

Now this is going to be a session about a software product, so the best we can do, of course, with the PowerPoint, the software product, is just show you, generally, what this software will give you to give you an idea if it's something you wanna pursue, if you wanna download this product yourself. Don't go away from this thinking that you're gonna learn how to operate the software, what buttons to push to do this or that. But if you can go away from this session just knowing whether you want to use this software product or not, then you've accomplished what you need here.

So I'm with the department. I've been working with Direct Loans for 16 years. I'm out of the Seattle regional office, and my specialization is reconciliation, Direct Loan Tools, but I've also been assisting schools transitioning into the Direct Loan program for the few years. I'm on the Federal Loan School Support Team. I live on Vashon Island, which is about a 30-minute ferry ride from downtown Seattle, and I've been up there for 16 years, and I love it up there. So I hope never to be reassigned somewhere else.

With me is [Amy Akers](#). She's with Vangent, and that's our contractor that writes tests and provides support for Direct Loan Tools, EDEExpress, the whole EDE Suite. They also have the CPS/SAIG contracts. Amy has been with Vangent since 1999, has been a project lead since 2002. She's a subject-matter expert in requirements and the EDE Suite of software, so she's an excellent resource if you have any questions. Amy lives in Cedar Rapids, Iowa and works in Coralville, Iowa.

So the agenda, we're gonna just talk about why you would even wanna consider Direct Loan Tools as software, why we created it, and what it might do for you to use this software. We'll talk about the minimal installation and setup. It really is a very simple product. You can install it in just a few minutes, and you can do the setup in just a couple of minutes, and then you're ready to start importing files and use this.

We'll talk about how this software will help you in your reconciliation and the main reason for the software, why it was written, and that is the compare program that'll help you compare your school data against COD data. I'll be interspersing, throughout this, tips and recommendations about reconciliation itself. I don't want this to morph into a reconciliation session. I wanna keep it on Direct Loan Tools, but some of these tips blend in nicely with the software.

I'll briefly discuss a report that we have, one of the functionalities in Direct Loan Tools, to help you monitor your Direct Loan processing efficiency, and we'll end with some contact information and resource information for how to pursue the Direct Loan Tools software – how to learn, how to use it, with expertise.

So Direct Loan Tools is free, and it's optional. But what is not optional in the Direct Loan program is the reconciliations, so you have to do that every month and document that you've done that. We have written certain functionality in Direct Loan Tools, so if you choose not to use Direct Loan Tools, you'd still probably need to have that functionality somewhere. One would be, for instance, a compare program. If you don't use Direct Loan Tools Compare, then there should be another product you're using, or, perhaps, if you have a very small database, you're thinking about a manual compare.

So some of the terminology, as I go through the session, I'm gonna be talking about cash and cash records. When I mention cash, I'm talking about G5 transactions, so those are drawdowns. We also call those cash receipts – G5 payments, draws – those are all the same thing. Also, a "cash record" is a refund or return of excess cash. So we're talking about two different types of data. We're talking about cash records and loan and disbursement records. I'll mention the SAS, and the SAS, that's the School Account Statement – and I'll try not to use too many acronyms, but SAS is a pretty common one – School Account Statement.

We're still early enough in this conference that the other sessions that blend in nicely with this, Direct Loan Tools, would be the reconciliation and program-year closeout session, sessions on Direct Loan reports, COD, of course, and EDEXpress classes, and all of it is interconnected. I will stress, though, that Direct Loan Tools is not specifically and solely for EDEXpress schools. This is a tool that works regardless of what software product you have.

Okay, each year around June, we post a new version of Direct Loan Tools on the FSA download site. It's around June, and each version that we post has three years worth of functionality. So we drop off the old year and add a new year, and we do that as a convenience so you can open up just one version of Direct Loan Tools, and you can be maybe still closing out the last remaining records of one year, and maybe you're right in the middle of a second year. And if you have summer headers or whatever, you might just start processing a third year.

So if you're doing these three years at the same time, you only need to open one version of Direct Loan Tools and designate what year you're gonna work on for that particular function. So it saves you from needing to log in and log out continually. And we have here, on this slide, the functionality within Direct Loan Tools, and I'll talk briefly about each one of these functionalities.

Okay, first you need to do, if you choose, when you leave this session, to use this Direct Loan Tools product is you need download it, and we have it at our FSA download site. That's <http://www.fsadownload.ed.gov> – same place where you get the other software products – and Amy just went on to the Internet and to show you where you can find that.

So you can see Software and Associated Documents there, and we recommend not only downloading the software but also the Installation Guide, which is – I don't know – 20 – 30 pages. It gives you the technical details, but also the Cover Letter, which is a much shorter document, and it highlights the functionality of Direct Loan Tools and tells you the enhancements of the year of Direct Loan Tools, so we'd recommend these. That'll answer a lot of your questions – the Cover Letter, the Installation Guide, and then, of course, download the software itself.

If you find that your bandwidth will not accommodate the entire download at once, you can do it by individual disks and put it in, onto your computer, and then launch it. We recommend that you launch this .exe file from your computer as opposed to on the Internet. It's much more efficient doing it from your own computer, and you can do this on the database and the application on a single PC, or you can put it on a network. The

functionality is very similar to EDEExpress if you've used that, as far as how to download it and set it up.

Okay, the full vs. custom, well, you'll see this on the slide, and I'll talk about that in just a moment. So you've gone on to the FSA download site, and you've copied the .exe file over onto your computer. There's another installation note or setup note that you should take care of also before you start using Direct Loan Tools, and that is to log into COD, and go to your School Selection and then Report Selection. It's one of the links on the left-hand side, and once you click on that, you'll want to click on Modify SAS Options. The SAS is the School Account Statement, and I mention this because COD defaults the School Account Statement to a monthly report, meaning the cash detail records and the disbursement detail records are just for the prior month.

Direct Loan Tools, for all of its functionalities to work correctly, needs a Year-to-Date report. So you'll have to remember to go into COD, and you may in need Level-5 access, or someone from your school with Level-5 access, to change the SAS option from Monthly to Year-to-Date. Now try not to forget to do that because the SAS is a snapshot in time of your data at COD, so after the last processing day of the month, they take a snapshot. That's the SAS.

If you had a Monthly option setup, they can't go back later on and take another snapshot of that data in a Year-to-Date, so you're stuck with that one until the following month. So before the end of the month that you're gonna be using Direct Loan Tools, try to remember to go in and change it to Year-to-Date.

Now if you're operating two different years, let's say you're still closing out one and you're beginning another one, you'll have to make these changes for each year, individually. You can see there's year designation up on the top there – Direct Loan '11-'12. So once you save it, the options you want, that's good. You don't have to keep doing these each month. It'll stay at that new option from that point forward. If you'd like, you can do these changes here at the conference. You can go to the PC lab, and if you've got access to get into COD, you can go in, and they can walk you through making this change to the Year-to-Date, right here.

Now some schools think that they want everything they can possibly get, and that's fine. You can do Monthly, and you can do the Year-to-Date. Just remember, though, that these files come out to you in the same message class, and so when you're starting to import these school account statements into Direct Loan Tools, at least initially, you'll have a hard time knowing which is which 'cause they look the same. It's only as the year progresses that a Year-to-Date file starts getting larger and larger so you know the bigger one is the Year-to-Date one. So I would recommend – I don't really see that you need the Monthly. If it's for Direct Loan Tools, usually just download the Year-to-Date. That's all you need.

Now another thing you'll need to choose is how much detail you want in the School Account Statement. So if you want the more detailed, disbursement-level report, you do the DSDF, and that second D, just think about that as disbursement level, and so it'll give you one row for each disbursement, and they add those up, as well, so you have an

amount for the whole loan. It's a much bigger report, but when you're doing a compare, sometimes it helps to see exactly which disbursement threw you off.

If you want a more succinct report, then the DSLF, that L being loan level, you'd ask for, and so it's just your preference. Just choose which one you want, but if you want borrower names to appear on your School Account Statement, you can only ask for, then, the DSLF, or they'll only on the DSLF, the loan level. The disbursement level is just too big for us to squeeze disbursement names in there, as well. So you designate the DSLF if you want borrower names, but if you're good just to look at the loan IDs and Social Security numbers, and you don't really need to see the borrower names, choose whichever one you want.

So what have we done so far, now? We've downloaded the software, and it's on our computer. We've gone into COD, and we've changed the School Account Statement option. So now, we wanna do the setup in Direct Loan Tools so we can start using it. You'll do the user ID and password. It's very simple as you get into there. If you do a full install, that would be if you're just using Direct Loan Tools for the first time – you don't have the prior-year version – so you do a full install.

If you've used Direct Loan Tools, you have Release 10.0, last year's release, and you're just trying to upgrade to Release 11.0, then you wanna do a custom install. Now there's not a whole lot you might overwrite, but you have created some things in setup. You've created your user IDs and passwords. So if you have a Release 10.0, you probably wanna remember to do a custom install so you don't overwrite your password and user IDs and have to re-enter those again.

All right, so once you set up a user ID and a password – and generally, on these sorts of things, I recommend you do at least two user IDs and passwords because you could be in Direct Loan Tools and somehow you lose power or whatever. And as with most access-based software applications, if you're in a particular record and you get knocked out of it, you can kinda get a record lock, and so if you have another user ID to go in, you can go and unset that lock. So it's sometimes good to set up two user IDs.

So this is the single screen that you have to worry about for Direct Loan Tools System Setup, and I'll go through some of these fields. It's a very quick thing to set up. So the first one is the Direct Loan School Code, and that would be your G or your E code, and if you're doing this for multiple codes, just put the one code in that you expect to be working in first or more often. You can always designate a different code as you're in the software doing the different functions.

If you have an EDEXpress database, then click on the year that you have database, and that's because Direct Loan Tools will, then, know how to extract the data it needs from EDEXpress to run the different reports and compares. If you don't use EDEXpress, just leave all three of these blocks blank, and you'll be populating Direct Loan Tools by importing a file. So just remember if you're EDEXpress, click on the year that you'll have a database, and if you're not EDEXpress, don't click on any of these.

Now some schools, legitimately, are confused if they're EDEExpress now because they have sort of a combination system. If you use EDEExpress just to import ISIRs, but you don't have your loans or disbursements in the tables, then for these purposes, you're not EDEExpress. But if you use it for – or you've populated the loans and disbursements – and that would be if you use EDEExpress as an XML sort of translator – then as long as you have those loans and disbursements in the software, for these purposes, you are EDEExpress, so you can click on those boxes.

Okay, that next block down is the maximum number of days for the cash compare. Now with disbursements, the source of the data, of course, is you. You're sending those disbursements to COD. COD is capturing those and putting them on the School Account Statement, but with the cash records, the G5 transactions, we're getting the information from G5, but see you are entering the information, and so often, there's a one- or two-day variance. You may record a drawdown on one day, and we might record it the next morning, or you might send funds back one day, and we record it two days later.

So if we didn't put a tolerance in there, then every time you run a cash compare, you'll be getting all these false mismatches, and that's just a waste of your time. So this is where you designate how many days off a cash record can be, and you're still comfortable. If the amount is the same, then it's the same transaction, and this is just to reduce the number of mismatches that really aren't mismatches.

So maybe you say five days. If it's more than five days off and you run a cash compare, and our drawdown is, let's say, six days different from your drawdown, but the amounts are the same, then you're saying, "Eh, I wanna look at it a little bit more. Maybe I'll look at the payment control number." I just wanna make sure that those are the same transactions. That's all this is, is just you alleviate some of the research you need to do on false mismatches. So we'll go into that in the cash compare, and you'll see an example where there was a mismatch because it was outside that date range.

Okay, some of the other setups are just preferences. For instance, if you wanted to look at Single or Multiple, and that means "Single" being an individual student where you enter an SSN, or a "Multiple," when you run a report, do you want it to be all the students that apply? And I would recommend keeping that Multiple. Direct Loan Tools is usually for finding a population of students where this or that mismatches.

You would enter a program year that you want the software to default to, so if you working primarily in one year, you'd probably want to enter that one. And then if you wanna do something in a different year when you're running that particular report, you simply change the year. This is just a laborsaving device.

A report destination, you'll choose whether you want it to go directly to the printer or to a file or to a screen. I would recommend, until you get used to what you're producing here, to send them to the screen, first, and then if you see this is really what you want, then you can always click on the printer icon button, then.

And the bottom one is the tolerances, and that's the Disbursement Measurement Tool Report built into Direct Loan Tools. It's a way to monitor your processing efficiency, and

it measures the average length of time between the disbursement date and the date that you've batched that disbursement and also between the disbursement date and the date that that disbursement was accepted. It's a good way of seeing if there's a bottleneck if there's a bottleneck if you're taking too long to do this step or that step, and I'll talk about that in more detail near the end of the session. So that's it. One screen, you set that up, and it's ready to go.

Now let's keep track, also, of what we've got here. Now we've got an empty database. You've done some minimal setup, but it has no data, and there are actually two sources of data we need to put into Direct Loan Tools. There's the school data and the COD data. And of those, there's two types: cash records and loan and disbursements records. So we have cash and loan and disbursements from the school, cash, and then loan and disbursements data from COD.

The COD part we can handle very easily in a couple minutes. We simply import the School Account Statement, but right now, what we wanna do is we wanna populate Direct Loan Tools with school data so it has something to compare against the School Account Statement. And the first one is cash data from the school, and there are two ways to put that in there, either manually – and that's the screen for a manual entry of the cash record from the school.

So what you do is just open up this Cash Management utility. It's like a dollar sign icon, and can see very few screens there. You make sure that the G code that you're doing this for is populated. If you're only doing this for one G or E code, it's always gonna be fine. You don't have to change it. You enter the type of transaction. There are only two types. It's either a drawdown or a cash receipt, or it's a refund or a return of excess cash. You enter the transaction date of that drawdown or that return of excess cash and the amount. That transaction date will default to the current system date. So if you're doing it the same day, you don't have to change that either.

And then you have a Notes section, and that's a free form, where you put anything that'll help you later on. Maybe you'll wanna put the payment control number in there. Maybe there's a check number – anything that'll help you. If you're sending funds back for one or two students, sometimes you might wanna put the student's SSN or a student ID in there, or you can leave it blank. And then you save, and then you've got the record in there.

Now it's possible that you might want to put Direct Loan Tools on a network and have your business office or comptroller do this part. They will then have that side of the equation, the cash records in the database so that when you start putting in your disbursements or loans – when you import those in – you'll have both sides, and you'll have all the school data. So you could do it that way if they're willing to do that, or they can send you a list of the drawdowns, and you enter those. If you need to delete a file, you can delete a single file right here, or you can go up to File, Delete, and the main menu and delete the whole group of records if you need to.

Okay, that's the manual way of entering cash records from the school. There's also a way to enter records through a file, an external file that you import into Direct Loan Tools.

Now all schools will probably wanna do this. These files are very simple. You have to create those according to the specifications in the COD Technical Reference on Volume IV, Section 3, and that's where Amy's going, right now. She's going to the FSA download site and then the COD Technical Reference. Volume IV of the Tech Ref is all about Direct Loan Tools, and Section 3 are the layouts, and you'll see right on the Table of Contents, there are three files that you can create. One is to import your cash external, "external" being you've created those external to Direct Loan Tools, which means you haven't manually entered these. The other one is a loan detail, and the other is a disbursements detail.

The second two, the loan and disbursement detail, are only for non-EDEXpress schools. Now there are not complicated files. IT departments have no problem creating these, and then you import these directly into Direct Loan Tools, and we'll talk about these loans and disbursements, but this is the cash one. This gets all the drawdowns and all the refunds of cash that you've done with G5 populated into Direct Loan Tools.

Okay, so let's do that, then. We've imported, now, in our Direct Loan Tools software, this external file that has our year-to-date cash records, and then this next screen here as we import the disbursements. And again, let me stress without overdoing it, if you're EDEXpress, you don't have to do this step because we clicked on Setup – what year EDEXpress you have – and so Direct Loan Tools will reach into EDEXpress and pull the data it needs for your school data. But if you don't have EDEXpress database, you create the file according to the COD Tech Ref, and then import it.

Some schools have had some issues getting this imported correctly. You'll hit an import edit report if it's formatted incorrectly, and one of the more common issues I've seen is the IT departments have created a file, but they didn't put these end-of-the-line carriage returns that each line has to have. So just have them take a look at the Tech Ref, and if they have an issue or trouble creating the file, they can always call CPS, and CPS can take a look at it, and they can even password-protect it and send it to them, and they'll take a look and see what the formatting error is. But I think that's about the only common error I've seen in getting these files created.

So you create this file. You have your disbursements – or loan level or disbursement level – whatever one you prefer, and you import this into Direct Loan Tools, as well. Now let me mention that we should keep apples with apples. If you've selected to receive the School Account Statement at the disbursement level, then the external file you wanna create of your school data should be at the disbursement level. If you've opted to receive the School Account Statement at the loan level, then the external file of your school data should be at the loan level. So we're comparing loans and loans or disbursements and disbursements.

Okay, so now we have all the school data in Direct Loan Tools. We still haven't imported the School Account Statement, but this is a good time, now, to go through this checklist for reconciliation. It's near the end of the month. COD hasn't taken that snapshot of your data yet, so it's a good time to get your database in good shape so that any kinda compare has a minimal number of mismatches.

So on the 25th of the month or so, here are some recommendations, and I'll give you a couple of samples on this. Just make sure you've exported all your pending data. If you think about this, this is an easy one to fix. Maybe you had a class at the end of the month, and you have 180 disbursements you just entered into your software, and they're just sitting on your software database, but you haven't yet exported those to COD. So what happens later on when we do a compare? COD won't have 'em. Your school database will have them, and all of a sudden, you've got 180 mismatches that could've been easily resolved simply by exporting that file near the end of the month, and then both system will have those disbursements.

So this checklist is basically, "Finish what you start." That's the logic behind it, and you're gonna import all the pending responses that COD has sent you. I'm gonna show you a sample of how you can query your system for any records that are not in "Accepted" status, so all those that are in a "Batch" status or in a "Reject" status, try to resolve as many of those before the end of the month as you can.

And this second to last bullet is very important, and that is, "Complete internal reconciliation." And what that means is you have your comptroller or your business office; you have your financial aid office; those totals that you have in common, you should be on the same number, and that is, you don't want a moving target when you import the School Account Statement because you won't know which to balance against with your school. So if your business office has one total and you have another total, resolve those issues before working against School Account Statement.

Okay, this is just a recommended report. You can get this, I'm sure, out of almost all the systems. EDEExpress produces this. It's called a List Status Report, and what this does is it just lists all your loans in a crossed – or columns of the three main records that are needed to book the loan, and so what is that? That's the origination status, the origination record itself, the MPN, and the actual disbursements, and so what you're doing here is you're asking your software system, if you ran this query, "Give me the status of all these key records," and you wanna make sure all of them are in accepted status.

And if they're not in accepted status, if they're rejected, don't forget that COD treats a reject as if it never received that record at all, so it's not on their system, and it won't be on the School Account Statement. So fix as many of these as you can before the end of the month. In this example, EDEExpress uses A for Accepted, and they use B for Batched, E for Error, so we wanna get all these into an A status. And if you can't because it's an ongoing issue that you haven't had time to work yet, then just know that you're gonna see a mismatch on that record because you've got this record on your system, but we don't have it at COD, and when we run the compare, it'll be a mismatch.

Okay, another recommended step, and this is, again, on the theme of, "Finish what you start," and you can call this what you want, but I call it the Batch Activity Log, and this keeps track of all the batches that you've created in your system that you should have transmitted to COD, and you should have imported responses. And this actually will tell you quite a lot if you just take a quick look at it. Some of the things you can discern as a financial aid director, if you're keeping something like this, and that is we can see that

your employee with the initials LM was very up on getting these batches created and transmitted right after they were created.

So we see the first batch was created on September 4, and was transmitted on September 5. COD will process these in 24 to 48 hours, and so, sure enough, we can see that the response was imported on September 6 – all very timely – and the sorts of warnings that you normally get for timing issues don't appear. So LM then turned over the duties to employee HK, and we see there are a couple of batches that got lost in the process there that slipped through the cracks. So by keeping this log, you see immediately that that second batch needs to be – the response needs to be imported, and the third batch has to be transmitted still in your database.

So all this will result in mismatches when you start running the compare program later on, but we also see some more. We see HK is a lot less quick at sending off these batches. They wait a couple weeks to get the batch transmitted and then a couple more weeks to get import the response, and then you start getting these typical timing warnings. The Warning 111 means that COD needs 5 days from the time they receive the loan record before the first disbursement. They want that five days to send a disclosure statement out to the borrower.

So if you send that loan record to them less than five days before that first disbursement, you'll get a 111. They'll process this. They're simply warning you, "Please get the loan origination record to us sooner we can get the disclosure statements out on time," and then you'll see these 055 warnings, and these are violations of the 30-day reporting requirement. We know what the disbursement date is, and we know when we received the disbursements, and if more than 30 days have occurred, then you've missed that 30-day reporting requirement. And so we'll process that, of course, but we'll give you the warning of 055.

Both of these would be alleviated if your employee HK would get these batches out sooner, and so as a financial aid director, you probably wanna have a word or two with HK about timing of these, though. So that's – tells you a lot here, this Batch Activity Log.

All right, part of internal reconciliation is we can now run the Internal Ending Cash Balance Report in DL Tools, and that's because we have everything we need from the school side. We don't have anything yet from COD, but this is just the Internal Ending Cash Balance Report, and all this is it just takes a look at all the money you've drawn down, the net, and all the money you've disbursed, and the difference between those would be your ending cash balance.

If you're an EDEXpress school, you wanna select the Disbursement Data Source – would be EDEXpress. If you're not, if you've imported the external file, just make sure that has a Disbursement Data Source as External, and then DL Tools will run into the software or into your import and run this report.

Now this is a recurring theme, the format of this Internal Ending Cash Balance Report. You'll see this on the SAS cash summary. You'll see it in the COD's school summary

financial information screen. So if you kinda learn your way around this format, you'll see there's a lot, and that is you're taking cash receipts, subtracting your refunds of cash, and that gives you your net cash. And then you subtract off that – your total net disbursements – and the result is the ending cash balance. Now if you have your business office doing the cash import and you're doing the loan and disbursement import, you can run this throughout the month and get an ongoing view of what your ending cash balance is, internally.

All right, so let's now get the School Account Statement into Direct Loan Tools so we can run some of the bigger functionality of the software. So the School Account Statement is the department's official ending cash balance for your school. We have all kinds of Web screens in COD. We have different reports you can run, but for the official ending cash balance we put it there, and that's what you have to document that you've reconciled against. All the rest are just to help you get there, but this is where you have to have your documentation.

It is run the first full weekend of the month and contains data through the last processing day of the prior month, and since we're looking at Year-to-Date with Direct Loan Tools, that means it contains data year-to-date through the last day of the prior month. Each import that you do of the SAS into Direct Loan Tools overwrites the School Account Statement already in DL Tools, so you don't have to worry about duplicating records.

However, if you have different years, it's not gonna overwrite a prior year – or different year. So if you're working two or three different years, you won't be overwriting a different year. You have to import a file of that year. And if you have more than one Direct Loan G or E code, you're not gonna overwrite a different code with your SAS.

Okay, here's a recommended reconciliation process flow. All that internal checklist that we talked about comes up before the school receives the SAS. Remember, I recommended we do that near the end of the month so that your database is in good shape for the School Account Statement to be produced, the snapshot, so that the compares will be smooth. So I'll walk through this process flow, and just remember, we'll be following the logic of this process flow throughout the rest of the session so you kinda know – you get an idea of how we're doing this.

You're going to import the School Account Statement into Direct Loan Tools, and then we're gonna look at the cash summary sheet. That's all the subtotals, and that was that recurring theme that I mentioned about total drawdowns, total refunds, total disbursements. We're gonna compare the subtotals from the School Account Statement against the subtotal from your school. If they match, you just simply document that they're matched, like your total drawdowns and our total drawdowns are matched, document that, and then move to the next subtotal. You don't have to drill down any further, and keep doing that through the subtotals and then up to the ending cash balance.

If they don't match, but you know why they don't match – you know exactly which transaction is throwing it off, and you know how to resolve that – document that, but you don't have to drill down any further. The drilling down really only has to occur, is if the

subtotals don't match, and you don't know why. So you have to figure out which transactions that make up the subtotals are throwing you off.

Okay and we can see here, so if the subtotals match, you have the easy route to you're done. If they don't, then you have to go into the individual cash detail records or the loan or disbursement detail records and keep in this loop of trying to resolve, trying to figure out why they're off, which ones are missing, which ones are entered incorrectly, until you've been able to document that you've reconciled, and then you're finished.

So we do that on this slide. We show how you import the School Account Statement. It's gonna be placed in your TG Mailbox just like all your files are from COD. One difference was, with the Release 11.0, is it was during this import, with Release 10.0 and before, that you received your cash summary – disbursement summary sheets, and so you had to remember to print those during the import process, and fortunately, we've moved that now. Those are found in the Print functionality, which is more intuitive, so all you're gonna get on this is just the Import Edit reports to make sure that the School Account Statement imported correctly.

If you're having trouble importing this, sometimes there are network headers and trailers that some systems will add to the School Account Statement, so you'll have to strip those off. Just keep the School Account Statement as received from the department to import into Direct Loan Tools. If you start getting these error messages – and usually, it's like it's expecting 216 and is getting 12,000 or whatever it is, it's because you've added on a network header or trailer. So just ask your IT department about that.

All right, so now what do we have? We have everything in Direct Loan Tools we need for the rest of the functionality. All the school data's in there, and now the School Account Statement is in there. And in the Print functionality of Direct Loan Tools, we can now print a number of reports. You see those listed there.

And remember, we're following that flowchart. We've imported the SAS. We received and imported the SAS. I think that one that we should worry about right now is this SAS Cash Summary sheet. That's the first step in that flowchart, and so that's the one you wanna click on, and I would recommend you print that one. It's only a one-page sheet of your totals, and what I did here is we placed it side by side with Internal Ending Cash Balance Report because remember that first step is you're comparing corresponding subtotals. And so of the three possible outcomes, you'll see, either, they match, or they don't match, but you know why, or they don't match, and you don't know why, and where we have to drill down, and so that's what you're doing on this step here. You're just going down and comparing corresponding subtotals.

Let's take a look at the next Print function, and that is just printed off the SAS Cash Detail. Now we're gonna assume on this that we're at that third possibility, that third outcome, and that is your cash records, your drawdowns or refunds of cash. The subtotals didn't match, and you don't know why. You don't know what transaction might've thrown off your subtotals, so let's just take a look at the SAS Cash Detail. Maybe we can see what's wrong just by looking at the list of drawdowns that we did in G5 or the refunds of cash.

I would recommend not using filters when you run these reports. There are number of filters you can use, but until you get used to this software, until you get used to what you're seeing, you don't want to be filtering out something you should look at, and so after you gain expertise, then you start playing with the filters. But for now, let's just not use those.

Okay, so this is just a list of your G5 transactions. We've done nothing but format this and give it to you to print. It's all your cash receipts, all your refunds. Now for those of you schools that do very few drawdowns, maybe one a week or every couple of weeks, you may choose not even to do the compare program for cash. You might just wanna print off this cash detail page off the School Account Statement, hand it to your comptroller or your business office, and say, "Can you confirm that this is accurate?" "Accurate" being that it's a total list, that you don't have a different year on this year's School Account Statement; you don't have entries from a different program, like Pell, on here; you don't have duplicates; you don't have typos – that kind of thing.

So if they're willing to do that, if it's not a huge list, then maybe just manually comparing those is the way to go. But if you're doing lots of drawdowns, and this is pages and pages, you'll probably wanna do the automated compare.

All right, now we go down to the next step of printing, and that was printing off the School Account Statement Loan Detail or Disbursement Detail, depending on which report you opted for. I don't think it serves much purpose to send this to the printer, and don't forget this is a year-to-date file, so it's gonna get pretty big unless you have a very small loan volume. This is gonna be pages and pages and pages, and it's just a list of all the disbursements you've – had processed at COD, so it doesn't really do much for you. If you're one of these schools that does very few loans, I suppose you could do a manual compare of your disbursements, but any kinda volume at all – and this is gonna take you just days and days to manually compare – you really have to have an automated compare for your loans or disbursements.

You can always include disbursement detail if you've imported the DSDF. That's the disbursement level. Then you can have it list the disbursements individually underneath each loan, so that's one row for each disbursement. But if you've imported the DSDF and you just want it to fold up to just the loan level, you don't click on that, and it'll just give you one line for each loan. But if you've imported the DSLF, the loan level one, you won't be seeing a disbursement detail because you didn't get that in your report.

So all we've done now with Direct Loan Tools is we've asked it to format the School Account Statement's, SAS Loan or Disbursement Detail and show you on this screen here. With Release 11.0, we now include the servicer name, so you can look up your students there, as well as on COD, as well as on NSLDS and find out who their assigned servicer is.

And like I mentioned, this doesn't serve a whole lot of purpose. I just wanna show you what it looks like, but it could be a big report, so let's go into the compares, now. Release 10.0 and before, the Compare functionality was under Print. You'd do File, Print. We've moved that to its own functionality. It's the Compare functionality, so it's, either, File,

Compare, or you do that icon that has two folders looking at each other. That's how you do a compare program.

And the first compare we're gonna do is the cash compare, and this is the automated compare. We've input the cash records, either, manually or by importing external file that's from your school, and we've imported the School Account Statement, and that's from COD. Everything's in Direct Loan Tools. So we run this cash compare. Again, I wouldn't do any of these filters down below until you've kinda gotten used to this, and then you can filter or put in whatever order you want, and here are the results of the Cash Detail Comparison in Direct Loan Tools.

So let's analyze this a little bit. Where the cash amounts are the same and the dates are within the tolerance you set in Setup, you'll see that they're matched. Where the amounts are off, it's unmatched, or where the dates are outside that tolerance, it's unmatched. Now even if they're unmatched from the dates, they still could be the same transaction from each system, but it just means that you wanna look into it a little more carefully and just make sure that it's the same one, that you didn't miss one drawdown or whatever.

So we can see here on the first unmatched one, the \$4,000.00, it's unmatched because what you recorded is 6 days from what we have on the School Account Statement. All that means is you really should take a look at that. Have your business office maybe look at the payment control number and research it maybe in G5 or online in COD just to be sure that's the same transaction. And that may be that you entered two, but only got recorded or whatever.

We'll have mismatches on this example because the amounts were off a little bit. That's happens a lot when you transpose a couple numbers. So if they're off by any amount, regardless of the dates, they're mismatches.

We have this thing called Multiple Matches, and that's because Direct Loan Tools has a number of entries of the same amount from both sides, and they're all within that tolerance, so it doesn't know which to match up with which. Maybe there's four of one and four of the other, and it's not smart enough to know that this one goes to this. All it means, Multiple Matches, is you should look at that and just manually check 'em off so you're confident that everything is accurate.

You'll get the mismatches that are timing issues at the end of the month. That's where you see those. Maybe you've done a drawdown the last day of the month, but it didn't get from G5 to COD until the first of the following month, and so we have it on one month. You have it in another month. So just track that, and make sure the following month's School Account Statement has it on there so you can manually check it off. You'll see that also with refunds.

You'll see mismatches here when you have the wrong year. So if you went into G5 and you recorded a drawdown, but you took it out of a different year, so you have it one year; we have it another. In that case, you'll have to correct it, to go and have their business office go into G5 and reallocate the funds.

You'll see mismatches if you've got the wrong program. So if they went in and maybe pulled Pell funds and recorded it as Direct Loan funds, then you'll see a mismatch that one system will have, and the other system won't. So that has to be reallocated, as well. So find out who made the error, and if it's us, then contact us, and we'll fix it. And if it's your error, then you fix it so that they match up.

All right, now we go to the real reason for Direct Loan Tools, and that is the loan disbursement compare. That's what we made the product for, and that's what you really have to have an automated functionality. So again, we've looked at those subtotals, and we know that our total net disbursements are off, and we don't know why they're off. We don't have, in mind, the transaction that threw them off, so we wanna drill down and look at that transaction level and find out which one has thrown us off.

So if you have an EDEExpress database, then you wanna make sure the Comparison Type is SAS to EDEExpress. If you don't EDEExpress, just make sure that says SAS to External, and, again, I recommend no filtering until you learn this functionality better. All right, so we run a compare, and what we've done is we've put this in four different sections to sort of help you determine the matched vs. the unmatched, and I'll go through each of the sections. Don't get confused with these sections. Just know that it's probably hard to diagnose why you have a mismatch on this report. The important thing is that you have a mismatch.

And then you will probably need to go into your software and open the record that's mismatching, and then log into COD and open that one, and then you can diagnose that way, or you'll see, "Oh, well, I see this one was rejected so they don't have it," or, "We never sent this in the first place." So this will probably not diagnose why – just that it is. So the four sections are "Booked Records That are Matched." Then you have "Booked Records That are Unmatched." You'll have "Unbooked Records That are Matched," and then "Unbooked Records That are Unmatched," very logical.

This is the section you want everything to end up in, eventually. This first section that comes out, "Booked Records That are Matched," they're booked, which means we have the three key elements to book: We have accepted the loan origination. We have a linked MPN. We've accepted the actual disbursement that shifts the liability for the funds that were disbursed away from the school. It becomes a binding obligation between borrower and the department. So the booked is important. And the "matched" means that the amounts and the dates are matched between your system and ours. So this is perfect. This is where you want everything to be. No intervention necessary in this section.

The second section is "Booked Records that are Unmatched." This is a typical good-news-bad-news thing. They're booked. The loan is booked, so for those funds, we've shifted the liability away from the school but unmatched, and unmatched probably 'cause of subsequent disbursement on the loan – either it wasn't sent to us, or it was sent, and we rejected it. We're seeing, more and more, some of the unmatched is because you might've gone directly into COD online and entered a disbursement there, but you didn't sync up your database, and so one side has it; the other side doesn't.

And you sync up your database either by double entering or by importing the WB – the Web-based response – and so when you do an online entry directly, try to remember to import that WB response 'cause that updates your database to match 'em up. And if you can't do that, then just enter it directly into your database. So these are booked but unmatched, and so you'll want to figure out why the individual transactions here that show up as unmatched are, and, again, like I said, it's gonna be something that you didn't send to us, or we rejected, or you did it online in COD – most of the time.

Okay, "Unbooked Records That are Matched," you won't see too many of these. We won't even have a disbursement on our system unless we've accepted it, and we won't accept a disbursement unless we have the loan origination record in the MPN, which means that, with few exceptions, they're only unbooked because they're future dated. And COD will not book a disbursement until the disbursement date arrives, so it most likely, near the end of the month, you sent disbursement records in. You can send them up to seven days in advance – actual disbursements – and then that end of the month occurred somewhere in there, so we're gonna hold those un-booked until the disbursement date.

If that's the situation, then just monitor this, and make sure on next month's School Account Statement that these appear in the booked-match section. Now they'll be other, very few, exceptions on this, so don't just completely blow this section off, but just make sure that you track these and that they book.

Okay, and probably most of your mismatches will be the fourth section. This is un-booked and unmatched. So we have a couple of things going on here. One is that we haven't accepted liability for any of the funds disbursed because we don't have those three key elements, so you wanna make sure you work on that. Plus, the disbursement is not matching up. So what you sent us – or didn't send us – we don't have. We have the dates off; the amounts are off. And again, this is the same thing. It could be that you have the disbursement on your system, but you just failed to send it to us, or you sent it to us, and we rejected it, or you entered it directly in COD.

Don't forget you have disbursements, but you also have adjustments. And one thing that the compare program won't find, and that is if you posted funds to a student's account, if you disbursed, but never entered that disbursement in your system, nor did you go online, let's say, into COD and enter it, so our system doesn't have it, and your system doesn't have it, so there's nothing to compare. So you won't see a mismatch with that, and usually you can find those if you run some kind of a **pending actual** disbursement report, and you look at the date range of disbursements that should've been disbursed, but you forgot to enter those disbursements. So just remember that that is one category you won't see on a mismatch because zero equals zero. There's nothing to tell you there. All right, and don't forget these are unbooked, so your school is still liable for these funds.

All right, so let's bring this together, then. So what do we have? Now we've run the cash compare, and we've run the loan or disbursement compare. We know exactly which transactions are throwing your subtotals off. You know how to fix those, and you've tracked those. I'll give you a couple of recommendations for documentation to track those.

Reconciliation against the School Account Statement is two things, then. You're not only reconciling the subtotals – and you wanna make sure that the ending cash balance is now reconciled – but you have to explain why you have a cash balance. You're allowed to have those until program-year closeout, but you should know why because we know that there are timing issues. So, basically, you have to walk your ending cash balance to zero on documentation on paper. So you have a cash balance, but you know, "Okay, we drew this down near the end of the month. Disbursements are on their way," and so you put that in a piece of paper in a document somewhere that you can walk it right down to zero so you can explain to an auditor or program reviewer why you're showing a cash balance.

You don't send the department anything for reconciliation. You retain the documentation on campus, and if an auditor or a program reviewer asks for it, you, then, have to produce it for them. And we don't give you the exact date that you have to complete the monthly reconciliation. We do give you a deadline for program-year closeout, but, logically, you're gonna be getting another School Account Statement, and so you really should have this month's done before the next one comes, or they'll start to pile up on you.

Otherwise, you choose the type of documentation, and this next slide is just one recommendation. You don't have to follow this one, but we do know there are two types of documentation out there. There's the type that people do after the fact to kind of satisfy the auditor as sort of – you know, just to get something documented on file, and there's the type that you actually use to do your reconciliation, and so it's a higher quality documentation.

This is one that many schools like. It's like a spreadsheet, and it's where you put the totals from the School Account Statement in one column, the totals from the school's system, and then you have Excel do the differences. And then many schools will, then, have it so they can click on and go to another workbook that have the transactions that make up these subtotals, and so these will link out. This is one recommendation.

And this next slide is another recommendation. It's an action-item list, and the beauty of this one is it not only shows an auditor that you know what transactions are making you unmatched or how to get your cash balance to zero, but you're gonna even put due dates when you're gonna get that resolved, and you'll even mark off on the third column when it's done. So this tells them that you're truly using this documentation to help you reconcile.

Okay, so that was the main functionality of Direct Loan Tools, the compare program, formatting the SAS, the cash management, but Direct Loan Tools has a couple other things that may help you, and one would be the Rebuild functionality. Hopefully, you won't need to take advantage of this, but if you lose your database in whole or in part, you can request, from COD, a Rebuild file. That file contains – and don't forget; it only contains what you've sent to them, and what they've accepted – but if you've lost your entire database, then this is your only hope, and it's a good way to rebuild at least most of your database.

You can do this, rebuild database, whether you have an EDExpress database or not. You simply call the number on the screen there and ask for them to send you the rebuild, and

it'll be put in your TC Mailbox. This is a good time to remind you to data backups, and we've helped schools who have backed up their data very carefully. They do it every day or every week, but then when they try to reinstall the backup, that's where they run into problems.

So test your backup to make sure you can actually reinstall the data on it, and use a general rule of thumb: How much data are you willing to put in a second time? If you're willing to put in a whole day's work, then maybe a backup every day at the end of the day. If you're only willing to put in half a day's work, then maybe you wanna do a backup at midday or whatever, and then test that once in a while, too.

Okay, like I said, you can do a rebuild whether you're EDEExpress or not. There's just a couple of extra steps if you're not. So let's first go into the easy case. If you have an EDEExpress database, that's **tossup**. You can either get the rebuild for the whole database, or if just maybe one record is corrupted, you can just get that one loan rebuilt.

If you do have a partial rebuild you need, you probably wanna run the Compare that's within the Rebuild functionality so it can tell you what's on your database vs. what's in the rebuild, and so know – and you can rebuild just what you wanna rebuild. Obviously, if your entire database is gone, there's no reason to compare because there's nothing to compare it to. So you request this file. You import it into Direct Loan Tools, and Direct Loan Tools, then, rebuilds the tables in the EDEExpress Access database.

If you're not EDEExpress, then you have one additional step. First, you request the rebuild file. Then you have to download EDEExpress and actually create the tables and files in EDEExpress, and then you export from EDEExpress to your own system. And I know a lot of you are thinking, "That is a lot of work," but the alternative is you're manually reentering all your data, so it beats that.

Okay, so that's the Rebuild, and then another functionality within Direct Loan Tools, I mentioned earlier, was the Disbursement Measurement Tool Report, and you should be assessing how well your Direct Loan processing is going. We'll help you a little bit with that with our warnings about the timing and that, but the Disbursements Measurement Tool Report, only available for EDEExpress, but even if you don't have EDEExpress, it's something to consider a query to build in your other system. It measures the amount of time, on average, that takes you from disbursement date to the date it's batched, and then from disbursement date to the date it's booked.

And like I mentioned, it'll certainly help you with the 30-day reporting requirement by telling you the average it's taking you, and you can see where your bottlenecks are and maybe where you wanna move some functionality or processes or resources around. You wanna reduce those Edit 111s. That's where COD needs 5 days for the disclosure statement, and those Edit 055s where they needed that disbursement record within 30 days.

Okay, so if you have any questions with Direct Loan Tools, don't forget that the CPS, they write the software, they test it, and they really know it well. So you call the number on the screen, or send them an e-mail, and they can help you install it. They can help you

with the imports. They could help you with the compares. They have some really sharp people there who know this product well.

Like I mentioned, the PC lab, where you can go in and play with the software, you can do the DL Tools hands-on. It's a different session here, but let me show you some training opportunities available, when you get back to campus, on the Internet, and let's go onto IFAP, first, and you see that block Tools for Schools.

So if you click on Tools for Schools, there are two Direct Loan Tools training opportunities there. The first one is COD Computer-Based Training, and that opens as a rather large page, and we'll scroll down, and you'll see there are these CBTs – computer-based training modules – and these are modules you download onto your computer. They take 30 to 45 minutes, and they have a lot of stuff in there. You can see, if you wanna learn your way radiation the COD website, there are the COD websites. They have Direct Loan Tools ones. They have Direct Loan reports. They even have StudentLoans.gov simulations on there, so you can go through this quick module, and it shows you how to fill these out.

So this Direct Loan Tools CBT is more geared towards non-EDEExpress. It shows you how to build these external files and bring 'em in, but if you wanna see one that's more geared to the EDEExpress, we go back out to Tools for Schools, and we click on that, and we see there's WBTs, Web-based training. So this doesn't download anything onto your computer. You do this training basically online, and you can go through this, and it takes you screen by screen, and it tells you how to use Direct Loan Tools with emphasis on EDEExpress. But either one, you can get a lot of information from this.

And the other one would be these conference presentations will be posted, the audio, and the PowerPoints. So if there's one key point that you missed, between these three, you should gain plenty of expertise with Direct Loan Tools.

All right, we have contact information on this screen. We really want your input on how to improve, both, the Direct Loan Tools product and, in addition, this session, as well, so anything you'd like us to do more of or less of. Other than that, what I'm gonna do, then, is if anybody has any questions they wanna ask, there are microphones up here, or you can come up and ask after this is over with. But looks like I got you out in plenty of time – you're early – and I thank you very much for coming.