

Male:

Like I mentioned, I am with the Onboarding Team. I was hired with the Department of Education, in 1995, and we were working when the Direct Loan Program first began there, helping those initial schools come into the program. My specialization is Reconciliation. I've helped schools reconcile in program year close out 15 years now, and I've been assigned different types of schools, not just the ones in the Seattle Regional Area but new schools, particularly new to Title 4, multi-campus school, and Puerto Rico schools I've helped a great deal as well. With me from Vangent, is Sally Owens. Sally had I have worked together for many years.

She was hired in 1999, and, initially, was with Technical Support for ED Express, and Direct Loan Tools. She moved into Program Management and Testing, and she also works in the SAIG Enrollment, so Sally is a great resource to have and – and knows this software very well. She has 15 years of Financial Aid experience, including working in a Financial Aid office at a university. I live on Bashan Island, Washington, Sally lives in Cedar Rapids, Iowa. This is the second session.

We'll have one more tomorrow, same time, same place. If you attended the Hands-On ED Express Suite, or EDE Suite Hands-On, there was a module and that Hands On for Direct Loan Tools, so if you've already attended, and you're coming here, this will be a good compliment to that, and if you haven't, the basics of what the software is, what it means, how to get it to your school, and set it up, and then go on over to Hands On exercise, that direction works very well, also. Okay, so the agenda. I'm gonna talk about why you would want to use Direct Loan Tools, how we install it, some of the COD set-ups, and just a brief, a few set-ups there are in the Direct Loan Tools software itself. It's not a major software product.

It's pretty small, succinct. It's easy to set it up, and it's easy to start working it, so don't think you're gonna have to spend days and weeks trying to figure out what it all means and gettin' it going. I talk about reconciliation and particularly how that blends in nicely with the Direct Loan Tools software, and then it has other functions other than Reconciliation, and I'll briefly touch on how you can rebuild a lost database, how you can use a Disbursement Measurement Tool Report, which helps you monitor your Direct Loan processing efficiency, and they will provide some assistance, some contact information. I can handle questions, as we go along. You just have to go to the microphone because the vast majority of

you are way down on that side of the room and I couldn't hear ya otherwise.

Also if you'd like to, if you feel more comfortable at the end, comin' up, then we'll just be here, and wait until we're kicked by the next session but we'll answer as many questions as we can, and, if we have to, we can move out to the hallway and finish answering questions there, so don't forget Hands On exercises if you haven't gone to that yet, and they have had room in the sessions I've been in for people to go in there and work the computers. Okay so why would you wanna use Direct Loan Tools? Well, first of all, it's a free software and it is entirely optional whether you want to use that software or not. What isn't optional is that you have to perform Direct Loan Reconciliation. If you have some other software product, if one of these vendor products is coming out, and I think some of them are looking into it, with some kind of a compare functionality where it will look at information that we have, which is COD and the School Accounts Statement and it can compare that any that you have in your system, then you probably wouldn't even need to use Direct Loan Tools but if you don't have that functionality in some other software product then Direct Loan Tools will provide it for you, and if you're thinking, "Why bother with any software product? I'll just compare the data that I get on the report against the data I get from my own system," it could be very tedious, and very laborious depending on how large your database is, how many loans you process.

I would say it's impossible for anything other than a couple dozen loans in a month, so you probably do need electronic means of comparing the two data, so the primary function for Direct Loan Tools is really working the School Account Statement, it will let you import the statement and it formats the SAS, the School Accounts Statement, into a readable, printable format that you can understand and then it has the Automatic Compare feature of your data versus our data. Okay, so the current release out there, we'll show you where to get the software in a moment, is Direct Loan Tools Release 10. Each Direct Loan Tools release covers 3 years, that's for your convenience because you're rarely working, exclusively, in one year, and otherwise you'd have to open one, do your work, close it, open the next one, so, generally, you're closing out one year, and currently the Release 10, '08/'09, you'd be workin' on, tryin' to get closed out finally if you haven't done that yet, and then you're in the midst of processing another year, so that's the middle one, and then maybe you've got summer headers, and pretty soon, you might be bringing up the next year, so that's

why we have 3 years on each release. Just to keep in mind that when you download the software, it's empty, there's nothing there, so just try to remember that DL Tools will only do functions based on what you put into it, if you put the data in there, it can manipulate the data for you but if you don't these imports, or enter it some other way then that function won't work because it – it has nothing to compare and I'll explain the data you have to put into DL Tools in a moment. All right, so, first, you have to bring the software into your school, you have to download it.

Like I said, it's free, and it's on the website FSADownload.ed.gov, some of the accompanying documentation's available, too, there. If you're looking for help, and really the online, incoming, the software help is very well-written, we've gone through that a lot just to give you all the tips of how to do this, and how to do that, so, right now, we're going to show you how quickly and easily you can find this FSA Download, this software, so we're going to switch over to the internet real quick, and you see that's the main page for FSA Download, and it couldn't be easier. The first link there is Software and Associated Documents, so we'll click on that, and in the top section there is the Direct Loan Tools software, so it's not really hidden, so you click on that, and we have this huge view for some reason on the internet, so the settings are odd, but we're gonna scroll down and you can see that the full download link, underneath Software there, we'll click on that, and then what you'll get is an EXE file, that is what you need to save somewhere onto your computer, and when you double-click on the EXE file, it launches the software and it puts it on your computer, it's that easy. I think the only thing complicated about this is you'll save it and then you'll forget where you saved it and you can't find it later, so I'll just, I guess, look for it, search for it, or just re-download it, so that puts the software on your database, I mean, on your computer but don't forget it's empty. There's nothing in that software right now. All right so when you do bring it in, and you wanted to install it, you're gonna be asked if you wanna do a custom or a full install.

If – if you've already downloaded a previous version because you've been working already, then you wanna do a custom because there are some things you put in there you don't wanna have overwritten, your user ID, password, I mean, it's minimal but save yourself some time and just do a custom install if you've already got a prior version of DL Tools, if it's the first you're downloading it, do the full install. All right, now before I actually go into the software and show ya the set-up, I need to just mention that there's one more set-up you have to do outside of it, and that's

in COD, and what we have to do is we have to put the School Account Statement in a format that Direct Loan Tools likes, and, just so ya know, most of it is defaulted okay, already, at COD. One thing it's not, it's fixed link, which is good, that's already the default for School Accounts Statement, so don't say that but COD has defaulted to a monthly School Account Statement, and Direct Loan Tools needs the year-to-date report to run the comparison, so that's the only thing you have to remember is, for sure, is the switch from Monthly to Year-To-Date. If you want, you can do both. A lotta schools think, "Why not get two for the price of one?"

Just remember they come to you in the same message class, and, so, it's sometimes it's hard to know which is which when you're trying to import it into DL Tools. Personally, I see no advantage, if you're using DL Tools, to have it in a monthly report. Why have that extra file? It complicates things, so I would just recommend just doing the year-to-date, only. Now on the bottom there you see you have to choose between DS/DF, and DS/LF.

These are just message classes for the SAS, and the best way to remember which is which is the second D means the Disbursement Level, and that L means that one's the Loan Level, and the Loan Level just means that, in the report, they've added up all the disbursements, and they give you just one amount, per loan, so when you look at the DS/LF, you have just the loan ID's and dollar amount after it for each loan. It's a small report, it looks cleaner but ya might want the extra detail of the DS/DF because it lists each individual disbursement on a roll and then it totals it up, so whatever you want, you can request. I think that DS/DF will provide you, pretty much, what DS/LF provides you, and then some, except if you're looking for borrower names to come in, if you're not using ED Express, and the borrower names only come in on the DS/LF, so the Loan level, so a little complication there but if you're usin' ED Express, DL Tools knows to pull the names but if you're not usin' it then you should probably use the DS/LF. If the names are important, for many people, jus the loan ID, the Social Security Number, is really all they need, so just think about that, okay, and – and like I said before, make sure you don't switch the fixed link. It needs to have that to import into Direct Loan Tools. All right, so right now we're in COD. That's all ya have to do just make that switch, do it before the end of the month because the SAS is like a snapshot of your data at COD.

You can't go back and rerun it in a different format, so I've had a number of schools say, "Can you help me? We've just got our

SAS, and then I look into it, we can't use the Compare because it's a monthly," and I say, "I'm afraid we have to wait, now, for the next month's SAS to come out if you want to do the Compare, so this month, you're only getting the monthly one, you have to try to reconcile it, and go on a manual way, so just make sure you make that switch to a Year-to-Date file before the end of the month." Okay, once you get into the software, the seed password in User ID is **Sisadmin**, you can see on the slide. You should go, immediately, then to create your own user ID and password as soon as you've logged in. That Sisadmin only works to get you in the first time. I actually recommend that you do two passwords, two user ID's and that is if the system crashes while you're in the one that you created and it has you locked out of goin' in there a second time, so you can go in on the second one and unlock the first one, so it's kind of a backdoor to get into it, just to create the 2 user ID's.

All right, so now you've got the software, it's still empty, it's on your database, now we just have to do a little bit of set-up here in the system just – set-ups are generally just labor-saving devices, so you don't have to keep entering the same things over and over again, so we're gonna put your Direct Loan GRE Code in there. If you're processing for more than one code just maybe put the one in that you're gonna use more often, and when you start running these reports then you can always switch to the other one, so you just put one in there that'll be your default. If you use ED Express, you'll need to click one of those boxes there, to tell it what your ED Express you have, and then it knows where to go to pull information when you're running the Comparison. If you don't use ED Express make sure you leave those checkmarks off, and it's just a matter of clickin' on there and there's a checkmark there, so just leave a blank if ya don't use ED Express. Some of the schools have asked me questions that are actually good questions if they don't really know for sure if they're an ED Express school, and it's a good question because if you just use ED Express to import your I-Servers but you're not putting any loans or disbursements in there then you don't have the loan or disbursement database in there, so you're not an ED Express school, as far as that goes but if you're using ED Express to – as a translator to put everything into XML then those tables are falling, so you can use ED Express as the Compare, so just where are the loans and disbursements?

If they're in ED Express, then you're an ED Express school, as far as this goes. All right you can see here on set-up that you have to indicate the maximum number of days that you're comfortable

with for a match in cash records, and that sounds little complicated. When we get to the Compares I'll explain it but, basically, with cash records, by cash records, we mean draw downs, which are also cash receipts, in G5, and we mean refunds, which are returns of excess cash. Usually when a school logs in a day that they do a certain thing, it's like the next day that it gets recorded, or maybe 2 days later it gets recorded, and, so, if our Compares were looking at precisely that date, you'd always have a mismatch and say, "You did a draw down on August 3rd, we think ya did on August 5th, a mismatch, mismatch, mismatch," and that's not helpin' you if we have all these false mismatches, so what you're saying here is you're saying, "You know what, if it's within 5 days, and if the amounts are exactly the same, I'm confident that that is the same G5 transaction on your system as on my system, we'll call it a match. If you're finding that because of your procedures, you know you're recording these things a week later, and you're still getting mismatches then you can come back in here and switch that maybe to 7 days.

What ya don't wanna do is get it so far out that maybe it's a different transaction because you tend to do draw downs of the same amount because the same 5 students or 10 students, so ya don't want if you're missing one to say, "That's a match," so we don't want false positives, we don't want false negatives, and so we leave it at 5, that's a pretty good number to start with, and then you can adjust it from there, and the bottom is the recommended tolerances for the Disbursement Measurement Tool Report. Again, that's a way to sort of monitor your processing efficiency. I'll go over to that towards the end how you can take a look and how long it's taken you to book and batch your disbursements. Okay, so now we've done the set-up, we've got the software sitting there and no data is in it, so there are really 4 types of data we need to populate in on Direct Loan Tools. We need the cash records from your school, by cash records that's the draw downs, and the returns of excess cash.

We need the cash records from COD. We need the loan and disbursement data from your school, and we need the loan and disbursement data from COD. Fortunately the two things from COD are in that one SAS report, so you import the SAS to there, so how do we get 'em into your Direct Loan Tools from your school. Well, this is the Cash Management, and there are two ways to get these cash records into Direct Loan Tools. You can either manually import them, one at a time, and that's fine.

You just go on there and say, “I’ve gotta cash receipt on this date, this amount, save, or you create a file, an external import that you import into DL Tools that lists all your draw downs or your refunds. They’re very easy reports that your IT Department can trade, and we’ll show you how they get the information on that. The first thing is I’m gonna have Sally go over into the software and show you. We’re gonna have enter the four transactions, and you’ll see that there’s not much to it, they’re easy to keep up on these if you wanna enter these transactions as you find out about ‘em, and as far as these what bugs you, push to do what, don’t sweat that. You can do that at the hands-on exercises.

I’ll show you where there’s a computer base training module you can download. All we’re doing here is trying give you an idea of what DL Tools will do for you, not necessarily what button you have to push for what, so she’s tellin’ it whether it’s a cash receipt or return of excess cash, a refund. You can see there’s a Notes box there, that’s just for your use, and maybe you wanna put the Payment Control number in there, or if you’re returning money from an R2/T4 calculation, you might wanna put the borrower’s name in there, whatever you wanna use that for. It’ll always default to the current date, so you probably wanna put the date down that you actually requested. The draw down or that you went into G5 to return the funds.

Oh, if you do the hands-on exercise, try to remember, I ran across this again today, and it happens every time, remember you’re either going to do it manually or you’re gonna do the external import in the hands-on exercises. If you do both, you’re gonna have duplicate records in there, and so that’s just two different ways of entering the data, you don’t have to do both, and the X there is the refund, and now we have one of those four types of data in the database, and that these are cash records that your school has recorded, this is what you guys think you went into J5 for, and requested or returned to G5, and so Sally went into Tools Browse, and I’m sorry you’re in the Retrieve.

Sally Owens:

I’m in Retrieve.

Male:

Okay, this is – she pushed on Retrieve Button, and you can see there’s the M, in the Record Source, and that means that it was manually entered, and the amounts in that, so they’re in there right now, it’s a very simple test case here. All right so if ya don’t wanna do the manually entering in it, then you simply import it from an external source, so you’ve had your IT department create this fix link file and it imports into Direct Loan Tools, the set-up,

or the record layouts are in the COD Technical Reference, and you can see on the slide there, Volume 4, Section 3. Now the COD Technical Reference is a great resource. The Implementation Guide talks about the business rules COD uses, the reports are explained, the logic of when data is on a report, when it is pulled off, and these record layouts, so we're gonna jump back into the internet right now. I just wanna show you how easy it is to find a tech ref, and a section for these layouts.

Okay, so we're back in the main page when you go into FSA Download, and we see technical references and guides, Sally will click on that, and then we're gonna go to the '10/'11 year, and these are the various volumes there. The implementation you gotta use every day, so that's in Volume 2, Section 1, I think, but what we're doin' is going down to Volume 4, Section 3, I think, yup, and that's Direct Loan Tools Record Layouts, and this gives you the layout your IT people need for building a cash extract, so take a look and you see a cash detail external ad, and it's only one page there, and that's how they build that so it'll have all your draw downs and returns, populating automatically when you import it into DL Tools, and then they'll also need to build either the loan detail or the disbursement detail if you're a non ED Express school. Don't forget if you're ED Express, when you click on that checkmark and set-up, it knows where your database is and then it'll grab the information itself. If you're non-ED Express, this is how you get the loan or disbursement data into ED Express, so let's just take a quick look at the – at the file itself, and this just tells you where the field link starts and where it ends, and the information they need on this, and once they built it the first time they have a template that they can do every month in folio.

Okay, so that's COD Tech Ref. It's available at fsadownload.ed.gov. All right, so now we have the cash records from the school are in Direct Loan Tools, and now we need to get the disbursements in the old tools and again this is only for not-ED Express, and then we're gonna import these external disbursements, and we've already had our IT department create that layout, and let's just say, for the sake of this lecture that we're not an ED Express school, and so Sally is now gonna import the external disbursement file into Direct Loan Tools, so it's just basic import, and you just tell it what you want to bring, disbursement detail external app, and it looks like it's successfully important. All right, so that's just the Import/Edit report, and so now we have two of the four types of data are in Direct Loan Tools. Everything from the school site is now that. Don't forget we haven't even touched the SAS yet. It's out there in our mailbox. We haven't

imported it, so all we have is the school information there, and as it turns out we can do some functionality already, even before the SAS comes in, and that's where this checklist comes in.

This will help you if you do this checklist near the end of the month; let's say around the 25th, the 28th. The more you can clean up the less you have to worry about with mismatches during reconciliation, so if you can just go into your system, and make sure you've exported all your data, so you've got batches sitting there, records in a B-status, or whatever your system uses for batched, if it's just a matter of switching it COD, then that will save a lot of mismatches later on, so get those pending documents, batches sent off, and then import the responses. If there's some kind of report you can run on your system that will tell you all the records that are not in an accepted status. In E-Express, that's called a List of Status Report that says, "Here's your origination records that are not accepted, some of 'em are maybe batched, some of them are rejected, here's disbursements that are rejected and maybe in a batched status, so whatever you can clean up before the end of the month, before they take that snapshot of your data that makes the mismatches during the Compare, much less to work, and if you might – you might think about running what they call – what we call a Pending Actual Disbursement, and basically you're looking for – you might have posted funds to a student's account, you made the disbursement but maybe you haven't gone into your software system yet, and made that an actual disbursement, so you would've probably drawn down the funds, disbursed the funds but you didn't report the disbursement to us and that'll throw you off balance, so I think every system out there has some kind of a Pending Actual, or Anticipated without Actuals, so you can see which ones – oops, we forgot to enter that as an actual disbursement and send it, so that's a good report to run as well, and then we also recommend, and this is, again, before the SAS even arrives, is that you perform some kind of Internal Reconciliation, now there is a Reconciliation Session that goes into that in detail. All I'm gonna mention here is just you wanna come to an agreement on the totals, so you have one set of figures before the SAS comes.

You and the Financial Aid Office, the Business Office, agree on the total draw downs, the total returns, the total disbursements, and then if you have one set of figures, you're not chasing a moving target when the SAS comes in. All right, so we've done all that, we have done the internal reconciliation, we have imported those external files into Direct Loan Tools, and so now we can run a report because now Direct Loan Tools can give you your Internal

Ending Cash Balance Report, and so it's just a quick and easy report, and what it does is because you've given it all sides of the equation, your draw downs, and your disbursements, it can compute your cash balance for you, and so Sally's gonna jump back into the software and she's gonna run this report twice – I'm not surprised – the first one we'll just run it to regularly. This is the Internal Ending Cash Balance Report. On these reports I would recommend initially not putting any filters, screens, disbursement date ranges. What you don't wanna do is filter out data that you really need to look at, and then once you start running them and getting comfortable with them, if you need to filter things, go ahead and do it then, so let's just run this one to the screen. Oh, that's another thing.

You might want to run these always to the screen. Some of these, for instance the SAS, that's gonna be a year-to-date report, so at the end of the year that could be really rather than running to the printer and just take a look at it, first, so that's all it is. It's a one-page easy report, this is internal now, this has got nothing to do with COD or the SAS, and it's your total cash receipts, your refunds, we do the math, that's the net cash, or the total cash, and then the disbursements, and where did we get this information? Well, we entered it manually in this example, in the Cash Management, and then we imported that disbursement file. If you're ED Express, it would pull that information itself.

Okay, and it gives you an ending cash balance. You could do this anytime and you can track this as you're goin' along. Okay, let's run this report again, and this time, we're just gonna click on "Include Cash Detail," so we can just look at individual cash records that are makin' up that total, and now the first page, these are simply the receipts, the refund that Sally entered manually, or they would be what you imported on that external import, and then the second page is the same thing we already saw, and we'll show you this view again in a moment after we run, bring the SAS in but this is the internal side of the equation, so now let's – let's bring in the information that COD has for your school, and that's the School Accounts Statement, and remember that the SAS is the total records processed, disbursement and loans that have been accepted, and that's important because you won't see rejected records on the School Accounts Statement but if you have 'em on your system, then, when the Compare happens, you'll see mismatches, which is fine. That's what the Compare's all about, so COD treats a rejected record as if it was never sent.

Now there are a lotta different tools to use out there, you can go to COD Online, and take a look at your balances, you Cash Activity, you can reports on your system, that's fine, these are all tools to help your reconcile but this is the official version here, this is the Official Ending Cash Balance, and this is what the auditor, or the program reviewer will want to see documentation for havin reconciled against is the SAS, so regardless of anything else you do, make sure you've documented that you've reconciled against this report. Okay, so you probably have seen this one, too, we've floated this flowchart around for quite a while but it's instructive for where we are right now. We've – we're gonna import the SAS and then we're just gonna compare the summary, the cash summary's just the totals, and if we can get those to match against our internal records' totals then we're done, you just docuemtn that and you're finished, so we say you drew down \$30,100.00, and you say you say you drew down \$30,100.00, and document that, and then you don't have to worry about draw downs, and then you go down to the next one, the Returns of Excess Cash Disbursements, et cetera. Even if they don't match but you know exactly why they don't match, let's say you're off by a couple disbursements, and you happen to know precisely why those disbursements didn't match, maybe one you sent near the end of the month, and you didn't get it processed, and maybe one was rejected, so once those two disbursements are accounted for, the two balances are perfect. That's good you don't really have to drill down because you've got those totals to match now, so you document that and you go down to the next total.

It's when you don't have those totals the same, and you don't know why they're the same, they're different, you have to drill into the detail itself, that's where the Compare Program comes in and figure out, and keep trying to resolve that, figure out, all right why are my disbursements off? Oh yeah, there's these were never sent, these are timing issues, these are rejected, maybe these we did online on COD but we didn't put 'em into our software. We'll go into some of the reasons but ya keep working that until you've resolved it and then you're finished, so a couple things, don't send anything to CO – I mean, I'm sorry, to the department as far as Reconciliation goes, we don't need to have your documentation sent to us, just retain it, and then present it for our auditors or program reviewers, and we don't specify, like, a date you have to complete your monthly reconciliation. It's required that in the regulations for Monthly Reconciliation to be completed, so, logically, I would say that you should have a month's reconciliation done before the next month's SAS comes out, otherwise it'll start stackin' up on you. Okay, all right, so now

let's start populating Direct Loan Tools with the COD data so we're gonna import the School Accounts Statement.

If you've tried this before, if you've been working DL Tools, and it comes up with rejects at this stage when you're importing, usually when it has things like file length errors, just keep in mind that some systems out there, they put a network header and trailer on the School Accounts Statement, and so if you're getting that file length thing, if you call CPS they can help diagnose it but it's a simple matter of just deleting that first and last line to get rid of that network header and trailer, so if you're seeing a file error length issue at this stage that could be why, and you can import the SAS as many times as you want, each time will overwrite the one before, so you don't have to worry about it duplicating, so now sally's gonna go back into the live software demo and she's gonna import our DS/DF, and so you see it says, "School Account Statement," she doesn't need there and then it's looking for that particular file. Oh, one thing, if you've already imported it, you may have to change files type to "All Files" because it changes it to like a backup, so if you don't see it here after you've imported the first time then look for "All Files" and they'll see it there then so just keep that in mind, okay? All right this is the last release that has this kind of an odd quirky thing about when you import the SAS and that is, upon import, it gives you the summary pages to view, and all we're doin' is importing, we're not really printing a report yet, and so – but this is the only way that you'll get to the summary pages is when you import, so I recommend that you print this upon import. It's only like seven pages, max because it gives you the year-to-date cash summary. If you take a look at that, that probably looks very familiar.

That looks a lot like that Internal Ending Cash Balance Report, which is designed that way so that you can compare one next to the other and you can say, "Okay," remember that flow chart where you're looking at the totals only, well that's what it's intended for, so if you forget and you do the import but you don't print this don't worry about it, just re-import it and print it so you'll have this, the SAS Year To Date Cash Summary, and then a couple other things in here. We'll just go through 'em. We have the Monthly Cash Summary. Cash Summary you can just see is where we've totaled up all the cash receipts, the refunds, the book disbursements, the end book disbursements, and that's just the totals, all right? And then we break them out by sub, un-sub and plus, I have no idea of anybody out there cases about that but it's available for you if you want it, and then it says it was the Year To Date, and now the Monthly broken out by the different

disbursements, and then we get to the regular Import Edit Reports, the traditional ones that simply tell you everything imported correctly, and so you don't really need these except if you see some were – didn't make it in for some reason.

Okay, so now DL Tools has everything it needs to do everything we designed it for. We have everything from the school, and everything from COD, it can do the printing, it can do the comparison, and everything. All right, so what we'd wanna do then, remember that flowchart, is we're comparing totals. Hopefully these will be pretty closed if you cleaned up that database near the end of the month, if you've performed your internal reconciliation then you only have one set of figures on the school side, which is on the right there, the Internal Ending Cash Balance, instead of "well, we think it was \$21,376.00 but the financial aid office, the business office, thinks it was the \$38,000.00, so we're trying to do a 3-way Reconciliation here. Remember that Reconciliation is only interested in net amounts, so you're not gonna worry about gross amounts, just net. You draw down the net and that's the money we're following, and we're only interested in actual disbursements when we're talking about reconciliation, not anticipated disbursements, and reconciliation is 2 things, the first is matching these totals, finding out why they're different, and what ya need to do to make 'em the same, and also until you get to program your closeout, we need to know why you're not at zero-ending cash balance. You don't need to be at zero, you just need to know why you're not, and we know there's timing issues in that but the general rule is the money you bring in has to equal the money that goes out in disbursements, and so if there's a cash balance then you should know why ya have that, and some schools just like to draw down a little less than they disburse just to play it safe ,maybe to get through the R2/D4 timeframe and that's fine but you should know, you should be able to document.

All right we know that we had \$400,000.00 in disbursements, we decided only to draw down \$350,00.00 to give ourselves a buffer. If your school can handle that cashflow fine, then you know that it was \$50,000.00 that you still owe yourself and that's why you have a negative \$50,000.00 cash balance, so you just need to be able to compare these totals, first thing, and you have to be able to walk, or understand, why the ending cash balance is not zero, and then document that. Okay, so Printing in Direct Loan Tools. Here are the different things that you can print outta Direct Loan Tools. At this point we also had a couple other things but for what we're doing right now, it's a little bit counterintuitive still for this release

but you run the Compares under Print Functionalities. You just have to think, "I'm printing a Compare Report."

In Release 11 next year we're gonna have a separate thing that says Compare instead of print, so there ya go, there are different reports. You can either look at the SAS itself or you can run the Compares. Don't forget that there's two different actions for the Compares. You're comparing either your cash records or you're gonna compare the Loans and Disbursements. It's two different steps, so let's go to the simplest thing. Let's just print to view the SAS Cash Detail.

The SAS comes to you with summary sheets, it comes to you with individual transactions on all your draw downs and returns and it comes with a Loan and Disbursement detail as well, so all DL Tool's doing right now, we're gonna jump into the software and Sally's gonna just print the SAS Cash Detail. All DL Tool's doing is formatting it for you to look at the SAS. It hasn't done anything with the data. Oh, yeah, hmm, and we're not putting any filters on here, either, and we're going to a screen just to take a look at it, and this came from COD and they think, in this year-to-date file, this is what you've done on your draw downs. Now you might remember that we had four transactions we entered from the school sites, and we already know we built into this training that we're gonna have some mismatches, we did that on purpose, so this is coming from COD, COD got this information from G5.

Okay, so it's – at some point you can see the – oh, one more thing, you see where it Gaps Control Number? We're still updating our system to say G5 and it hasn't been done yet, so wherever so Gaps think of G5, okay, so that's all that was, it's just a simple report we printed, and then we're gonna print the SAS Disbursement Detail, and, again, all the Direct Loan Tool software that we have right now is formatting the School Account Statement and showing you Loans and Disbursements, so let's go back in the software, and we're gonna scroll down to SAS Loan and Disbursement Detail and we're gonna go to the screen on this one. First time we're just gonna run it like it is, and let's just take a look at this, and we didn't – even though we imported the DS/DF, Disbursement Level, we didn't tell it we wanted to look at that. We will in a moment, so you can see here this is the SAS Loan Detail, and we've got one line for each loan, this comes from COD, and these are the loans, the disbursements you sent to them, and you can see there if they're booked or not, and the amount. What we did is we – the software just adds up all the disbursements and gives you a single line for each loan.

It's a clean-looking report and all we did is format it. We haven't compared anything yet, so let's rerun this report now, and all we wanted to show was the individual disbursements, and so we just click on "Include Disbursement Detail," that's why I like the DS/DF so much, it can look like a DS/LF or it can look like a DF because it gives you either loan level or disbursement level. Okay, and you see right there, we only have one disbursement on each of these. It's a very simple case but as you get more and more disbursements you'll see one extra line for each disbursement and then we'll total it all up there, so that's what it looks like. I don't know that you'd want to print this.

It's gonna be pretty big at the end of the year, as it gets larger and larger, but if you need to look at something, you can sort it, and name or Loan ID Order, and take a look at it. Okay, you have to – well, if you want Excel, you should actually ask for a comma delimited file. DL Tools takes the Fix Link file, so I think that they could – oh, no ,wait, I know what they do. You have to go into the browser. Here it is.

Yeah, there's a way to get this information in Excel. It's kind of a back way but if you go up to Tools Browse – oh, I'm sorry, I should repeat the question. The question was if they can – if you can go from where we printed the SAS and make it into Excel, bring it into Excel, and the best way to do it is to export these grids. You can see under Tools Browse, you can see disbursement detail, and you can highlight these grids, and you can export this into Excel and it'll have the information there, so once you've imported, this grid is populated and you can export it that way but, again, I think the best functionality for the Direct Loan Tools is to Compare – if you're just doing it to print out, I mean it – if you don't want to do the Compare, you just want the SAS in an Excel, I would get it in the Comma Delimited format, so let's take a look at the compare. All right so there are two Compares again.

You can do a Compare on the Cash Records, you can do the Compare on the Loans or Disbursements, and so we'll do that right now, DL Tools is, like I said, has everything it needs for this function, so let's jump back into the software, and, again, for this year, it's under the Print Functionality, and we're gonna do a Cash Detail Comparison, and we're gonna go to the screen and we're not gonna put any filters on there, and so it took a look at what Sally entered manually, it took a look at what we imported on the SAS, it compared 'em, it's lookin' at the dates, and the amounts, and we can see here that that first cash receipt is a match because the date is exactly the same, the amounts are the same, so that's

done, and we've, of course, engineered this and there's a lot of mismatches just for instructional purposes. The second one, the dates are correct between COD and the school but the amounts are different, so obviously that has to be a mismatch. Somebody made a mistake, either we did or you did. If you did then you should go in and correct that, and if it was us, inform us, "Hey, I only drew down – who's got that – I only drew down \$7,000.00, you guys think I drew down \$7,256.00, so we check it out then we'll fix our system if we're wrong. Okay, the third one, you may say, "What's wrong with that? The amount is perfect. The date is off but it's by over 5 days."

If ya remember in set-up, we – we're comfortable in set-up, saying, "If the amounts are the same, then within five days it's a match." This is 7 days off and so you set the criteria and it said it didn't meet your 5 days, so you just look at that, and you wanna make sure that that's the same transaction, you look at – I'm printing the SAS Cash Detail. You can get the Payment Control Number and if you wrote that Payment Control Number down yourself with you did the G5 draw down, if those Payment Control Numbers are the same then ya know it's the same transaction, so you just wanna make sure it's the same one, and then if this keeps happening I would say go back in and maybe extend that range to a little bit more if you're keeping it within these false mismatches. Okay, and the last one is mismatch because the schools reporting, which you import, or input in there is a refund of cash, a return of excess cash but the COD doesn't have that on the SAS. It could be with that date that it just didn't make it on this month's, so just track it and ___ you know they probably didn't record it until, I guess in this case, it would be August and so it'll be on the August SAS.

That's one way to track it. All right, now let's go into what this software really does and that it does the Disbursement Detail Comparison report and Sally's gonna jump back into the software and she's gonna run a Compare for the Disbursement Data, and you'll see everywhere along here this school codes, and the ellipsis buttons, so you see in all these functions, you can change to a different G Code or E Code if you're handling this for more than one school. All right so the Compare comes out in four sections when you've run it and two sections you don't need to do anything about and two sections you do. I'll explain what we're looking at on the mismatches but it's less important to know why, at this stage, only that there is mismatch and you should look into what you have and what we have and understand why but – so you would go the first section are booked records that are matched, so these are perfect, and you'll have the vast majority of yours here,

and that means the disbursement dates match up the and the amounts match up, so you don't need to do anything on this. Everything's match perfectly, and so you'll go through page after page until you get outta this section and then you can – and remember one of the filters is you can just look at the unmatched stuff but I'm just showin' you all sections right now, so the next one are book records that are unmatched, so this will take some action, some intervention, on your side.

They're booked and booked means that COD has accepted the origination record, has the MPN linked to the loan and they have at least one disbursement, actual disbursement that they've accepted, so they've booked it and that's good, the liability for what you've disbursed on that first disbursement shifts from the school to a binding legal obligation between the department and the borrower but somethin' else happened after that that threw the amounts of a little bit off or the dates. It could've been that you went in and maybe did a disbursement date change, maybe you adjusted a disbursement but didn't send that record, maybe the second disbursement you have on your system but you didn't send it to us, so it's a book loan , that's good but there's some reason why it's mismatching between your system and our system on either the date or the amount, and so again when you look at this report don't worry about, you're saying, "I don't quite understand, why would it be on this section?" All you have to know is that it's mismatched, it unmatched and so you should maybe open your system, your software system, look at it, and you might see that you have a disbursement in a batch status or on a rejected status that you need to send or it could be that you went directly into COD online and you entered the second disbursement but you didn't synch it up with your database and so it's a little bit off and so you just have to import the WB, the web based response, and that updates your database, so that could be a another reason why. Okay, the third section of the Comparison Report, these are unbooked records that are matched.

Again these are matched so no school intervention is necessary on this. Ignore the MPN Missing, that's an old remnant that we're gonna clear up hopefully soon. What this is is if you send future dated actual disbursements and you're fine to do that, you can send 'em up to seven days in advance, we won't book that disbursement until the disbursement date arrives, so all that happened is that at the end of the month, when we took a snapshot of your data, there was some disbursements that were occurring in the next few days and they're accepted, they're fine, when that disbursement date arrives, they book and then they're fine so you don't have do

anything with this either and in the fourth section of the Compare, these are unbooked and unmatched and so these will be probably disbursements that you didn't send to COD yet, they're on your system but we don't have 'em or you might've sent them and we rejected them and remember COD treats a reject as if we never got it . These also could be that you entered things directly online instead of COD but they're not in your software, so they're unmatched. The unmatched reasons are basically the same but they're also unbooked, and that's why the cleanup at the end of the month is good.

What if you had a large class and maybe you've got a batch of 160 actual disbursements and you went through all the trouble of entering those in your system but they're just sitting there on your system. Maybe you batched them but you didn't transmit them. Well, every one of those 160 disbursements are gonna be mismatched because COD doesn't have 'em and you do have 'em, so you'll have page after page, and something like that is actually pretty easy to fix because you will look into a couple of 'em and you'll realize, "Oh, these are all from the same batch," so you can run a query on that and know how much that will throw your balance off and that'll be fixed next month or as soon as you send that. All right now as far as these button pushes, and what you have to do to enter this and how ya have to create this external file, it's actually a very good computer-based training out there available for you. Sally's gonna go back online to IFAP and I'll show you where to find this computer-based training, and what these CBT's are, they're just little training modules that you put onto your computer, and, at your leisure, you take it, it's like a 40, 45 minute class on how to run DL Tools and do these Compares and that, so you go to IFAP Tools for Schools and apparently we have a very slow connection, okay, at the very top of Tools of Schools you see COD Computer Based Training, just click on that and then there's this announcement where the announcement where we've updated all these CBT's and we're gonna go almost to the bottom and we'll find the Direct Loan Tools right below a little more, there, simulation.

Okay so you click on that the Direct Loan Tool Simulation, and it's the same thing as when we did the download of the software. It's an EXE file, just save it to your computer, remember where you saved it, and then when you get a chance, you double-click on it, it's quick launch, and it's very cool these things are because it'll say, "Okay, enter – then click on this button," and it kinda takes this little cursor over there and points exactly where it wants ya to click, and so you kinda go through these steps. It'll teach ya how

build these external file, too, you know, you click here, click there, and so this is a good way to supplement what you're learning in this lecture, what you might have in the hands-on session is the CBT, so we're gonna cancel that, so we don't take up our computer bandwidth. All right, so we've gone through the Compare, so how do we know that we're finished with this, well we've identified the discrepancies and we've indicted or tracked how we can resolve them and we know why the ending cash balance on a monthly reconciliation is not zero, and you've documented that. Again, don't forget the two phases, the ending cash balance has to put a zero, or you know why it would, and then ya have to know why the balances, the totals are not in synch. Now here's a recommendation of some documentation, this is.

How ya document is entirely up to you, we don't proscribe you need to do this or that, and I think this action item list is a good documentation effort because it lists all the things you need to do to come into synch and get down to a zero-ending cash balance precisely, and then ya have – you've given yourself a due date when you wanna get that done, and then you actually even click on or initial off when it's completed, so I think an auditor's seeing something like this would show them that you have a good handle on your reconciliation, you know exactly what it takes to get everything in synch. A lotta schools also like to use an Excel spreadsheet, at least for the totals, where you put maybe the SAS totals on one column, you know, total cash receipts, refunds, disbursements, the school totals on another one, the difference on a third column, and then you can kinda indicate off the side when you do this, this, and this, these two, you know, you add 'em up, they're the same, and so Excel's a pretty good tool for that as well. Okay so between that spreadsheet and this action item list, that's pretty good documentation. All right now let's just jump to a couple other functions that DL Tools has, just a couple of slides on that, one is it has a rebuild functionality. If you've lost your database, or part of your database, you can have the data sent to you from COD and I'll give you every single field but it'll give ya good shell records and don't forget it's what has been accepted at COD that you will have the rejected or batch or whatever, so whatever they've accepted, if you've lost your data, just give them a call and they can send it to you, and even if you're non-ED Express school this'll work but what it does is it'll build, rebuild an ED Express Database and then you can export from ED Express to your system, you may think, "Well, that's a lotta work, why would I wanna bother?" well, what other choices do you have if you've got a toasted database, it's either that or manually input everything,

so it's a pretty good tool if this happens, you just have to remember to call COD, and you're not lost and they'll give ya something.

Now for those of you thinking about Reconciliation and thinking about the Rebuild, lemme just head off this little clever scheme you're thinking about that if you can't get your balances to come in synch, why not just do a rebuild? Well, the logic of that is like taking a bank statement and havin' it overwrite your check register, so don't be tempted do that, work reconciliation and rebuild is only for a lost database. I know that because I've gotten calls from schools that tried that and it's gone once you overwrite it, you totally – *[laughter]* yeah, right. Okay, so that's the Rebuild, it's a good tool. Another good tool is the Disbursement Measurement Tool Report.

If you're getting lot of notices from COD that you're coming up against the 30-day reporting requirement, that's a pretty strict regulation you have to be careful with and that means, what that is is once you've made an actual disbursement that disbursement has to be at COD within 30 days but also they also have to have the origination records within 30 days of that disbursement date and the NPN has to be linked within 30 days, so those 3 elements have to be at COD within 30 days, that's the 30-day reporting requirement. All subsequent disbursements are in the Adjustments Tool, all other disbursements. They also have 30 days from that moment to get in, and the reason they put that rule in is early in the program, especially with paper NPN's we were having this floatin' around and that floatin' around getting lost, and it might be months later before we booked alone, and then imagine the borrowers when they received this notice saying, "Welcome aboard, you're now in servicing, if you choose you can pay your interest on these un-sub loans before we capitalize them" but it was 6 months later, we had long since capitalized them so we need to get these loans booked with 30 days, that's the 30-day reporting requirement, and this is a good report to run where you see how much time has elapsed between the disbursement date and the book date. I'm sorry, first the batch date, so what we disbursed and we're lettin' 'em sit there and get old on our system or are we getting' 'em out, and so how much time is between there and how much time between disbursement and book date, so if ya see one of those like 20 days, you think, "You might wanna change your procedures a bit and speed up when ya do this step or when ya do that step, so you set these tolerances, it's only useful for ED Express but just think about this. If you don't use ED Express, it's a good way to monitor your system. All right, so CPS, those are the folks that have written the software and they test it and they're really good at

this so this is a good number to call and they have Spanish speakers there as well, and they can help you install on it, and go through the first couple of times, and so here's the information for them, and you're always welcome to send me an email as well, any questions you have, I work the DL Tool software a lot, I can help ya with that, so I've got about 15 minutes for either questions right now, or I'll remain here, and sign out and answer your questions.

Okay, thank you very much.

[Applause]

[End of Audio]