements made to students who were underpaid in a previous payment period;
- ◊ deobligations and authorization adjustments – expenditures reported by a school for the Pell Grant or campus-based programs that have to be increased or decreased due to a change in an allocation or authorization; and
- ◊ errors.

Two elements must always be considered when making adjustments:

- ◊ the effect on cash on hand; and
- ◊ program reporting—how to let ED and ED/PMS know what adjustments have been made.

Instructor's Notes

1. Open Awards (Current Year Adjustments)

We have already discussed how adjustments are reported to ED/PMS—use the ED/PMS report for open awards, but send a separate letter for closed awards. If an award is open and is listed on the ED/PMS 272-A or 272-G, a school may make upward or downward adjustments up to the authorized amount by reporting the correct cumulative disbursements on the ED/PMS 272-A for the reporting period in which the adjustment is made.

If the adjustment is a recovery, the school repays the funds and makes a downward adjustment. This adjustment may create excess cash that must be promptly returned to ED, as we discussed in Session 4.

An ED grant or program office may also initiate an adjustment to a school's reported disbursements on open awards. This happens when a grant or program office reduces a school's award authorization amount to less than the school's reported disbursement amount. This type of reduction can result in a current year ED/PMS excess cash liability. In addition, expenditures previously reported on the ED/PMS 272 reports will become invalid if they exceed the new authorization level for the Pell Grant program. In this scenario:

- ◊ ED reduces the disbursement amount to the revised authorization amount and
- ◊ the reduction appears as a prior period adjustment on the school's ED/PMS 272 Report.

Schools can continue to make "current-year" Federal Pell Grant adjustments through September 30 following the end of the award year (June 30). (OH 13)

- ◊ For example, "current-year" adjustments for the 1995-96 award year can be made through September 30, 1996.*

Adjustments are shown on the student's paper Processed Payment Voucher or electronic data record as either recoveries or as increased disbursements:

- ◊ Recoveries are the result of a reduction in the "Amount Paid to Date" when funds are repaid to the Federal Pell Grant account.

- ◊ Increased disbursements are adjustments that increase the "Amount Paid to Date" and decrease the "Remaining Amount to be Paid."

Such adjustments will affect the school's Pell Grant authorization on the Statement of Account (SOA) and will be reflected on the ED/PMS 272 Report.

Instructor's Notes

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*Downward adjustments can be made at any time with the Program Office using the "Decreased Award Report."

Instructor's Notes

2. Closed Awards (Prior Year Adjustments)

Under limited circumstances, schools may adjust their prior-year Federal Pell Grant accounts as a result of:

- ◊ a program review;
- ◊ a federal or nonfederal audit;
- ◊ a court order;
- ◊ an overpayment; **o**r
- ◊ award authorization reduction.

When underpayments to students arise from one of these circumstances, and exceed $100, ED will process adjustments once it has been determined and verified that the original and any subsequent corrected SARs or ISIRs were submitted within required deadlines. No new SARs or ISIRs or corrections will be accepted for adjustments.

When overpayments arise because of these circumstances, institutions will usually remit the overpayments to ED by check, as the award will have been closed in ED/PMS.

When sending checks for closed awards to the National Finance Center (NFC), be sure to include all the needed information: (OH 14)

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- ◊ your school's Entity Identification Number (EIN) and Payee Identification Number (PIN)—both can be obtained from the ED/PMS 272;
- ◊ your school's Pell Institution Number—you can get it from any of your school's Institutional Payment Summaries; and

Instructor's Notes

◊ the Obligation Document Number—on the prior-year ED/PMS 272-A, in the "Federal Grant or Other Identification" column for the Federal Pell Grant account.

· The message "Pell Grant Refund—Not on ED/PMS 272 Report" will signify that this is a closed award. The refund will be deposited into U.S. Treasury Miscellaneous Receipts.

After the September 30 "current-year" deadline, overpayments can be reported directly to the Federal Pell Grant Branch.

◊ The report must be submitted by the following September 30.

◊ Specific data must be submitted to the Pell Grant Branch for each student overpaid.

Your institution must retain the data for purposes of program reviews and audits and to support the expenditure adjustments that will be reflected in a future ED/PMS report you receive from ED.

3. Reconciliation of School's ED/PMS Report to ED Records

ED may send a notice asking a school to confirm its reported cash on hand as of a certain date.

Attached to the notice will be Schedule A, a detailed listing of ED's reconciliation according to its records, otherwise called a cash reconciliation schedule.

Also attached to the notice will be various, detailed supporting schedules from as many as three payment systems that disbursed funds since the inception of the institution's participation in Title IV programs: (OH 15)

- ◊ the U.S. Department of Health and Human Services (HHS) payment system (DFAFS), which paid ED awards prior to 1982;
- ◊ the Education Department Payment System (EDPMTS), which paid awards from 1982-1985; and
- ◊ the current Education Department Payment Management System (ED/PMS), which started paying awards in 1986.

These schedules list cash awards by date and amount, closed awards by document number and amount, and open awards by document number and amount.

A school must perform reconciliation by comparing advances and disbursements according to ED's schedules to the advances and disbursements reported by the school on its accounting records. Here are some tips:

- ◊ Advances according to ED's schedules should be reconciled to the institution's accounting records for the sake of completeness and to rule out any possibility of a discrepancy.
- ◊ Be on the alert for grant advances that are missing from ED's schedules but that, according to the school's accounting records, have been disbursed.

Instructor's Notes

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Note to Instructor: Excess-cash debts can be based on the old payment systems that were in use prior to ED/PMS.

Instructor's Notes

◊ Do not ignore the "prior period adjustments" sections. Report the correct Total Cumulative Disbursement, which includes adjustments.

◊ Watch for insufficient reporting of Federal Pell Grant disbursements on your institution's ED/PMS reports. With Pell Grants, reporting final disbursements frequently cannot be done until the following fiscal year. At that point, doing so is easily overlooked, especially if the award has moved into inactive status on the ED/PMS report.

◊ Reconcile total cumulative disbursements; schools often have problems in this area.

Once reconciliation is complete and the discrepancy in cash on hand has been accounted for, the school should send a letter to the ED representative indicated on the notice. (OH 16)

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The school's letter should:

◊ itemize changes by award (document) number and total cumulative disbursements and request that ED/PMS make the changes;

◊ be accompanied by all relevant documents, such as grant authorizations, required to support the need for an adjustment to ED's records;

◊ clearly itemize any errors or omissions on the institution's records that, when taken into consideration, allow for calculation of a corrected cash on hand for the ED/PMS 272; and

◊ include copies of ED's notice, cash reconciliation schedule, and supporting schedules.

Instructor's Notes

It may take ED more than one reporting cycle to review your reconciliation and process the necessary adjustments.

Are there any questions before we end this session on reporting?