

# Session #8

## Direct Loan Reconciliation & Program Year Closeout

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# Agenda

Overview

Processing Concepts

Monthly Reconciliation

Program Year Closeout



# OVERVIEW



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# Reconciliation – A General Definition

The process by which records from one system are compared to records from another, and any discrepancies are identified and resolved.

***Example: Balancing a checkbook***

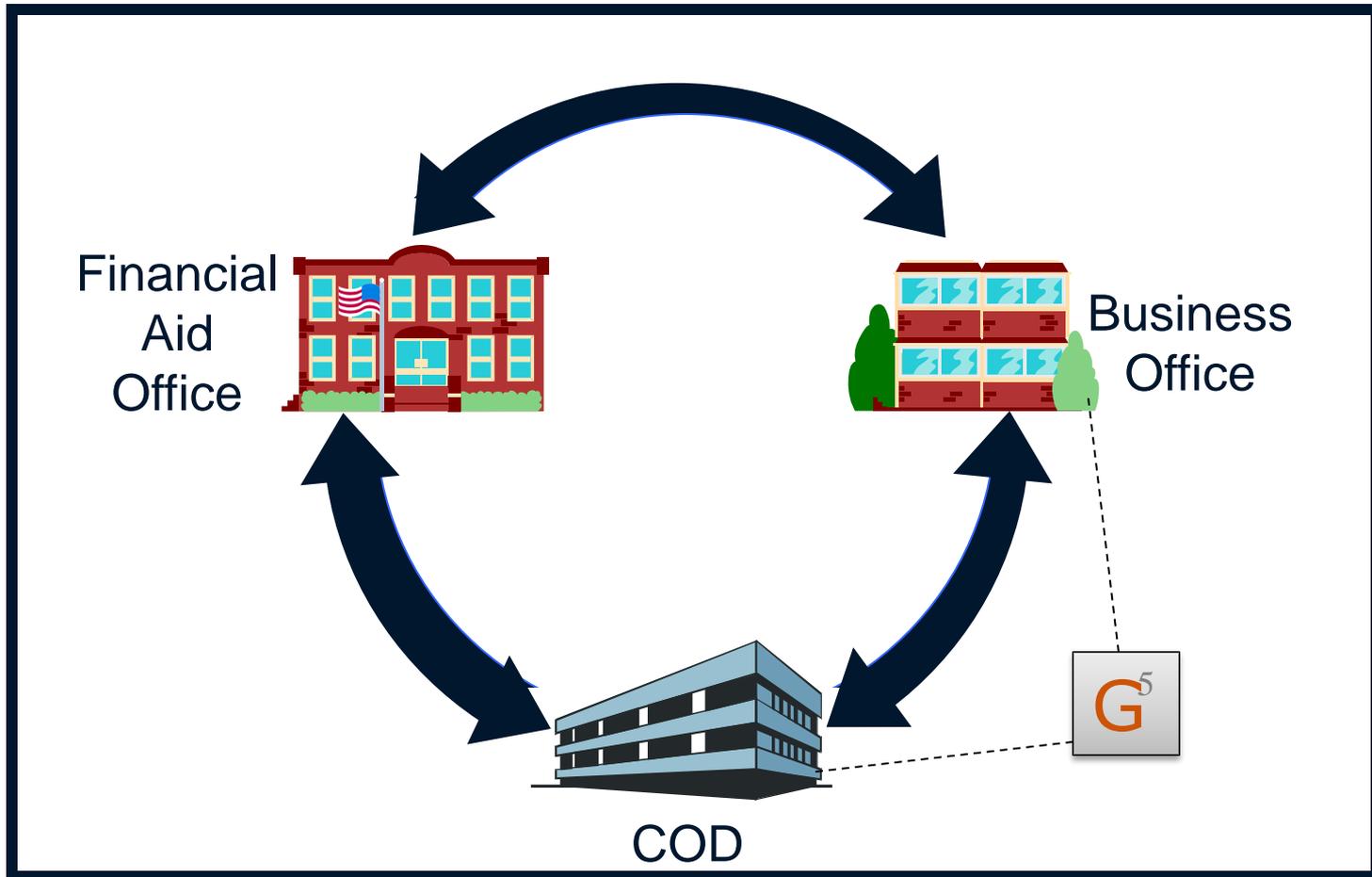


# Direct Loan Reconciliation

The process by which the Direct Loan Cash Balance recorded on the Department of Education system is reviewed and compared with a school's internal records on a monthly basis. The school must:

- identify and resolve discrepancies, and
- document reasons for their Ending Cash Balance

# Reconciliation: Three Key Systems



# Program Year Closeout

The process by which schools complete processing at the end of a DL award year.

- Extension of the monthly reconciliation process
- \$0 Ending Cash Balance  
(DL funds received = DL funds disbursed)
- Final deadline: End of July of the year following end of the award year (7/29/2011 for 2009-2010)

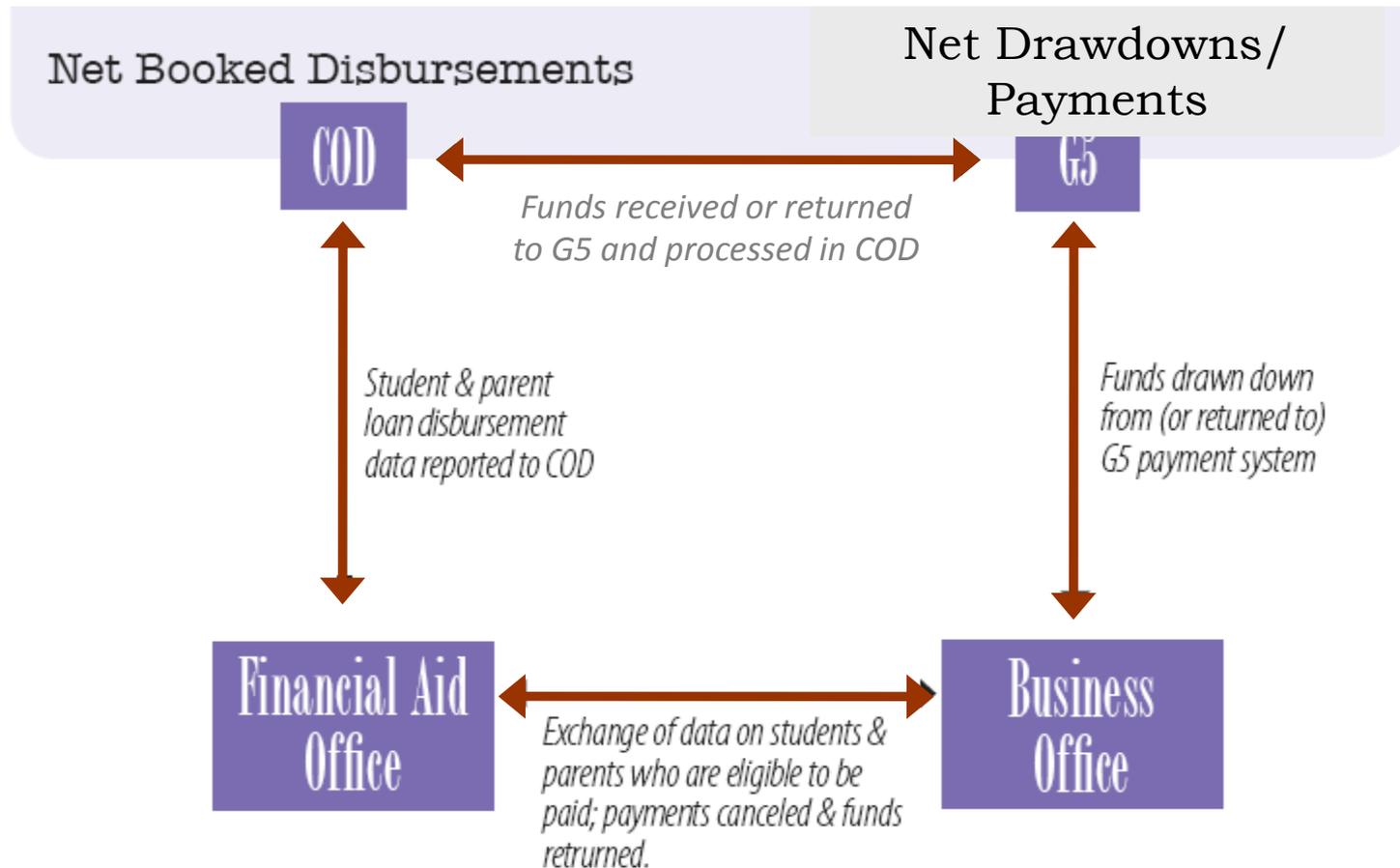
Note: 30 Day reporting requirement supersedes both reconciliation and closeout requirements

# Processing Concepts

To understand monthly reconciliation, we must first understand daily processing....



# Processing Overview



# Net Drawdowns/Payments

$$\boxed{\text{Net Drawdowns/Payments}} = \boxed{\text{Cash Receipts}} - \boxed{\text{Refunds of Cash}}$$



# Cash Receipts



- Requesting Funds
  - Schools calculate request based on disbursements
  - Request via G5 – <https://www.g5.gov>
- Receiving Funds
  - Direct deposit to school bank account
- Managing Funds
  - Defining “immediate need” and other cash management requirements

**For more information, review 34 CFR, 668.161-163**



# Refunds of Cash



- Reasons
  - Received more funds than disbursed
  - Disbursement adjustment to borrower's account
- Regulations – returning or reusing funds
- Methods of Return
  - Electronically through GAPS (preferred) (<https://www.g5.gov>)
  - Check (see Electronic Announcement dated [July 23, 2010](#))

**For more information, review 34 CFR, 668.166**

# Net Booked Disbursements

$$\boxed{\text{Total Net Booked Disbursements}} = \boxed{\text{Booked Disb}} + \boxed{\text{Booked Adj}}$$

# Disbursements

- Disbursing Funds
  - Must have valid MPN
  - Report within 30 days from date of disbursement
  - Disbursements must book to be included in official Ending Cash Balance
    - Award, MPN, Initial Disbursement required for loan
    - Subsequent disbursements book when accepted by COD

**For more information, review 34 CFR, 668.164-165**



# Disbursement Adjustments

- Disbursement Adjustments are needed when:
  - Borrower requests cancellation/returns funds
  - Borrower withdraws or drops below ½ time
  - Amount or date reported does not match amount credited to student/borrower account
- School must:
  - Submit a disbursement adjustment
  - Return funds as refund of cash or use funds for eligible borrower in same award year

**For more information, review 34 CFR, 668.164-165**



# The Ending Cash Balance Equation

$$\begin{array}{r} \boxed{\text{Ending Cash Balance}} = \boxed{\text{Beginning Cash Balance}} + \boxed{\text{Net Drawdowns/ Payments}} \\ - \boxed{\text{Total Net Booked Disbursements}} \end{array}$$



# Additional Cash Management Resources



- [\*The Blue Book\*](#), October 2005
- [\*Federal Student Aid Handbook\*](#), 2010-2011, Volume 4
- [\*Direct Loan School Guide\*](#), Chapter 5



# Daily Processing – Things To Do During the Month

  **Organize – Finish What You Start**

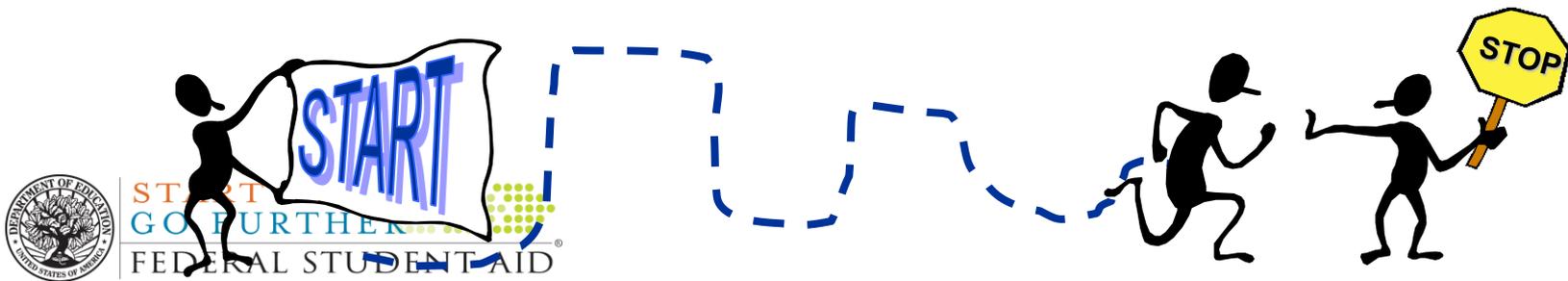
  **Monitor Your Cash Flow**

  **Use Your Reports**

  **Perform Internal Reconciliation**

# Organize – Finish What You Start

- Map your process and procedures
- Monitor your daily processes
- Ensure all records have been sent to and accepted at COD
- Manage timing issues



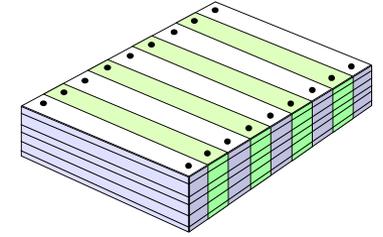
# Monitor Your Cash Flow



- Verify requested funds have been received
- Ensure cash receipts are posted to the correct year
- Comply with cash management timelines
- Ensure that all funds received are either disbursed or returned
- Verify correct methods are used when returning funds



# Use Your Reports



- COD Reports:
  - 30-Day Warning Report (COD)
  - Pending Disbursement Listing
- School Reports:
  - List of Actual Disbursements and Statuses
  - Ledgers, Bank Statements, Cancelled Checks
  - Other Internal School Reports



# Perform Internal Reconciliation

- Compare Business Office/Financial records to Direct Loan System
  - Develop procedures/schedule for internal reconciliation and assign responsibilities
  - Compare based on overall cash/disbursement totals and/or student detail
  - Troubleshoot discrepancies



# Monthly Reconciliation



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# School Account Statement (SAS)

- Contains the Department's official ending cash balance for your school
- Generated by COD on 1<sup>st</sup> full weekend of the month
- Contains data through the end of the previous month
- Separate SAS for each open award year



# School Account Statement (SAS)

- Sections of the SAS
  - Cash Summary
  - Disbursement Summary by Loan Type
  - Cash Detail
  - Loan Detail (Loan or Disbursement Activity Level)



# School Account Statement (SAS)

- Format Options and Message Classes
  - Fixed Length
    - DSDFxxOP (Disbursement Level Detail)
    - DSLFXxOP (Loan Level Detail)
  - Comma Delimited, Comma Delimited with Headers, Pipe Delimited
    - DSDDxxOP (Disbursement Level)
    - DSLDDxxOP (Loan Level Detail)

Note: If you use DL Tools, you must receive fixed length format.



# School Account Statement (SAS)

- Content Options
  - Include Names of Borrowers
  - Report Activity Type
  - Sections of SAS to Receive

Note: If you use DL Tools, you must receive YTD cash and loan detail (disbursement or loan level).

# SAS Options Screen

U.S. DEPARTMENT OF EDUCATION  
COMMON ORIGATION & DISBURSEMENT

FSA  
FEDERAL  
STUDENT AID

Person **School** Batch Award Services User

School Search

School Information

- School Summary
- Financial Aid Contact
- Eligibility
- General
- Options
- Funding Info
- Summary Financial Info
- Refunds of Cash
- Cash Activity
- Events
- Memos
- Yearly Totals
- Relationships
- Balance Confirmation
- Request Post
- Deadline/Extended
- Processing
- Correspondence
- Report Selection

SAS Options [HELP](#)

Euclid University

Program: DIRECT LOAN Award Year: '09-'10

SAS Options

Report Format: Fixed Length

Include Names of Borrowers: No

Report Activity Type: Both

Regardless of your choice (Monthly, Year-to-Date, or Both), you will receive Year-to-Date and Monthly Cash Summaries.

You will receive Monthly Cash Detail if you choose Monthly activity and Year-to-Date Cash Detail if you choose Year-to-Date.

You will receive both the Monthly and Year-to-Date Cash Detail if you select Both as your option.

Sections of SAS to Receive

	Monthly	Year-to-Date
Summary by Loan Type	Yes	
If chosen, you will receive Monthly and Year-to-Date.		
Disbursement Detail	Yes	No
Loan Level (optional)	N/A	No
Loan Level is only available for Year-to-Date.		

UPDATE

## To Access:

- Click on School
- Choose Report Selection
- Click on SAS Options

# SAS Cash Summary – Year to Date

```
Report Date:      05/04/2011  U.S. Department of Education      Page 1
Report Time:     09:53:20    Direct Loan Tools - 2010-2011
                                   SAS Year-To-Date Cash Summary
THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT
*****
End Date:       04/30/2011

School Code:    G09009
Region Code:    02
State Code:     NJ

Beginning Balance:                                $0
  Cash Receipts:                                $13,074
  Refunds of Cash:                               -$1,350
Net Drawdowns/Payments:                          $11,724

  Booked Disbursements:                          $5,721
  Booked Adjustments:                           -$1,250
Total Net Booked Disbursements:                   $4,471
Ending Cash Balance:                              $7,253

  Unbooked Disbursements Actual:                 $3,264
  Unbooked Adjustments:                          $0
Total Net Unbooked Disbursements:                $3,264
Cash > Accepted and Posted Disbursements:      $3,989
```



# SAS Cash Summary - Monthly

Report Date:	05/04/2011	U.S. Department of Education	Page 1
Report Time:	09:59:50	Direct Loan Tools - 2010-2011	
		SAS Monthly Cash Summary	
THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT			
*****			
End Date:	04/30/2011		
School Code:	G09009		
Region Code:	02		
State Code:	NJ		
Beginning Balance:			\$3,264
Cash Receipts:	\$4,089		
Refunds of Cash:	-\$1,350		
Net Drawdowns/Payments:			\$2,739
Booked Disbursements:	\$0		
Booked Adjustments:	-\$1,250		
Total Net Booked Disbursements:			-\$1,250
Ending Cash Balance:			\$7,253
Unbooked Disbursements Actual:	\$3,264		
Unbooked Adjustments:	\$0		
Total Net Unbooked Disbursements:			\$3,264
Cash > Accepted and Posted Disbursements:			\$3,989



# SAS Disbursement Summary by Loan Type

Report Date: 05/04/2011 U.S. Department of Education Page 1  
 Report Time: 09:59:50 Direct Loan Tools - 2010-2011  
 SAS Monthly Disbursement Summary  
 THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT  
 \*\*\*\*\*  
 End Date: 04/30/2011

School Code: G09009  
 Region Code: 02  
 State Code: NJ

	Subsidized	Unsubsidized	PLUS
Booked Gross	-\$1,282	\$0	\$0
Booked Fee	-\$52	\$0	\$0
Booked Interest Rebate	-\$20	\$0	\$0
Booked Net	-\$1,250	\$0	\$0
Unbooked Gross	\$350	\$2,962	\$0
Unbooked Fee	\$10	\$88	\$0
Unbooked Interest Rebate	\$5	\$45	\$0
Unbooked Net	\$345	\$2,919	\$0
All Loans			
Booked Gross	-\$1,282		
Booked Fee	-\$52		
Booked Interest Rebate	-\$20		
Booked Net	-\$1,250		
Unbooked Gross	\$3,312		
Unbooked Fee	\$98		
Unbooked Interest Rebate	\$50		
Unbooked Net	\$3,264		



# SAS Cash Detail

Report Date: 5/04/2011 U.S. Department of Education Page 1  
 Report Time: 10:18:06 Direct Loan Tools - 2010-2011  
 SAS Cash Detail

Sort By: Trans Type

THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT

\*\*\*\*\*

Date Range:

Trans Type: All

School Code: G09009

End Date: 4/30/2011



Trans Type	Trans Date	Trans Amount	COD Process Date	Payment Control/Check Number
Receipt	03/28/2011	\$8,985	04/01/2011	2011032812345

Receipt	04/28/2011	\$4,089	04/30/2011	2011040767890
Refund	04/15/2011	\$1,000	04/17/2011	000000101100

Total Cash Receipt Records: 2  
 Total Refunds Cash Records: 2  
 Total SAS Cash Detail Records: 4

Total Cash Receipt Amount: \$13,074  
 Total Refunds of Cash Amount: \$1,350



# SAS Loan and Disbursement Detail

Report Date: 05/04/2011 U.S. Department of Education Page 1  
 Report Time: 10:04:21 Direct Loan Tools - 2010-2011  
 SAS Loan and Disbursement Detail

Sort By: Last Name

THIS DOCUMENT CONTAINS SENSITIVE INFORMATION PROTECTED BY THE PRIVACY ACT  
 \*\*\*\*\*

School Code: Booked Status: Unbooked

End Date: 04/30/2011

Student's Name

PLUS Borrower's Name

Loan ID

Record  
Type

Gross  
Amount

Fee  
Amount

Int Rebate  
Amount

Net  
Amount

Disb #

Seq #

Type

Disb Date

Gross Amount

Net amount

York, Charlotte

222334444S10G09009001

Unbooked

\$350

\$10

\$5

\$345

1

1 D

05/02/2011

\$350

\$345

222334444U10G09009001

Unbooked

\$1,306

\$39

\$20

\$1,287

1

1 D

05/02/2011

\$1,306

\$1,287

Hobbs, Miranda

333445555S10G09009001

Unbooked

\$1,656

\$49

\$25

\$1,632

1

1 D

05/02/2011

\$1,656

\$1,632

Total Booked Loans: 0 \$0  
 Total Unbooked Loans: 3 \$3,312  
 Total Loans: 3 \$3,312  
 Total Disbursements: 3 \$3,312

Total Loan Gross Amount: \$3,312  
 Total Loan Net Amount: \$3,264



START HERE  
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# SAS Alternate Formats: Comma Delimited with Headers

DL\_SAS\_CommaDelimited\_Test\_School\_TG00114 - Microsoft Excel non-commercial use

Home Insert Page Layout Formulas Data Review View

From Access From Web From Text From Other Sources Existing Connections Refresh All Connections Sort & Filter Filter Reapply Advanced Text to Columns Remove Duplicates Data Validation Consolidate What-If Analysis Group Ungroup Subtotal Outline Show Detail Hide Detail

A45 D

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
1	O*N05TG00114	CLS=DSDD11CXXX	BAT=	NCT=000000																		
2	DL HEADER 0500DSD11OPAS1G001142010042918545820100429185458																					
3	U.S. DEPARTMENT OF EDUCATION																					
4	SCHOOL ACCOUNT STATEMENT CASH SUMMARY YTD																					
5	SCHOOL CODE: G00114																					
6	SCHOOL NAME: ANA G. MENDEZ UNIVERSITY SYSTEM																					
																						TOTAL
	<b>BEGINNING CASH BALANCE</b>	<b>CASH RECEIPTS</b>	<b>REFUNDS OF CASH</b>	<b>NET DRAWDOWNS/PAYMENTS</b>	<b>BOOKED DISBURSEMENTS</b>	<b>BOOKED ADJUSTMENTS</b>	<b>TOTAL NET BOOKED DISBURSEMENTS</b>	<b>ENDING CASH BALANCE</b>														
	0	10100	0	10100	900	-50	850	-850														
14	T	AS1G0011420 G00114	4 VA	20110131	20110201	T1	0	0	0	0	0	0	0	0	0	0	0	18954	50	19004	-19004	2
15	U.S. DEPARTMENT OF EDUCATION																					
16	SCHOOL ACCOUNT STATEMENT DISB SUMMARY YTD																					
17	SCHOOL CODE: G00114																					
18	SCHOOL NAME: ANA G. MENDEZ UNIVERSITY SYSTEM																					
		SCHOOL ACCOUNT STATEMENT BATCH IDENTIFIER	SCHOOL CODE	REGION CODE	STATE CODE	END DATE	PROCESS DATE	DISBURSEMENT SUMMARY TYPE	BOOKED GROSS FOR DISBURSEMENT NT	BOOKED FEE	BOOKED INTEREST RATE	BOOKED NET	UNBOOKED GROSS	UNBOOKED FEE	UNBOOKED INTEREST REBATE	UNBOOKED NET	RECORD COUNT SEQUENC E #					
19	STATEMENT RECORD TYPE	AS1G0011420 G00114	G00114	4 VA	20110131	20110201	YS	550	5	5	550	5402	62	41	5381	3						
20	Y	AS1G0011420 G00114	G00114	4 VA	20110131	20110201	YU	301	3	2	300	10750	160	108	10698	4						
21	Y	AS1G0011420 G00114	G00114	4 VA	20110131	20110201	YP	0	0	0	0	3000	120	45	2925	5						
22	Y	AS1G0011420 G00114	G00114	4 VA	20110131	20110201	YT	851	8	7	850	19152	342	194	19004	6						
23	Y																					
24	U.S. DEPARTMENT OF EDUCATION																					
25	SCHOOL ACCOUNT STATEMENT DISB SUMMARY MONTHLY																					
26	SCHOOL CODE: G00114																					
27	SCHOOL NAME: ANA G. MENDEZ UNIVERSITY SYSTEM																					

DL\_SAS\_CommaDelimited\_Test\_Scho

# COD Website



U.S. DEPARTMENT OF EDUCATION  
**COMMON ORIGATION & DISBURSEMENT**



Person
School
Batch
Award
Services
User
Program

▶ **School Search**

▼ **School Information**

- School Summary
- Financial Aid Contact
- Eligibility
- General
- Options
- Funding Info
- Summary Financial Info
- Refunds of Cash
- Cash Activity
- Events
- Memos
- Message List
- Yearly Totals
- Relationships
- Balance Confirmation
- Request Post
- Deadline/Extended Processing
- Correspondence
- Report Selection

## School Summary Financial Information ? HELP

Electronic University

**Summary Financial Information**

Program DIRECT LOAN      Award Year '10-'11

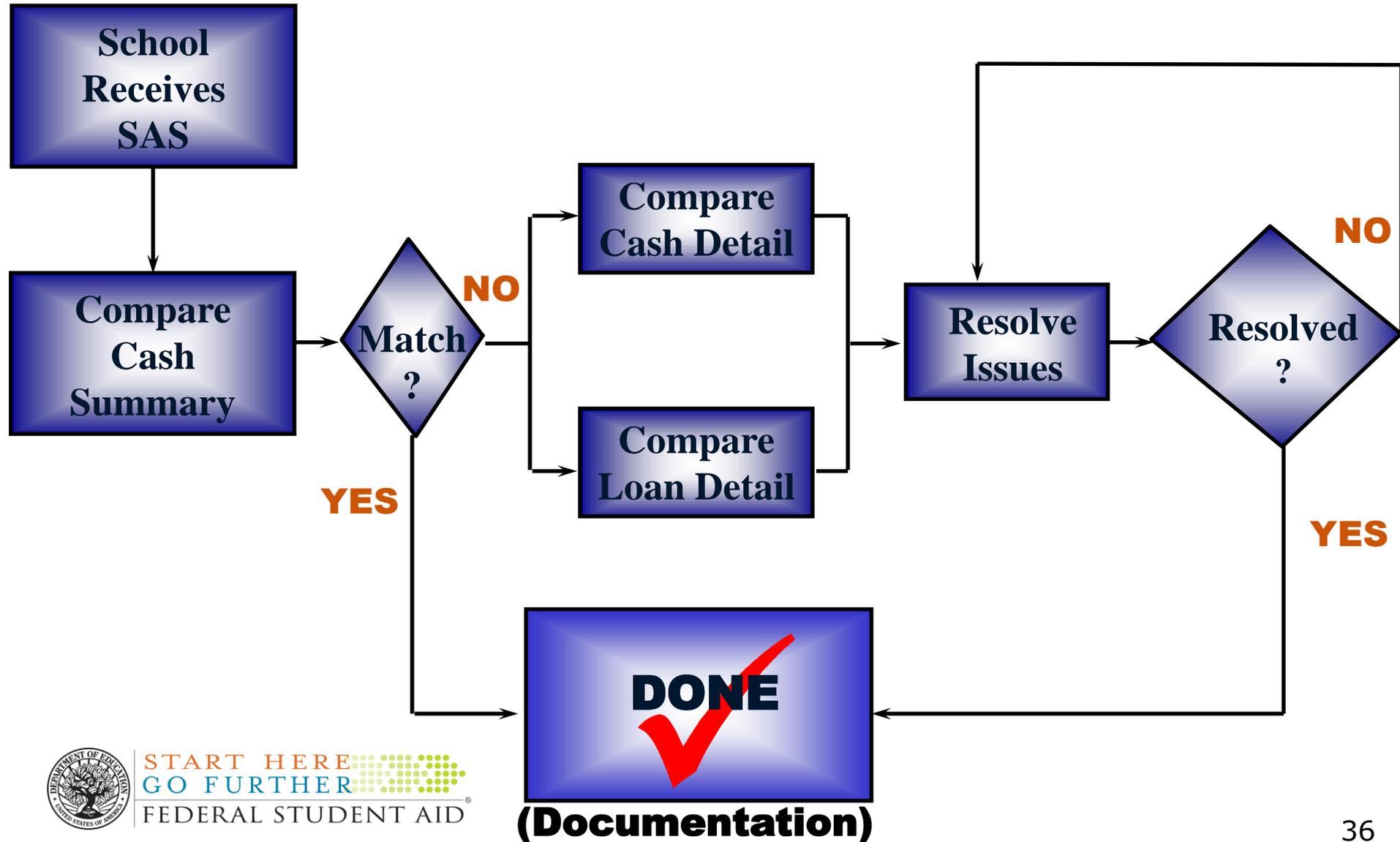
<b>Entity ID</b>		12345678
<b>Beginning Cash Balance</b>		\$0.00
Cash Receipts	\$13,074.00	
Refunds of Cash	(\$2,075.00)	
<b>Net Drawdowns/Payments</b>		\$10,999.00
Booked Disbursements	\$5,721.00	
Booked Adjustments	(\$1,250.00)	
<b>Total Net Booked Disbursements</b>		\$4,471.00
<b>Ending Cash Balance</b>		\$6,528.00
Unbooked Disbursements	\$3,264.00	
Unbooked Adjustments	\$0.00	
<b>Total Net Unbooked Disbursements</b>		\$3,264.00
<b>Cash &gt; Accepted and Posted Disbursements</b>		\$3,264.00



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# Reconciliation: A Process Flow



# Compare School Records to SAS Cash Summary

Month Ending 4/30/2010

	SCHOOL'S FINAID SYSTEM:		COD SCHOOL ACCT STATEMENT (SAS):		DIFFERENCE:	
Beginning Balance		\$0		\$0		\$0
Cash Receipts	\$13,074		\$13,074		\$0	
Refunds of Cash	(\$2,075)		(\$1,350)		(\$725)	←
Net Drawdowns/Payments		\$10,999		\$11,724		(\$725)
Booked Disbursements	\$5,721		\$5,721		\$0	
Booked Adjustments	\$0		(\$1,250)		\$1,250	←
Total Net Booked Disbs		\$5,721		\$4,471		\$1,250
<b>Ending Cash Balance</b>		<b>\$5,278</b>		<b>\$7,253</b>		<b>(\$1,975)</b>
Unbooked Disbursements	\$4,126		\$3,264		\$862	←
Unbooked Adjustments	\$0		\$0		\$0	
Total Net Unbooked Disbs		\$4,126		\$3,264		\$862
<b>Cash &gt; Net Accepted and Posted Disbs</b>		<b>\$1,152</b>		<b>\$3,989</b>		<b>(\$2,837)</b>



# Cash Discrepancies: Common Causes

- Timing issues
- Cash transactions in wrong year or split between years
- Funds sent as refunds of cash that should have been a payment (or reverse)
- Funds recycled for disbursement in a different award year

# Cash Discrepancies: Research Tools

- SAS Cash Detail
- Cash Detail Comparison Report
- Cash Management Tool (DL Tools)
- COD website
- Business Office Cash Report
- Bank Statements
- Cancelled Checks



# Disbursement Discrepancies: Common Causes

- Unsent/unacknowledged disbursement batches
- Rejected disbursements
- Disbursements recorded in Business Office – not in Financial Aid system
- Unbooked records
- School data loss



# Disbursement Discrepancies: Research Tools

- Disbursement Detail Comparison Report
- Financial Aid Office Disbursement Report
- Business Office Disbursement Report
- SAS Disbursement Detail
- COD website – Award/Disbursement Detail
- Student Account Files
- Business Office Ledgers/Statements of Account

# Perform Internal Reconciliation

## Internal Reconciliation at School As of 4/30/2010

BOOKED & UNBOOKED	SCHOOL'S BUSINESS OFFICE:		SCHOOL'S FINAID SYSTEM:		DIFFERENCE:	
Beginning Balance		\$0		\$0		\$0
Cash Receipts	\$13,074		\$13,074		\$0	
Refunds of Cash	(\$2,075)		(\$2,075)		\$0	
Net Drawdowns/Payments		\$10,999		\$10,999		\$0
Disbursements	\$12,249		\$9,847		\$2,402	
Adjustments	(\$1,250)		\$0		(\$1,250)	
Total Disbursed		\$10,999		\$9,847		\$1,152
<b>Ending Cash Balance</b>		<b>\$0</b>		<b>\$1,152</b>		<b>(\$1,152)</b>



# Internal Discrepancies: Examples

- Disbursements credited in Business Office – not in Financial Aid system
  - Disbursement Release Indicator not set to True
- Return of Title IV Aid Calculations recorded by FAO, not recorded in Business Office



# Explaining Reasons for ECB

School Finaid System to COD School Account Statement Reconciliation Report  
As of Date: 4/30/2010

YTD For Month Ending: 4/30/2010

	School's Finaid System:	COD School Acct. Statement (SAS)	Difference
Beginning Balance	\$0	\$0	\$0
Cash Receipts	\$13,074	\$13,074	\$0
Refunds of Cash	(\$2,075)	(\$1,350)	(\$725)
Net Drawdowns/ Payments	\$10,999	\$11,724	(\$725)
Booked Disbursements	\$5,721	\$5,721	\$0
Booked Adjustments	\$0	(\$1,250)	\$1,250
Total Net Booked Disbs	\$5,721	\$4,471	\$1,250
Ending Cash Balance	\$5,278	\$7,253	(\$1,975)
Unbooked Disbursements	\$4,126	\$3,264	\$862
Unbooked Adjustments	\$0	\$0	\$0
Total Net Unbooked Disbs	\$4,126	\$3,264	\$862
Cash>Net Accepted and Posted Disbs	\$1,152	\$3,989	(\$2,837)

**ECB \$7253**

**Why?**

- Timing Diff
- Disb Not Sent/Not Accepted at COD
- Unbooked
- Data Missing Between Bus Ofc and FinAid Ofc

# How Do I Know I Am Finished?

- All discrepancies have been identified and resolved
- Timing issues are tracked for reconciliation in next month's SAS
- Reasons for any Ending Cash Balance have been identified
- All monthly reconciliation efforts have been documented



# Documentation Requirements

- Documentation should show:
  - Reconciliation performed at least monthly
  - Any issues identified and resolved
  - Reasons for Ending Cash Balance
- Format is at school discretion

# Sample Documentation

## School Finaid System to COD School Account Statement Reconciliation Report

As of Date: 4/30/2010

YTD For Month Ending: 4/30/2010

	School's Finaid System:	COD School Acct. Statement (SAS)	Difference	Explain Differences &/OR Reasons for ECB
Beginning Balance	\$0	\$0	\$0	
Cash Receipts	\$13,074	\$13,074	\$0	
Refunds of Cash	(\$2,075)	(\$1,350)	(\$725)	Entered Refund of Cash on 4/29/10 for \$725 on G5. Process on COD 5/1/10
Net Drawdowns/ Payments	\$10,999	\$11,724	(\$725)	
Booked Disbursements	\$5,721	\$5,721	\$0	
Booked Adjustments	\$0	(\$1,250)	\$1,250	(\$1250) in adjustments done via COD web, not entered in school database.
Total Net Booked Disbs	\$5,721	\$4,471	\$1,250	
Ending Cash Balance	\$5,278	\$7,253	(\$1,975)	Differences in ECB explained by issues listed above. SAS ECB due to \$725 RF timing issue, 1 disb of \$862 not sent to COD, disbs needing to book, on COD for \$3264, and \$2402 in disbs dtd 3/5/10 credited in BusOfc but not entered in EDEExpress or sent to COD
<b>Explain Differences &amp;/OR Reasons for Unbooked</b>				
Unbooked Disbursements	\$4,126	\$3,264	\$862	Need send \$862 Disb for Jesse James' Sub to COD
Unbooked Adjustments	\$0	\$0	\$0	
Total Net Unbooked Disbs	\$4,126	\$3,264	\$862	Difference in Unbooked explained by issue listed above. \$3264 Future Dated Unbooked.
<b>Explain Differences &amp;/OR Reasons for Cash&gt; NAPD</b>				
Cash>Net Accepted and Posted Disbs	\$1,152	\$3,989	(\$2,837)	Difference in Cash>NAPD explained by issues listed above: (\$1975)-\$862=(\$2837) SAS Cash>NAPD explained by issues listed above (\$725+\$862+\$2402=\$3989).

# Sample Documentation

## Monthly Reconciliation Action Items

**Month Ending: 4/30/2010**

**Program Year: 2010-2011**

No	Action Item	Date Due	Date Completed
1.	Track refund of cash timing difference of \$725 for May SAS Recon. Refund made on 4/29/2010, processed 5/1/2010.	6/05/2010	
2.	Record (\$1250) Adjustments on EDEXpress for Bradshaw PLUS Loan.	5/06/2010	
3.	Send \$862 Disbs for Jesse James to COD. Ensure disbursements are accepted and booked.	5/06/2010	
4.	Verify \$3264 future-dated disbursements book on COD.	5/11/2010	
5.	Post 5/5 Disbursements totaling \$2402 in EDEXpress. Batch and Send to COD.	5/11/2010	

# Program Year Closeout



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# Program Year Closeout

- Should begin as soon as final disbursements are made
- Should be one final month of reconciliation
- Must resolve any remaining Ending Cash Balance



# Closeout Correspondence

- Electronic Announcements
- System Generated Letters (e-mail)
  - Zero Balance Letter/Remaining Balance Letter
    - Monthly notification of balances
  - Notification Warning Letter
    - 90-Day notification of Program Year Closeout Deadline



# Closeout Correspondence

- System Generated Letters (cont.)
  - Program Year Closeout Letter
    - Notification that school has successfully confirmed closeout
  - Change in Zero Balance Letter
    - Notification that balance has changed after school confirms closeout



# Closeout Correspondence

- Additional Correspondence
  - Final Demand Letter
  - Negative Balance Letter

# COD Closeout Functionality

- School Correspondence Screen
- Balance Confirmation Screen

# School Correspondence Screen



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COMMON ORIGATION & DISBURSEMENT



Person **School** Batch Award Services User Program

▶ **School Search**

## School Correspondence

? HELP

▼ **School Information**

- School Summary
- Financial Aid Contact
- Eligibility
- General
- Options
- Funding Info
- Summary Financial Info
- Refunds of Cash
- Cash Activity
- Request CFL Reduction
- Events
- Memos
- Message List
- Yearly Totals
- Relationships
- Balance Confirmation
- Request Post
- Deadline/Extended
- Processing
- Correspondence
- Report Selection

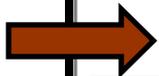


### Program Year Closeout Letter

Request Date/Time	Award Year	Requested By	Status	Number of Reprints	Last Reprint Date/Time	Re-Request	View
08/19/2009 00:58:02	'08-'09	DLCLOSE	PRNT	0		<input type="checkbox"/>	<input type="radio"/>
08/19/2009 00:58:01	'08-'09	DLCLOSE	PRNT	0		<input type="checkbox"/>	<input type="radio"/>
12/15/2008 08:09:48	'07-'08	DLCLOSE	PRNT	0		<input type="checkbox"/>	<input type="radio"/>
12/15/2008 08:09:47	'07-'08	DLCLOSE	PRNT	0		<input type="checkbox"/>	<input type="radio"/>
11/15/2007 03:15:09	'06-'07	DLCLOSE	PRNT	0		<input type="checkbox"/>	<input type="radio"/>
11/15/2007 03:15:08	'06-'07	DLCLOSE	PRNT	0		<input type="checkbox"/>	<input type="radio"/>

### Zero Balance Confirmation Letter

Request Date/Time	Award Year	Requested By	Status	Number of Reprints	Last Reprint Date/Time	Re-Request	View
10/13/2010 02:00:31	'09-'10	DLCLOSE	PRNT	0		<input type="checkbox"/>	<input type="radio"/>
08/13/2010 00:53:28	'09-'10	DLCLOSE	PRNT	0		<input type="checkbox"/>	<input type="radio"/>



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# School Correspondence

School Correspondence Letter

 HELP

## Zero Balance Confirmation Letter

DEAR FINANCIAL AID DIRECTOR:

THE DIRECT LOAN CLOSEOUT DATE FOR THE 2009-2010 PROGRAM YEAR IS JULY 29, 2011 . AS OF THE DATE OF YOUR LAST SCHOOL ACCOUNT STATEMENT (SAS) 09/30/2010 , OUR RECORDS INDICATE THAT YOUR SCHOOL'S BALANCE FOR THE 2009-2010 AWARD YEAR IS:

TOTAL NET DRAWDOWNS/PAYMENTS: \$727,458.00

TOTAL NET BOOKED DISBURSEMENTS: \$727,458.00

ENDING CASH BALANCE: \$0.00

TOTAL NET UNBOOKED DISBURSEMENTS: \$0.00

WE HAVE ALSO OBTAINED THE FOLLOWING INFORMATION FROM 2009-2010 LOAN ORIGINATION RECORDS SUBMITTED BY YOUR SCHOOL, AS OF OCTOBER 12, 2010 :

LATEST REPORTED DIRECT LOAN AWARD (LOAN PERIOD) END DATE: 06/30/2010

YOUR SCHOOL IS AT LEAST 104 DAYS PAST YOUR LATEST REPORTED DIRECT LOAN AWARD (LOAN PERIOD) END DATE, AND SHOULD BE COMPLETING THE CLOSEOUT PROCESS AT THIS TIME. PLEASE FOLLOW THE INSTRUCTIONS BELOW TO COMPLETE THIS PROCESS.



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# Balance Confirmation Screen



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▶ **School Search**

▼ **School Information**

- School Summary
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## School Balance Confirmation ? HELP

Program

DIRECT LOAN ▼

Award Year

'09-'10 ▼

The main purpose of this screen is to allow you to submit your confirmation and to enter the School Ending Cash Balance and the End Date of the School Balance.

Current Program Year Close Data	
Today's Date	10/25/2010
Net Drawdowns/Payments	\$133,810,716.00
Total Net Booked Disbursements	\$133,915,199.00
Current Ending Cash Balance	(\$104,483.00)
Total Net Unbooked Disbursements	\$0.00
Latest Award End Date	08/06/2010

Days past the Latest Reported Award End Date: 080

Balance Confirmation Form



# Balance Confirmation Screen

Last SAS Ending Cash Balance	(\$104,483.00)
Last SAS Date	09/30/2010
School Ending Cash Balance	<input type="text"/>
End Date of School Balance	<input type="text"/> <input type="text"/> <input type="text"/>

I am certifying that my school's internal cash balance is \$0 for the Award Year referenced above. This is in agreement with the Department's official ending cash balance reflected in my school's most recent SAS report. My school has no outstanding issues for this program year. I understand that by submitting this request I authorize the Department of Education to take the following actions for the Award Year listed above:

1. The Department will send a closeout letter to my school.
2. COD will stop processing or accepting any data without Department review and approval.
3. The Department will reduce our school's Cash Funding Level (CFL) to Total Net Cash (Cash Receipts - Refunded Cash).
4. The SAS and other reports for this award year will no longer be sent unless our balance changes.

I understand that these measures are being taken to protect my school from further changes to my Ending Cash Balance. If I should need to submit data for this year at a future time, I will contact the COD Customer Service Center at 1-800-848-0978.

To Submit this form, please click either button:

I Agree or I Disagree

I AGREE

I DISAGREE

Oct 25 2010 18:36 EDT

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# What Happens Next?

- After successfully confirming closeout, COD will:
  - Generate a Program Year Closeout Letter
  - Reduce Funding to Net Drawdowns/Payments
  - Reject additional data for the program/award year



# What if I need to process more data?

- Extended processing is available on a limited basis for authorized reasons:
  - Contact COD School Relations at 800-848-0978 or [CODSupport@acs-inc.com](mailto:CODSupport@acs-inc.com)

# Additional Information



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# Reference Materials

- **Direct Loan School Guide**,  
Chapter 6
- **FSA Handbook**, Volume 4
- **COD Technical Reference**
  - Volume 4, DL Tools
  - Volume 6, Section 8 (Reports)



# Resources

- COD Resources and Tools
  - COD Customer Service:  
**1-800-848-0978**
    - Issue identification and resolution
    - School monitoring e-mails
    - Adhoc reports
  - COD website, <https://cod.ed.gov>



# Contact Information

We appreciate your feedback and comments. We can be reached at:

- [allison.richards@ed.gov](mailto:allison.richards@ed.gov)
- [tracy.lardinois@ed.gov](mailto:tracy.lardinois@ed.gov)
- [ron.ackermann@ed.gov](mailto:ron.ackermann@ed.gov)