



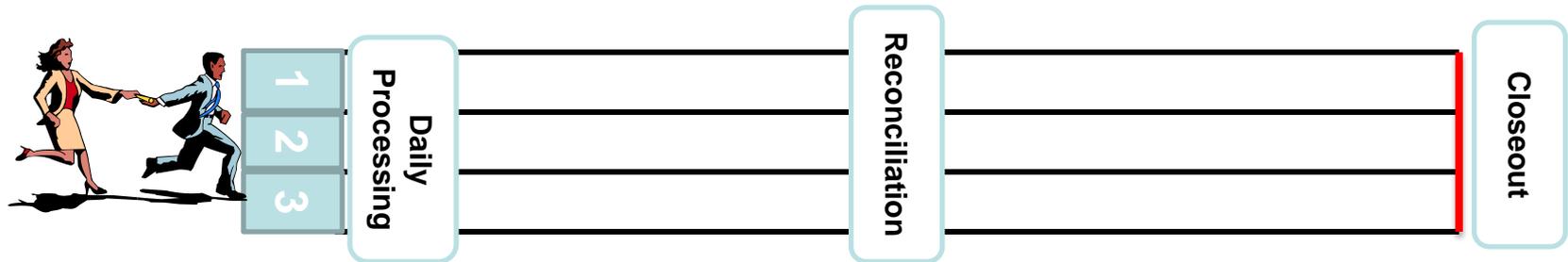
Direct Loan Reconciliation and Program Year Closeout: Start to Finish

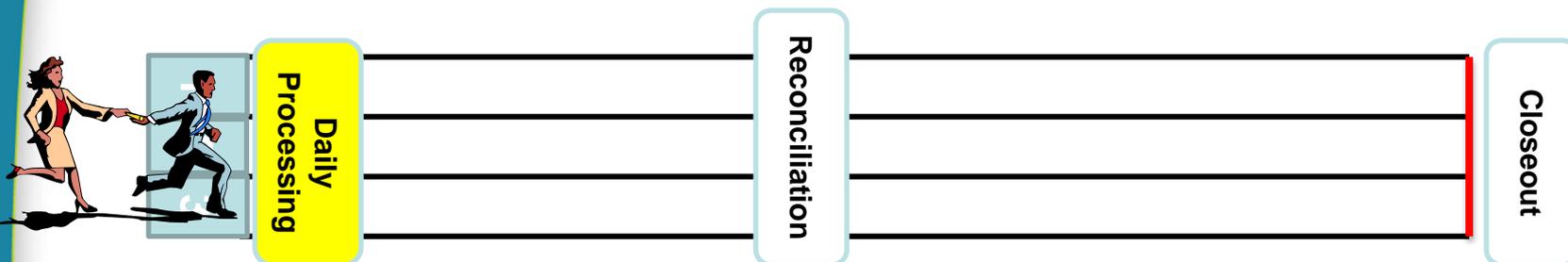




Agenda

- Daily Processing - Start
- Reconciliation
- Closeout - Finish





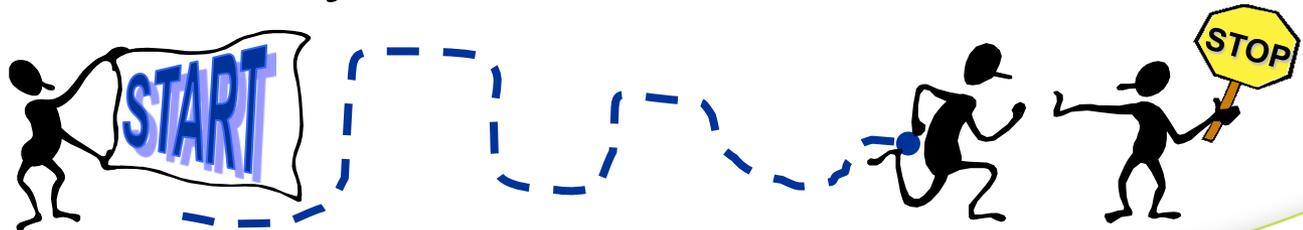
DAILY PROCESSING- WHERE IT ALL STARTS





Daily Processing

- Finish what you start
 - Map your process and procedures
 - Monitor your process
 - Ensure all records have been sent to and accepted by COD
 - Consider managing timing issues to finish what you start within the month





Daily Processing



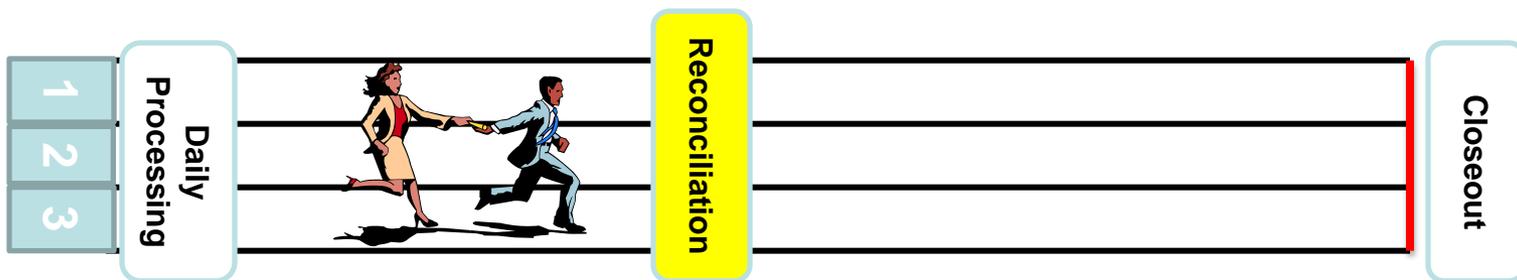
- Communicate to
 - All responsible staff/offices
 - COD Customer Service Representatives
- Use available resources
 - Help Desks
 - Reports
 - Training



Daily Processing



- Track trends
 - Repetitive rejects/edits
 - Late reporting of disbursements
 - Posting downward adjustments and not returning refunds of cash timely
 - Drawdowns in wrong year
- Assess your procedures



RECONCILIATION



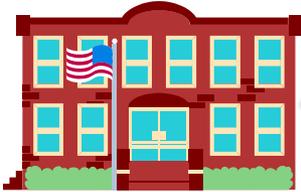
Direct Loan Reconciliation

- The process by which the Direct Loan Cash Balance, recorded on the Department of Education system, is reviewed and compared with a school's internal records on a monthly basis. The school must:
 - **Identify** and **resolve** discrepancies, and
 - **Document** reasons for Ending Cash Balance (ECB)
- ***Schools are required to reconcile monthly***

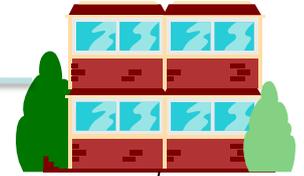


Key Reconciliation Players

**Financial
Aid
Office**



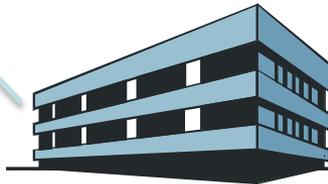
**Business
Office**



Reconcile Internally

Reconcile with COD

Reconcile with COD



COD

G5

(Resource)



Preparing for Reconciliation

- Defining responsibilities
- Documenting procedures
- Preparing for end of month





Defining Responsibilities

- Pulling in School Account Statement(SAS)
- Comparing cash/disbursement data on SAS
- Identifying and using additional reports/tools
- Assigning user access to COD/G5
- Tracking and resolving discrepancies
- Documenting monthly reconciliation
- Meeting to assess discrepancies, process, and trends



Documenting Procedures

- Documenting current reconciliation/closeout procedures
- Revisit regularly





Preparing for End of Month

- **Communicate** between BO and FA
- **Resolve** as many rejected records as possible
- Identify and enter **pending actual disbursements** that should have been entered into system and sent to COD
- **Export/transmit** all records/batches
- **Import** all acknowledgements/responses
- Reconcile **internally** both cash and disbursement transactions



Implementing Reconciliation

- Reviewing the School Account Statement
- Identifying reconciliation discrepancies
 - reports and tools
- Documenting monthly reconciliation





School Account Statement (SAS)



- Contains the Department's official ending cash balance for your school
- Generated by COD on 1st full weekend of the month
- Contains data through the end of the previous month
- Separate SAS for each open award year
- Contains Cash Summary, Cash Detail, Disbursement Summary by Loan Type and optional Disbursement information



SAS Cash Summary

Report Date: 05/04/2010 U.S. Department of Education Page 1

Report Time: 09:59:50 Direct Loan Tools - 2009-2010

SAS Monthly Cash Summary

THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT

End Date: 04/30/2010

School Code: G09009

Region Code: 02

State Code: NJ

Year-To-Date Cash Summary

Beginning Balance:		\$3,264
Cash Receipts:	\$4,089	
Refunds of Cash:	-\$1,350	
Net Drawdowns/Payments:		\$2,739
Booked Disbursements:	\$0	
Booked Adjustments:	-\$1,250	
Total Net Booked Disbursements:		-\$1,250
Ending Cash Balance:		\$7,253
Unbooked Disbursements Actual:	\$3,264	
Unbooked Adjustments:	\$0	
Total Net Unbooked Disbursements:		\$3,264
Cash > Accepted and Posted Disbursements:		\$3,989

Ending Cash Balance	=	Beginning Cash Balance	+	Net Drawdowns/Payments
		Total Net Booked Disbursements		REMEMBER



SAS Cash Detail

Report Date: 5/04/2011
Report Time: 10:18:06

U.S. Department of Education
Direct Loan Tools - 2010-2011
SAS Cash Detail

Page 1

Sort By: Trans Type

THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT

Date Range:

Trans Type: All

School Code: G09009

End Date: 4/30/2011

Trans Type	Trans Date	Trans Amount	COD Process Date	Payment Control/ Check Number
Receipt	03/28/2011	\$8,985	04/01/2011	2011032812345
Receipt	04/28/2011	\$4,089	04/30/2011	2011040767890
Refund	04/15/2011	\$1,000	04/17/2011	000000101100
Refund	04/18/2011	\$350	04/20/2011	000000101101

Total Cash Receipt Records: 2
 Total Refunds Cash Records: 2
 Total SAS Cash Detail Records: 4

Total Cash Receipt Amount: \$13,074
 Total Refunds of Cash Amount: \$1,350

Cash Detail

$$\boxed{\text{Net Drawdowns/ Payments}} = \boxed{\text{Cash Receipts}} - \boxed{\text{Refunds of Cash}}$$

REMEMBER



SAS Disbursement Detail

Report Date: 05/04/2011 U.S. Department of Education Page 1
 Report Time: 10:04:21 Direct Loan Tools - 2010-2011
 SAS Loan and Disbursement Detail

Sort By: Last Name

***** THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT *****

School Code: Booked Status: Unbooked

End Date: 04/30/2011

Student's Name PLUS Borrower's Name Loan ID	Record Type	Gross Amount	Fee Amount	Int Rebate Amount	Net Amount
Disb #	Seq #	Type	Disb Date	Gross Amount	Net amount
York, Charlotte					
2233444S11G09009001	1	Unbooked 1 D	05/02/2011	\$350 \$10	\$345
				\$5 \$350	\$345
2233444S11G09009001	1	Unbooked 1 D	05/02/2011	\$1,306 \$39	\$1,287
				\$20 \$1,306	\$1,287
Hobbs, Miranda					
3334455S11G09009001	1	Unbooked 1 D	05/02/2011	\$1,656 \$49	\$1,632
				\$25 \$1,656	\$1,632
Total Booked Loans:	0			\$0	
Total Unbooked Loans:	3			\$3,312	
Total Loans:	3			\$3,312	
Total Disbursements:	3			\$3,312	
Total Loan Gross Amount:				\$3,312	
Total Loan Net Amount:					\$3,264

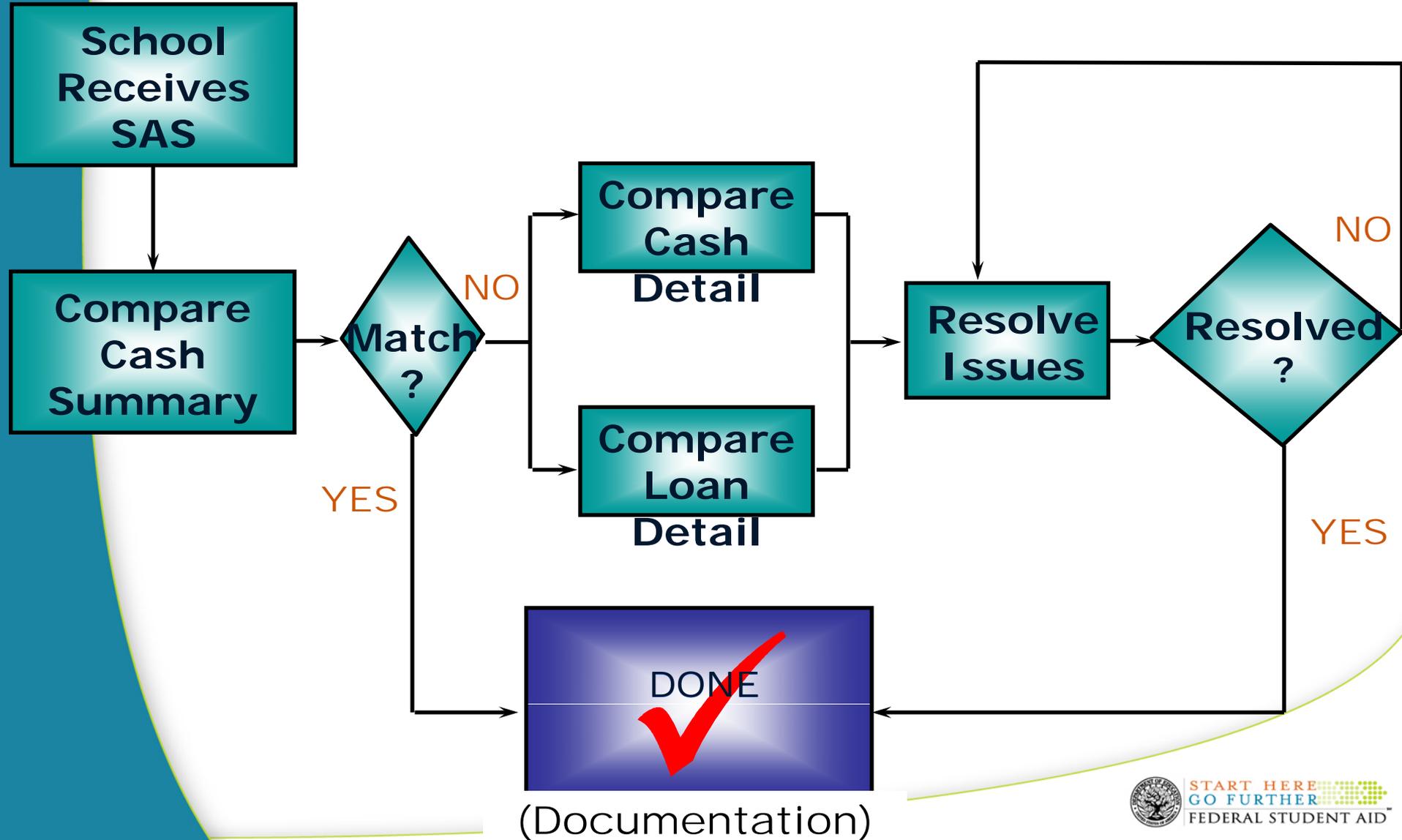
Loan and Disbursement Detail

Total Net Booked Disbursements	=	Booked Disb	+	Booked Adj
---------------------------------------	---	--------------------	---	-------------------

REMEMBER



SAS - How To Use It?





Common Cash Discrepancies

- Cash transactions in **wrong year** or split between years
- Funds **recycled** for disbursement in a **different award year**
- Funds from a **different program** (i.e. Pell)
- **Timing** (Allow 5-7 days for refunds to move from G5 to COD)
- Funds sent as **payment** that should have been a **refund of cash** (or reverse)



Cash Reports and Tools

- COD website
 - School Summary Financial Information 
 - Cash Activity 
 - Refunds of Cash
- Internal reports
 - School cash summary reports
 - Bank statements
- G5



COD School Summary Financial Information

- Contains similar data to SAS Cash Summary
- Updated daily
- Monitor cash balances

The screenshot shows the 'COMMON ORIGATION & DISBURSEMENT' interface for the U.S. DEPARTMENT OF EDUCATION. The top navigation bar includes 'Person', 'School', 'Batch', 'Award', 'Services', 'User', and 'Program'. The 'School' tab is active, displaying 'School Summary Financial Information'. A left sidebar menu lists various options like 'School Search', 'School Information', 'Post Deadline Proc', and 'School Workflows'. The main content area shows a search for 'UNIVERSITY' and a summary table for 'DIRECT LOAN' in the '11-'12' award year. The table details cash receipts, disbursements, and ending balances.

Summary Financial Information			
Program	DIRECT LOAN	Award Year	'11-'12
Entity ID			72168715
Beginning Cash Balance			\$0.00
Cash Receipts	\$2,185,174.00		
Refunds of Cash	(\$18,882.00)		
Net Drawdowns/Payments			\$2,166,292.00
Booked Disbursements	\$2,166,292.00		
Booked Adjustments	\$0.00		
Total Net Booked Disbursements			\$2,166,292.00
Ending Cash Balance			\$0.00
Unbooked Disbursements	\$0.00		
Unbooked Adjustments	\$0.00		
Total Net Unbooked Disbursements			\$0.00
Cash > Accepted and Posted Disbursements			\$0.00

COD Cash Activity Screen

- Lists drawdowns & refunds of cash by program/year
- Updated daily
- Monitor cash detail and on-time reporting

The screenshot displays the 'Cash Activity' screen for 'THE UNIVERSITY'. The interface includes a navigation menu on the left with options like 'School Search', 'School Information', and 'Post Deadline Proc'. The main content area shows a 'Cash Activity Summary' with a table of financial data. A callout box highlights the 'Days Left For On-time Reporting' field, which shows a value of 028.

Cash Activity Summary			
Net Draws		\$131,336.00	
Cash > Accepted & Posted Disbursements & older than 30 days		\$19,103.00	

	Totals	10/11/2011	10/11/2011
Date of Transaction		10/11/2011	10/11/2011
Time		11:17:04 AM	11:17:03 AM
GAPS Debit Date			10/11/2011
Drawdowns/Payments	\$154,696.00		\$2,737.00
Drawdown Adjustments	(\$11,692.00)		
Refunds of Cash	(\$11,668.00)	(\$5,224.00)	
Returns of Cash	\$0.00		
Drawdown Offsets	\$0.00		
Days Since Net Draws Increase			2
Days Left For On-time Reporting			028
Payment Control Number			201110074701
Accepted & Posted Disbursements Applied	\$91,104.00		\$0.00
% of Accepted & Posted Disb. Applied to Net Draws	69.4%		
Cash > Accepted & Posted Disbursements	\$40,232.00		
% of Cash > Accepted & Posted Disbursements	30.63%		
Source System		GAPS	GAPS

Days Left for On-time Reporting



Common Disbursement Discrepancies

- ***Unsent***/unacknowledged ***disbursement batches***
- ***Rejected disbursements***
- ***Disbursements not entered*** in any system (pending actuals)
- Disbursements recorded in ***Business Office but not in FA system***
- ***Unbooked*** records
- School ***data loss***



Disbursement Reports and Tools

- COD website
 - School Summary Financial Information
 - Action Queue
 - Batch Search
- COD reports
 - Actual Disbursement List 
 - Pending Disbursement List
- Internal school reports



Actual Disbursement List



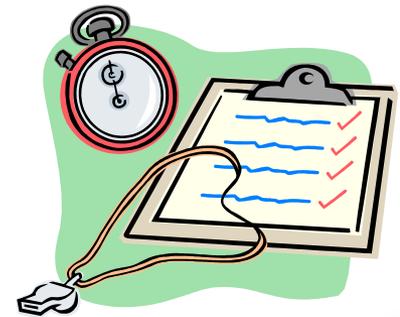
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	Direct Loan ID	School ID	Borrower's First Name	Borrower's Last Name	Borrower's SSN	Loan Type	Award ID	Post Date	Booked Date	Disb Date	Disb Number	Disb Sequence Number	Gross Amount	Fee Amount	Rebate Amount	Net Amount	Net Disb Adjustment Amount
2	G09990	10009990	MARYALICE	BONETTI	XXXXXXXXXX	S	XXXXXXXXXXS12G09990001	7/16/2011	7/16/2011	7/16/2011	1	1	640	6	3	637	0
3	G09990	10009990	MARYALICE	BONETTI	XXXXXXXXXX	S	XXXXXXXXXXS12G09990001	7/16/2011	7/16/2011	7/16/2011	2	1	1310	13	7	1304	0
4	G09990	10009990	TAMIKO	BESSETTE	XXXXXXXXXX	S	XXXXXXXXXXS12G09990001	7/16/2011	7/16/2011	7/16/2011	1	2	1200	12	6	1994	199
5	G09990	10009990	LACIE	BARETTE	XXXXXXXXXX	P	XXXXXXXXXXP12G09990001	7/15/2011	7/16/2011	7/15/2011	1	1	20000	800	300	19500	0

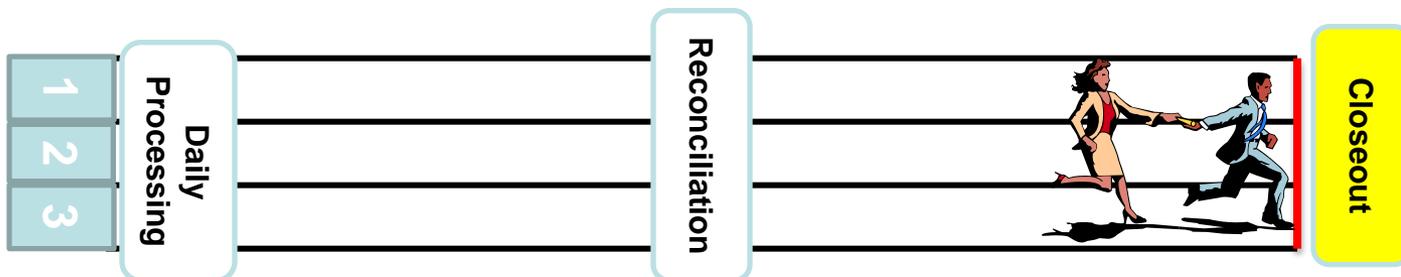
- Displays booked, unbooked disbursements and adjustments
- Generated on Saturday; Reporting period is previous Sat. to Friday
- NewsBox in CSV; SAIG in comma delimited
- Compare to school's actual disbursements weekly



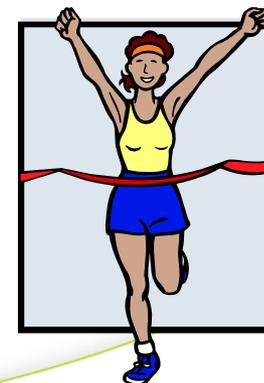
Documenting Monthly Reconciliation

- Documentation should show:
 - Reconciliation performed at least monthly
 - Any issues identified and resolved
 - Reasons for ending cash balance
- Format is at school discretion





PROGRAM YEAR CLOSEOUT





Program Year Closeout Defined

- The process by which schools complete processing at the end of a Direct Loan award year
 - Extension of monthly reconciliation process
 - Result is \$0 ending cash balance



When Should Closeout be Completed?



- Should follow final disbursements for Award Year, or Latest Award End Date
- No later than end of July of the year following end of the award year (7/31/2012 for 2010-11)*

** Certain Exceptions May Apply*



Before the Closeout Deadline

- Schools will be notified of closeout requirements through:
 - Electronic announcements on IFAP
 - COD System-generated closeout correspondence



Pre-Closeout Correspondence

- System generated letters
 - Zero balance letter/Remaining balance letter
 - Sent monthly to FAA
 - Includes:
 - Balances
 - Latest award end date
 - Instructions for confirming closeout



Pre-Closeout Correspondence

- System generated letters
 - Notification warning letter
 - Reminder sent in May before Program year closeout deadline
 - Sent to President and FAA
 - Includes:
 - Balances
 - Latest award end date



School Correspondence Screen

https://cod.ed.gov/cod/SchoolCorrespondence

File Edit View Favorites Tools Help

COD Online

U.S. DEPARTMENT OF EDUCATION
COMMON ORIGATION & DISBURSEMENT

FSA
FEDERAL
STUDENT AID

Person **School** Batch Award Services User Program

School Search School Correspondence ?HELP

School Information

- School Summary
- Financial Aid Contact
- Eligibility
- General
- Options
- Funding Info
- Summary Financial Info
- Refunds of Cash
- Cash Activity
- Events
- Memos
- Message List
- Yearly Totals
- Relationships
- Balance Confirmation
- Request Post
- Deadline/Extended Processing
- Correspondence**
- Report Selection

Post Deadline Proc

School Workflows

Program Year Closeout Letter

Request Date/Time	Award Year	Requested By	Status	Number of Reprints	Last Reprint Date/Time	Re-Request	View
10/12/2011 00:03:37	'10-'11	DLCLOSE	SENT	0		<input type="checkbox"/>	<input type="radio"/>
10/12/2011 00:03:36	'10-'11	DLCLOSE	SENT	0		<input type="checkbox"/>	<input type="radio"/>

Zero Balance Confirmation Letter

Request Date/Time	Award Year	Requested By	Status	Number of Reprints	Last Reprint Date/Time	Re-Request	View
10/07/2011 00:01:46	'10-'11	DLCLOSE	SENT	0		<input type="checkbox"/>	<input checked="" type="radio"/>

REQUEST AGAIN VIEW LETTER



Sample Zero Balance Letter

DEAR FINANCIAL AID DIRECTOR:

THE DIRECT LOAN CLOSEOUT DATE FOR THE 2010-2011 PROGRAM YEAR IS JULY 31, 2012 . AS OF THE DATE OF YOUR LAST SCHOOL ACCOUNT STATEMENT (SAS) 09/30/2011 , OUR RECORDS INDICATE THAT YOUR SCHOOL'S BALANCE FOR THE 2010-2011 AWARD YEAR IS:

TOTAL NET DRAWDOWNS/PAYMENTS: \$1,619,809.00

TOTAL NET BOOKED DISBURSEMENTS: \$1,619,809.00

ENDING CASH BALANCE: \$0.00

TOTAL NET UNBOOKED DISBURSEMENTS: \$0.00

WE HAVE ALSO OBTAINED THE FOLLOWING INFORMATION FROM 2010-2011 LOAN ORIGINATION RECORDS SUBMITTED BY YOUR SCHOOL, AS OF OCTOBER 06, 2011 :

LATEST REPORTED DIRECT LOAN AWARD (LOAN PERIOD) END DATE: 08/26/2011

YOUR SCHOOL IS AT LEAST 41 DAYS PAST YOUR LATEST REPORTED DIRECT LOAN AWARD (LOAN PERIOD) END DATE, AND SHOULD BE COMPLETING THE CLOSEOUT PROCESS AT THIS TIME. PLEASE FOLLOW THE INSTRUCTIONS BELOW TO COMPLETE THIS PROCESS.

IF YOUR SCHOOL'S RECORDS AGREE WITH THE ABOVE BALANCE, AND YOU HAVE NO FURTHER LOANS OR DISBURSEMENTS TO PROCESS FOR THE 2010-2011 PROGRAM YEAR, PLEASE GO TO COD'S WEBSITE AT [HTTP:COD.ED.GOV](http://cod.ed.gov) AND COMPLETE THE PROGRAM YEAR CLOSEOUT BALANCE CONFIRMATION FORM. THIS WILL ENABLE THE DEPARTMENT TO CLOSE OUT YOUR SCHOOL FOR

COMPLETE THE FORM ONLINE, PLEASE CONTACT COD CUSTOMER SERVICE AT 1-800-848-0978.



How Do I Complete Closeout?

- School receives and reconciles to SAS, achieves \$0 balance
- School receives zero balance letter e-mail
- School completes balance confirmation form



Balance Confirmation Screen

https://cod.ed.gov/cod/SchoolBalanceConfirmationPage

File Edit View Favorites Tools Help

COD Online

U.S. DEPARTMENT OF EDUCATION
COMMON ORIGATION & DISBURSEMENT

FSA
FEDERAL
STUDENT AID

Person **School** Batch Award Services User Program

► School Search

▼ School Information

- School Summary
- Financial Aid Contact
- Eligibility
- General
- Options
- Funding Info
- Summary Financial Info
- Refunds of Cash
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- Memos
- Message List
- Yearly Totals
- Relationships
- Balance Confirmation
- Request Post
- Deadline/Extended
- Processing
- Correspondence
- Report Selection

► Post Deadline Proc

► School Workflows

School Balance Confirmation HELP

Program: DIRECT LOAN Award Year: '10-'11

The main purpose of this screen is to allow you to submit your confirmation and to enter the School Ending Cash Balance and the End Date of the School Balance.

Date School Confirmed Program Year Closeout	10/11/2011
Current Program Year Close Data	
Today's Date	10/12/2011
Net Drawdowns/Payments	\$1,619,809.00
Total Net Booked Disbursements	\$1,619,809.00
Current Ending Cash Balance	\$0.00
Total Net Unbooked Disbursements	\$0.00
Latest Award End Date	08/26/2011

Days past the Latest Reported Award End Date: 047

Balance Confirmation Form

Date	10/07/2011
School Name	
Name of School Official	



Balance Confirmation Screen

Last SAS Date 09/30/2010

School Ending Cash Balance

End Date of School Balance

I am certifying that my school's internal cash balance is \$0 for the Award Year referenced above. This is in agreement with the Department's official ending cash balance reflected in my school's most recent SAS report. My school has no outstanding issues for this program year. I understand that by submitting this request I authorize the Department of Education to take the following actions for the Award Year listed above:

1. The Department will send a closeout letter to my school.
2. COD will stop processing or accepting any data without Department review and approval.
3. The Department will reduce our school's Cash Funding Level (CFL) to Total Net Cash (Cash Receipts - Refunded Cash).
4. The SAS and other reports for this award year will no longer be sent unless our balance changes.

I understand that these measures are being taken to protect my school from further changes to my Ending Cash Balance. If I should need to submit data for this year at a future time, I will contact the COD Customer Service Center at 1-800-848-0978.

To Submit this form, please click either button:

I Agree or I Disagree

I AGREE

I DISAGREE

Oct 25 2010 18:36 EDT

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What Happens Next?

- After successfully confirming closeout, COD will:
 - Generate a Program Year Closeout Letter
 - Reduce funding to net Drawdowns/Payments
 - Reject additional data for the program/award year





Benefits of Confirming Closeout

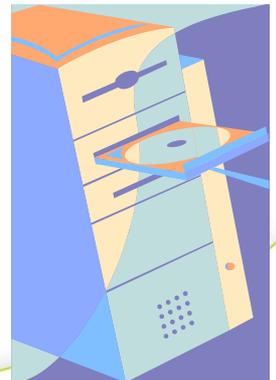
- Program Year Closeout Letter documents closeout completion
- Reduction of CFL prevents drawdowns requested in closed year
- Award-year specific data is prevented from processing in COD





What if My Balance Changes after Closing Out?

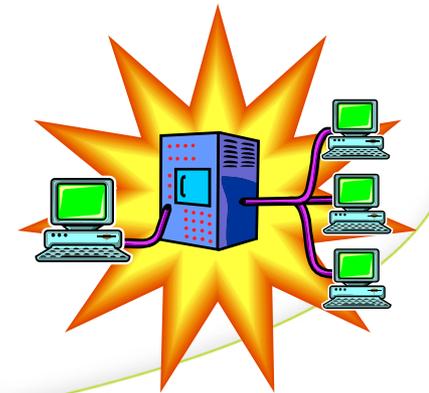
- If your balance changes due to refunds or adjustments in G5 you will:
 - Receive a Change in Zero Balance Letter
 - Receive an updated SAS at the end of the month
 - Must request to be reopened





What if I have Additional Records to Report to COD?

- If school identifies additional disbursement or adjustment data after closing out:
 - School should request to re-open the award year





How do I Reopen before the Deadline?

- Contact COD School Relations at CODSupport@acs-inc.com and include:
 - School name and identifier
 - Award year to be reopened
 - Reason for the request
- School receives reopen letter



Remember to re-close!



After the Closeout Deadline

- The COD System:
 - Reduces funding to net drawdowns for all remaining schools
 - Rejects award year-specific awards/disbursements
 - Discontinues year-specific reports
 - Issues a final SAS to all schools

DONE!



Can I Confirm Closeout after the Deadline?

- Yes! The process is the same both pre- and post-closeout deadline
- Schools are encouraged to confirm closeout as soon as possible after final disbursements/adjustments are processed for the award year



What if I Need to Process Data after the Deadline?

- Extended processing is available on a limited basis for authorized reasons:
 - Contact COD School Relations at 800-848-0978 or CODSupport@acs-inc.com





Extended Processing Requests

- Exception-based, case-by-case approval for limited time period
- Must include:
 - School name and identifier
 - Award year requested
 - Justification for the request

Be Specific!

**(But no PII data,
please!)**



What if I do not Resolve My Ending Cash Balance?

- Schools will be notified of remaining balances through:
 - Final Demand Letter
 - Negative Balance Letter
- Remaining positive balances will result in final liability for school



ADDITIONAL INFORMATION – TO STAY ON TRACK



Reference Materials

- *Direct Loan School Guide*, Chapter 6
- *FSA Handbook*, Volume 4
- *COD Technical Reference*
 - Volume 2, Section 4 (Edits)
 - Volume 4, DL Tools
 - Volume 6, Section 8 (Reports)



Resources



- COD Resources and Tools
 - COD Customer Service:
1-800-848-0978
 - Issue identification and resolution
 - School monitoring e-mails
 - Adhoc reports
 - COD website, <https://cod.ed.gov>