



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF INSPECTOR GENERAL

DATE: February 23, 2016

CPA-16-01

SUBJECT: Errors in the 2015 Compliance Supplement, Part 5, SFA Cluster, regarding Enrollment Reporting and the Common Origination and Disbursement System

Dear Certified Public Accountant:

The purpose of this letter is to notify CPAs of errors in the 2015 Compliance Supplement, Part 5, SFA Cluster, regarding Enrollment Reporting and the Common Origination and Disbursement System. We want to bring this matter to your attention because it impacts audits which you may conduct of OMB Circular A-133 audits for fiscal years beginning after June 30, 2014.

### Compliance Requirements

On April 14, 2014, the Department of Education (ED) issued Dear Colleague Letter GEN-14-07 ([GEN-14-07](#)) due to final regulations, published on November 1, 2013 and effective on July 1, 2014. These regulations and guidance changed the nature and frequency of enrollment reporting to the National Student Loan Data System (NSLDS). Specifically, the regulations provide that schools must respond to the Secretary's request for enrollment information (1) within a timeframe specified by the Secretary, (2) in a manner specified by the Secretary, and (3) in a format specified by the Secretary. In GEN-14-07, beginning July 1, 2014, ED requested enrollment information from schools a minimum of every 60 days and schools would be required to respond to those requests within 15 days of the date that ED sends the electronic enrollment reporting roster to the school or to its designated third-party servicer.

The 2015 Compliance Supplement, at section L. Reporting, 1. Financial Reporting, e. *Common Origination and Disbursement (COD) System*, page 5-3-19, states: "Institutions must report student payment data within 30 calendar days after the school makes a payment, or becomes aware of the need to make an adjustment to previously reported student payment data or expected student payment data." The "30 calendar days" should read "**15 calendar days**".

Additionally, at section N. Special Test and Provisions, 5. Enrollment Reporting, page 5-3-36, there are errors regarding the compliance requirements. Again, it states: "Under the Pell grant and ED loan programs, institutions must complete and return within 30 days the Enrollment Reporting roster file". This should read ". . . **return within 15 days** . . ." The next sentence reads: "The institution determines how often it receives the Enrollment Reporting roster file with the default set at every 2 months, but the minimum is twice a year." This requirement was changed to a "**minimum of every 60 days.**"

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Further, the next paragraph of this same section, page 5-3-37, states: “As explained in the NSLDS Enrollment Reporting Guide, the Enrollment Reporting roster file is due within 30 days from the creation of the file that is placed in the institution’s SAIG.” This should read “. . . **due within 15 days . . .**”

We also understand that there is some confusion regarding the Enrollment Reporting Summary Report (SCHER1) in audit procedure b. This report includes the dates that the roster file was sent and the dates the roster file was returned. Using those dates, the auditor can determine if the report was returned within 15 days, as required. The SCHER1 report will also show if late enrollment reporting notices were sent, but those notices are only sent if the roster file is over 22 days late. If the roster file is submitted between 16 days and 21 days, the auditee will not receive a late notice and it will not show up on the SCHER1 report. Therefore, the auditor cannot rely solely on the late enrollment reporting notices in the SCHER1 report to test the 15 day requirement.

OMB Circular A-133 requires Federal agencies to annually inform OMB of any updates needed to the Supplement (2 CFR section 200.513(c)(4)). We will work with ED to ensure that OMB is fully informed of needed corrections for the 2016 revision of the Compliance Supplement. In the meantime, the audit community should recognize that laws and regulations change periodically and that delays sometimes occur between regulatory changes and revisions to the Compliance Supplement.

#### **Contact for Questions**

Questions pertaining to this letter may be directed to Non-Federal Audits, Office of Inspector General by e-mail sent to [OIGNon-FederalAudit@ed.gov](mailto:OIGNon-FederalAudit@ed.gov).

Sincerely,

/s/

Patrick J. Howard  
Assistant Inspector General for Audit