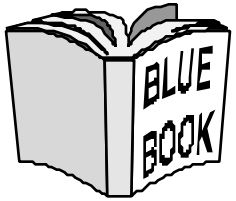
Overview of Recordkeeping Activities in a Financial Aid Office

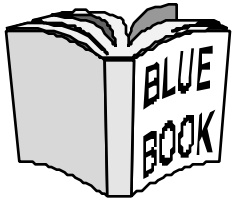
Please open *The Blue Book* to Section 5.2, page 143.

Overview of Accounting Activities in a Business Office



Please open *The Blue Book* to Section 5.2, page 145.

Chart of Accounts

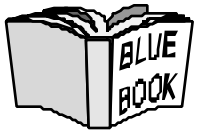


Please open *The Blue Book* to Section 5.3.1.1, page 147.

Summary Chart of Accounts

Includes:

- the general ledger indicator
- the debit accounts
- the credit accounts



Refer to Section 5.3.1.1, page 149.

Summary Chart of Accounts

- ED/PMS Accounts
- National Finance Center (NFC) Accounts
- Federal Pell Grant Accounts
- Federal Supplemental Educational Opportunity Grant (FSEOG) Accounts
- Federal Work-Study (FWS) Accounts
- Federal Perkins Loan Accounts
- William D. Ford Federal Direct Loan (Direct Loan) Accounts
- Electronic Funds Transfer (EFT) of Federal Family Education Loan (FFEL) Funds from Lenders to the Institution

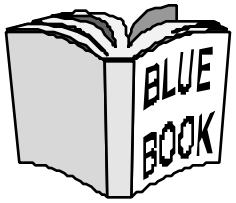
ED/PMS Account
Sample Journal Entries

Please open to Appendix F, "Basic Accounting for Non-Title-IV Specialists," pages F-6 and F-7.

Internal Control: Checks and Balances

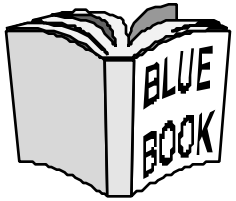
- Separating the functions of authorizing and disbursing Title IV program funds
- Taking a trial balance at least monthly (to determine whether the accounts are in balance)
- Reconciling cash (a reconciliation between in-house books and bank balances for cash)
- Reconciling federal funds (a reconciliation between bank accounts and federally reported balances for cash)

Trial Balance Confirms

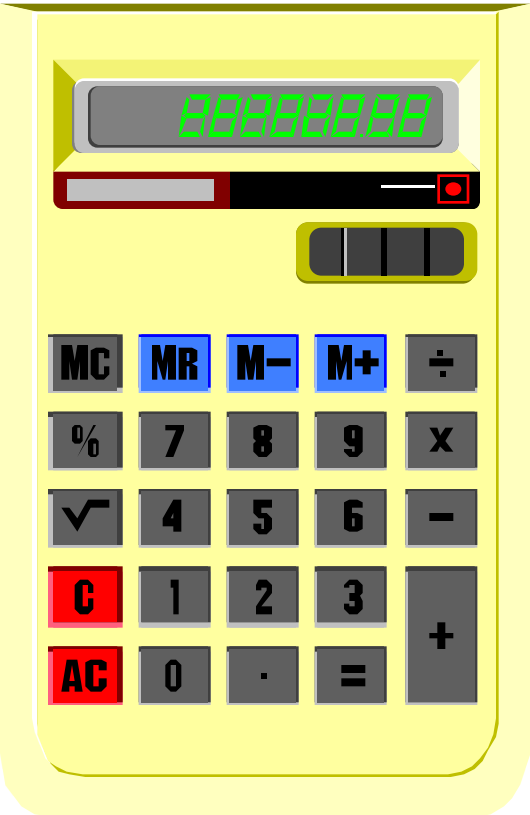


Please open *The Blue Book* to pages 198 and 199 for an example of a trial balance worksheet.

Reconciliation of Federal Funds



The form on page 201 of *The Blue Book* can be used for reconciling federal funds.



Other Checks and Balances

Some important types are:

- input controls
- subsidiary records reconciliation
- a clear audit trail