



Electronic Access Conference

2002

THE U.S. Department of
EDUCATION



Session 28

COD and Direct Loans: Balancing the Books



Presenters

Isiah Dupree – Direct Loan Operations

Wendy Jerreld – COD Customer Service

*Allison Richards – Account Manager
Region 8 - Denver*



Pre-Common Origination and Disbursement Reconciliation Update



Update Continued

- Program Year 1997-1998
 - Closed – all issues resolved
- Program Year 1998-1999
 - Closed – all issues resolved
- Program Year 1999-2000
 - Closed – all issues resolved



Update Continued

- Program Year 2000-01
 - Officially closed on July 31, 2002
 - Schools with outstanding balances have been referred to Case Management and Oversight (CMO) Division.



Update Continued

- Program Year 2001-2002
 - Program Year close out is December 31, 2002 except for borrowers receiving loans using Borrower Based Academic Year.

Update Continued

- Support and Assistance Provided
 - On-site visits by the Loan Origination Center and your Account Manager.
 - Bi-Monthly 732 LOS Reports
 - Reminders via emails and DL Bulletins
 - “Remaining Balance Status” letters
 - Program year close out letters



Update Continued

- Final Program Review Determination Process
 - Phases to the FPRD process:
 - Phase 1 – Offsite review of balances by CMO
 - Phase 2 – FPRD letter is sent to the President of the school
 - Phase 3 – Receivable is established with the Dept of Education Finance Department

Update Continued

- Phases to the FPRD process continued:
 - Phase 4- Schools have 45 days to return an appeal from the date of the FPRD letter
 - Phase 5- Schools that appealed within the 45 days will have their issues researched and processed by the LOC
 - Phase 6 – Schools that do not appeal within the 45 days will be billed for the ending cash balance plus interest by the Finance Department

Update Continued

- Phases to the FPRD process continued:
 - Phase 7 – Unresolved issues being worked on by the LOC beyond the 45 days will be sent to the Office of Hearings and Appeals (OHA) for final settlement

The COD Customer Service Solution



Reconciliation Specialist

- Assist with transaction balancing.
- Provide funds management support.
- Provide on-site support to schools as needed.
- Support GAPS and FMS exception research issues.
- Ability to run specialized ad hoc reports to help isolate problem records in a specific status or condition.



Customer Service Solution

- Systematic tracking of schools progress towards 30 day requirement
- Outreach calls to schools prior to the 30 day requirement
- Outreach calls to schools with cash > accepted and posted disbursements



Customer Service Solution

- Drawdown aging
 - Days 20-89
 - Customer service works with schools to solve any issues
 - Day 90
 - School enters freeze cash status
 - Day 120
 - School enters call for cash status



Customer Service Solution

- More timely and easily accessible web-based functionality.
 - Funding information screen
 - Refunds of cash screen
 - Cash activity screen
 - Summary financial screen
 - Yearly Totals screen



Funding Information Screen



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COMMON ORIENTATION & DISBURSEMENT



Person School Batch Award Reports User

▶ School Search

▼ School Information

- School Summary
- Financial Aid Contact
- Eligibility
- General
- Options
- Funding Info
- Summary Financial Info
- Refunds of Cash
- Cash Activity
- Events
- Message List
- Yearly Totals

School Funding Information

? HELP

TUSKEGEE UNIVERSITY i

Funding Information

Program Award Year

Entity Id	23211676
Initial CFL	\$25,000.00
Current CFL	\$25,000.00
Previous CFL	\$25,000.00
CFL Adjustment	\$0.00
Last CFL Change Date & Time	10/09/2004 22:39:36
Available Balance	\$18,600.00
Cash > Net Accepted & Posted Disbursements	\$5,907.00
Net Accepted & Posted Disbursements	\$493.00
Net Drawdowns	\$6,400.00

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Refunds of Cash Screen

- ▶ **School Search**
- ▼ **School Information**
 - School Summary
 - Financial Aid Contact
 - Eligibility
 - General Options
 - Funding Info
 - Summary Financial Info
 - Refunds of Cash
 - Cash Activity
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 - Yearly Totals

Refunds of Cash Information ?HELP

TUSKEGEE UNIVERSITY i

Refunds of Cash Information
 Program: Award Year:

Applied Date	Check Number	Amount Applied	Award Sequence	SF215/SF5515 Number	Comment
11/15/2004	123	\$100.00	8956	123456	C
10/29/2004	999009	\$1,000.00	8956	999999	C
10/25/2004	888	\$2,500.00	8956	888888	C
10/25/2004	777	(\$1,000.00)	8956	777777	C
10/24/2004	777	\$1,000.00	8956	777777	C



Cash Activity Screen

- Person
 - School
 - Batch
 - Award
 - Reports
 - User
- [School Search](#)
[School Information](#)
 - School Summary
 - Financial Aid Contact
 - Eligibility
 - General
 - Options
 - Funding Info
 - Summary Financial Info
 - Refunds of Cash
 - Cash Activity
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 - Message List
 - Yearly Totals

Cash Activity ?HELP

TUSKEGEE UNIVERSITY i

Program/Year Selection

Program Award Year

Cash Activity Summary

Net Draws \$6,400.00

Cash > Accepted & Posted Disbursements & older than 30 days \$5,907.00

	Totals	10/24/2004	10/24/2003
Date of Transaction		10/24/2004	10/24/2003
Time		10:14:52 PM	3:07:41 PM
Drawdowns/Payments	\$10,000.00		\$10,000.00
Drawdown Adjustments	\$0.00		
Refunds of Cash	(\$3,600.00)	(\$1,000.00)	
Returns of Cash	\$0.00		
Drawdown Offsets	\$0.00		
Days Since Net Draws Increase			44
Days Left For On-time Reporting			000
Payment Control Number			800133350
Accepted & Posted Disbursements Applied	\$493.00		\$493.00
% of Accepted & Posted Disb. Applied to Net Draws	7.7%		
Cash > Accepted & Posted Disbursements	\$5,907.00		
% of Cash > Accepted & Posted Disbursements	92.3%		
Source System		COD	GAPS

Amounts in parentheses decrease net draws





Summary Financial Screen

- ▶ **School Search**
- ▼ **School Information**
 - School Summary
 - Financial Aid Contact
 - Eligibility
 - General
 - Options
 - Funding Info
 - Summary Financial Info
 - Refunds of Cash
 - Cash Activity
 - Events
 - Message List
 - Yearly Totals

School Summary Financial Information ? HELP

TUSKEGEE UNIVERSITY i

Summary Financial Information

Program Award Year

Entity Id	23211676
Beginning Cash Balance	\$0.00
Cash Receipts	\$10,000.00
Disbursement Amount	\$493.00
Disbursement Adjustments Amount	\$0.00
Refunds of Cash	(\$3,600.00)
Ending Cash Balance	\$5,907.00
Disbursement Amount for Disbursements with Missing PNote Status	\$0.00
Number of Disbursements with Missing PNote Status	0



Yearly Totals Screen



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COMMON ORIENTATION & DISBURSEMENT



Person

School

Batch

Award

Reports

User

► **School Search**

▼ **School Information**

- School Summary
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- Refunds of Cash
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- Yearly Totals

School Yearly Totals

[? HELP](#)

TUSKEGEE UNIVERSITY i

Award Year: '02-'03

	Total Awarded	Total Disbursed	Recipients
Total Pell Awards	\$95,900.00	\$6,302.40	20
Total Direct Loan Awards	-	-	-
Total Subsidized	\$2,000.00	\$500.00	1
Total Unsubsidized	-	-	-
Total PLUS	\$4,000.00	\$0.00	0
Total Campus Based Awards	-	-	-
Total FSEOG	-	-	-
Total FWS	-	-	-
Total Perkins	-	-	-

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Sample Ad-hoc Reports

- Cash receipt report
 - Includes net dollar amount, last 30 days cash receipts, total net cash at school, net accepted disbursements, adjusted ending cash balance.
- Disbursement activity report
 - Includes disbursement date, gross, fee, net and rebates amounts for booked and unbooked.
- Drawdown report
 - Includes date, amount, substantiated amounts and percentages.



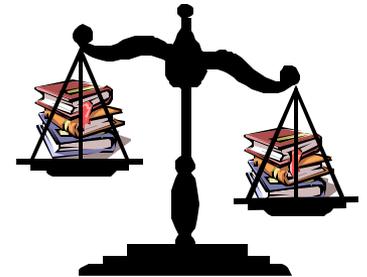
Balancing the Books:

What You Can Do

Balancing the Books

Means:

- Efficient day-to-day processing which complies with data reporting requirements and cash management rules
- Knowing how to compute and track your Direct Loan ending cash balance (ECB)
- Reconciling each month
- Closing out each program year



Efficient Processing: Steps to Take

- Query internal systems for incomplete processing
- Review batch activity
- Export all data
- Import all responses (acknowledgements)



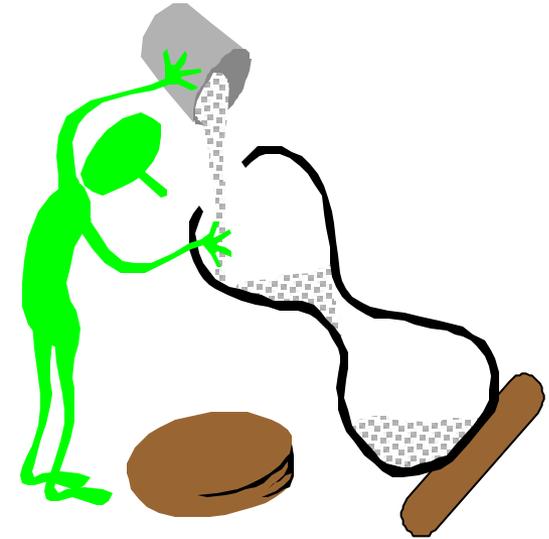
Efficient Processing: Steps to Take

- Resolve all rejects in a timely manner
- Review Business Office records
- Run a status measurement report
- Back up your data



Efficient Processing: 30-Day Reporting Requirement

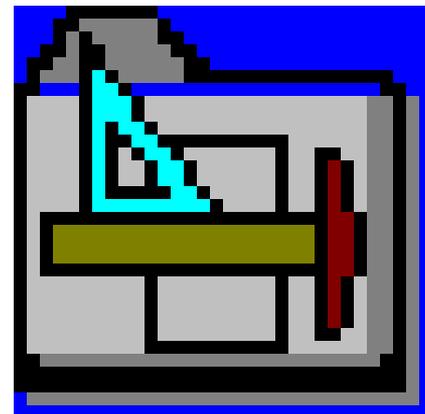
- Schools have 30 days from the initial disbursement to send the origination record, p-note, and disb record.
- This rule applies to adjustments and subsequent disbs as well.
- Loans need to book in order to be sent to the Direct Loan Servicing Center (DLSC) and be serviced.



Efficient Processing: Cash Management and DL Tools

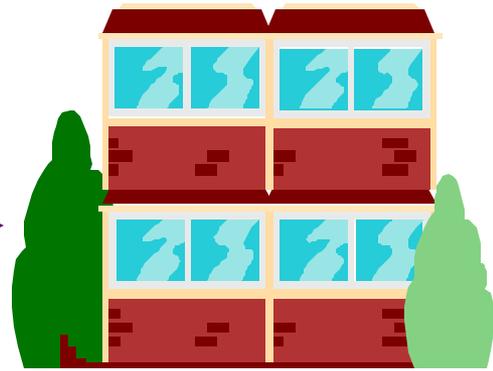
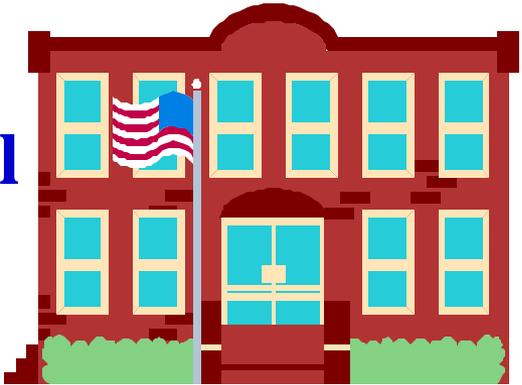
DL Tools

- Provides functionality to:
 - Track cash receipts (drawdowns) and refunds of cash (excess cash)
- Can be used with custom or combination systems as well as EDEExpress

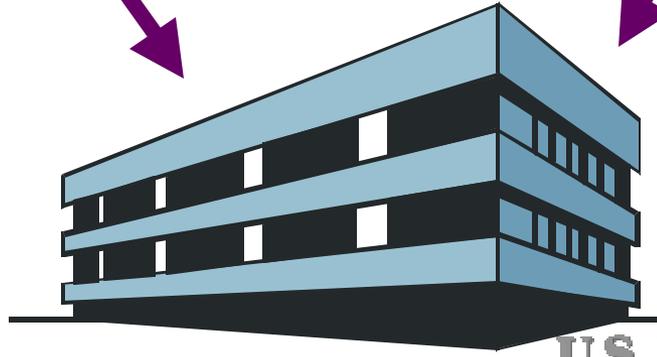
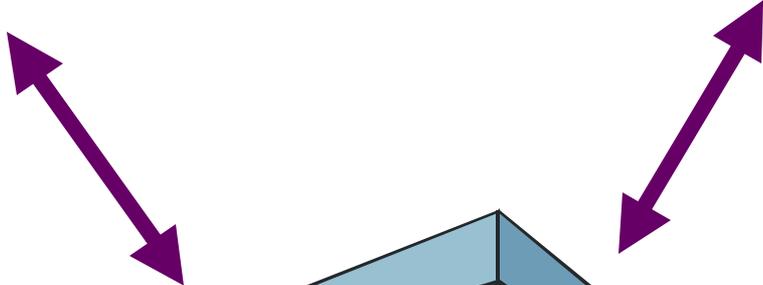


Efficient Processing: The Three Key Players

**Financial
Aid
Office**



**Business
Office**



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Efficient Processing: Typical Issues

- Cash Receipts not forwarded to the FA Office ...

...But if the FA Office reconciles the SAS?



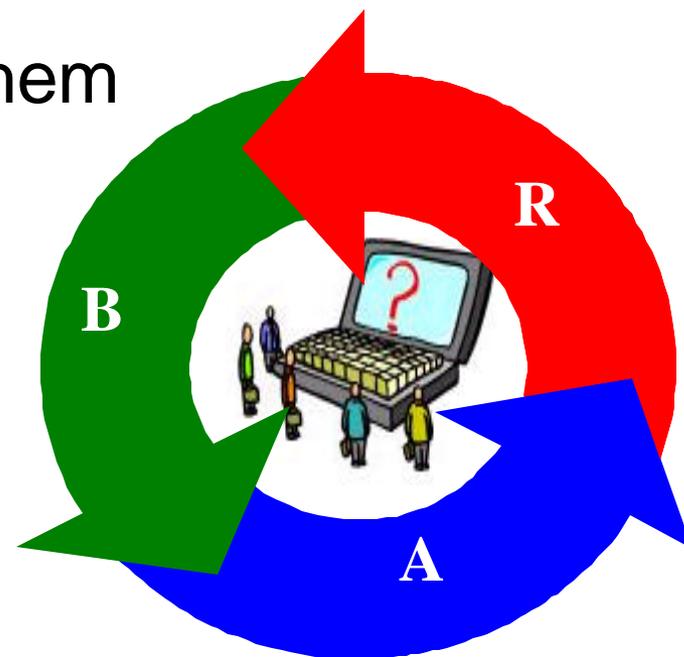
- Return of Title IV aid information not forwarded to the Business Office ...



...But if the Business Office makes drawdowns in GAPS?

Efficient Processing: Final Tips

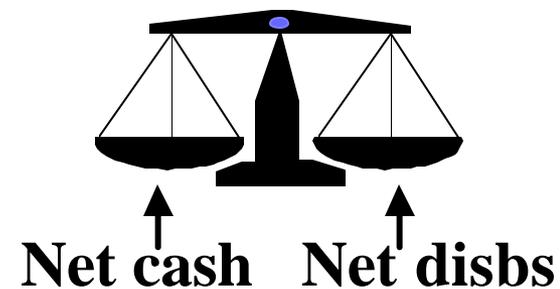
- Save your signed manifests
- Review reject lists and **fix** them
- Devote time
- Network with others
 - CSR
 - CAM
 - Business office
 - Other schools
- Become familiar with COD-online
 - check reject reasons



Computing Your ECB: What is a cash balance?

- The amount of Direct Loan funds your school currently has in its bank account. These funds must be:

- disbursed to Direct Loan borrowers
OR
- returned to the Department



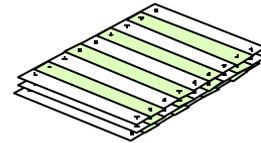
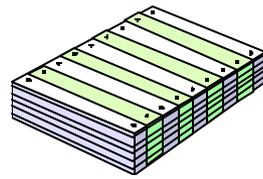
- Your school will have a Direct Loan cash balance of \$0 at the beginning of a program year.
- Your school should have a Direct Loan cash balance of \$0 at the end of a program year.

Computing Your ECB: The Direct Loan Cash Equation

$$\begin{aligned} & \boxed{\text{Beginning Cash Balance}} + \boxed{\text{Cash Receipts}} - \boxed{\text{Refunds of Cash}} - \boxed{\text{Disbursements}} \\ & - \boxed{\text{Upward Adjustments}} + \boxed{\text{Downward Adjustments}} = \boxed{\text{Ending Cash Balance}} \end{aligned}$$

Monthly Reconciliation: School Account Statement - What is It?

732LOS + DLSAS = SAS

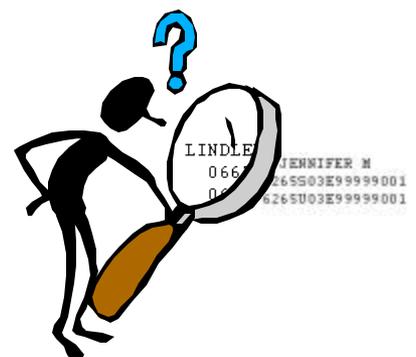


- Combines features of two similar reports into one.
- Same report used for reconciliation and closeout.

Monthly Reconciliation: SAS - What is It?

- Contains Summary Information (Required):
 - Year-To-Date and Monthly Cash Summary
 - Year-To-Date and Monthly Disbursement Summary by Loan Type

- Contains Detail Information (Optional):
 - Cash Detail
 - Loan Detail, Loan Level
 - Loan Detail, Disbursement Activity Level



Booked	\$1,833	\$54	\$27	\$1,806
Booked	\$1,167	\$35	\$18	\$1,150



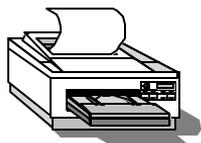
Monthly Reconciliation: SAS - How Do I Get It?

- Automatically sent to schools every month
 - Fixed Length File
 - Message Class: DSLF##OP/DSDF##OP
 - Batch Type: AS
- Schools can choose from various report options

Monthly Reconciliation: SAS - What Do I Do with It?

■ Format it

- Vendor Software 
- Mainframe/Homegrown System
- DL Tools 2.0 (available for all schools)



■ Print it

■ Compare to school records

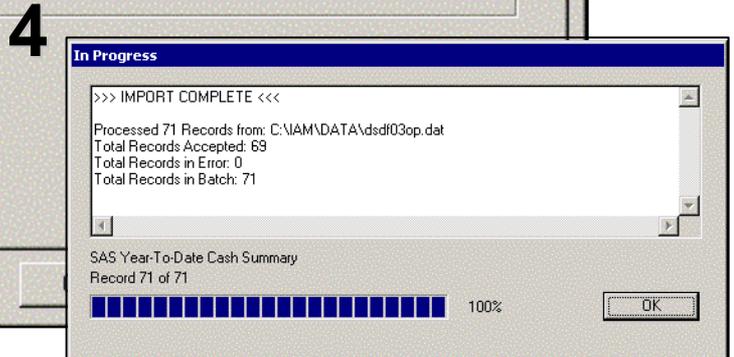
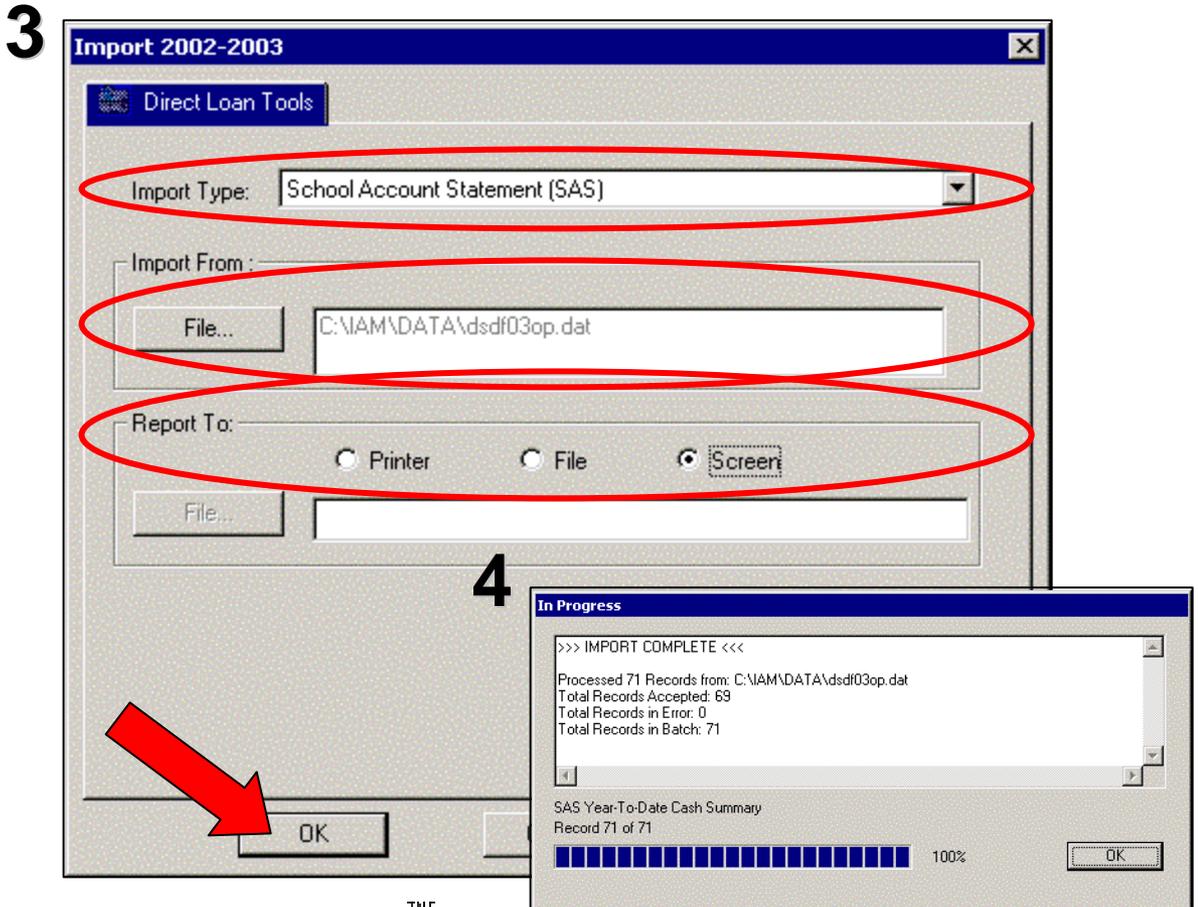
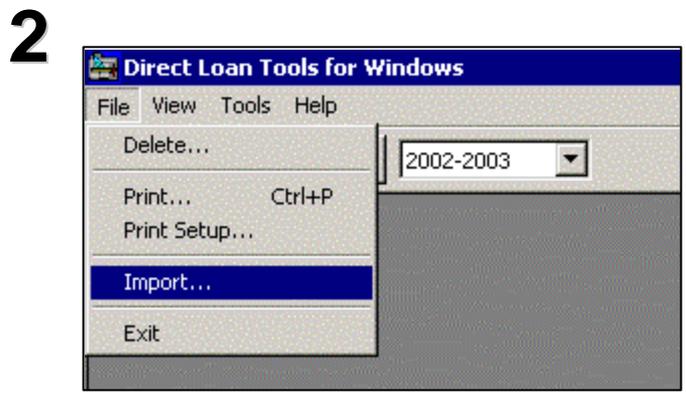
- Direct Loan System
- Business Office Records



Monthly Reconciliation: *SAS - What Do I Do with It?*



Format the SAS (DL Tools)





Monthly Reconciliation: SAS - What Do I Do with It?

SAS YTD Cash Summary

Direct Loan Tools for Windows - [C:\DOCUME~1\ENARIC~1\LOCALS~1\Temp\ART35.tmp]

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3/2002 U.S. DEPARTMENT OF EDUCATION PAGE: 1
 6:12 DIRECT LOAN TOOLS - 2002-2003
 SAS Year-To-Date Cash Summary
 CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT

End Date: 04/10/2003

School Code: G01001
 Region Code: 15
 State Code: IA

Beginning Balance:		\$0
Cash Receipts:	\$51,731	
Excess Cash Returned:	\$7,000	
Total Net Cash:		\$44,731
Booked Disbursements:	\$44,731	
Booked Adjustments:	\$0	
Total Booked Disbursements:		\$44,731
Ending Cash Balance:		\$0
Unbooked Disbursements:	\$0	
Unbooked Adjustments:	\$0	
Total Net Unbooked Disbursements:		\$0
Total Unsubstantiated Cash:		\$0



Monthly Reconciliation: SAS - What Do I Do with It?

SAS Monthly Cash Summary

Direct Loan Tools for Windows - [C:\DOCUME~1\ENARIC~1\LOCALS~1\Temp\ART35.tmp]

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02 U.S. DEPARTMENT OF EDUCATION PAGE: 2
 DIRECT LOAN TOOLS - 2002-2003
 SAS Monthly Cash Summary
 CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT

End Date: 04/10/2003

School Code: G01001
 Region Code: 15
 State Code: IA

Beginning Balance:		\$19,300
Cash Receipts:	\$32,431	
Excess Cash Returned:	\$7,000	
Total Net Cash:		\$25,431
Booked Disbursements:	\$44,731	
Booked Adjustments:	\$0	
Total Booked Disbursements:		\$44,731
Ending Cash Balance:		\$0
Unbooked Disbursements:	\$0	
Unbooked Adjustments:	\$0	
Total Net Unbooked Disbursements:		\$0
Total Unsubstantiated Cash:		\$0

Monthly Reconciliation: SAS - What Do I Do with It?

Printing the SAS Detail Reports

2

1



- SAS Cash Detail
- SAS Loan and Disbursement Detail

