
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 Assistance 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

We removed references to investment accounts throughout the volume because keeping Title IV funds in them is no longer an option.

On page 7 we amended the instruction under ACH about submitting the Direct Deposit Sign-Up Form: schools mail it to the Department's Office of the Chief Financial Officer at the address given on the form with a cover letter and a copy of their program participation agreement.

We amended the first margin note on page 7 and added some text about schools annually reconfirming their DUNS numbers.

We moved some of the margin note about two-factor authentication to the body of pages 9 and 10 and deleted the rest of the note.

Also on page 10, we replaced the margin note about the Perkins federal capital contribution with a note about the end of the Perkins Loan Program in 2017.

We noted in the margin of page 17 that schools must now remit excess interest to the Department of Health and Human Services. As of July 18, 2017, the G5 system will no longer be available for these payments.

We moved the note titled “If a borrower dies before loan funds are disbursed” to the margin of page 35 from the body of the page.

We updated the text box on page 55 to indicate that the guidance on the format and content of the disclosures pertaining to financial accounts under T1 and T2 arrangements was published in the Federal Register on July 18, 2017.

On pages 60 and 65 we noted that Dear Colleague Letter GEN-16-16 and the electronic announcement of June 16, 2017, have additional information about the cost disclosure requirements of the relatively new cash management regulations.

We added a section on page 82 explaining what schools must do when they discover that they have disbursed a Title IV loan to an ineligible student.

Also on page 82 we added a sidebar note about the reaffirmation process and form.

The margin note on page 92 about using G5 to return funds was created from other text in the chapter.

On page 94 we removed the margin note “Direct Loan Funds May Be Rewarded” because the same information is in the body of the page.

We removed a margin note on reconciliation and third-party servicers from Chapter 6 because it was a duplicate of the margin note on page 105.

We also removed the margin note “Final Reconciliation” at the top of page 106 because it duplicated a note on page 110.

On page 108 we added the first bullet under “Reconciling school-level data with COD Pell Grant data” about the new statements available beginning with 2017–2018.

We removed the full page graphic of the sample electronic statement of account in Chapter 5 and instead referenced in the margin of page 108

where the sample could be found in the COD Technical Reference.

We removed margin notes from Chapters 5 and 6 on the time frame for disbursements because they were duplicates of the first margin note on page 37 in Chapter 2.

On page 110 we replaced the action queue screen bullet with one for the anticipated disbursement queue, which will be the new method for listing pending disbursements. See also the COD electronic announcement of March 16, 2017, on the IFAP website.

On page 119 we rewrote the paragraph under “External reconciliation.”

On pages 121 and 122 we removed the bullets “Direct Loan Booking Warning Report” and “Inactive Loans Report.” Also on page 122, we added the second paragraph under “School Funding Information.”

We added a bullet on page 122 about the new anticipated disbursement queue page that was added with other new functionality to the COD website in March 2017. We also removed the action queue bullet.

We moved the flowchart on page 126 from earlier in the chapter and modified the title and other elements.

We added a note to the margin of page 144 about a lesson on Direct Loan fiscal requirements available on the IFAP/FSA Assessments website.

On page 189 we added the last bullet under “Perform limited fiscal operations” about schools ensuring that the subsidized usage limit calculations for students are accurate.

We added a margin note on page 209 about the Direct Loan quality assurance requirement referred to in 34 CFR 685.300(b)(9).

We replaced the final two pages of Appendix B, the sample worksheets, so that the text is clearer.

