

I. INTRODUCTION

This guide will assist financial aid administrators (FAAs) in interpreting student information from an Institutional Student Information Record (ISIR), which is an electronic record that is sent to the institution. The term ISIR refers to all processed student information records that are sent electronically directly to institutions by the Central Processing System (CPS).

A Student Aid Report (SAR) is the paper output document that is sent to the student. SARs and ISIRs contain the same processed student information in different formats. The SAR has been extensively redesigned for 2001-2002 to make it easier for students and parents to understand. The new SAR is explained in detail in Appendix D of this guide.

ISIRs are records sent to an institution through the Electronic Data Exchange (EDE), the Department's electronic service that allows institutions to send and receive electronic data to and from the CPS and other SFA systems. Drafts of the 2001-2002 ISIR record layout for institutions and state agencies have been provided at conferences beginning in July 2000, and can be downloaded from IFAP in portable document format at: <http://ifap.ed.gov>

This *ISIR Guide* explains codes and flags that appear as FAA information on the ISIR.

Although the changes to the design and data elements on the 2001-2002 Free Application for Federal Student Aid (FAFSA) have required corresponding changes to the ISIR, we made very few changes to the 2001-2002 application processing system. Information about these system changes and enhancements are described in Action Letter #4, GEN 00-22.

Processing Flow

The flow of information through the system remains basically the same in 2001-2002 as in 2000-2001.

The student starts the process by filling out a FAFSA, and this information is "processed" through the CPS and returned to the student and institution. The application information can be submitted on paper, electronically at the school through the Title IV Wide Area Network (TIV WAN), through FAFSA Express, or using FAFSA on the Web or Renewal FAFSA on the Web.

The charts on pages 5 and 6 show how information about a financial aid applicant flows through the system for the various types of applications and corrections. The major participants and documents or records in the application process are:

- 1) The U.S. Department of Education (ED).
- 2) The student who may apply for federal student aid under the Title IV programs—Federal Pell Grant, Federal SEOG, Federal Work-Study, Federal Perkins Loans, the Federal Family Education Loan Program, and the William D. Ford Federal Direct Loan Program.
- 3) The financial aid application. There are different applications available that the student must complete and submit in order to apply for federal student aid. These include the paper Free Application for Federal Student Aid (FAFSA), the paper Renewal FAFSA, FAFSA Express, the electronic FAFSA or Renewal FAFSA through EDEExpress, FAFSA on the Web, or Renewal FAFSA on the Web.
- 4) The FAFSA Processor. One organization will serve as the data entry processor for the 2001-2002 processing year under contract with ED. The FAFSA processor receives applications in the mail, performs document analysis to check that data are acceptable, and handles missing or unacceptable responses. The processor images the

application, enters the information from the application, and transmits it electronically to the CPS.

- 5) The Central Processing System (CPS). The CPS operates under a contract with ED to receive and process application information. The CPS matches student records with other databases to check eligibility. The CPS also applies a series of "compute edits" to the application information to check for inconsistencies, contradictions, and missing information. During the compute process, the CPS uses the need analysis formula specified in the law to calculate each applicant's Expected Family Contribution (EFC).
- 6) The Institutional Student Information Record (ISIR). ISIRs are electronic records that are produced by the CPS and provide schools with processed application information. ISIRs are transmitted electronically to destination points (schools, servicers, and State agencies) daily through EDE.
- 7) The Student Aid Report (SAR) and the SAR Information Acknowledgement. These paper documents provide the student with processed application information. The CPS prints these forms and mails them directly to the address the student provided.
- 8) The School. School refers to each postsecondary educational institution that the student listed on the financial aid application. The financial aid administrator (FAA) at the school will use the processed information from the ISIR (or SAR) to determine what federal aid the student is eligible to receive. Schools and states may also use information from the ISIR (or SAR) to award their own financial aid.

Transactions

A "transaction" is an interaction between the CPS and the financial aid applicant, or the

school acting on behalf of the applicant, that changes any of the data on the applicant's record. Each transaction results in a new ISIR and SAR, and is identified by transaction number (i.e., 01, 02, 03). A transaction may sometimes be "system generated." For example, when a student's eligibility for federal student aid changes on the National Student Loan Data System (NSLDS), the CPS will automatically reprocess the application information and generate a new transaction without additional input from the student or from a school. These system-generated transactions will be sent to the school in a separate electronic message class.

The transactions discussed here will be those where there has been interaction between the student and the system, or the school and the system. When application data for an award year first enter the CPS and are processed, the report that results is called the "01" transaction. The student receives a SAR or SAR Information Acknowledgement and the listed schools receive ISIRs. If corrections are necessary, the student makes these changes on the SAR, returns the SAR to the FAFSA Processor, and the information is reprocessed. Alternatively, the student can make the corrections electronically through Corrections on the Web, or a school can enter corrections electronically through EDExpress, even if the school did not submit the original application electronically. The corrections generate a new record that is identified as an "02" transaction. This second type of transaction is called a "correction," although the term also is used to refer to the updating of information.

To create a correction transaction, a change must be made to at least one data element. The change can be anything, even an address correction or the addition or change of a school. The first correction is labeled "02," and subsequent corrections are labeled "03," "04," and so forth. Identifying the correct transaction is important when reporting Pell Grant payments

and when requesting duplicate ISIRs or SARs. A duplicate will always be generated from the most recent transaction (the one with the highest transaction number) unless another, earlier transaction is specified.

For 2001-2002, the maximum number of transactions that an applicant may have is 40; when a student has corrected or updated information more than 20 times, the student will receive SAR comment 106, advising him or her to seek assistance from the financial aid administrator.

Highlights and Assumptions

Paper System Highlights and Assumptions

Students are instructed to review information on the SAR carefully for accuracy. Items requiring special attention are “highlighted” by printing them in boldface type. Both the student and FAA need to pay careful attention to questions and responses that are highlighted.

During the edit process, the CPS applies logic in comparing two or more pieces of information provided by the student. The CPS highlights information that is conflicting, missing, or contradictory. Items that are questioned are highlighted on the SAR.

In certain instances the application is rejected because of a conflict—for example, the student answered that he or she is not married but provides financial information for a spouse. The CPS will reject this application (Reject 11) and print the questioned items in boldface type on the SAR. The CPS will not calculate an EFC, because key financial information is conflicting.

In other situations, the CPS makes an “assumption” and does not reject the student’s record. For example, a student reports that he/she is married and provides spouse’s income, but

reports only one person in the household. In this case, the CPS assumes there are two persons in the household, highlights both questions and responses on the SAR, and calculates an EFC if the record is not rejected for other reasons. Both the reported and the assumed values are printed, with the word “ASSUMED” in parentheses next to the assumed response that was used in the EFC calculation.

Assumptions are most often made by the CPS when questions are left blank. Once an answer is assumed, the assumed information is used throughout all the subsequent edits and in the EFC calculation.

If the CPS makes an assumption, but then rejects the record for other reasons, an EFC is not calculated and the assumed values are not used. In this situation, the student receives a SAR with arrows printed next to the questionable line items. The student is required to correct them.

Electronic System Highlights and Assumptions

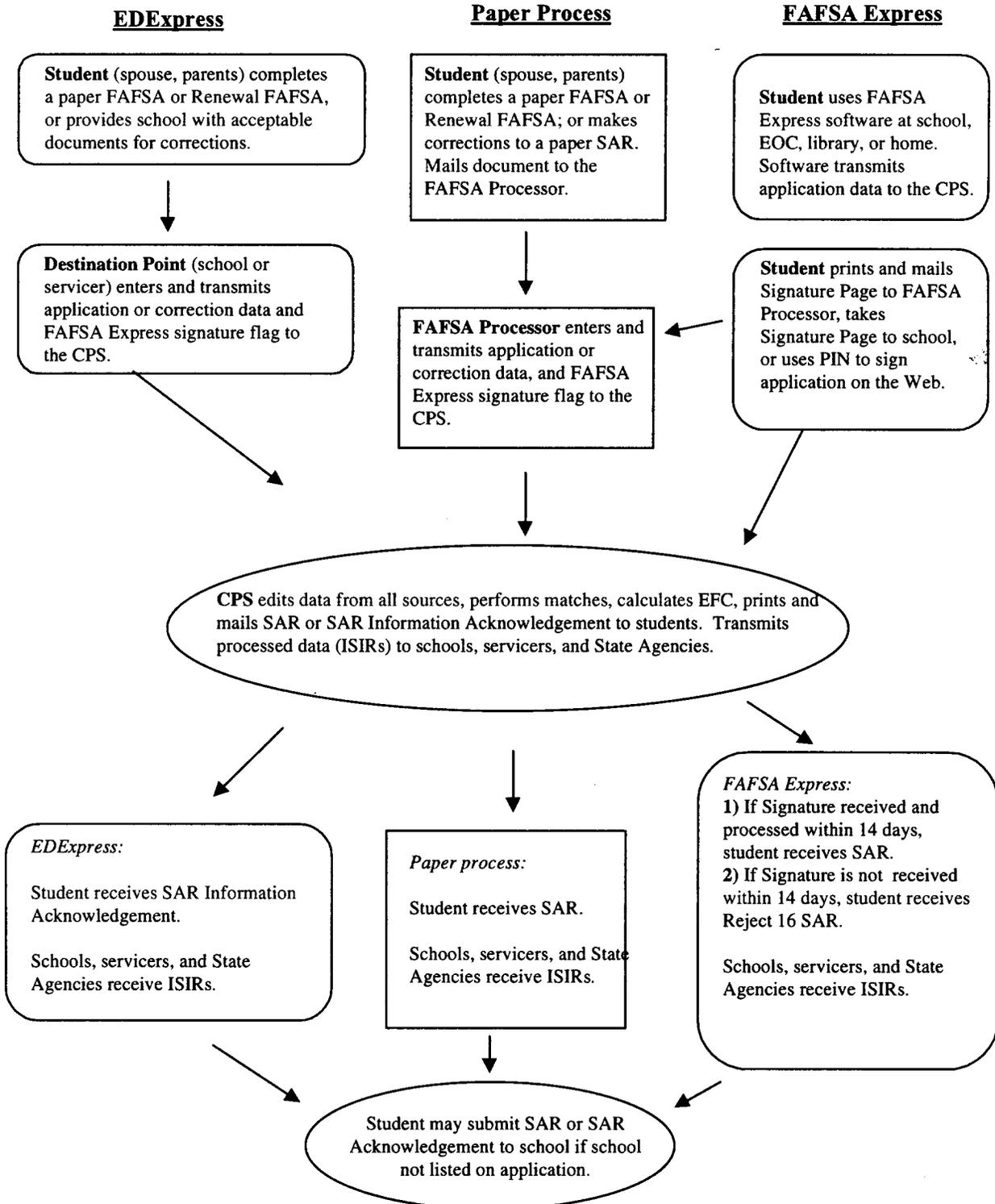
All application software that is used to submit application data contains certain edits that prompt users to resolve inconsistencies before sending the information to the CPS. These edits are contained in the EDEXpress, FAFSA Express, FAFSA on the Web, Renewal FAFSA on the Web, and Corrections on the Web applications. When inconsistencies or missing data would cause the record to be rejected at the CPS, the software does not allow the record to be completed or transmitted until information is changed or added. However, when these inconsistencies would cause an assumption, the user is prompted to review and change the data, but will be allowed to transmit the record even if a change is not made. The ISIR that a school receives will include a flag for each highlighted field and will set an “h”, for highlight, next to the items on which assumptions were made on the printed ISIR.

In the EDEExpress software, an FAA can override certain assumptions that would be made at the CPS. When an FAA sets an override code on an electronic application, the CPS accepts the data as reported and does not make an assumption about that item. For example, if a student indicates more than six family members are attending college, the CPS would assume “one” person in college during processing. If, in fact, there are more than six family members attending college, the FAA can eliminate the need for a correction by setting the appropriate override flag in the EDEExpress software.

In addition, EDEExpress allows the FAA to override certain “verifiable rejects” by setting a reject override flag before transmitting the student’s application. For example, a student may have an unusually large number of family members. If the FAA sets the appropriate override flag before sending the student’s record, the student’s record will not be rejected.

Students who are using FAFSA Express, FAFSA on the Web, or Renewal FAFSA on the Web will be able to set the assumption and reject overrides described above by confirming the data that they have entered.

2001-2002 Federal Application Processing System Paper and Electronic (Non-Web) Processes



2001-2002 Federal Application Processing System Web Process

FAFSA on the Web

Student (spouse, parents) completes the application on-line, transmits the data directly to the CPS. Student (and parent) must provide electronic signature or send paper signature to the FAFSA Processor to complete the process.

Renewal FAFSA/Corrections on the Web

Student applies for PIN at the FAFSA on the Web address (student must reside at address in CPS database). Student receives by mail (7 to 10 days later) a security envelope containing PIN. PIN from prior year can also be used. PINs will automatically be sent to previous Web filers and graduate students.

Student accesses Renewal FAFSA or Corrections on the Web, with PIN. Student updates/completes the application on-line.

Dependent Student: Transmits data to the CPS. PIN serves as electronic signature for student. Paper signature still available to parents.

Independent Student: Transmits data to the CPS. PIN serves as electronic signature.

FAFSA Processor receives Signature from students using FAFSA on the Web, and from dependent students using Renewal FAFSA or Corrections on the Web. Processor enters and transmits signature flag to the CPS.

CPS receives Web transmissions, edits data, performs matches, calculates EFC, prints and mails SAR Acknowledgment if all signatures have been received, or SAR if rejected for missing signatures. Transmits processed data (ISIRs) to schools, servicers, and state agencies.

FAFSA on the Web:

- 1) If Signature Page received and processed within 14 days, student receives SAR Acknowledgment.
- 2) If Signature Page not received within 14 days, student receives Rejected SAR.

Schools, servicers, and state agencies receive ISIRs.

Renewal FAFSA/Corrections on the Web:

- 1) Independent student receives SAR Acknowledgment.
- 2) If Signature received and processed within 14 days, dependent student receives SAR Acknowledgment.
- 3) If Signature not received within 14 days, dependent student receives Rejected SAR (for parent signature).

Schools, servicers, and state agencies receive ISIRs.