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Completing the FISAP

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OBJECTIVES

By the end of this session, you will be able to:

- ◆ understand how to report fiscal operations for campus-based programs and
- ◆ complete Parts III through VI of the FISAP.

RESOURCES

- ◆ *The Blue Book*, Chapter 5—Accounting Procedures for Title IV Programs
- ◆ *The Blue Book*, Chapter 6—Title IV Reporting, NSLDS, Audit, Program Review, and Guaranty Agency Procedures
- ◆ *The Fiscal Operations Report and Application to Participate (FISAP) Instructions Booklet*

A. COMPLETING THE FISAP

1. Part III: Federal Perkins Loan Program



Part III: Federal Perkins Loan

Part III must be completed if:

- ◆ a school is a continuing participant in the Federal Perkins Loan Program,
- ◆ a school is liquidating its Federal Perkins Loan fund,
- ◆ a school did not receive an FCC for the previous award year, but made loans from its fund, or
- ◆ a school received Federal Perkins Loan funds for the first time in the previous award year.

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- A school will need its Federal Perkins Loan Program subsidiary account ledgers to complete Part III.



**Part III: Federal Perkins Loan
(cont'd)**

If a school contracts with a third-party servicer to collect and manage its Federal Perkins Loan fund:

- ◆ the school is responsible for the accuracy of the information reported to it by the third-party servicer and
- ◆ the school should check its Federal Perkins Loan fund accounts and student records against the fiscal reports provided by the third-party servicer.

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Notes

a. Section A: Cumulative Fiscal Report



**Part III, Section A:
Cumulative Fiscal Report**

Section A is:

- ◆ a historical report of a school's Federal Perkins Loan fund activity from the inception of the program at the school through June 30 of the most recent award year and
- ◆ a balance sheet for a school's Federal Perkins Loan fund that must balance.

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- Schools that close the amounts in each of the income and expense accounts to the fund balance each fiscal year will need to maintain a separate record of the cumulative income and expenses since the inception of the program at their schools to prepare this section.
- New fields 17 and 38 collect data on loans canceled at closed schools.
- Section A asks for an unduplicated, cumulative count of borrowers in the category represented by the field item.

b. Section B: Annual Fund Activity



Part III, Section B: Annual Fund Activity

- ◆ Field 1: A school reports its final adjusted FCC.
- ◆ Field 2: A school reports FCC transferred to and spent in the FSEOG Program and FWS Program.
- ◆ Field 3: A school reports the amount of final adjusted FCC for the previous award year not requested from GAPS by the end of the year.

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Notes

The final adjusted FCC authorization is calculated as follows:

$$\begin{array}{r} \text{FCC authorization in original} \\ \text{allocation letter} \\ \textit{plus} \quad \text{any supplemental allocation} \\ \textit{minus} \quad \text{any allocation amounts released} \\ \hline \textit{equals} \quad \text{final adjusted FCC authorization} \end{array}$$



Part III, Section B: Annual Fund Activity (cont'd)

- ◆ Field 4: A school reports the amount of institutional capital contribution (ICC) deposited into its Federal Perkins Loan fund for the previous award year.
- ◆ Field 5: A school reports the amount of loans advanced to students in the Federal Perkins Loan fund during the previous award year.
- ◆ Field 6: A school reports the administrative cost allowance (ACA) only if the school advanced funds from the program during the previous award year.

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Part III, Section B: Annual Fund Activity (cont'd)

Field 7: A school reports the total amount of principal and interest repaid by borrowers from all sources during the previous award year, as well as an unduplicated count of borrowers.

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REPORTING TOTAL AMOUNT REPAID BY BORROWERS

Total dollar amount repaid includes:	<ul style="list-style-type: none"> ◆ all amounts received as payments against borrowers' loans, regardless of the source of payment ◆ any portion of a payment kept by a collection agency ◆ penalty charges or late fees collected and deposited into the school's Federal Perkins Loan fund
Total dollar amount repaid does not include:	<ul style="list-style-type: none"> ◆ collection-firm charges due as collection costs that are over and above the amount of principal and interest collected ◆ interest received from any investments



Part III, Section B: Annual Fund Activity (cont'd)

- ◆ Field 8: A school is required to report the name, title, and office telephone number of the school loan officer responsible for Federal Perkins Loan collections if this is a person other than the financial aid administrator or fiscal officer who signs the FISAP.

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- The field requesting the name and address of billing agents has been eliminated.

c. Section C: Cumulative Repayment Information

Notes _____



**Part III, Section C:
Cumulative Repayment
Information**

In Section C, a school analyzes the repayment status of all of its Federal Perkins Loan borrowers as of the end of the previous award year.

- ◆ It collects information on the number of borrowers in various repayment categories, their amount lent, and principal amount outstanding.
- ◆ A school counts the number of actual borrowers, not the number of loans made.

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**Part III, Section C:
Cumulative Repayment
Information (cont'd)**

- ◆ Fields 1.1 and 1.2: A school reports borrowers whose loans are fully retired and those loans purchased by the school.
- ◆ Field 2: A school reports on borrowers whose loans were assigned and officially accepted by ED as of the end of the previous award year.

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**Part III, Section C:
Cumulative Repayment
Information (cont'd)**

- ◆ Field 3: A school reports the total number of borrowers not in repayment status.

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- This includes borrowers:
 - attending the school that made the loans,
 - attending other schools under an authorized in-school deferment, and
 - whose loans are in an initial or post-deferment grace period or whose grace periods have expired.



**Part III, Section C:
Cumulative Repayment
Information (cont'd)**

- ◆ Fields 5.1 through 5.4: A school reports information on defaulted borrowers whose loan payments are due monthly or less frequently.

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d. Section D: Cohort Default Rate—Institutions With 30 or More Borrowers Who Entered Repayment

Notes



Part III, Section D: Cohort Default Rate

A borrower enters repayment the day after an initial grace period ends or the day the borrower waives the initial grace period.

- ◆ The start date of the repayment period does not change if a deferment or cancellation is granted after the borrower enters repayment.

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Part III, Section D: Cohort Default Rate (cont'd)

- ◆ A loan is in default if a borrower fails to make a scheduled installment payment on time or fails to comply with other terms of the signed promissory note.
- ◆ A loan is also in default if, in order to avoid default, payment is made by the school, its owner, an agency, a contractor, an employee, or any other individual affiliated with the school.

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Part III, Section D: Cohort Default Rate (cont'd)

- ♦ For the purpose of calculating a cohort default rate, default occurs when a payment is not made for:
 - ▲ 240 days for loans repaid in monthly installments and 270 days for other loans.

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- Beginning with the 2000-01 award year, schools must select “Yes” or “No” if they had less than 30 borrowers who entered repayment in the 1997-98 award year. Selecting “Yes” or “No” will automatically deactivate either Section D or Section E in the FISAP software.



Part III, Section D: Institutions With 30 or More Borrowers Who Entered Repayment

Completed by a school that has 30 or more borrowers who entered repayment the previous award year.

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