

*Barb:*

Welcome to Title IV reconciliation. This session may be a little bit different than some of the recon sessions that you've been to in the past. For one, hopefully I won't trip over the thing there. Maybe I'll stay on this side. Anyway, this is going to be kind of like a general overview of requirements because we've noticed that a number of you have forgotten them.

*[Laughter]*

So we thought it might be a good idea to remind you. This isn't a detailed, "Yeah this is the figure on this line. Subtract that figure. That's the figure on this line." It's not going to be like that, but it's going to be a general reminder for all Title IV programs, what you can expect from us, what we expect from you, and the tools that we offer to you. I am more than open to questions. I have been finishing on time so I think we will have time for questions.

If you want to ask a question while I'm presenting, feel free. But if you are sitting in la la land back over there in the corner you are going to have to shout or get up and walk to one of the microphones. But let's just kind of make this friends. We're all in this together. Come on down. Let's have a chat. Sound good? Okay. Let's see if my clicker will work.

Reconciliation basics: we're going to talk about what you can expect from FSA, how funds are initiated for which programs, how they are increased throughout the year, what we do to decrease funds, and deadlines – that some of you meet, and some of you don't. It's kind of a funny thing. I was amazed. Tips for internal reconciliation: we're going to go over the web sites and reports that you can use. We're going to go through a review of the changes.

And I meant to cap up with what's new but I've actually decided as I'm going through this it's kind of good to tell you what's new as we're going through and then summarize what's new at the end, so that's what we'll do. Reconciliation: what does it mean? To make consistent, to bring into agreement. First of all, you want your school records to be consistent or in agreement, which means the business office and the financial aid office records should match.

And in order for that to happen you have to communicate right? So you go back and you say, "Barb said we need to meet for lunch every day so we can talk about our records." Right? Okay, at least once a week you guys should be communicating. Your records need to be consistent. They need to be the same. FSA's definition: the process by which Title IV aid, which include grants, loans,

campus-based aid recorded on our systems. That means both in COD and on the FISAP match your systems. The first step is internal reconciliation. The second step is making your records match ours or making our records match yours.

You've got to identify and resolve discrepancies. As you're going through your COD, your SAS for Direct Loans you're going to document any reason because although you need to reconcile monthly you're not always going to be at a \$0.00 balance. We understand that. But you need to document why you're not at a \$0.00 balance. And we'll get into more detail on that in just a minute. We talked about internal reconciliation. It's between the business office, bursar's office, comptroller's office – money person – at your campus, and financial aid.

If you have some system on your campus where the financial aid office creates records and sends them to the business office to post and then they go to COD, or the other way around, the date that the funds are credited to the student's account is the disbursement date. We've got our definition right up here on the screen. It's the date that you as an institution credit to the student's ledger their Title IV funds, whether you're using FSA funds, the Secretary's funds, or whether you're using your own institutional funds.

That is the disbursement date. It's not the date that you sent the records to COD. It's the date that you made the funds available on the student's ledger, the posting date. That is your disbursement date. The disbursement date and amount need to match exactly with what you report for your grants and loans for COD – exactly. It's very important with Direct Loans because that's the date from which we start charging interest to the student.

Some of you may have like \$2,000.00 where it doesn't make a whole lot of a difference but a whole bunch of you grad schools have \$30,000.00 or \$40,000.00 where if you're off a few days and that's a lot of interest one way or the other that the student's either being charged or the government is being charged. We don't want you to do that.

Internal reconciliation: I've mentioned you want to make sure that what is posted to student accounts, both the amount and the date, match exactly to the data in your financial aid software. The very first step in reconciliation is making sure your business office and financial aid office records match exactly. You should be doing this regularly. Depending upon the size of your institution that

could be daily, it could be weekly, it could be bi-weekly, but it must be at least monthly for all programs.

You want to make sure that your cash is not being held beyond cash management requirements. I was talking to a school the other day. It was Direct Loans and they had about – It was about a \$9,000,000.00 school and they had about \$40,000.00 unsubstantiated. And it had been unsubstantiated for like two months. I said, "We're going to cut you off pretty soon – like no money." And it was like "Why? We have until July 31st of the next year." And I said, "No you do not. You've got to report disbursements and disbursement adjustments within 30 days. You also can't have cash in your bank account more than three business days."

So even though there's the exception of maybe doing an additional seven calendar days if the funds have already been disbursed and then you return them to – Am I talking too fast? I had two cups of coffee today, which is one cup too many for me talking fast. If you return funds to your account and you think you can re-disburse them to someone else, remember that can't be more than one percent of your total previous year's disbursement. So let's say you're a \$1,000,000.00 school (I don't want to mess up my math – I practiced) one percent is \$10,000.00.

That's not very much to keep for seven additional days. So you want to make sure you're returning those funds. You can't wait until the end of the award year. Once you've reconciled regularly internally then you can begin that external reconciliation which you must do at least monthly. Externally means you want to make sure that your internal records match what's in COD for grants and loans and match what's on your FISAP for campus-based aid. You want to make sure in the business office that your cash matches what's in your bank account statement.

That's a great way in the business office, to look at the bank account statement and go, "Oh, where's that draw down I did? Oh my goodness. It's in this other award year. I'm not matching with G5." Then you also want to – I want to remind you that monthly reconciliation is required for Direct Loans. You must reconcile monthly. We highly recommend for all programs that you're reconciling monthly. And logically I don't know how you can be in compliance reporting disbursements and disbursement adjustments every 30 days for all programs unless you are reconciling for all programs.

Here is my very first heads up. There will be a federal register soon – soon in Department terms (I'm guessing in the next month or so) that says there's going to be a change to how frequently you must report. And it's going to be 15 days. That's going to be at least for Pell. It may be all programs. Be watching for that federal register. It's going through the internal review process right now. Don't tell anybody outside this room that I told you.

*[Laughter]*

Heads up – 15 days, at least for Pell. We publish annually but the last one was published in June for the 30 day reporting and requirement - all disbursements or disbursements adjustments. Another one is coming out that is going to make that a little sooner. And let me tell you the reason why. It's not because we just want to make you run faster on the treadmill or anything. It's for Pell. It's because students are being denied Pell because schools are not reporting the adjustments quickly enough.

A student might go to another institution and they're not able to get Pell because the other institution didn't do their calculation and report timely. So we're really trying to look out for the neediest students that need to make sure they're getting their grant aid. That's what driving this basically. Regulatory requirements: this is a slide I just put up here for your reference to remind you of the reporting requirements for campus-based Direct Loans as well as the cash management regulations, just in case you needed a reminder.

What can you expect from FSA? We're going to give you money. We're going to give you more money. We're going to take money away. And we're going to give you tools. It's as simple as that. Initial authorizations for campus-based aid: based on the prior year FISAP reporting (and we tell you every spring what we're going to give you). For Pell for the last three years there has been no initial authorization. So the only way you get funding for Pell is to report disbursements to COD and have them accepted.

Accepted actual disbursements generate funding in G5 for you to draw down. You can report actual disbursements up to seven days in advance of the actual disbursement date. If you plan to disburse on December 10th you could send records to COD on December 4th with a December 10th disbursement date. COD would receive your records December 4th. December 5th we'd communicate with G5.

G5 would make funds available for you to draw the 5th or the 6th and then you would make sure that you are careful to draw the funds and have them hit your bank account so they're not in there for more than three days. And you post on the 10th. You don't post on the 9th. You don't post on the 11th or the 12th or the 13th. You post on the 10th.

For TEACH there is also no initial authorization. Again, there you must submit actual disbursement records that are accepted in order to get an authorization to draw down. For Direct Loans – for advanced funded schools – this is the way it works. In the spring, as soon as COD comes up, those of you who have a history of needing funds in the summer (if summer is a header at your institution) we give you what you historically have needed in the summer.

Not all schools get an initial authorization in April. But some of you will for 2013/2014 in April. Then all of you that are advanced funded will get your initial authorization, which is usually about 60 percent of what you did for the prior year, in June. Then we do another automatic increase in November, which most of you should've noticed – that we gave you a bump up in November, which is the remaining 40 percent. Think about it.

We're giving you 100 percent of what you did the prior year. But that's not factoring in if you have more students, if you've grown, or if they're borrowing more. So you may run out of money. If that happens there are two ways that you can resolve that. You can either submit – I'm kind of ahead of myself. Sorry about that. Go to the bottom of this slide. You can submit disbursement records in advance, like I just said how you do it for Pell. Send them in up to seven days in advance and anything of your actual disbursements that exceed your CFL will bump it up.

It will automatically increase. You can call COD customer service and say, "I need an increase in my authorization. Can you please give me an increase of \$1,000,000.00," or whatever it is that you need. We will look and make sure you have no unsubstantiated funds. And if you have no unsubstantiated funds we'll give you that increase. If you have unsubstantiated funds we'll say, "No. Fix them and then we'll give you the increase."

The other thing we're doing is we're trying to look in say, like April, and see any schools that have pending disbursements that are still out there that they don't have enough funds to cover. We're trying to look at those schools and give you enough up to

what you've already originated. But for many of you, you don't originate summer until right before summer so we're going to miss you too. We won't automatically catch you. So, again, call customer service or send actual disbursements ahead of time and that'll bump it up.

Do you all understand how to get Direct Loan money? Notice I said advance funded schools about three times. In the past we've always given HCM1 and advanced schools an initial authorization. Here's another "what's new." For 2013/2014 HCM1 schools will not be getting an initial authorization. So if your school is on HCM1 you're going to be Direct Loans the same way you do Pell you must submit actual disbursements and have them accepted at COD before you'll see any funding in G5. Yes?

*Audience:* [inaudible comment]

*Barb:* The question was what is HCM1? Heightened Cash Monitoring 1. And it's something that your school is placed upon by the school participation team. It's one of our Heightened Cash Monitoring statuses. For Pell and TEACH increases are available only by reporting and having accepted actual disbursements. And campus-based, sometimes you can get supplemental campus-based aid if it's available. And that's announced in the summer.

What about funding decreases? Well we go through and if we reduced in G5 to your level of expenditure we usually do that in the spring (March time frame). March seems to be the time that the Department decides to take money away. So in March we'll go ahead and whatever you reported on your FISAP for the previous year we'll reduce your funding to whatever you reported as having expended. For Pell, in the past we've been reducing your authorization to whatever you drew down.

And we do that, again, every March. For 2009/2010 we did it this past year 2012. And I want you to remember that 'cause you're going to see that on some screens here in a little bit. Sometimes the business office has not drawn down all the money. You reported disbursements, but the business office didn't draw the money down for some reason. We send you warnings and say, "You've got \$900,000.00 out there. You need to draw it down or we're going to take it away." We say, "You've got \$900,000.00 down there. Draw it down or we're going to take it away."

We say, "You've got \$900,000.00 out there. You need to draw it down." I mean we tell you a bunch of times and somebody's not

listening because it never gets drawn down and we take it away. It makes sense to me. We also do that with Verification W. We give you lots of warnings and we say, "You know what? You've reported Pell records that are at a W status (which means without documentation)." You're allowed to pay one disbursement of Pell at a W status. And then for subsequent disbursements you have to verify students that were selected.

Those of you that don't change that W to a V or an S, we say, "We're going to take those disbursements down to \$0.00 if you don't update it." We say, "We're going to reduce those disbursements if you don't update it." We tell you a couple of times and you say, "Eh, do they really mean it?" Yeah we really mean it. We take your money away. The disbursements get reduced down to \$0.00. The funds do not get taken away from G5. So then you have what has never made any sense to me – an unprocessed de-obligation. It's like too many negatives in the same phrase. Basically it means you owe us money.

Direct Loans: we reduce your authorization in G5 to net draws immediately after the award year officially closes. For the 2010/2011 year when it closed this July 31st, 2012, in August anything that was left in G5 for 2010/2011 we reduced. So some of you, your business offices didn't draw the funds and they had to call COD customer service and ask to have the funds reinstated, which we are glad to do for you once you prove to us, yeah you really need that money.

Some of you have said, "You know we're done with 2011/2012 and there's still \$500,000.00 out there. I don't want to see that money." Give us a call. Say, "We're done with 2011/2012. There's still \$X in G5 for our authorization. We don't want that there anymore. Please take it away." And we will. It's that easy. We'll be glad to take it back.

The decreases are important to reconciliation because if you're not paying attention to those warnings that we send to you we either do downward disbursement adjustments in COD that then don't match your draws, or we'll do reductions in G5 that don't match your disbursements. And then you're out of balance. And your business office will say, "Oh we're at a \$0.00 balance. I don't need to draw any more money." And you look in COD and you go, "But wait. We reported \$500,000.00 more in disbursements and we don't have the money for that. Where is it?" You need to pay attention to the communications that we're sending to you warning you of reductions.

Deadlines: for campus-based you all know you've got to report on your FISAP by September 30th. Another little secret – can you still hear me back there? I went out to dinner last night with the person who's in charge of Pell and campus-based. She said, "Schools should really file a FISAP by the 30th even if they're not totally sure of everything that needs to belong on there because you can always go back and adjust it."

So make sure you've at least submitted the FISAP by the deadline, even if maybe you need to adjust it later, because then you have a chance to adjust it. But if you don't submit it by the 30th, you can't make any adjustments to it. So submit it even if you still need to do some tweaking so that you have until the 30th to make those adjustments. Okay?

Pell, you know, is September 30th of the award year. You must be reconciled with your Pell. For 2011/2012 you needed to be reconciled by September 30th. We're doing all these reviews this year because Pell LEU – we want to make sure that students are getting the Pell that they're supposed to get. We run these reports and their funds are \$6,000.00. Pell schools are \$6,200.00. There are like 2,500 of you that didn't reconcile by the 30th. What's going on?

You have these big balances out there that you haven't reconciled by the 30th. I'm telling you this because I want you to know we're watching and we know who you are. You need to reconcile by the 30th. You need to report downward disbursement adjustments if those need to be done, or you need to draw your cash. TEACH is the 30th also. And Direct Loans, although the official closeout is July 31st of the year following the award year, you should be able to closeout within 30 days of the last date of your last loan period.

If your loan period for 2011/2012 (the last one) was June 30th, 2012, you should be able to be closed out by July 30th, 2012 – not July 30th, 2013. We're going to make you be closed out by then, but you should be able to be closed out within 30 days. I've beat you over the head enough about deadlines. There you go. We give you tools to meet these deadlines. In Pell we generate an Electronic Statement of Account every time your cash changes.

So every time you get an increase, because of disbursements that have been reported, or downward disbursement adjustments – Anytime your cash changes we're going to shoot you and ESOA. It's going to come through your – Electronic Statement of Account

is ESOA. We're going to send it through your SAIG mailbox – Ed Connect. And you're going to be able to receive that. We also send you pending disbursement lists. We make them available on the web for you to view or, again, through your SAIG mailbox. Some people think of them as their TG mailbox. Now we don't just have TG, we've got TGDA or DA or there are all kinds of stuff – anyway, your mailbox.

The recon report and the year to date you can order on the COD web site or you can send in a batch to order them at your pleasure. You just ask for them when you want them and they will help you reconcile. The reconciliation report is a summary level of what you've reported for Pell. The year to date is a disbursement level detail. And what I mean by that is if you gave a student \$5,500.00 in total for Pell that's what you'll see on the recon report. On the year to date you'll see, "Yeah I gave them \$2,775.00 in September and \$2,775.00 in February." That's the difference between the two.

For Direct Loans and TEACH you can expect that we will make available a pending disbursement list, also viewable on the web – COD web site under the services menu choice, and also through your SAIG mailbox. The pending disbursement list is very useful for you to see what's in the future, up to about (I think it's) seven days in the future and anything in the past, as long as you meet that future requirement. It can kind of help you see if you've missed any disbursements.

The actual disbursement list is great for keeping you reconciled internally. We're going to generate that weekly as long as you've had an actual disbursement and you send in your actual disbursements. You can share that with the business office. Say, "Hey this is what we have accepted at COD. Does this match what you actually posted to student's accounts?" School account statement we generate monthly. It's generated the first full weekend of the month to reflect prior month data.

You can either get a year to date school account statement or a monthly school account statement. I recommend you get the year to date. Most school software wants the SAS in the fixed length year to date format in order for you to use it to compare with your software. New for 2013 (and something I'm really excited about – and we'll get into more detail about it later in the presentation here) is the SAS disbursement detail on demand. I'm not saying it's a SAS on demand because it doesn't have any cash.

It's the SAS disbursement detail on demand. And it's going to be so cool. You guys have been asking for this for a long time and this is basically kind of almost an ad hoc report for you. You can say when you want the information to begin and end. I'll tell you more about that in a bit but I'm really excited. It's very cool. You're going to love it. You will.

The other thing we provide for you free of charge is Direct Loan Tool software, which has been around for a long time. The provider that supports that is CPS. They're here in the lab. Direct Loan Tools is really good to work with that express but it can work with all software to help you read the school account statement as well as to bounce the data in Direct Loan Tools against your database to find discrepancies on a monthly basis with your SAS.

For Pell, Direct Loan, and TEACH we have the school monitoring report which we'll look at a little bit. The action queue, which I'm just going to get really excited about in a few minutes and show you how you can use it as an ad hoc pending disbursement list, and a reconciliation tool, and then of course we have my beloved reconciliation specialists who are all my best friends in the whole world. Well I have other best friends too but you guys are right up there.

For internal reconciliation – some tips for you. You really need to be communicating between financial aid and business office at least weekly. You want to be talking to each other or at least use your software to run a report internally to make sure that what is on your business office records matches what's in your financial aid database. If you don't want to talk to each other, at least make your database talk to itself. I saw some faces in the crowd. I know there's a lot of love between the business office and the financial aid office. I understand.

The most common mistake that we find out is funds were either not drawn from the correct program or they were drawn from the wrong year, or returned to the wrong program or the wrong year. That's why you want to look at your SAS. You want to look at the cash detail in your SAS and make sure (for Direct Loans) that you've drawn and/or returned funds to the correct program and year. You want to do that electronically. You want to make sure that you're returning funds electronically. We'll get more into that.

One issue that we found for Pell, especially when we were doing outreach - A couple of schools I called a month ago for Pell 2007/2008 had about \$1,000,000.00 in negatives. So they had

drawn less cash than they had disbursements reported. For 2007/2008 I'm calling in 2012. The thing was the business office had kept stale dated or un-cashed credit balance checks from students and waited more than 240 days – like waited a year or two – before they decided to clean up their records. Then they cleaned up their records but never told the financial aid office.

So the financial aid office never reported the downward disbursement adjustments. Think about how many of those students may not have gotten Pell this year because no downward disbursement adjustments were reported. You want to go check your records, both in COD and internally and make sure that you're clean for older award years. We're finding a lot of schools for Pell that are not cleaned up for older award years.

You have 45 days, I think, that you need to hold that check. I'm not sure about that exactly but you must not keep it any more than 240 days before you say, "The student's not getting the money. I'm going to return it back to my Title IV program funds. We're done." Funds should be going through G5 electronically. You need to set up a bank account. G5 can help you do that. If funds are returned for regulatory reasons you need to –

Like you had an audit return of Title IV funds, you're going to return them electronically to the program and you're going to do corresponding downward disbursement adjustments for the student. What I mean is if you've disbursed funds to a student and then you need to return them for some reason, you're going to return them through the program and do a corresponding downward disbursement adjustment.

Obviously if you've drawn down funds and you drew down more than you could use and you never disbursed them to anybody you're just going to return the funds. And since you didn't disburse them to anybody you don't do any downward disbursement adjustments right? Does that make sense? If you had an audit from the Department or a program review liability you're going to want to follow the directions specific to that Title IV audit or program review.

And just a reminder for Direct Loans, you should never be sending funds to a servicer on a student's behalf. If a student wants to make a payment on their Direct Loan funds they need to make the payment, not you. You have to give them 14 days to cancel, but if they come to you within 120 days and say, "I don't want my Direct Loan funds," it's really in the student's best interest if you do a

downward disbursement adjustment and return the money through G5 within 120 days. After 120 days – So like if I got a disbursement in January and then I went back to my financial aid office in June and said, "I won the lottery and I don't need this money." You say, "Congratulations. Here's your servicer. Send the payment."

Because we're going to charge them fees for the nine months that they had the money. If they had the money 120 days or less we're going to waive the fees, which is why you want to do the downward disbursement adjustment and send the money back through G5. Now I said you have to do it electronically. If exceptional circumstances – and I do mean exceptional circumstances – require you have to return FSA funds through paper checks, please read the handbook volume IV.

It tells you there are two different addresses for Pell and Direct Loans. We have a lot of problems with schools being un-reconciled because they returned paper checks and they did not identify the program to which it was supposed to go. Or they sent it to the wrong address. So make sure, if you have to use paper, that you put the award number from G5 on the paper check and return it appropriately to the correct address.

We also sent out a reminder this last year. We noticed that many of you were just moving funds around in G5 for campus-based and that's not how you make adjustments in campus-based. You do it through the FISAP process. Now here comes my next heads up. Paper: the Department is actually – Actually the federal government is entering the 21st Century, maybe a decade slower than most of us. Paper is going away. The Department of Treasury just sent a notice out to all agencies saying they are going to be doing away with paper checks and receiving paper checks.

And they're going to be working agency by agency to implement this, which means that if you use the paper process to return funds you need to start thinking about moving to an electronic process. We don't know when it's going to happen. It could be years. I mean the government doesn't run. The government walks. But they did give us a heads up that agency by agency they're going to be starting to do that. With the Department of Education it could be this next year. It could be next July. It could be 20 years from now. But it's coming.

I know a lot of the larger institutions have a paper process because it's a check and balance for them to make sure that it's only cut by

someone that's authorized to cut the check. You're going to need to start talking about that and set up an electronic process to verify. And I also know from larger institutions they've been wanting to do that for years, but they want something official. Believe me, when it gets time that we will be going electronically (no exceptions). We will be sending out official announcements so I'm just kind of giving you a heads up that I know it's coming.

Reconciliation tips. I've mentioned that we communicate with you. We communicate a lot with you; maybe more than most of you would care. But you really need to pay attention to those things. Another tip is once you've reconciled internally, which should be your first step, and then you need to start the external process, making sure your records agree with the Department's records. That needs to happen at least - I recommend weekly, but at least monthly.

Let's go and look at some COD and G5 screens and reports that can help you do that. When you send records to COD we either accept them, we warn you that what you sent us looks a little quirky, or we reject them. If we accept the records or we respond with a warning we build them on COD. The warnings usually just say, "This does not look right. Did you mean to do this?" Rejects don't get built. So if you have rejected data that you sent to COD it's on your system. It's not on our system. They don't match; you're not reconciled.

Fix your rejects. Set aside a time at least weekly, and again depending on how large your school is it could be daily, that you're resolving your edit code rejects. If you don't they can lead to unsubstantiated cash for Direct Loans. And for Pell and TEACH you won't get any money. If you're an HCM1 school and Direct Loans you won't get any money next year if you don't fix your rejects.

The batch menu in COD – So here if you can imagine with me that blue bar at the top. I think batch is like the third one over from the left – third or fourth. It's in the middle. You can do a date range search by your batches if you want to look at this on the COD web site. I did one here. This school submitted about \$46,000,000.00 in awards, \$141,000.00 was rejected, and their disbursement is almost \$2,000,000.00 rejected here.

You probably don't want to look at all 9,600 students but you can filter by just the rejects here and then identify what they rejected for by clicking on the word "rejected" no matter what column it

appears on. Now you can probably do this a lot easier using your software. Just monitor, filter by – Do a query out of your database to look at your rejects. Or you can look on the COD web site. But that's a tool for you to use. We're going to review these summary screens in COD as well as the G5 activity report next.

This screen in COD, as soon as you log in and go to school up there (it's the very first screen you'll get to once you're searched for your school). Notice here, this says that the default program is Pell, 2012/2013, but I changed the data to look at 2009/2010 Pell data. This screen shot was made about two weeks ago. Notice for 2009/2010 Pell that they have cash greater than accepted and posted disbursements of a -\$20,893.00. If they have negative cash what does that mean?

*Audience:* [inaudible comment]

*Barb:* It means they have less cash drawn down than disbursements reported which can happen during the award year. But this is three years ago. So they either need to report downward disbursement adjustments or they need to get those funds reinstated 'cause we wiped them out, so they can draw the funds again. They're not reconciled and this is a year that should've been closed three years ago. This is a real school except I covered its name to be nice.

Another good screen for you to look at is the school funding information. Again, remember how I said we like to take away money in March? Here's this Pell 2009/2010 here. Their current CFL is \$12,604,000.00. It used to be \$12,625,000.00, but we took away that \$20,893.00 in March 2012. So now they're available balance is \$0.00. If their business were to look in G5 they would see available balance \$0.00 and think, "I don't need to get any money." But if you look COD you'll see that the disbursements: \$12,625,511.00 still exceeds the draws: \$12,604,000.00.

So either downward disbursement adjustments need to be reported or we're going to now need to reinstate that money so the business office can draw the funds. Post deadline process is something – If you weren't able to reconcile your Pell timely and weren't able to close out by September 30th, then you would need to go on to the Department's COD web site and go to requesting post-deadline processing. You can do that for Pell and you can do that for Direct Loans after the closeout date, if you need to reopen the year to process.

If all you need to do is report downward disbursement adjustments for Pell you do not have to have post-deadline processing. But if you need to increase a disbursement you must have post-deadline processing. So how I told you that we communicate with you and you knew you were going to read it. You really were going to read it. You really were going to read it. You just kind of got distracted by those lovely students that like to come and chat with you on a regular basis.

You can come and look at COD correspondence to your school by going to the correspondence menu through school, second from the bottom over there. And you can see that there's both Direct Loan and Pell data in here. You can see we told this school, "We're going to reduce your Pell funds, the gaps net drawdown for Pell." We told them twice that we were going to reduce their funds. We also warned them we were going to reduce their funds for both Pell and ACG. But we took away their funds because they didn't do anything.

If you wanted to view this correspondence again you would just click on the little view radio button. You'd scroll all the way to the bottom of the screen and hit the little pumpkin pie colored view button and it would bring that information up to you that we had originally sent to your FAA or your President.

Okay the action queue. I love the action queue. The action queue is this awesome tool where you can do an ad hoc disbursement list anytime you want. Most COD screens are only good for 60 day searches but you can do this for years. If you are a school that processes a quadrillion amount of dollars you will probably make everybody at CED go crazy if you do a several year search. Please don't do that. But what I like to do is I like to go and search by the award year and use it a reconciliation tool.

You can see here for 2011/2012 I said, "You know what? I think I'm done processing but I kind of want to see for sure." So I set my date at October 16th, 2010, my end date at October 16th, 2012. Is this the presentation where I show you? Yeah, it pulls up all my disbursements that are still at a pending status. So it's kind of a tool to help me clear up any records that I should've either zeroed out or maybe forgot to disburse. The problem with the action queue is that it pulls up all those \$0.00's of those ones that you did reduce correctly.

So what I do is I copy the whole thing, paste it into an Excel spreadsheet, filter out the \$0.00's and then I've got my pendings

that I need to work with. You can also go forward in time. Our anticipated disbursement list just tells you a week in advance what you can expect for pending disbursements. But my former boss used to like to ask me, "How much money are we going to get in February?" You could say, "Okay. I can tell you." Go out to COD and if you've reported originations with pending disbursements they're in COD. Through the action queue run a list form February 1st to February 28th and you'll have all your pending disbursements with a total at the bottom.

Pretty cool. I like it. Do you like it? I love it. Cool. Okay G5. Did you all know that you can have read only to G5? And if you want to get that all you have to do is go to G5. You can say, "I don't have a current password." It's not like COD where there's a system administrator that gives you access. You get individual access by applying for it. If you need help doing that call the G5 help desk or you can visit Vickie in the COD resource room. She's got a G5 table there and she can help you.

This is where your business office goes to draw funds, return funds, and also has a really good report that they can look at. Under the reports menu, the external activity award report, these are what the different awards look like in G5. They are all program and year specific. You can't draw down Pell funds and use them for Direct Loans. You can't draw down Direct Loan funds for a main campus and use them for a different campus. They're program, school, and year specific.

Those little number signs or hash tags I guess – You know I heard last night there were some parents that were going to name their kid hash tag.

*[Laughter]*

Moving right along. It could work. So if you go to this external award history report you can see all the different awards that are listed under the award column here. And then here I went to Pell 2009/2010 in the box and you'll see the available balance for 2009/2010 is \$0.00. If I click on this hyperlink right here it'll get me to the detail of that particular report. And you can see, oh low and behold – See this March 15th? That's when the Department took away all that money for that school that we told them we were going to take if they didn't draw it down.

Notice also the school should've been closed out by September 30th, 2010. This is all the activity that took place after they

should've closed out. School monitoring used to be sent to you in an e-mail. Now it's a report that's available weekly either through your SAIG mailbox or through the services tab on the COD web site. Click on services. Click on COD reports. And you can find out if you have any pops that happened that week, if you have any unsubstantiated cash and also the percentage of aid that you're reporting within that 30 day reporting requirement.

There's where you'll find it. Notice also this is the Pell news box. And there's the Pell lifetime eligibility report next to the star there. All Pell reports I snagged out of the COD technical reference. Those are all the different reports that we provide for you. You can see whether you receive them through the SAIG mailbox (that bigger one in the middle) or the skinny one on the far side through the COD web site only. Some reports (the bottom ones) are available both through the SAIG mailbox and the COD web site.

These are the ones that are most useful I think for reconciliation. And I also told you how you can receive them and what I would recommend using them for. One of the things that's going to change also is the grant data request. This is currently what it looks like. The most common mistake I make when I go here is I'll go ahead and click on search. I can't tell you how many times I've done that and I've been doing this a long time. I still do it. Search has you look for requests that you made in the past.

If you want to make a new request you have to actually pay attention to the button that says new request, which is over to the right-hand side. Seriously, I cannot tell you how many times I've been doing this and I keep doing it wrong. To me, my request would be if we could move new request over to where it says search, which is right underneath and put search over to the side, 'cause I seem to can't follow directions.

New request is how you can request a year to date or Pell and have it sent to your SAIG mailbox. Now I said that's going to be changing and that's because that's also where we're going to put the Direct Loan disbursement detail on demand. So we can't really call it grant data request anymore. We're going to change how that looks just a little bit.

These are the Direct Loan reports. This is a list also taken from the COD technical reference, which is a really great tool. I recommend that you use it. Also where the reports are available. Pretty much the only report that's not available on the web is your school account statement which only comes through your SAIG

mailbox. Here's the news box on COD and these are the different reports. Notice the report date. I've had a number of schools call me, especially about their PLUS interest rebate report and say, "This is the same data that was here last week. And I fixed these. How come it didn't change?"

And I say, "Look at the modified date. The modified date was a week ago. We didn't generate a new report for you so that's why the data didn't change, 'cause there was nothing new on the report." You won't have a new report unless the data is new. Okay? If you click on the name of the report it gets you to the most current version. If you click on the word actions it'll take you to previous versions. And again, what I recommend using the different reports for –

School account statement: let's talk a little bit about that. It's composed of four sections. You must, must reconcile to the data that's on the SAS. The data that's on the SAS is the Department's official ending cash balance so you must reconcile to the data that's on the SAS monthly. It's got a cash summary section, cash detail section, disbursement summary by loan type, and loan detail which comes in either loan level or detailed disbursement activity level data. If you reconcile to the summary – the cash summary amount –

You say, "Yep, I drew down \$1,000,000.00. I disbursed \$1,000,000.00. That's why my records say. That's what the SAS says." You're done. All you've got to do is document that you did it for your auditors. You don't send anything to the department to prove that you reconciled. You just must keep that on hand at your campus. You're done. If you drew down \$1,000,000.00 but you disbursed \$950,000.00. My clue is \$50,000.00 off price. I can't do math in my head.

But you disburse that \$50,000.00 the day after the SAS was run all you've got to do is – Yeah those disbursement records hit October 1st. The SAS was run September 30th. Document that now your data equals out and you're done. Okay? This is not that hard. If you don't know where that \$50,000.00 is that's when you need to look for it. Drill down deeper into the cash detail. If you can't find where it is there – Oh somebody drew down money in the wrong year or somebody returned money in the wrong year you can document, find out what that is, fix it, you're okay.

If you can't find it there then you've got to drill down into either the load detail or the disbursement detail to maybe find

disbursements that you didn't report or disbursements you reported but rejected, that you didn't fix. You can set your SAS options right on the COD web site under the school menu, under report selection down there at the bottom. Most school software works best with fixed length year to date data. The cash summary has both monthly and year to date cash draws and returns. And I talked about if you match right there and then and you can document you're done.

This screen on the COD web site mirrors the school cash summary page. So your SAS is a snapshot taken at a moment in time to reflect on a monthly basis where you stand. But this screen is real time and it's updated daily with your disbursements and your cash. So this is a great place to go to look at and see where you are with Direct Loans on a regular basis. You don't have to wait for your SAS. You can look right at this screen right here.

The cash detail report is what you would use if you're having a discrepancy with your cash to drill down and make sure that the refunds and the cash were both drawn and/or reported in the correct year. I mentioned Direct Loan Tools. I've already mentioned that you can use it to compare your data with the Department's data. Review of recent changes: the Direct Loan actual disbursement list we made available to you this last year.

Many of you are using it and love it. It's a great way. Also the interest rebate report we've made available to you this year since we've changed the interest rebate – that there is none this year. The Pell LEU report was also new. We also modified the edit codes 177 and 178. And then we also published a reminder that you can't willy-nilly just move funds back and forth in G5 for campus-based. It has to be done through the FISAP, not that any of you would every do anything willy-nilly. We just found some people that did that – willy-nilly transferring money back and forth. You can't do that.

What's ahead? No Direct Loan funding for HCM1 schools. Got that? If you're a HCM1 school submit your records in advance just like you do for Pell because you're not going to get any Direct Loan money any other way. The new look which I'm going to show you right now for the grant data and DL requests, and then that SAS disbursement detail on demand. Instead of saying grant requests it's going to say report requests. You're going to choose the request type and here it was grant data requests.

You're going to choose what report type you want. Again, the SAS detail on demand is requested through the COD web site but it's delivered through your SAIG mailbox. It is just detail information for the disbursement. You can get it year to date. So you can choose when you want it to end and say, "I want it year to date. I want everything on the SAS from July 1st to October 30th." You can get it that way.

You can say, "Just give me the month of October month to date." Or you say, "You know what? I want October 10th to October 15th." And then you'll just get the information for October 10th to October 15th. You won't get anything before that. That can be really useful to you if you're at the end of the year and you're submitting records and you want to make sure that they've all finished up and you don't want to wait until the SAS gets generated at the end of the month. We're expecting a lot of activity when you guys are getting ready to close out using that.

These are the formats you can get it in. It comes for both Direct Loans and TEACH. I gave you this handy-dandy chart for you to take home so you can see what the different message classes will be for each type that you might request. This is what it's going to look like. So again, going under batch, new report request, new report, and this time change it to SAS disbursement detail on demand, and then choose whether you want year to date, month to date, or specific date range. Do you like it? Yes. Available next year for 2013/2014 going forward.

These are your reconciliation resources. There's the federal loan school support team which you can access by sending them an e-mail at [dllops@ed.gov](mailto:dllops@ed.gov). And if you have any questions you can either ask me now, you can call me, you can e-mail me, you can come stand in front of a mic, you can yell from the back of the room, you can be happy. We're done. Any questions? *[Applause]*