

## **ED Records Schedule**

**SCHEDULE LOCATOR NO.:** 069

**APPROVED DATE:** 03/11/2009

**TITLE:** Financial Management System (FMS)

**PRINCIPAL OFFICE:** Federal Student Aid (FSA)

**NARA DISPOSITION AUTHORITY:** N1-441-09-22

### **DESCRIPTION:**

The Financial Management System (FMS) is the single point of financial information by entity, integrating transactions both from the Federal Student Aid (FSA) feeder systems as well as from the G5 system (formerly the Grants Administration and Payment System (GAPS)). Accordingly, FMS provides consolidated data to support key management analysis and is the only source within the Department of Education to obtain a comprehensive financial picture of an entity across all FSA programs. FMS consolidates and manages all FSA program transactions from FSA's feeder systems such as:

- Federal Family Education Loan (FFEL)
- Direct Loan
- Pell Grants
- Leveraging Educational Assistance Partnership (LEAP)
- Special Leveraging Educational Assistance Partnership (SLEAP)
- eCampus-Based transactions

The feeders interface functional transactions to FMS where they are translated to the appropriate accounting. It facilitates reconciliation and internal program management and reporting, and large volumes of payment processing. FMS tracks and manages the payment processing for direct loan originations and consolidations by the G5 system and processes refunds to borrowers for overpaid loans.

Through highly customized extensions, tightly integrated with the Oracle sub-ledgers, FMS processes large volumes of payments to the lender and guarantee agency communities. It receives electronic invoices and advice of fees payable to Education, performs complex custom validations and reasonability checks to minimize erroneous payments, and processes the transactions through Oracle sub-ledgers to generate Treasury payment files and accounting transactions. The accounting transactions are, in turn, summarized and sent to the core Financial Management Support System (FMSS) for external financial reporting. FMS serves a mission-critical function as a Federal Family Education Loan (FFEL) program front-end payment system, for reconciliation to the FSA feeder systems, for more detailed internal program management reporting, and for additional levels of system controls.

One of these applications integrated in FMS is the Lender Reporting System (LaRS) application. LaRS was developed as part of the Financial Partners (FP) redesign efforts and replaces the previous ED Form 799. The goal of the LaRS program is to streamline the business processes associated with exchanging financial information with lenders and

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servicers. This involves developing new business activities that integrate lender and servicers reporting with FMS. These business activities include; allowing lenders and servicers to electronically complete and submit their reports, developing digital approval and ad hoc query functionality, complying with current legislative mandates, providing timely notification of errors following submission, and integrating all activities with concurrent FSA enterprise-wide initiatives. However, FMS does not fulfill the central functions of a Joint Financial Management Improvement Program (JFMIP) core financial management system. FMSS, not FMS produces all external financial reports, such as the financial statements, Federal Agencies Centralized Trial-Balance System (FACTS) I and FACTS II, and the SF 224. In addition, FMS serves as the source for all budget funding transactions (appropriation, apportionment, and allotment data), establishing the budget authority for the Department's financial management systems.

### **DISPOSITION INSTRUCTIONS:**

#### a. Financial Management System (FMS) Master Data Files

FMS contains student loan data on Title IV programs and grants during their complete life cycle, from aid approval through disbursement, repayment, delinquency, and closure. Examples include; award data, loan amount, student name, SSN, address, phone, loan period, type of loan, repayment cycle, balance and other data related to managing a student loan account. FMS has been tested and certified by JFMIP standards that meet FSA's unique financial systems needs.

#### **TEMPORARY**

Cut off annually when entity ceases participation in Title IV programs. Destroy/delete 15 years after cut off.

#### b. Duplicate Copies Regardless of Medium Maintained for Reference Purposes and That Do Not Serve as the Record Copy

#### **TEMPORARY**

Destroy/delete when no longer needed for reference or business purposes.

### **IMPLEMENTATION GUIDANCE:**

Follow the disposition instructions in ED 086 Information Systems Supporting Materials for system software; input/source records; output and reports; and system documentation.

Refer to ED 254 Grant Administration and Management Files and ED for a description of the G5 system master data files.

### **ARRANGEMENT / ANNUAL ACCUMULATION:**

### **PREVIOUS NARA DISPOSITION AUTHORITY:**

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### **SPECIFIC LEGAL REQUIREMENTS:**

Title IV, of the Higher Education Act (HEA) of 1965, as amended

### **SPECIFIC RESTRICTIONS:**

Privacy Act 18-11-02 Recipient Financial Management System

**LINE OF BUSINESS:** Loans