



## Common Origination and Disbursement COD Processing Update

### ACG, National SMART Grant, and Pell Grant Programs

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October 6, 2006

## *ACG, National SMART Grant, and Pell Grant Programs*

### COD News

**NEW!**

#### **HERA Operational Implementation Guidance—Internal Fiscal Year Accounting Activity Performed for ACG and National SMART Grant Funding (10/06/06)**

As part of the Department of Education's internal activities to close out Fiscal Year (FY) 2006 and begin FY 2007, on October 5, 2006, the Department adjusted the funding source for Academic Competitiveness Grant (ACG) Program and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) Program funds. This internal accounting activity simply changed the FY designation for the funds and ***did not impact the amount of ACG and/or National SMART Grant funds available to a school***—that is, it did not change the school's Current Funding Level (CFL) for each program. Each school that participates in the ACG Program and/or the National SMART Grant Program will receive/see the following evidence of the internal accounting activity that we performed on October 5, 2006:

- For each program in which it participates, the school will receive ***one*** Electronic Statement of Account (ESOA) dated October 5, 2006 in its Student Aid Internet Gateway (SAIG) mailbox. This ESOA will reflect, in the detail section, both the internal decrease activity and the internal increase activity that we performed. In the summary section of the ESOA, the net amount of the activity will sum to zero (\$0.00).  
The ESOA for the ACG Program was sent in the message class AGAS07OP.  
The ESOA for the National SMART Grant Program was sent in the message class SGAS07OP.
- For each program in which it participates, the school will see ***two*** events dated October 9, 2006 in the GAPS Activity Report on the Grant Administration and Payment System (GAPS) [e-Payments Web site](#). One event will reflect the internal decrease activity that we performed and the other event will reflect the internal increase activity that we performed.

#### ***Notes:***

1. If the school participates in both the ACG Program and the National SMART Grant Program, it will receive ***two*** ESOAs, but will see ***four*** events in the GAPS Activity Report.



## Common Origination and Disbursement COD Processing Update

### ACG, National SMART Grant, and Pell Grant Programs

2. The school *will not* see the internal decrease and increase activities reflected on the [Common Origination and Disbursement \(COD\) Web site](#).

The Department appreciates schools' understanding of the internal accounting activity that was performed. Again, this internal accounting activity simply changed the FY designation for the funds and *did not impact the amount of a school's CFL for the ACG Program and/or the National SMART Grant Program*.

An Electronic Announcement with this same information is posted on the [IFAP Web site](#).

#### **New Financial Operating Environment— Impact on Funds Availability For Campus-Based, ACG, National SMART Grant, And Pell Grant (EDCAPS/GAPS and COD) [08/24/06 (10/02/06)]**

The Department of Education (the Department) is transitioning to a new financial operating environment in conjunction with the year-end close out of Fiscal Year 2006. As a result, some of the Department's core financial systems, including the Grant Administration and Payment System (GAPS), will be shut down and unavailable while the Department completes the transition. This shutdown will impact how the COD System will process financial data and when schools can obtain funds for their Federal Student Aid programs as follows:

- ***Saturday, September 30, 2006 through Monday, October 9, 2006***  
The COD System will accept Pell Grant disbursements, but CFL changes and funding requests will not be processed by EDCAPS/GAPS until Tuesday, October 10, 2006.

#### ***Notes:***

1. Disbursements submitted during this period will be funded after EDCAPS/GAPS resumes processing on October 10, 2006.
2. A school is not yet able to submit Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) records to the COD System. However, the school is allowed to draw down and disburse ACG and National SMART Grant funds.

If a school needs additional ACG and/or National SMART Grant funds, it can request the funding increase per the guidelines we provided in an [Electronic Announcement posted on August 9, 2006](#). Requests submitted during this period will be funded after EDCAPS/GAPS resumes processing on October 10, 2006.

- ***8:00 P.M. (ET) on Saturday, September 30, 2006 through 8:00 A.M. (ET) on Tuesday, October 10, 2006***  
The GAPS e-Payments system (the GAPS Web site) will not be available. Schools will not be able to draw down Campus-Based, ACG, National SMART Grant, or Pell Grant funds during this period.



## Common Origination and Disbursement COD Processing Update

### ACG, National SMART Grant, and Pell Grant Programs

---

**Note:** In some cases, a school will be unable to operationally comply with returning cash to the Department within the timeframes specified in the Cash Management regulations at 34 CFR 668.166. We will consider the school to be in compliance with the excess cash requirements provided that the school disburses such funds to eligible students (or parents) by the end of the shutdown period and/or promptly returns such funds to the Department when EDCAPS/GAPS resumes processing on October 10, 2006.

An Electronic Announcement with this same information is posted on the [IFAP Web site](#). Thank you for your patience and understanding as the Department completes this important activity. The Department expects financial processing to be caught up by Thursday, October 12, 2006.

#### **COD Holiday Schedule For October 9, 2006 (9/29/06)**

The COD School Relations Center will be open on Monday, October 9, 2006, Columbus Day. The COD System will accept and process data from schools and send back responses/acknowledgments on October 9th; however, schools will not be able to receive any Federal funds on that day. Further information regarding Columbus Day processing and customer service hours for COD and other Federal Student Aid/ED call centers is available in an Electronic Announcement on the IFAP Web site (<http://www.ifap.ed.gov/eannouncements/0929ColumbusDayClosing.html>).

**Reminder:** In addition to no Federal funds being available on Monday, October 9, 2006, the Department of Education (the Department) will be completing its transition to a new financial operating environment. As explained in [an Electronic Announcement posted on August 23, 2006](#) and in the COD Processing Update, the Department expects financial processing backlogged during the transition to be caught up by Thursday, October 12, 2006.



#### **HERA Operational Implementation Guidance—COD HERA-Related Testing for 2006-2007 Award Year (10/06/06)**

Federal Student Aid has posted operational guidance announcing an early end to Unstructured Testing for the 2006-2007 Award Year. Unstructured Testing for the 2006-2007 Award Year was scheduled for the period April 10, 2006 through November 30, 2006. To accommodate pre-implementation testing of the December 16th HERA-related COD System functionality, ***we must end the Unstructured Testing period earlier than scheduled on Friday, October 20, 2006.***

Additionally, in conjunction with the December 16<sup>th</sup> implementation of COD functionality that will support the acceptance of records for ACG and National SMART Grant awards, the COD School Relations Center will conduct HERA School Testing for the 2006-2007 Award Year from November 1, 2006 through April 13, 2007. The purpose of HERA School Testing is to provide schools, third party servicers, and software vendors an opportunity to test William D. Ford Federal Direct Loan (Direct Loan) business processes and system software with the COD System prior to the transmission and processing of actual production data.



## Common Origination and Disbursement COD Processing Update

### ACG, National SMART Grant, and Pell Grant Programs

---

For details on the plan and process for HERA School Testing, refer to the Electronic Announcement that is posted on the [IFAP Web site](#). You can access the announcement by clicking on the “Higher Education Reconciliation Act of 2005 (HERA) Information” link on the home page of the IFAP Web site and scrolling to the “Electronic Announcements” section.

#### **Updating School Contact Information in the COD System (10/4/06)**

We would like to remind all schools and third party servicers that contact information in the COD System must be kept current. Contact information, especially e-mail addresses, is extremely important for the COD School Relations Center. The e-mail address for the Financial Aid Administrator is used to deliver time-sensitive materials and critical COD processing information to the school. Please ensure this contact information is updated as needed.

For additional information on how to update contact information, refer to the Electronic Announcement available on the [IFAP Web site](#).

#### **2005-2006 Pell Grant Processing Deadline was October 2, 2006 [09/05/06 (Updated 10/03/06)]**

The deadline for electronically transmitting records for the Federal Pell Grant 2005-2006 Award Year was midnight on October 2, 2006.

From October 3, 2006 forward, COD will—

- Accept and process decreases to previously accepted 2005-2006 award originations and decreases to previously accepted 2005-2006 disbursements; and
- Accept and process originations and disbursements of new 2005-2006 awards or 2005-2006 award amount increases only if 1) the student was in a POP situation during the 2005-2006 Award Year or 2) the Department has granted Administrative Relief or Extended Processing for the 2005-2006 Award Year.

#### **Notes:**

- 1) Unless one of these situations applies, the COD System will reject originations and disbursements of new 2005-2006 awards or 2005-2006 award amount increases and return COD Edit 43 (New Award Amount or Award Increase Received After End of Processing Year and Institution has Not Been Granted Administrative Relief) or COD Edit 71 (New Disbursement Increase, or Payment Trigger to "Y" Received After End of Processing Year and Institution Has Not Been Granted Administrative Relief).
- 2) If granted, Federal Pell Grant student award data submission extension periods are rather short. For this reason, schools should not seek an extension to the established Federal Pell Grant student award data submission deadline unless they have reconciled their actual disbursement ledger data with the data on file within the COD System, identified those records that need to be corrected/adjusted, and are prepared to correctly submit all of their outstanding data. If requested prematurely,



## Common Origination and Disbursement COD Processing Update

### ACG, National SMART Grant, and Pell Grant Programs

---

schools will not be able to submit all of the necessary data by the extended processing expiration date.

For additional information about Administrative Relief and Extended Processing refer to the Electronic Announcement on the [IFAP Web site](#).

### Reports And Data Requests



This section contains important notices regarding reports and/or data requests. While we encourage you to review this section, note that some schools may not be impacted by the information presented below.

- Pell Year-to-Date (YTD) Records—  
The YTD Record can be used to assist a school with its year-end and ongoing reconciliation processes. Schools also use the YTD Record for the purpose of rebuilding a complete student record or Pell Grant database.
  - For rebuilds for the 2005-2006 and 2006-2007 Award Year, the school can submit the data request via the COD Web site or batch.
  - For rebuilds for the 2004-2005 and earlier award years, the school must contact the COD School Relations Center by e-mail to [CODSupport@acs-inc.com](mailto:CODSupport@acs-inc.com). The school should include "Pell YTD" in the subject line. If a school is unable to e-mail its request, it can contact the COD School Relations Center by phone. [10/03/05 (Updated 10/27/05)]