
Introduction to Volume 4

This volume provides guidance on how to request, disburse, manage, and report on the use of federal student aid funds.

Here we provide a summary of changes and clarifications. **However, the introduction does not provide complete guidance on these changes.** For that, refer to the text in the chapters cited, the Code of Federal Regulations (CFR), and the Higher Education Act (HEA).

Throughout this volume new information is indicated with the following:

NEW

When the text represents a clarification rather than a change, it is indicated with

Clarification

When we believe that historically there might be some misunderstanding of a requirement, we indicate that with

Reminder

If we want to point out a bit of helpful information, we indicate it with

TIP

Finally, if we want to draw your attention to something, we use



Notes on Active Links

At the top of each page you will find links to the Dear Colleague Letters, the Code of Federal Regulations, and the Handbook glossary and acronyms.

[Glossary](#) [CFR](#) [DCL](#)

Noteworthy Changes

Throughout the volume references to the eCB system and Campus-Based Call Center were changed to the Common Origination and Disbursement (COD) system and COD School Relations Center to account for the transition of the former system to the latter.

We modified the margin note on page 10 about the end of the Perkins Loan Program and included a reference to Dear Colleague Letter GEN-17-10. We removed some references to Perkins throughout while retaining others since the guidance will continue to be relevant in 2018 and since some schools will continue to service Perkins loans rather than assign them all to the Department.

We rewrote page 15 for greater clarity and to add information about what causes a school to be placed on heightened cash monitoring and how the Department handles requests for funds under the HCM2 and Reimbursement payment methods.

We added and corrected text on pages 29 and 30 to clarify that charges for books and supplies must be included in institutional costs if students do not have a real and reasonable opportunity to buy those items from a source other than the school, and, as institutional costs, they must also be prorated if they are assessed for the whole program at its start.

On pages 32 and 33 we removed two of the options for apportioning charges for a program whose entire cost is incurred at the beginning. That cost must be divided proportionately according to what fraction of the credit or clock hours in the program occur in a given payment period.

We noted in the margin of page 36 why schools on the Heightened Cash Monitoring 2 and reimbursement payment methods cannot make interim disbursements (those made before verification is completed).

In the middle of page 40, we added a sentence noting that schools have latitude in how they offer students and parents the choice to receive regular (non-post-withdrawal) late disbursements.

On pages 40 and 41 we clarified the late disbursement guidance on what schools' obligations are when students withdraw, complete the payment period or period of enrollment, or do not withdraw but cease to be enrolled half time.

On page 46 we added a margin note about schools on the Heightened Cash Monitoring (HCM) 1 payment method paying credit balances by the normal deadline.

On page 48 we added a margin note about schools on the HCM and reimbursement payment methods having a way for students to get books and supplies in the normal time frame.

We moved from the body of page 54 to the margin the reference to the Federal Register notice containing the disclosure format for the fees and features associated with T1 and T2 arrangement financial accounts.

We combined the boxed sections in Chapter 2 on disclosure requirements associated with T1 and T2 arrangements since the text was redundant, and we moved the result to the body of pages 62 and 63. We also added a list of rules for displaying the relevant information on a school's website.

We added a margin note on page 72 mentioning and linking to an electronic announcement that clarifies reporting requirements when there is a Pell Grant overpayment.

We noted in the margin of page 73 that the Pell Grant default limit of 100% of a scheduled award can be exceeded if students qualify for year-round Pell, in which case they can receive up to 150% of a scheduled award.

On page 74 we removed the margin note about Iraq and Afghanistan Service grants at more than one school because starting in June 2018 COD will be sending multiple reporting records for that program to indicate concurrent enrollment and potential overawards.

On page 100 we put a note in the margin referring to our annual electronic announcement that serves as a reminder and summary for financial aid and business offices of the general requirements related to disbursement reporting, excess cash, and reconciliation.

We added the paragraph about updating loan disbursement amounts immediately below the bulleted list on page 135.

