

National Association of Student
Financial Aid Administrators Presents...

Common Origination and Disbursement Update (#101)

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U.S. Department of Education



NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

Agenda

Overview of the Common Record

Processing 05/06

Closeout Tips

“Late” Late Disbursements

Password Maintenance

COD Today and Tomorrow



No Alternative

All schools must be Common Record
Compatible For AY 05/06 and communicate
with COD via the XML formatted Common
Record



XML

Common Record (CR)

Phase-in school

Response

Full-participant

Flat-File

Routing ID

Batch

Document

CFL

Schema

Unsubstantiated cash

Tags

Document ID

Substantiated cash

Receipt

CR Compatibility



New Concept...No More Records As We Know Them

- No more Origination records
 - Now, Origination data
- No more Disbursement records,
 - Now, Disbursement data
- Only the Common Record transporting Origination and/or Disbursement data



Tags and Elements



Simple Elements Become Complex Elements

Complex
element

```
<Name>
```

```
  <FirstName>Sally</FirstName>
```

```
  <MiddleInitial>A</MiddleInitial>
```

```
</Name>
```

← Simple element

← Simple element

A Logical Grouping of Complex Elements

```
LastName="Smith">
  <Identifiers>
    <DriversLicense>
      <DriversLicenseState>IN</DriversLicenseState> ← Simple element
      <DriversLicenseNumber>DL2222222</DriversLicenseNumber>
    </DriversLicense>
    <Name>
      <FirstName>Sally</FirstName>
      <MiddleInitial>A</MiddleInitial>
    </Name>
    <Contacts>
      <AddressLine>417 Hapler Road</AddressLine>
      <AddressCity>Fort Wayne</AddressCity>
      <AddressStateProvinceCode>IN</AddressStateProvinceCode>
      <AddressPostalCode>46807</AddressPostalCode>
    </Contacts>
```

Complex element

Complex element

Complex element



Blocks of Data

<CommonRecord>

<DocumentID>2004-08-29T09:09:09.0011111111</DocumentID>

<CreatedDateTime>2004-08-29T17:20:01.00</CreatedDateTime>

} Doc info

<Source>

<School EntityID="11111111"/>

</Source>

<Destination>

<COD EntityID="00000001"/>

</Destination>

<ReportingSchool EntityID="11111111">

<ReportedFinancialSummary>

</ReportedFinancialSummary>

<AttendedSchool EntityID="22222222">

} Entity info



Blocks of Data

<Student>

<Student SSN="123456789" BirthDate="1985-01-01"
LastName="SMITH">

<Pell>

</Pell>

<DLSubsidized>

</DLSubsidized>

Award info

</Student>

<Student SSN="987654321" BirthDate="1982-02-20"
LastName="JONES">

<DLSubsidized>

</DLSubsidized>

<DLUnsubsidized>

</DLUnsubsidized>

Award info

Person
info

</Student>



Blocks of Data

Disb
block

```
<Disbursement>
  <Disbursement Number="02">
    <DisbursementAmount>2025</DisbursementAmount>
    <DisbursementDate>2005-01-15</DisbursementDate>
  <DisbursementReleaseIndicator>>false</DisbursementReleaseIndicator>
    <DisbursementSequenceNumber>1</DisbursementSequenceNumber>
    <PaymentPeriodStartDate xsi:nil="true"/>
  </Disbursement>
```



What Happens Next?

- **Validate**
 - against the appropriate schema
- **Process**
 - compare to CPS
- **Edit**
 - out with the bad...in with the good

Receipts

- CR has validated successfully against the appropriate XML schema
- If not
 - System-generated e-mail notifies you that CR is constructed in an invalid format
- Carries no student award data edit results

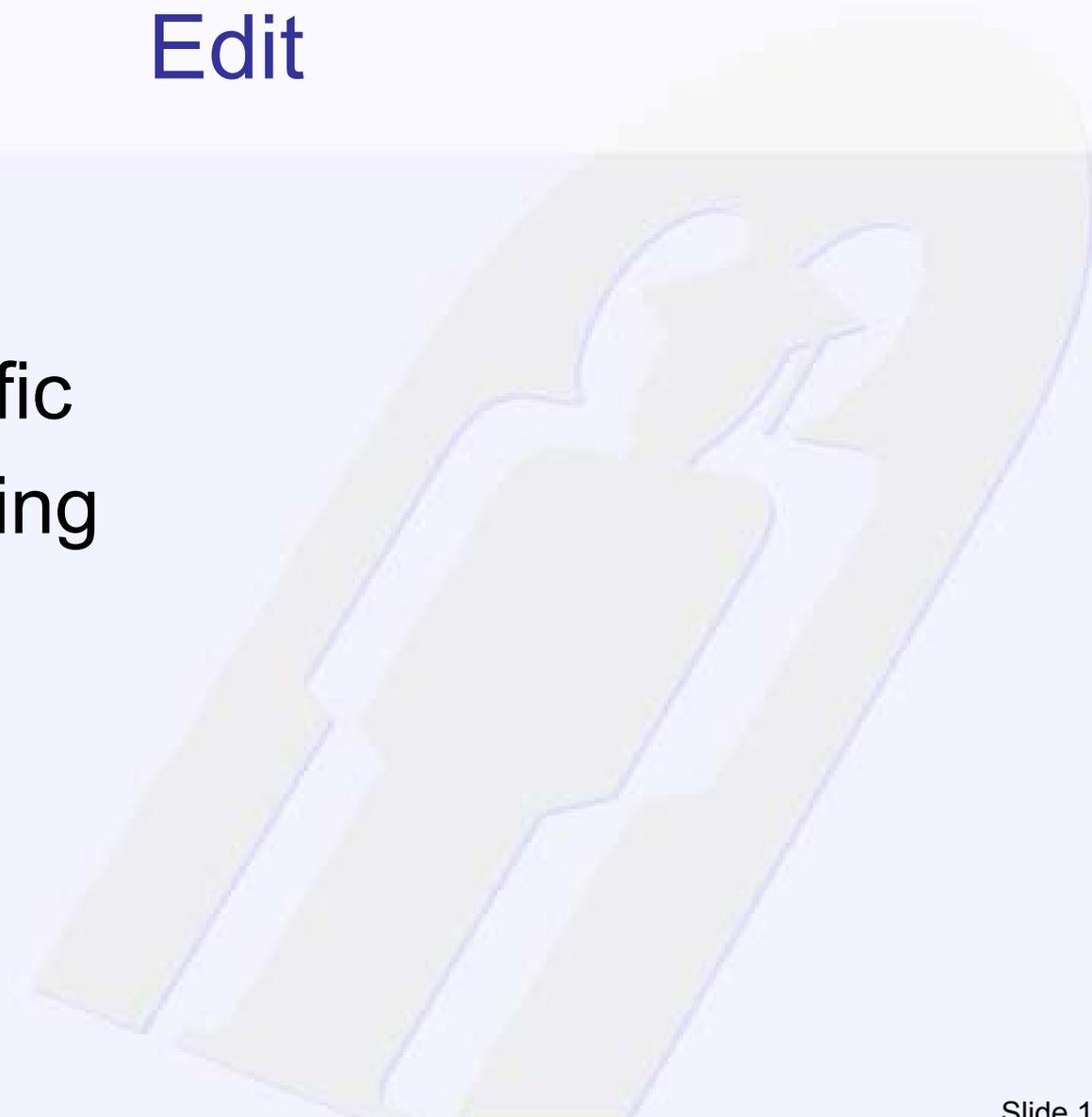
Receipts

```
<CommonRecord>  
  <DocumentID>2004-03-18T09:09:09.0012345678</DocumentID>  
  <CreatedDateTime>2004-03-18T09:20:01.00</CreatedDateTime>  
  <Source>  
    <COD EntityID="00000001"/>  
  </Source>  
  <Destination>  
    <School EntityID="12345678"/>  
  </Destination>  
  <Receipt>2004-03-18T09:21:00.00</Receipt>  
</CommonRecord>
```



Edit

- General
- Program specific
- Results of Editing
 - correction
 - reject
 - warning



Response

```
</Disbursement>
  <Disbursement Number="02">
    <DisbursementAmount>2025</DisbursementAmount>
    <DisbursementDate>2005-01-15</DisbursementDate>
    <DisbursementReleaseIndicator>>false</DisbursementReleaseIndicator>
    <DisbursementSequenceNumber>1</DisbursementSequenceNumber>
    <PaymentPeriodStartDate xsi:nil="true"/>
    <Response>
      <ResponseCode>A</ResponseCode>
    </Response
  </Disbursement>
```

} ← Response Block

Response

- Full
 - COD returns all original tags submitted AND rejected data elements and reason
- Standard
 - COD returns only the rejected data and reason



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ACA ESOA Generation

- The Electronic Statement of Account (ESOA) is generated and sent to schools when they receive an Administrative Cost Allowance (ACA) payment for their students
- Message Class – PGAS06OP

Secondary EFC Indicator

- COD ignores the Secondary EFC Indicator tag if submitted on an incoming record and instead edits the award amount using the Primary EFC
- COD does not return the Secondary EFC Indicator tag in the response record if submitted on the incoming record

Secondary EFC Indicator

- Secondary EFC Code will not display on the following Web pages
 - Create Award, Update Award and Award Detail Information Pages
- Edit 026 is no longer returned



Reject Edit 021

- If complete address is not submitted on the incoming record (Person block)
 - Edit 021 is returned if a complete address cannot be found for the student/borrower on COD database or CPS
 - ALL awards and ALL AYs (FP & PI) – Pell Grant, Direct Loan Sub/Unsub (Student address), and Direct Loan PLUS Borrowers
 - Update and submit w/ complete address data



Warning Edit 120

- Returned if a complete address is not submitted on an incoming record (D/L Sub/Unsub, Pell Grant) but is found on CPS or COD database
- Returned for D/L PLUS if complete STUDENT address is not submitted on the incoming record and not found on CPS or COD database
 - ALL AYs
 - FP and prior AY Pell Phase In awards



Complete Address Criteria

- A Domestic address must contain the following
 - AddressLine
 - AddressCity
 - AddressStateProvinceCode
 - AddressPostalCode



Complete Address Criteria

- A Foreign address must contain the following
 - AddressLine
 - AddressCity
 - AddressCountryCode

NOTE: If COD pulls Foreign AddressCountryCode from CPS the record will reject #021



Reject Edit 121

- Returned when an SSN change is submitted on any award type if
 - Person is also a PLUS borrower
 - AND
 - PLUS award is greater than zero and is not yet fully disbursed
- \$0 loan and submit under correct SSN



Reject Edit 122

- Returned when a school submits an increase to a PLUS loan award amount and the person has had an SSN change
- COD allows an SNN change for a PLUS borrower **ONLY** if the PLUS award
 - is equal to zero
 - OR
 - is inactive
 - OR
 - is fully disbursed



Modified Edit 055

- Edit 055 is returned **ONLY** when the
 - Disbursement Sequence Number = 01, **AND**
 - Disbursement Information received and processed more than 30 days later than the Disbursement Date reported on the record, **AND**
 - Disbursement Release Indicator (DRI) = true



MPN Linking

- COD does not link an MPN to a loan if the loan amount and all actual and anticipated disbursements equal zero
- COD initiates an MPN linking process when an award amount on an unlinked award is increased from zero
 - schools receive an Unsolicited Promissory Note acknowledgement when the increased award is linked
 - this change applies to ALL award years



MPN Inactivity/Expiration Reports

- COD generates three non-award year specific reports notifying schools when an MPN is about to or has expired
 - MPN Discharge Report
 - Expired MPN Report
 - MPNs Due to Expire Report



MPN Discharge Report

- Inactive within the last 30 days
 - discharge due to death
 - discharge due to unauthorized signature (fraud)



Expired MPN Report

- Inactive within the last 30 days
 - No awards linked within a year of the receipt date (date received at COD)
OR
 - No actual disbursements on a linked award within a year of the receipt date
OR
 - 10 years passing since the receipt date
OR
 - A PLUS loan linked with an Endorser



MPNs Due to Expire Report

- Expire within the next 60 days
 - No awards linked within a year of the receipt date
 - OR
 - No actual disbursements on a linked award within a year of the receipt date
 - OR
 - 10 years passing since the receipt date



Paper Master Promissory Notes

- New Overnight, Express or Certified mailing address for submitting paper MPNs

Department of Education
201 TechnaCenter Drive
Montgomery, AL 36117

- Regular mail address has not changed

Department of Education
P.O. Box 5692
Montgomery, AL 36104



Direct Loan Operations School E-mail Address

- In response to your requests, schools can now be connected to our Direct Loan Operations Team at: dlops@ed.gov
 - issues escalated from customer service
 - assistance with Direct Loan matters
 - to offer suggestions for improvement

For more information, refer to Direct Loan Bulletin: DLB-05-03

<http://www.ifap.ed.gov/dlbulletins/DLB0503.html>



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Direct Loan Closeout

- Deadline for the 2003-2004 award year is July 29, 2005
- To be officially closed out, schools must have an Ending Cash Balance of \$0 and Total Net Unbooked Disbursements of \$0, as reflected on your School Account Statement (SAS) Report

For more information, refer to Direct Loan Bulletin: DLB-05-08

<http://www.ifap.ed.gov/dlbulletins/DLB0508.html>



Tools to Assist You

- SAS Reports
- COD Web site
- 30 Day Warning Reports
- GAPS Web site and Reports
- DL Tools/SAS Compare Program
- Customer Service Representatives
 - Reconciliation Specialist assistance



Pell Grant Closeout Reminder

- Deadline for the 2004-2005 award year is September 30, 2005
 - There can be no new awards/disbursements or upward adjustments without administrative relief UNLESS student was in a previous POP situation
- An electronic announcement with more details will go out late August or early September



Pell Grant Closeout Tips

- Stay reconciled with GAPS
- Avoid having Negative Available Balances or Unprocessed Deobligations
 - The Office of the Chief Financial Officer (OCFO) will be sending letters to remind schools to correct Negative Available Balances

Negative Available Balances

Action	CFL	Available Balance in GAPS
\$5,000,000 in disbursement records	\$5,000,000	\$0
\$5,000 negative disbursement	\$4,995,000	(\$5,000)

How to Resolve Negative Balances (Unprocessed Deobligations)

- Refund the cash
- Adjust the drawdown
- Increase the CFL



Tools to Assist You

- Two Pell Grant Data Requests available to assist schools as they complete both the year-end and ongoing reconciliation process
 - Year-to-Date Record – contains detailed origination, disbursement, and summary information at a transaction level on all Pell Grant recipients at a school
 - Reconciliation Report – sent to all schools in late August



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“Late” Late Disbursements

- A late disbursement beyond the 120-day late disbursement period, which requires Department approval
 - Approval will only be granted if the student or parent is not at fault

For more information, refer to Dear Colleague Letter: GEN-05-07

<http://ifap.ed.gov/dpcletters/GEN0507.html>



Submitting a Request for Approval

- Requests can only be made directly by a school or its third party servicer
 - must use school or servicer letterhead
 - separate request for each student or parent
 - separate request for each program
 - important to explain why the disbursement could not be made before the end of the 120-day late disbursement period



Waiting... for a Response

- Requests are reviewed to ensure all required information is correct, and school will be notified via e-mail once screening is complete
- Schools can then expect to receive either an approval or denial notification within 10 business days



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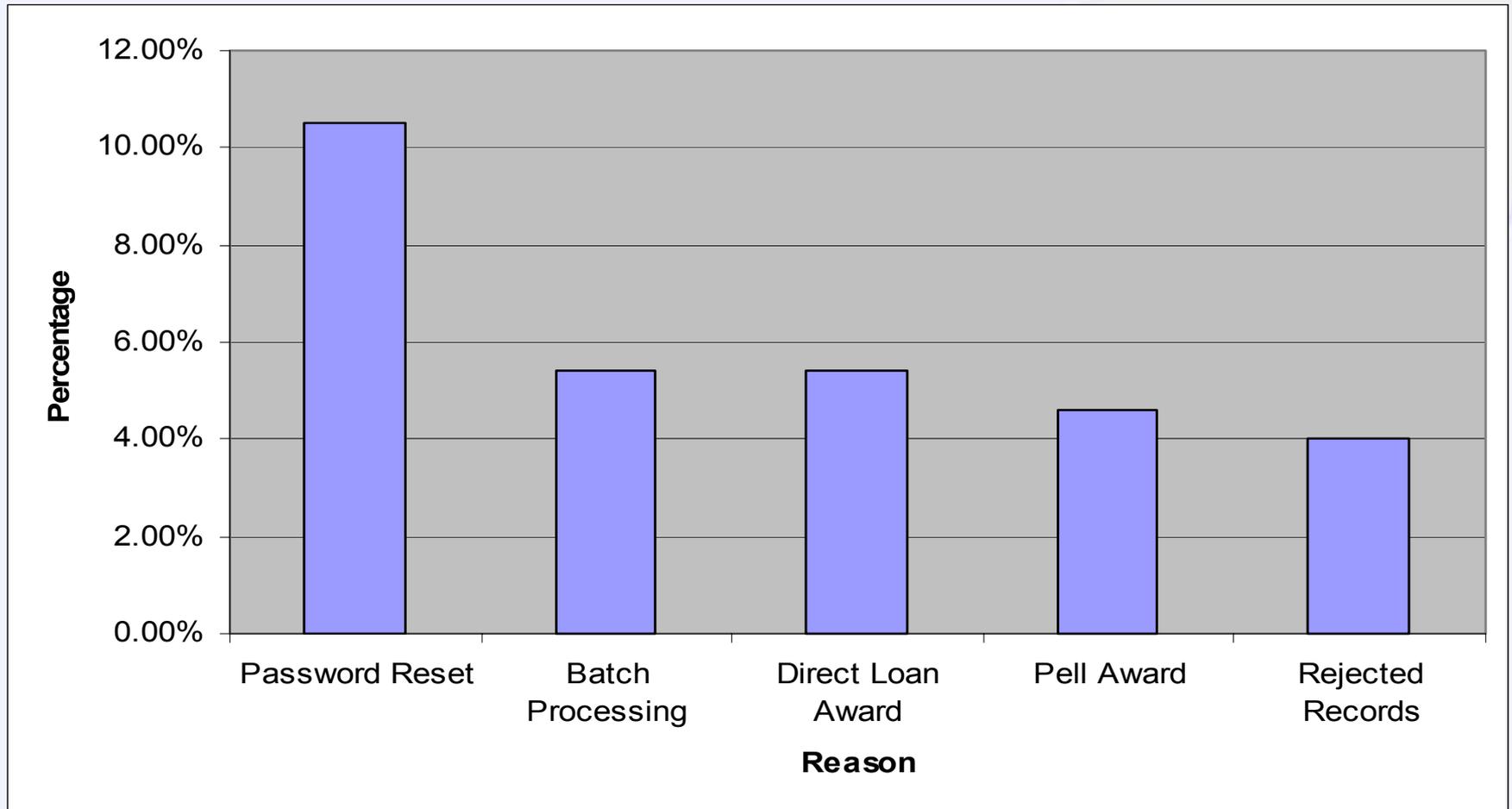
“Late” Late Disbursements

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Top 5 Customer Service Call Reasons



As of June 2005

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Password Reset

- Reasons you may need a password reset
 - You received a temporary password as the system administrator and you failed to change the temporary password within 24 hours
 - You did not access the COD web site for 6 consecutive months after your first visit
 - You did not access the COD web site for over 3 consecutive months following the last visit and you have been in the web site more than one other previous time



Security Administrator

- Provides access to the COD web site for users
 - Who is the right person?
 - How many should you have?



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Financials – YTD 1999-2006

Program	Originations	Total Origination Activity	New Disbursements	Total Disbursement Activity	Unique Schools	Net Unduplicated Recipients
	#	\$	#	\$	#	#
Pell						
1999-2000	4,297,651	9,345,528,246.82	9,336,178	7,212,409,860.18	5,537	3,755,488
2000-2001	4,355,809	10,554,139,638.77	9,695,003	7,956,231,680.24	5,482	3,887,425
2001-2002	4,942,896	13,690,132,526.66	10,743,673	9,980,951,134.47	5,433	4,328,592
2002-2003	5,407,455	16,057,108,803.75	11,893,197	11,640,313,128.97	5,429	4,778,010
2003-2004	5,792,924	17,372,453,668.40	11,964,860	12,741,759,838.59	5,442	5,137,053
2004-2005	5,850,081	19,679,578,201.69	11,153,600	12,878,665,511.15	5,422	5,189,925
2005-2006	153,140	940,998,446.17	0	0.00	414	0
Pell Total	30,799,956	\$87,639,939,532.26	64,786,511	\$62,410,331,153.60		
Direct Loan Sub						
2002-2003	1,821,882	5,801,021,083.63	3,219,604	5,512,382,219.00	1,195	1432270
2003-2004	1,856,623	5,946,708,925.90	3,305,038	5,676,909,813.00	1,151	1,458,441
2004-2005	1,807,985	6,020,055,107.00	3,068,210	5,482,021,688.00	1,148	1,417,046
2005-2006	214,640	888,385,212.00	13,059	31,050,164.00	92	12,781
DLS Total	5,701,130	\$18,656,170,328.53	9,605,911	\$16,702,363,884.00		
Direct Loan UnSub						
2002-2003	1,327,091	10,598,633,418.94	2,278,732	4,323,845,437.00	1,166	999147
2003-2004	1,327,217	4,711,738,644.00	2,305,322	4,450,849,029.00	1,131	999,682
2004-2005	1,290,279	4,888,506,911.00	2,136,009	4,380,439,256.00	1,123	972,593
2005-2006	147,029	740,206,374.00	8,934	25,972,006.00	88	8,613
DLU Total	4,091,616	\$20,939,085,347.94	6,728,997	\$13,181,105,728.00		
Direct Loan Plus						
2002-2003	234,936	1,619,434,276.28	435,949	1,546,624,970	901	194256
2003-2004	249,770	1,879,240,047.00	481,303	1,821,637,246	901	210,529
2004-2005	252,976	2,073,924,892.00	474,835	1,961,880,634	896	212,938
2005-2006	23,665	271,134,668.00	367	1,419,319	31	358
DLP Total	761,347	\$5,843,733,883.28	1,392,454	\$5,331,562,169.00		
Direct Loan Total						
2002-2003	3,383,909	\$18,019,088,778.85	5,934,285	\$11,382,852,626.00	1,198	1,750,920
2003-2004	3,433,610	\$12,537,687,616.90	6,091,663	\$11,949,396,088.00	1,156	1,760,609
2004-2005	3,351,240	\$12,982,486,910.00	5,679,054	\$11,824,341,578.00	1,150	1,712,708
2005-2006	385,334	\$1,899,726,254.00	22,360	\$58,441,489.00	94	14,270
DL Total	10,554,093	\$45,438,989,559.75	17,727,362	\$35,215,031,781.00		

As of June 2005

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Direct Loan Closeout

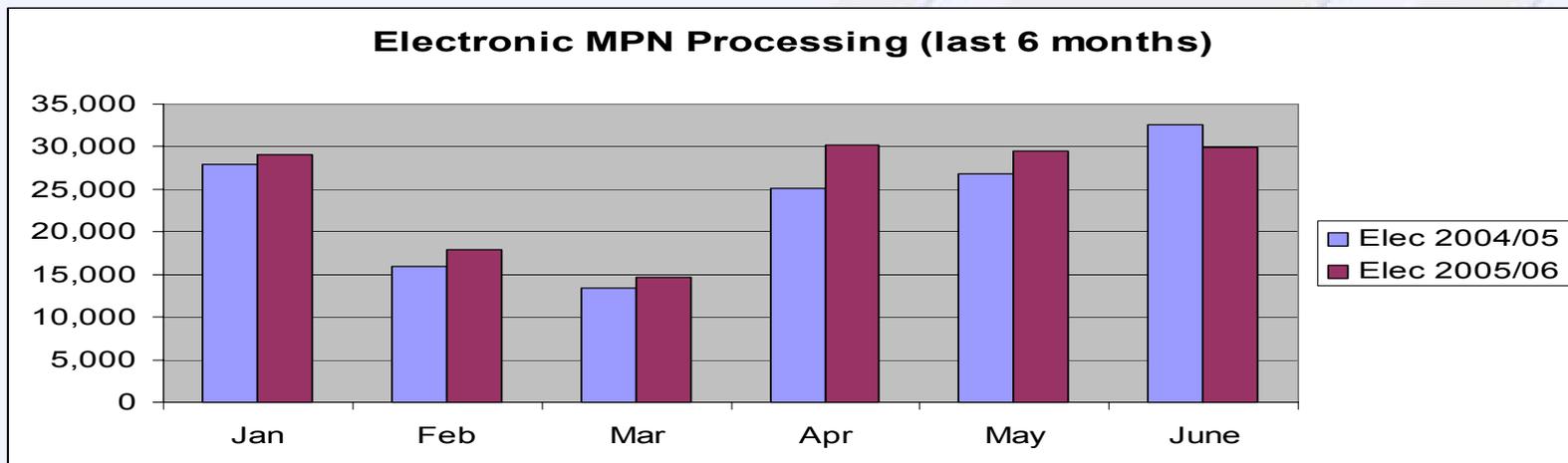
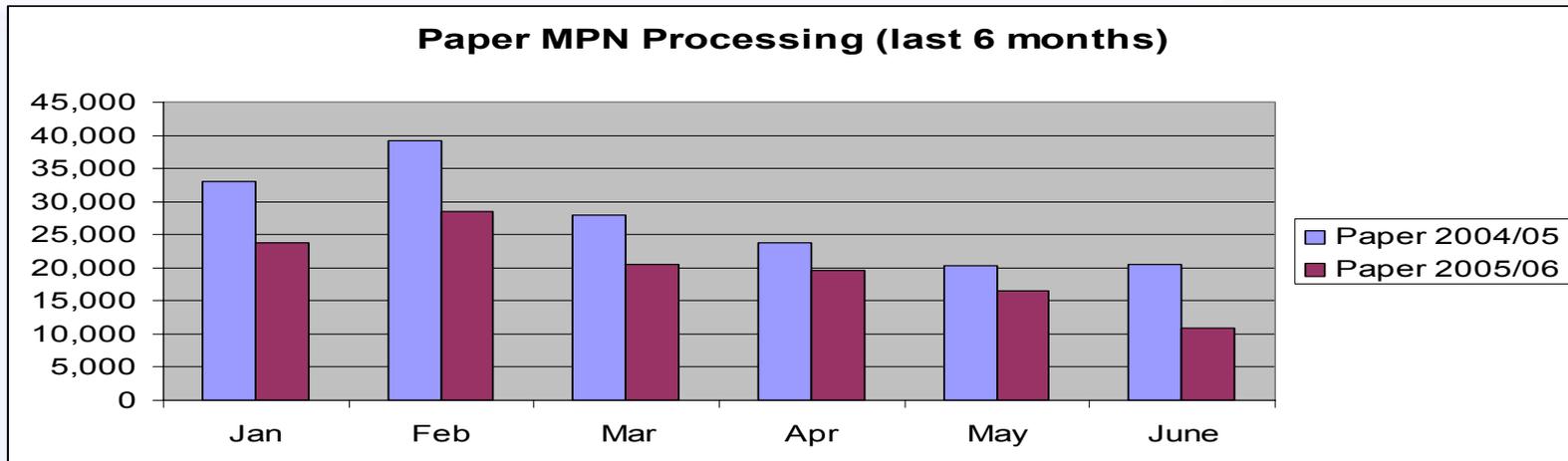
02-03 DL Extended Processing 02-03 as of 6/20/05	
Schools granted Extended Processing due to COD issue	0
Schools granted Extended Processing with no COD issue	1
Total Schools on Extended Processing	1

02-03 Direct Loan Close Out as of 6/20/05	
Total number of schools Participating	1205
Schools Closed	1174
Schools still open	29

03-04 Direct Loan Close Out as of 6/20/05	
Schools at zero balance with an Award End Date greater than 30 days	150
Schools confirmed closed via COD	426
Schools confirmed closed by FSA	64
Total Schools participating in 03-04	1161
Total Schools open	671



Master Promissory Notes



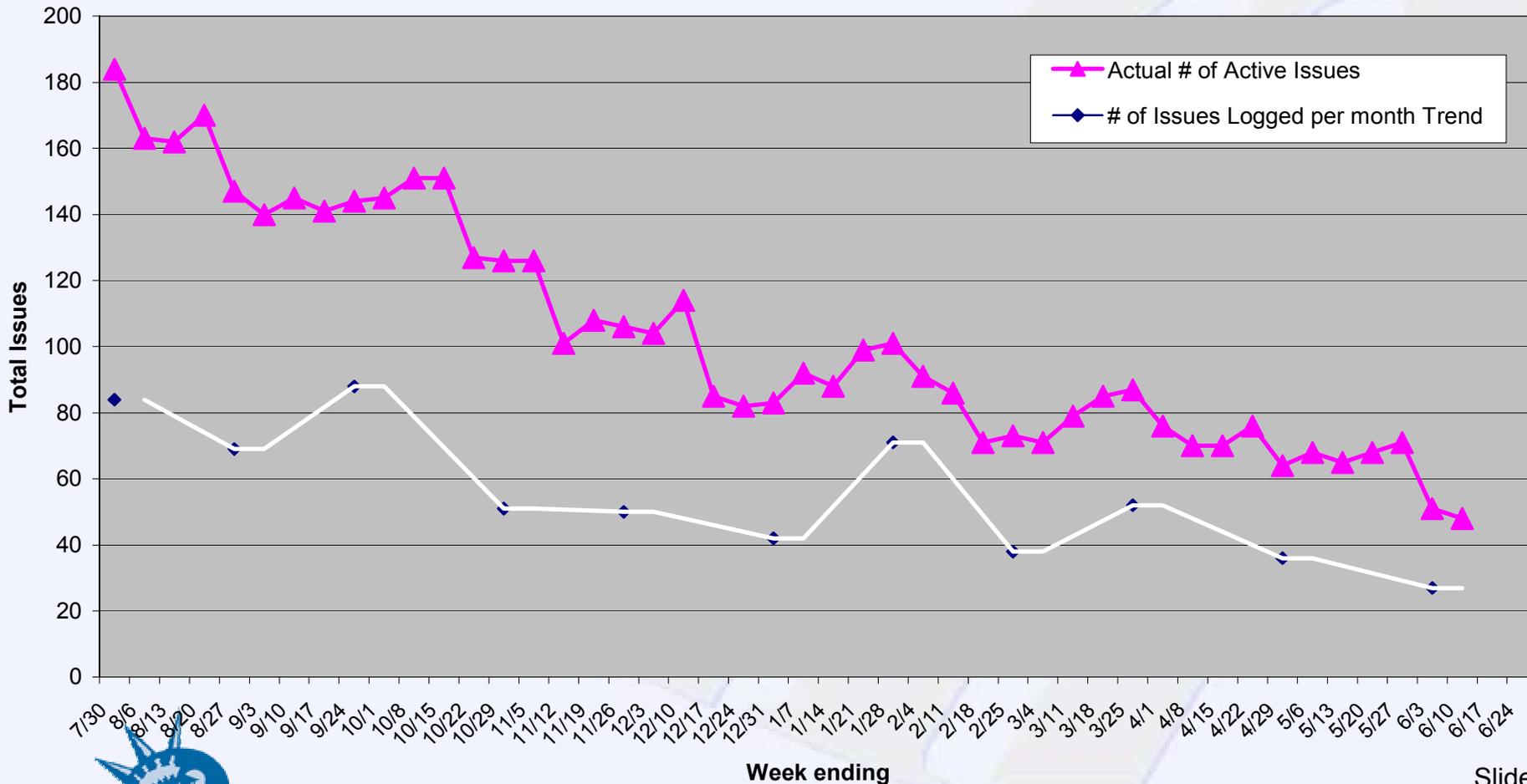
Issue Reduction

- Enhanced internal problem ticket tracking and management
- Introduced new prioritization process and monthly Service Packs (software releases)
- Resolved over 600 problem tickets since June 2004, reducing the total number of open problem tickets from 174 in June 2004 to 49 in June 2005



Actual Production Issues vs. Trend of Issues Opened per Month

Actual # Production Issues vs. Trend of Issues Opened per Month



Data Cleanups & Commingled Records

- Dedicated teams to focus exclusively on resolving Data Cleanups and Commingled Student Records
- Reduced the number of commingled students from 377 records in April 2004 to 25 in June 2005

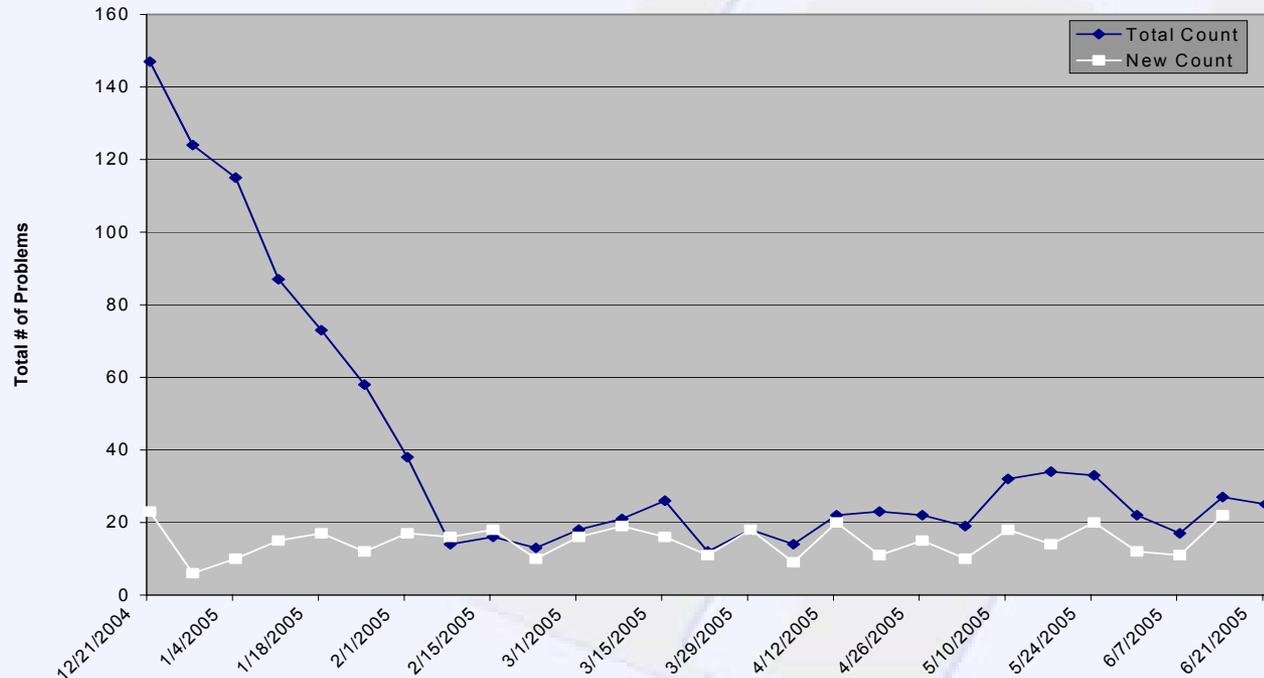


Commingled Records

	Commingled Problems
Prior Week Balance	27
Completed this week	13
Added this week	11
Current Balance	25

COMMINGLED	
Oldest Outstanding Problem: 05/31/05	
Problem Type	Count
Problem 1: One student with two customer ID's and in some cases two accounts for the same award type.	17
Problem 2: Two students with one SSN. An action cannot be performed for the second student.	8
Total	25

Commingled Problem Type 1 and Type 2



The Future...

- Move from consolidating systems and programs to integrating service across FSA...

AidDeliveryvance



Why Change?

- Current environment makes interaction with systems and finding answers difficult
- Solution provides
 - More efficient processes
 - Integrated technology
 - Increased data integrity
 - Enhanced customer service
 - Greater control



The ADvance Solution

- Support Aid Awareness outreach activities
- Integrates Application Processing, Origination, and Disbursement systems (AOD)
- Provides Single Customer Contact Center



The ADvance Solution

- Single Technical Help Desk
- Enhanced Portal Solution with integrated Web views & tools
- Simplifies students'/parents' and trading partners' interactions with Federal Student Aid (FSA)



ADvance: A School's View

Web Products for Students

Student Aid on the Web, FAFSA on the Web, E-MPN

Web Products for Schools

Schools Portal, FAA Access, COD On-Line, R2T4

Software Products for Schools

EExpress

Application

Aid Awareness

Establish Person Record

Aid Eligibility Determination

Origination & Disbursement

Award & Disbursement Processing

School Aid Payments & Funding Level Mgmt

Supporting Systems

CPS, COD

Help Desk Support

CPS, COD, EExpress, PIN, SAIG

Implementation: Key Dates

- Initial Go-Live January 2007 for 2007-2008, application processing only
 - Includes system and new tools for customer service (e.g.: integrated views)
- Full award year processing for integrated application, origination and disbursement for 2008-2009



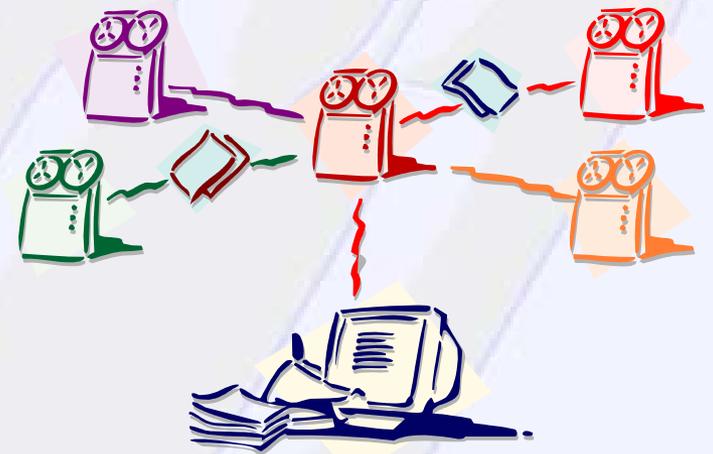
Implementation: Risk Mitigation

- Gradual transition of origination and disbursement help desk and system processing
 - Transition of oldest prior years first (lowest volume of transactions)
- 6 months+ parallel system processing



The Opportunity

- ADvance is an opportunity to
 - Define the business needs from multiple perspectives (FSA, schools, students)
 - Re-define the processes to better serve students



Visioning Session Topic Areas

Student and Family
Perspective

School
Perspective

Aid Awareness and Outreach
Student's Completion of the FAFSA
School's Processing of the Application
Reporting, Requesting and Disbursing Funds
Accounting for Aid Dollars



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We Listened and Captured...

4,731
Comments



What Schools “Visioned”

Comments received were categorized into the following themes

- Get the Big Picture
- Know the Audience
- Reach and Engage the Audience
- Build an Infrastructure of Support
- Integrate Data Across Agencies
- Change Policies and Rules
- Simplify, Simplify
- Evaluate and Improve
- Be Open to the New



Stay Informed

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ADvance, the future of Aid Delivery

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ADvance, the future of Aid Delivery

On February 1, 2005, Federal Student Aid announced the award of the Front-End Business Integration contract to integrate Federal Student Aid's aid outreach, application, Pell Grant and Direct Loan origination and disbursement processes into a single integrated solution. On March 21, 2005, FSA unveiled the new name for the solution: ADvance.

The ADvance solution creates a fully integrated system that consolidates and streamlines common

Assistance

COD School Relations Center

Phone:

(800) 474-7268 (4P-Grant) – Pell Grant

(800) 848-0978 – Direct Loan

E-mail: CODSupport@acs-inc.com

Direct Loan Operations

E-mail: dlops@ed.gov



Thank you...

Questions?





NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS