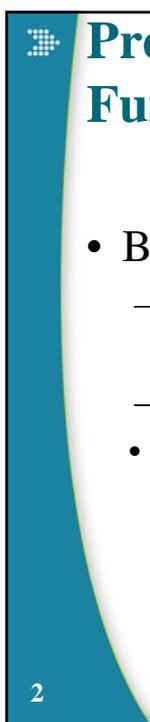




Cash Management

Foreign School Training



Preparing to Receive Direct Loan Funds

- Basic review of steps
 - Establish required bank account(s) for receiving and maintaining funds
 - Obtain a Grantee and Payee DUNS number(s)
- Submit an SF1199A to FSA Direct Loan Onboarding team to establish account in Department of Education's G5 Payment System (G5) for requesting funds and reporting expenditures

2





Establish Bank Account

- Institution must maintain Title IV funds in a bank or investment account that is
 - Federally insured or secured by collateral of equivalent value and
 - Identified as containing federal funds

3



Establish Bank Account

- Institution must maintain Title IV funds in an interest-bearing or investment account
 - Direct Loan funds must be in an interest-bearing account unless
 - Institution drew down less than \$3 million of those funds in prior award year and expects to draw down less than \$3 million in current award year
 - First \$250 of interest may be retained by the institution
 - Amounts over \$250 must be returned to ED

4





G5 Payment System

- Provides financial management support services for each Title IV program
- Provides online capability to
 - Request payments
 - Adjust drawdowns
 - Access current grant and payment information

5



Establish G5 Account

- Have a DUNS Number
 - Complete a D-U-N-S Request Form at <http://www.dnb.com>



6





Establish G5 Account

- Obtain a NATO CAGE code from appropriate source
- Register in Central Contractor Registration (CCR) database
 - Do not need TIN or EFT information
 - Takes 3-5 business days
 - Must be renewed every 12 months to remain active

7



Establish G5 Account

- Set Up Bank Information
 - Enroll in Automated Clearing House (ACH) using Direct Deposit Sign-Up Form (SF-1199A)
 - If using a foreign bank account will have a SWIFT # in place of ABA number requested
 - Send a cover letter with DUNS number, email address, and original signature and phone number of individual requesting account
 - Must be on official letterhead
 - Bank account information must be for school's main location

8





Electronic Funds Transfer

- For U. S. Bank accounts
 - Funds are electronically transferred to payee's bank account
 - Requests made by 3 p.m. ET are deposited next business day
 - Requests made after 3 p.m. ET are deposited within two business days
- For international bank accounts
 - Requests made by 2 p.m. ET are deposited the second business day
 - Requests made after 3 p.m. ET are deposited on the third business day

9



Requesting Funds

- School must report actual disbursement through COD before funds are available to draw down
 - Can report actual disbursements to COD up to 7 days prior to disbursement date
- Direct Loan funds must be requested through G5
 - Must have G5 account and
 - Must identify the amount requested by program and fiscal year designation

10





Requesting Funds: “Immediate Need”

- Request an amount from G5 which can be disbursed within 3 *business* days of receipt

11



Excess Cash

- Any amount of Title IV funds that is not disbursed to students by the end of the third business day following receipt of the funds

12





Excess Cash Tolerance

- A school may retain for up to seven days an amount of excess cash that does not exceed 1% of the school's total prior award year's drawdowns
- School must return excess cash to ED immediately following the seven-day tolerance period

13



Return Funds to G5

- Return excess funds to ED via check
 - Checks are payable to the U.S Department of Education
 - All checks **must** have “U.S. Dollars” clearly written in the memo portion of the check
 - Memo portion must also have DL, school code and the year the money belongs in
 - Address:
 - COD School Relations Center
Attn. Refunded Cash
P.O. Box 9001
Niagara Falls, NY 14304
 - Overnight requiring signature – substitute “2429 Military Rd., Suite 200” for P.O. Box (if tracking is desired)

14



➤ Possible Consequences of Excess Cash

- Liabilities assessed
- School transferred to cash-monitoring or reimbursement method
- Access to federal cash can be “frozen”
- Fines assessed
- Future requests for cash routed through ED’s CFO
- Future requests offset until debt is paid

15



➤ Grant Award Number

- P268K10xxxx for 09-10
 - P CFDA principal office designator
 - 268 CFDA numeric suffix for Direct Loan
 - K Alphabetic subprogram identifier
 - 10 First 2 digits of funding fiscal year (i.e., 2nd year of the award year)
 - xxxx Unique identifier for institution

16





FFEL and FDL Funding

- No authorization for the FFEL program
 - School submits certification and MPN to lender
 - Lender transmits money to school
- Authorization is provided for DL in G5
 - School submits records to COD
 - Funds are available in G5 based on actual accepted disbursements
 - Student completes MPN online
 - School requests funds

17



Request and Return Funds Using G5

- Must identify the amount of funds by program and fiscal year
 - Direct Loan funds specific to award year for which loan is processed
 - COD will also require an adjustment to loan amount
- Remember: request no more than your “immediate need”
 - Must be able to disburse to eligible students within 3 business days of receipt

18



G5 Log-on

Home
Help

Login to G5

Email ID

Password

(Case Sensitive)

In order to log into G5, you must accept the Department of Education's [terms](#).

Yes, I Accept the Terms

Login to G5

[Existing e-Payments user? Register Here >](#)
[Not registered? Sign Up >](#)
[Forgot your Email ID? Email Now >](#)
[Forgot your password? Reset Now >](#)

Help Desk

Help is available through e-mail or by calling the GAPS Hotline.

- Hours of Operation: 8:00 AM to 6:00 PM, Monday - Friday, EST
- Toll-Free: 1-888-336-8930

Welcome to the G5 System!

It is with great pride that the U.S. Department of Education (ED) announces the G5 application. G5 is a state-of-the-art electronic system for grants management and payments. It will replace the current Grant Administration and Payment System (GAPS).

News and Events

[03/24/2008 Reporting Notice](#) - Please be aware that the issues with External Award Activity Reports have been corrected... [more >](#)
[03/24/2008 Unlock Email ID/Password](#) - If you failed to log into G5 successfully after your third attempt, your account will be [more >](#)
[03/24/2008 User ID](#) - After registering as a new or existing user in G5, what is my user ID? [more >](#)
[03/24/2008 Automated Emails](#) - Why am I not getting the automated emails from G5? [more >](#)

G5 Web Site Hours of Operation

19

G5 Online Training

Empowering the grant community

See It

Try It

Know It?

Do It

Outline

Search

All

- G5 Introduction
 - G5 Introduction and Overview
- Navigation
 - Navigate and Register in G5
 - User ID and Profile Management
 - Services Specific
 - G5 Hot Line Users
 - Internal Users
 - Security Users
- Payments
 - Payment Requests and Drawdown Adjustments (Internal)
 - Create Payment Request**
 - Create Payment Request (Internal)
 - Modify Payment Request
 - Inquire Payment Request
 - Create Payment Requests by File Upload
 - Enter Drawdown Adjustments
- G5 Reports
 - G5 Payment Reports (Internal)
 - Generate a G5 Report
 - Drawdown Adjustment Report
 - Program Office Review Report
 - Bank Account Activity Report
 - Internal Payment History Report
 - External Award Activity Report

Concept

[Click here to view the Job Aid on how to Create Payment Request.](#)

Purpose: This procedure describes what is needed to create a Payment Request in G5.

G5 Responsibility: All G5 (Non-Department of Education) users.

Navigation Path: Payments > Payment Requests > Create Payments or Payments > Payment Requests > Create Payments - Direct Loans

Prerequisites: The prerequisites for this topic are:

1. The user must have an active G5 User ID.
2. The user must have an active role (which allows for drawdowns) assigned to their G5 user ID.
3. Their must be at least one open award which has funds available for payment requests to be drawn against.
4. An Award must be in Open or Liquidation status to be displayed.
5. Payment Requests will be checked against Available Funds as follows:

Introduction

This procedure covers how to Create a Payment Request in G5 including an alternative option to change the Recipient Reference field for an Award.

Note: To Create a Payment Request using the Upload File process, please refer to the Create Payment Requests by File Upload Procedure.

20

G5 My Awards

Log Out Home **Payments** Reports My Profile Help

My Awards

View the status of all awards in your account.

Filter by Status: All OK

Award No.	Available Balance	Net Authorization	Last Day to Draw	Award Status
P268K061123	\$0.00	\$0.00	01/03/2012	Open
P268C162072	\$0.00	\$1,363,760.24	10/31/2007	Suspension
P268C072072	\$0.00	\$751,172.00	10/31/2008	Open
P038A021349	\$0.00	\$7,100.00	10/31/2008	Open
P038A021350	\$0.00	\$4,500.00	10/31/2008	Open
P038A021351	\$0.00	\$9,396.00	10/31/2008	Open
P038A021352	\$0.00	\$77,983.00	10/31/2008	Open
P038A021353	\$0.00	\$46,246.00	10/31/2008	Open
P038A021354	\$0.00	\$84,188.00	10/31/2008	Open
P038A021355	\$0.00	\$51,176.00	10/31/2008	Open
P038A011349	\$0.00	\$150,000.00	10/31/2007	Suspension

21

START HERE GO FURTHER FEDERAL STUDENT AID

Payments

G5 Empowering the grant community

Log Out Home **Payments** My Profile Reports Help

Payment Requests **Create Payments** Modify/Cancel Payments Refunds Inquire Payments Create Payments - Direct Loan Modify/Cancel Payments - Direct Loan Inquire Payments - Direct Loan

View the status of all awards in your account.

Filter by Status: All OK

Award No.	Available Balance	Net Authorization	Date of Last Draw	Award Status
H000A060004	\$55,128.00	\$114,495.00	12/31/2007	Open
H000A070004	\$47,995.00	\$125,000.00	12/31/2008	Open

Total Awards: 2 Page 1 of 1

22

START HERE GO FURTHER FEDERAL STUDENT AID

Create Payment

See It!

The Create Payment Request screen opens and contains the following fields:

Click on any of the links below to view the column heading definitions and important information.

1. Award No.:
2. Payment Amount:
3. Deposit Date:
4. Recipient Reference:
5. Available Balance:
6. Net Authorization:
7. Date of Last Draw:
8. Bank Account:
9. Flag:

Note: Bold indicates that the field is required to initiate a payment request for that award.

[Resume](#)

Step 1. Create payments using the form below. Add any other instructional text.

Award No.	Payment Amount (\$)	Deposit Date (MM/DD/YYYY)	Recipient Reference	Available Balance	Net Authorization	Date of Last Draw	Bank Account	Flag
H000A060004	0.0	09/13/2007	H000A060004	\$55,128.00	\$114,495.00	12/31/2007	*****0001 (ACH)	
H000A070004	0.0	09/13/2008	H000A070004	\$110,835.00	\$125,000.00	12/31/2008	*****0001 (ACH)	

Total: 2 Page 1 of 1 Awards/Page: [Show All Awards](#)

Please upload a Payment Request file:

23

START HERE GO FURTHER FEDERAL STUDENT AID

Create Payment

See It!

The Default Date depends on the method of transmission (ACH or FedWire) and the time of day that the Payment Request has been submitted.

[Resume](#)

Step 1. Create payments using the form below. Add any other instructional text.

Award No.	Payment Amount (\$)	Deposit Date (MM/DD/YYYY)	Recipient Reference	Available Balance	Net Authorization	Date of Last Draw	Bank Account	Flag
H000A060004	250	09/13/2007	H000A060004	\$55,128.00	\$114,495.00	12/31/2007	*****0001 (ACH)	
H000A070004	1001.57	09/13/2008	H000A070004	\$110,835.00	\$125,000.00	12/31/2008	*****0001 (ACH)	

Total: 2 Page 1 of 1 Awards/Page: [Show All Awards](#)

Please upload a Payment Request file:

24

START HERE GO FURTHER FEDERAL STUDENT AID

Create Payment Summary

Log Out
Home
Payments
My Profile
Reports
Help

You are here [Home](#)

Create Payment Request

Payments **Summary** Confirmation

Step 2. Review Payment Summary.

Award No.	Payment Amount	Deposit Date	Recipient Reference	Available Balance	Net Authorization	Date of Last Draw	Bank Account	Offset
H000A060004	\$250.00	09/13/2007	H000A060004	\$55,128.00	\$114,495.00	12/31/2007	*****0001 (ACH)	\$0.00
Total: 2								

✓ I certify, by processing this payment request and/or re-allocation, that the funds are being expended within three business days of receipt for the purpose and condition of the agreement.

ARE YOU SURE YOU WANT TO SUBMIT THE REQUEST?*

Yes
 No

25

Create Payment Confirmation

Log Out
Home
Payments
My Profile
Reports
Help

You are here [Home](#)

Create Payment Request

Payments Summary **Confirmation**

✓ Payment Requests saved successfully.

Control No.	Payment Requests					
Control No.	Award No.	Payment Amount	Deposit Date	Bank Account	Status	Offset Amount
2007091100037	H000A070004	\$1,001.57	09/20/2007	*****0001 (ACH)	Received	\$0.00
2007091100036	H000A060004	\$250.00	09/13/2007	*****0001 (ACH)	Received	\$0.00

See It! Actions X

The Confirmation page opens with a Control Number for each group of payment requests grouped by payment requests with the same Status, Bank Account, and Deposit Date.

For this example, two separate dates were selected thus causing two control numbers.

The next screen displays how the Confirmation Tab would appear if two payment requests had been processed with the same Payment Status, Bank Account, and Deposit Date.

[Back to Top](#)

http://gs.ed.gov

26

Create Adjustment

Log Out
Home
Payments
My Profile
Reports
Help

You are here > Home

> Create Adjustments

Adjustments
Summary
Confirmation

Award No.	Flag	Net Authorization	Net Draws	Date of Last Draw	Available Balance	Decrease Net Draws	Increase Net Draws
H000A050004		\$105,000.00	-\$85,270.00	01/02/2007	\$19,730.00	0	0
H000A060004		\$114,495.00	-\$58,067.00	12/31/2007	\$55,878.00	210	0
H000A070004		\$125,000.00	-\$5,665.00	12/31/2008	\$115,735.00	0	210

27

Create Adjustment Confirmation

Log Out
Home
Payments
My Profile
Reports
Help

You are here > Home

> Create Adjustments

Adjustments
Summary
Confirmation

The following Adjustments completed successfully

Adjustment Control Number: AD2007091700001

Award No.	Decrease Net Draws	Increase Net Draws
H000A060004	\$210.00	\$0.
H000A070004	\$0.00	\$210.

See It! Actions X

The Confirmation screen appears.

Note that IS provides a new Adjustment Control Number that begins with AD. This unique identifier may be used for tracking purposes and for searches for the Inquire Payment Request procedure.

The lower section also provides the Award number and the related net draw increases and decreases.

[Pause](#)

28

Reports

Log Out Home Payments My Profile Reports Help

You are here Home

External Award Activity
Draw Down Adjustments

See it! Actions X
Highlight: Reports > Drawdown Adjustment Report

My Awards

View the status of all awards in your

Filter by Status All OK

Award No.	Available Balance	Net Authorization	Date of Last Draw	Award Status ?
P268K073207	\$127,235.00	\$129,983.00	01/03/2012	Open
P268K075908	-\$6,494.88	\$50,000.00	01/03/2012	Open

Total Awards 2 Page 1 of 1 Jump to page Show All Awards

Related Links

Below are links to helpful education-related resources:

Government

News and Events

07/28/2007 Recipient Training - As a recipient of U.S. Department of Education (the Department)

29

Drawdown Adjustment Report

Log Out Home Payments My Profile Reports Help

You are here Home

Drawdown Adjustment Report

Browse the selected report below. You may search within certain sections of the report

See it! Actions X
The Report results appear on the screen.
You may sort the report by many column headings, such as Date, Award Number, or Adjustment Amount.

Search Criteria: User ID Key Terms sm@ed.gov

Start Date 07/04/2007 End Date 10/02/2007

Run Report

U.S. Department of Education - EDCAPS G5
G5 - Drawdown Adjustment Report
As of Tue Oct 02 13:25:51 EDT 2007

Date	User Name	Award Number	Adjustment Amount
2007-08-14	sm@ed.gov	P007A000003	-100
2007-08-14	sm@ed.gov	P007A000003	100
2007-08-17	sm@ed.gov	P007A000006	-100
2007-08-17	sm@ed.gov	P007A000006	100
2007-08-14	sm@ed.gov	P007A000003	-100

20

Refunds

G Empowering the grant community

Main
Payments
Reports

Help Desk

Help is available by calling the GA to 6:00 PM EST

- Toll-Free: 1-888-336-8930
- TTY: 1-866-697-2696
- Local: 202-401-6238
- Email: edcaps.user@fed.gov

Related Links

Below are links to helpful education-related resources:

- Government**
 - U.S. Department of Education
 - State Higher Education Agencies
 - Office of Management & Budget
- Higher Education Associations**
 - National Association of Student Financial Aid Administrators
 - National Education Association
 - National Association of College & University Business Officers
- Other Education Web Resources**
 - FinAid: The Financial Aid Information

Payment Requests
DrawDown Adjustments
Refunds

Maintain Refund Bank Accounts
Create a Refund

Manage Payee-Service Relationships
Inquire a Refund

Cancel a Refund

Total Awards: 74

Filter by Status: All

Award No.	Available Balance	Net Authorization	Last Day to Draw	Award Status
H027A070116	\$89,648,968.92	\$143,939,544.00	12/31/2009	Liquidation
H027A070116	\$16,364,716.29	\$1,150,175,848.00	12/31/2009	Liquidation
S287C070005	\$5,184,549.86	\$127,685,271.00	12/31/2009	Liquidation
B372A060004	\$104,073.29	\$3,255,445.00	08/24/2010	Open
U11U0000000	\$12,500,426.10	\$1,723,462,792.00	06/30/2010	Liquidation
Q186A060005	\$0.00	\$33,231,966.00	06/12/2009	Suspension
U282A070007	\$2,010,043.23	\$26,010,356.00	11/01/2010	Open
S010A070005	\$49,748,096.33	\$1,643,496,281.00	12/31/2009	Liquidation
S298A070005	\$234,937.79	\$12,108,651.00	12/31/2009	Liquidation
S013A070005	\$55,814.98	\$2,523,695.00	12/31/2009	Liquidation
S3588070005	\$936.08	\$1,244,233.00	12/31/2009	Liquidation
S126A070005	\$172,769.76	\$7,724,532.00	12/31/2009	Liquidation

31

Refunds Menu

G Empowering the grant community

Main
Payments
Reports

Create Refunds

DUNS: 807480843 Institution: Education California Dept

Create A New Refund

Complete the form below to create an refund. An * indicates a required field.

Your Open Awards

Total Records: 74 Page 1 of 3

Award No.	Net Draws	Award Reference	Bank Account	Refund Amount
H027A070116	-\$1133007428.00	IDEA PART B	***0000	<input type="text"/>
H027A080116	-\$848760562.00	IDEA PART B	***0000	<input type="text"/>
H027A090116	\$0.00	IDEA PART B	***0000	<input type="text"/>
H173A070120	-\$36970005.00	PRESCHOOL	***0000	<input type="text"/>

32

16



Get Ready to Disburse

- Check student's eligibility
 - General eligibility
 - Program-specific eligibility
 - Period for which student is eligible
- Determine program's payment periods
 - Term-based programs
 - Nonterm credit-hour programs and
 - Clock-hour programs

33



Standard Terms & Some Non-standard Terms

- In some cases, a Direct Loan payment period is the academic term
 - Standard terms
 - Non-standard terms that are substantially equal
- Length of terms is the same, or may differ from each other, by two weeks or less

34



➤ Nonterm Programs & Some Non-standard Terms

- In other instances, the DL payment period is not the academic Term
 - Nonterm programs
 - Non-standard terms that are not substantially equal
 - Length of terms differ, from each other, by more than two weeks

35



➤ Some DL Payment Periods Determined by Student Progress

- In nonterm programs and substantially unequal non-standard term programs the payment period is driven by the student's progress in the program
- Student usually has to successfully complete $\frac{1}{2}$ of the credit/hours **AND** $\frac{1}{2}$ of the weeks of instruction in the loan period in order for the student to complete the first payment period

36





Disbursement

- When school credits a student's tuition/fee account or pays a student/parent directly with:
 - Funds received from ED
 - Institutional funds used in advance of receiving funds from ED

37



Crediting Student's Account

- May only credit account for allowable charges
 - Current charges for tuition, fees and room/board if contracted with school
 - Current charges for educational activities if student/parent provides written authorization

38



Direct Loan Term Based, Credit Hour Programs

- Program with multiple payment periods
 - Loan amount is evenly divided per term, when terms are “substantially equal”
- If loan period is one term
 - Must make two equal payments of loan proceeds
 - Second payment may not be made prior to the calendar midpoint of the payment period

39



Entrance Counseling

- Required for
 - First-time, first year Stafford loan borrowers
 - Grad PLUS borrowers
- Must be completed prior to the first disbursement of the loan

40





Entrance Counseling

- May be conducted:
 - In person
 - By audiovisual presentation
 - By interactive electronic means
- Person knowledgeable about FSA programs must be available for questions shortly after counseling session
- Entrance counseling for Direct Loans is available at: StudentLoans.gov

41



Early Disbursements

- Term-based credit hour program
 - 30 days before the first day of classes of the term
 - Student must meet eligibility requirements including enrollment status
 - Important: Student must be enrolled

42





Early Disbursement Exceptions

- For a first installment of a Direct Loan to a first-year, first-time borrower
- May not credit student's account or release funds to student until 30 days after the first day of the student's program of study
 - School with cohort default rate <10% for 3 most recent years for which data has been published is not subject to this rule

43



What Is a Late Disbursement?

- For Direct Loan it's a disbursement made after the student is no longer enrolled at least ½ time
- Used for educational expenses incurred while student was enrolled and eligible
- Must be made no later than 180 days after the student became ineligible
- If student is eligible, school must attempt to make late disbursement

44





Conditions for Late Disbursement

- For all programs, while student was eligible, ED processed ISIR/SAR with official EFC
 - For Stafford Direct Loan
 - Loan was originated
 - 30-day delay passed, if applicable
 - For Parent PLUS a valid ISIR/SAR *not required*

45



Direct Loan Late Second and Subsequent Disbursements

- Cannot be made as late disbursements unless --
 - Student has graduated or successfully completed the period of enrollment

Exception

46





Required Notices

- School must notify student of the Title IV funds student will receive
 - How and when funds will be disbursed
 - If loan funds are subsidized or unsubsidized
- School must notify borrower of loan funds received by EFT/Master Check and credited to student account
 - Date and amount of disbursement
 - Right to cancel all or part of loan
 - Cancellation procedures and deadlines

47



Required Authorizations

- School must obtain written authorization from student/borrower prior to:
 - Using Title IV funds to pay any allowable charges other than tuition/fees and contracted room/board
 - Holding credit balances
 - Applying Title IV funds to prior year charges other than tuition, fees room and board

48



▶ Title IV Credit Balance

Title IV funds credited exceed total allowable charges assessed by the institution

Institutional Charges	= \$ 10,000
Credits to account	= \$ 19,000
Subsidized Stafford	\$5,500
Unsub Stafford	\$12,500
<i>Scholarship</i>	<i>\$1,000</i>
Title IV Credit Balance	= \$ 8,000


 START HERE
 GO FURTHER
 FEDERAL STUDENT AID

49

▶ Paying Title IV Credit Balance

- School must pay credit balance to student or parent no later than
 - 14 calendar days after balance occurs if it occurs after first day of classes of payment period
 - 14 calendar days after first day of classes if it occurs on or before the first day of classes of payment period


 START HERE
 GO FURTHER
 FEDERAL STUDEN

50