

Title IV Reconciliation: What's in Your Tool Kit?

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U.S. Department of Education
2019 NeASFAA Spring Conference

Federal Student Aid
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Agenda

- Building a Framework: Key Concepts 
 - Definitions
 - Rules and Regulations
 - What is Reconciliation?
 - What is Closeout?
- Filling Your Tool Kit: Tips, Tools, and Resources 
- Completing Your Tool Kit: What's New? 
- Finishing Touches: Additional Resources 

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Building a Framework:
Key Concepts



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Definitions: Reconciliation

- (General) To bring into agreement or harmony; make compatible or consistent
- (Specific) The process by which Title IV aid (grants, loans, and campus-based aid) recorded on the Department of Education (ED) systems is reviewed and compared with a school's internal records; AND
 - Discrepancies are identified and resolved
 - Reasons for remaining cash balances are identified

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Rules and Regulations: Reconciliation

- Monthly reconciliation is **REQUIRED**:
 - Direct Loan Program - 34 CFR 685.300(b) (5)
 - Federal Perkins - 34 CFR 674.19 (d) (1)
 - Federal Work Study (FWS) - 34 CFR 675.19 (b)(2)(iv)
 - Federal Supplemental Educational Opportunity Grant (FSEOG) - 34 CFR 676.19 (b)(2)
- **Regular** reconciliation recommended for all programs
 - Identifies issues with meeting other cash management and disbursement reporting requirements
 - Demonstrates administrative capability
 - *FSA Handbook* Volume 4 Chapters 5 and 6



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Rules and Regulations: Related Requirements

- Award Year Deadline Dates and Disbursement Reporting - published annually
 - 2017-18: Federal Register Notice dated [June 27, 2017](#)
 - 2018-19: **TBD**

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Rules and Regulations: Related Requirements

- Definition of Disbursement - 34 CFR 668.164(a)
- Cash Management - 34 CFR 668 Subpart K
- Excess Cash – 34 CFR 668.166
 - Immediate need – three business days
 - Excess/Idle Cash – up to seven days

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Rules and Regulations: Related Requirements

- 34 CFR 668.24 – Record Retention... Includes
 - Financial records that reflect each Higher Education Act of 1965 (HEA), Title IV program transaction
 - Documentation that reflects each student/parent eligibility for Title IV funds
 - Documentation that reflects the payment period/loan period, date, amount of each Title IV program transaction
 - Any other program records that document administrative and financial responsibility (i.e., reconciliation documentation)

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What is Reconciliation?

- Ensuring that school records (financial aid and business office) match exactly- amounts and disbursement dates

AND

- Ensuring that U.S. Department of Education (ED) systems exactly match the school's data

AND

- Drawdowns = Disbursements
 - (no funds are held beyond regulatory timelines and \$0 balance by end of program year processing)

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What is Reconciliation: Internal vs. External

- Internal Reconciliation
 - Between business/bursar/comptroller office records and financial aid system origination and disbursement records
- External Reconciliation
 - Between school records and ED



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What is Reconciliation: Internal Reconciliation

- Ensure that:
 - What is posted to student accounts (i.e. amount and date) exactly matches the data in the school's financial aid software
 - Net Drawdowns (ND) = Net Accepted and Posted Disbursements (NAPD)
 - Cash is not held beyond cash management requirements
 - Internal cash transactions (drawdowns, refunds of cash, and adjustments) match school bank statements
 - Records transmitted electronically between offices within the school environment match. Run a regular comparison to identify discrepancies

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What is Reconciliation: Key Players

Internal Reconciliation



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What is Reconciliation: External Reconciliation

- Disbursement transactions
 - Internal school disbursement records (both business office and financial aid office) match exactly to disbursement records in FSA systems, including:
 - Common Origination and Disbursement (COD) and
 - Fiscal Operations Report and Application to Participate (FISAP)
- Cash transactions
 - Drawdowns, drawdown adjustments, and refunds of cash transactions in school internal records match exactly with transactions in COD/FISAP and G5

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What is Reconciliation: Key Players

External Reconciliation

The diagram illustrates the key players in external reconciliation. At the top, the Financial Aid Office and Business Office are connected by a double-headed arrow. Below them, a box labeled 'G5 (Resource)' is connected to both the Financial Aid Office and the Business Office. At the bottom, two boxes represent 'Campus-Based Aid with FISAP (Now in COD)' and 'All other Title IV aid With COD', both connected to the Business Office.

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What is Closeout?

The process by which schools complete processing at the end of an award year. This process should:

- Be an extension of regular reconciliation cycle (i.e., one final monthly reconciliation)
- Result in a \$0 cash balance (Net Drawdowns = Net Accepted and Posted Disbursements) in **ALL** systems
- Occur shortly after final disbursements are made for a program and award year [or reported for Campus Based (CB) Programs]
- Ensure that all cash management and disbursement reporting requirements have been met

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What is Closeout: Deadlines

- Pell/Iraq Afghanistan Service Grant (IASG) – Last business day in September of the Award Year (AY)
 - <https://ifap.ed.gov/eannouncements/091018PellIraqAfghanSvcGrant1718AYProcDead.html>
 - The deadline for Pell/IASG 2017-18 was September 28, 2018.
- TEACH Grant (TH) – Last business day in September of the AY
 - <https://ifap.ed.gov/eannouncements/091018AdditionalTEACHGrantCloseoutInfo1718.html>
 - The deadline for TEACH 2017-18 was September 28, 2018.
- Direct Loan (DL) – Last business day in July year following the AY
 - <https://ifap.ed.gov/eannouncements/070618Additional201617DLProgramYearCloseoutInfo.html>
 - **The closeout deadline for Direct Loan 2017-18 is July 31, 2019**

Note: system processing deadlines may impact the actual date final disbursements are accepted

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What is Closeout: Deadlines

- Campus-Based – Fiscal Operations Report and Application to Participate (FISAP) filing deadline midnight October 1
 - <https://ifap.ed.gov/eannouncements/083118Oct12018DeadlineforSubmittingFISAP.html>
 - FISAP reporting must correspond to G5 draws (i.e. what you report as paid must equal what you drew)
 - Campus-Based – Closeout reduction occurs February following FISAP filing deadlines (February 2019 – reduce funding for 2017-18 awards)
 - Unprocessed de-obligations (negative G5 balance) that have not been refunded (repaid) to G5 will result in an Accounts Receivable being set up to collect the amount due
 - Interest accumulates on the balance owed

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What is Closeout: Funding Cancellation

For Federal Pell Grants and Campus Based Programs, funding cancels five years after the data submission deadline and:

- No further award or disbursement data can be submitted to the COD system
- Funding is no longer available in G5 for the program and award year (no drawdowns, drawdown adjustments, refunds of cash*)
- Ex: 2013-14 Award Year closed effective 9/30/2014. Funding will be canceled effective 9/30/2019 (2014 + 5 = 2019; 9/30 is the last business day in September 2019)

Note: system processing deadlines may impact the actual date final disbursements are accepted

18 * Refunds of Cash may be made to miscellaneous award in G5 if Specific Awards are no longer available

Filling Your Tool Kit: Tips, Tools, and Resources



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Your Tool Kit: Tips for Internal Reconciliation

- Ensure business office and financial aid records agree with what the student wants and is eligible to receive 
- Regularly compare bank statements to G5 summary cash and detail transactions
- Return funds appropriately to the correct program and year
 - Refunds of Cash should be made electronically
 - Drawdown Adjustments should only be used to correct errors 

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Your Tool Kit: Tips for Internal Reconciliation

- **Daily/weekly check-in between Business Office and Financial Aid Office**
 - Do disbursements reported match disbursements posted? (date and amount)
 - Do draws and refunds of cash match disbursements? 
- **Run comparison reports between your Business Office and Financial Aid Office software**
 - Print/compare list of year to date disbursements by program and award year
 - Important even if systems have direct interface/exchange data

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Your Tool Kit: Tips for External Reconciliation

- Keep school *records in sync* with COD records by resolving rejected data timely 
- Use *COD and G5 reports* to regularly ensure cash and disbursement data matches school records
- Use *COD web screens*
- Pay attention to *IFAP announcements* and *COD updates* regarding processing issues and any funding reductions

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Your Tool Kit: Reports for Pell, DL, TEACH 

- **School Account Statement (SAS)**
 - Bank statement – summary balance and detail transaction information
 - Contains ED's official cash balance for your school
 - Data is as of the end of the reported month
 - Separate SAS for each school, program, award year

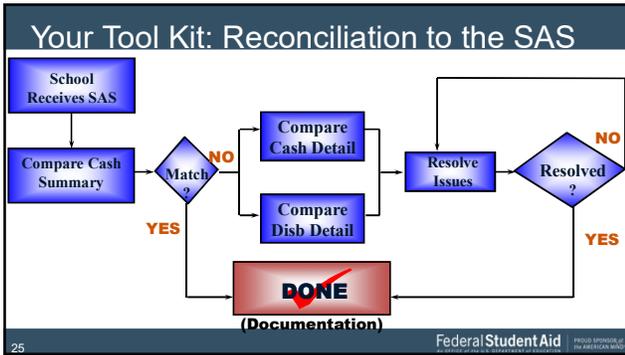
This is your primary tool in your reconciliation tool kit

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Your Tool Kit: Reports for Pell, DL, TEACH

- **Pell School Account Statement (SAS) - Award Year 2017-18+**
 - Comma Delimited with Headers
 - 3 sections (cash summary, cash detail, award summary or disbursement detail)
- **DL and TEACH SAS – all Award Years**
 - Fixed Length (DL) or Delimited (DL/TH)
 - 3-4 sections (cash summary, disbursement summary by loan type - DL, cash detail, loan/disbursement detail)

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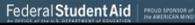


- ### Your Tool Kit: Common Disbursement Discrepancies
- Unsent/unacknowledged disbursement batches
 - Rejected disbursements
 - Incorrect disbursement dates
 - Disbursements recorded in Business Office – not in Financial Aid system
 - Unbooked records (DL or TEACH only)
 - School data loss
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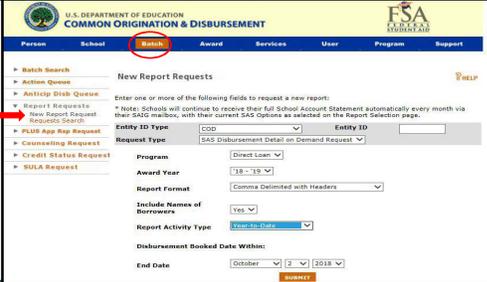
- ### Your Tool Kit: Disbursement Research Tools
- Disbursement Detail Comparison Report
 - Financial Aid Office Disbursement Report
 - Business Office Disbursement Report
 - Student Account Files
 - Business Office Ledgers/Statements of Account
 - SAS Disbursement Detail or SAS Disbursement Detail on Demand
 - COD Web site – Award/Disbursement Detail and Edit Code Rejects, Anticipated Disbursement Queue
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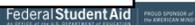
Your Tool Kit: Disbursement Research Tools

- SAS Disbursement Detail on Demand
 - Pell - Award Year 2017-18 and forward
 - DL and TEACH – All Award Years
 - Requested through COD Web Site Report Request
 - Delivered to SAIG Mailbox
 - Monthly, YTD, or Date Range

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Your Tool Kit: SAS Disbursement Detail on Demand



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Your Tool Kit: Using Edit Code Rejects/Warnings

- **Warnings** indicate a potential problem
- **Rejects** indicate award/disbursement not built in COD
- Set aside time to resolve edit code rejects daily/weekly
- Rejected Direct Loan records can lead to unsubstantiated cash for advance funded schools
- Rejected Pell Grant, TEACH, and Direct Loan HCM1 school records will not increase available funds in G5
- Most school services calls - Edit code rejects

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Your Tool Kit: Common Cash Discrepancies

- Timing Issues
- Cash Transactions in wrong year or split between years
- Funds needing to be returned as refunds of cash
- Funds recycled for disbursement in a different award year

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Your Tool Kit: Cash Research Tools

- Cash Detail Comparison Report
- SAS Cash Detail
- COD Web site
- G5 Web site
- Business Office Cash Report
- Bank Statements
- Cancelled Checks

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Your Tool Kit: COD Web Site

School Summary Information

U.S. DEPARTMENT OF EDUCATION
COMMON ORIGINATOR & DISBURSEMENT

Navigation: Home | Search | Batch | Award | Services | User | Program | Support

School Summary Information
UNIVERSITY OF LIFE-LONG LEARNING

Enter the default selections here for Program and Award Year:

Type	Name	Phone	Award Year	Program	Support
Direct Loan	AUSSON RICHARDS	(202)864-8324	18-19	PELL	
Financial Aid Officer	AUSSON RICHARDS	(202)864-8324			
Financial Aid Officer	AUSSON RICHARDS	(202)864-8324			

Summary:

Cash - Not Accepted & Posted Disbursements & other than 30 days	83.00
% of Cash - Not Accepted & Posted Disbursements	-2.39992%
Cash - Not Accepted & Posted Disbursements	(377,006.52)
Current OIG	632,861,492.33
Net Disbursement to Net Disbursement Rate	L/D

Please keep contact information updated!

Check this page often to confirm prior years reconciled

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Your Tool Kit: G5 Reports

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Your Tool Kit: G5 Reports

External Award Activity History

U.S. Department of Education - EDCAPS G5
G5 - External Award Activity History Detail Report

Parameters Entered: FR

Net Draws	-\$15,054,754.64
Last Date To Draw Funds	2023-10-02
Net Authorizations	\$14,953,639.00
Total Draws	-\$15,121,835.69
Total Refunds	\$67,081.05
Total Returns	\$0.00
Net Adjustments	\$0.00

Transaction Date	Change In Authorization	Drawdowns	Refunds	Adjustments	Returns	Offsets
2018-10-01	\$500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2018-10-01	\$489.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2018-09-28	\$17,898.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2018-09-28	\$0.00	\$79,754.00	\$0.00	\$0.00	\$0.00	\$0.00
2018-09-28	\$0.00	\$17,600.00	\$0.00	\$0.00	\$0.00	\$0.00
2018-09-27	\$0.00	\$0.00	\$2,085.00	\$0.00	\$0.00	\$0.00
2018-09-26	\$64.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2018-09-26	\$643.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2018-09-21	\$19,719.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2018-09-21	\$0.00	\$14,719.00	\$0.00	\$0.00	\$0.00	\$0.00
2018-09-20	\$1,270.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2018-09-14	\$0.00	\$16,758.00	\$0.00	\$0.00	\$0.00	\$0.00
2018-09-14	\$1,480.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2018-09-14	\$14,268.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2018-09-13	\$100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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Your Tool Kit: Additional Pell Reports

- Electronic Statement of Account (SAIG) - cash transactions
 - Initial Obligation/Authorization, changes to obligation/authorization both by date and amount
 - Number of unduplicated YTD recipients

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Your Tool Kit: Additional Pell Reports

- **Reconciliation Report (SAIG) - summary disbursement**
 - Summary Pell Grant received YTD by each student
 - Includes verification and Pell Grant Overaward Project (POP) status as well as Life-Time Eligibility used (LEU)
- **Year to Date (YTD) file (SAIG) - detail disbursement level**
 - Contains complete year to date student/disbursement level data and can be used to help rebuild lost school data either by student or school

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Your Tool Kit: Additional Pell Reports Data Requests

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COMMON ORIGINATION & DISBURSEMENT

FSA
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Person School **DATA** Award Services User Program Support

New Report Requests

Enter one or more of the following fields to request a new report:

Entity ID Type: Entity ID:

Request Type:

Program:

Report Type:

Award Year:

Request Type:

SUBMIT

Electronic Statement of Account
Multiple Reporting Record
Reconciliation File
Pell POP Report
Year to Date Record
Verification Status Report

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Your Tool Kit: Pell Reports

Report Name	Sort	Frequency	Data Request		SAIG Matrix		CODD Reporting Web Site	
			Batch	Web	Camp-Defined	Field Length	Camp-Defined	Camp-Defined
Electronic Statement of Account (ESAA)		System Generated or By Request	✓	✓			✓	
Multiple Reporting Record (MRR)	SSN	Daily	✓				✓	
Reconciliation Report	SSN	By Request	✓				✓	
Year-to-Date (YTD) File	SSN	By Request	✓				✓	
Pending Disbursement List	Last Name	Weekly			✓			✓
Verification Status Report	Name	Monthly	✓					✓
Pell POP Report	Last Name	Weekly	✓					✓
Pell Lifetime Eligibility Used Report	SSN	Weekly			✓			
Pell Grant School Account Statement (SAS)	By Statement Record Type	Monthly			✓			
Pell Grant School Account Statement (SAS) Disbursement Detail on Demand	By Statement Record Type	By Request		✓				

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Your Tool Kit: Additional DL/TH Reports

- Actual Disbursement List (DL only)
 - School Newsbox (services menu)
- Pending Disbursement Listing

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Your Tool Kit: Direct Loan Actual Disbursement List

- Retrieve from your school's COD newsbox
- List actual disbursements accepted by the COD system from previous Saturday to Friday
 - Based on posting date in COD
 - Includes booked, unbooked and future dated



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Your Tool Kit: Direct Loan Reports

Format and Delivery Methods				SAGS Mailbox			COD Web Site
Report Name	Report Selection Web Page	Start	Frequency	Online-Delivered	Print Length	Do Not Distribute	Online-Delivered
Direct Loan Rebuild File	Separate Borrower Report Web Page	SSN	By Request		<input checked="" type="checkbox"/>		
Duplicate Student Borrower Report	<input checked="" type="checkbox"/>	SSN	Monthly	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pending Disbursement Listing Report	<input checked="" type="checkbox"/>	Last Name	Weekly	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Direct Loan School Account Statement (SAS)	<input checked="" type="checkbox"/> Link to Separate SAC Page	By Statement Record Type	Monthly	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Direct Loan School Account Statement (SAS) Disbursement Detail On Demand	Separate Borrower Report Web Page	Award Type / Award ID / Code of Inst. Org Num	On-Demand	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

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Your Tool Kit: Direct Loan Reports

Direct Loan Counseling Report <small>(Note: This report only contains information from StudentLoans.gov)</small>	✓	SSN	Weekly					✓
Weekly Credit Status Report		SSN	Weekly					✓
Direct Subsidized Loan Usage Change		SSN	Weekly	✓				✓
Direct Loan Actual Disbursement List	✓	SSN	Weekly	✓		✓		✓
Direct Loan Completed MPN Report	✗	SSN	Weekly					✓
Direct Loan Completed PLUS Application Report	✗	SSN	Weekly					✓
SULA Adjustments Needed Report	✗	SSN	Monthly (Round Closeout)					✓
MPN Status Report	✗	SSN	Weekly	✓				✓

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Your Tool Kit: TEACH Reports

Format and Delivery Methods

Report Name	Report Selection Web Page	Sort	Frequency	SAIG Mailbox				COD Web Site	
				Permitted Tool	Comma-Delimited	Pipe-Delimited	Fixed Length	PDF	Comma-Delimited
Multiple Reporting Record (MRR)	✗ <small>Separate New Reports Request Page</small>	SSN	Daily		✓				✓
TEACH Grant School Account Statement (SAS)	✓	By Statement Record Type	Monthly	✓	✓				
TEACH Grant School Account Statement (SAS) Disbursement Detail On Demand	✗ <small>Separate New Reports Request Page</small>	Award ID	On Demand	✓	✓				
Pending Disbursement Listing		Last Name	Weekly	✓					✓
Rubaid File		Award ID	By Request		✓				✓
ATS Discharge Report		Discharge Date	Weekly		✓				✓
TEACH Counseling Report		SSN	Weekly		✓				✓

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Your Tool Kit: Non Program Specific Reports

Format and Delivery Methods

Report Name	Report Selection Web Page	Sort	Frequency	SAIG Mailbox				COD Web Site	
				Permitted Tool	Comma-Delimited	Pipe-Delimited	Fixed Length	PDF	Comma-Delimited
COD School Monitoring Report	✓	Award Year	Weekly	✓				✓	
COD School Funding History Report	✓	Date of Transaction	By Request						✓

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NEW: EExpress Pell SAS Import/Compare

- Available August 2018 – R3.0
- Import and Compare Pell SAS files to school data
- Works with existing EExpress database or imported school data (non-EExpress)
 - You do NOT need to process aid through EExpress to use this tool

For more information:
<https://fap.ed.gov/eannouncements/081018AvailEExpressWindows20182019Rel3pt0.html>

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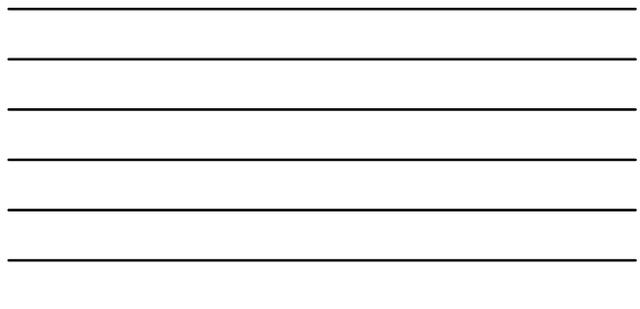
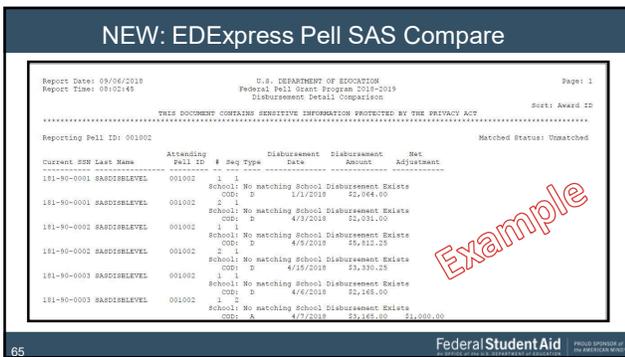
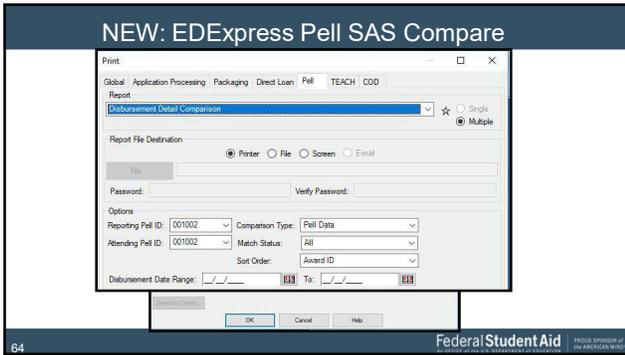
NEW: EExpress Pell SAS Import

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NEW: EExpress Pell SAS Import

Pell ID	Type	Item	Amount
001002	Y1	Beginning Cash Balance	\$0.00
		Net Disbursements/Payments	\$22,789.00
		NAFD	\$62,477.72
		Cash > NAFD	\$39,688.72
001002	T1	Beginning Cash Balance	\$1,200,000.00
		Net Disbursements/Payments	\$22,789.00
		NAFD	\$75,549.72
		Cash > NAFD	\$52,760.72

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Finishing Touches: Resources

- Conference Sessions
 - Session 2 The Four R's (FISAP)
 - Session 11 COD Update
 - Session 14 Cash Management
 - Hands On Session 2 COD Basics
 - Hands On Session 3 COD Advanced



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Finishing Touches: Resources

- FSA Handbook - Volume 4
- COD Technical Reference
 - Implementation guide, edit code rejects, reports, DL tools
- IFAP – Monitor frequently
 - Electronic Announcements
 - Federal Register Notices
 - Recorded conference sessions, training material




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Finishing Touches: Resources

- G5 Help Desk
 - Phone: 888-336-8930 / 8:00 a.m. - 6:00 p.m. (ET) M-F
 - E-mail: edcaps.user@ed.gov
 - Website: <https://www.g5.gov/>
- COD Help Desk
 - Primary CSR and Reconciliation Coordinator
 - Phone: 800-848-0978 / 8:00 a.m. - 11:00 p.m. (ET)
 - E-mail: CODSupport@ed.gov
 - Website: <https://cod.ed.gov/>



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