Pell Reporting

This chapter explains how to report Pell information to the Department through the Recipient Financial Management System (RFMS) and how this reporting system affects the school's authorization.

OVERVIEW OF NEW RFMS

Schools report Pell disbursements to the Department through the Recipient Financial Management System (RFMS). As in previous years, schools will receive an initial Pell authorization. [8]

The reporting process starts with origination records. Origination records can be sent well in advance of any disbursements, as early as the school chooses to submit them. A school should submit origination records for any student that it might pay a Pell to. When RFMS receives an origination record, it checks the record to make sure there aren't errors and then returns an acknowledgement.

When the school makes a disbursement, it needs to send in a disbursement record. The disbursement record reports the actual disbursement date and the amount of the disbursement. RFMS also returns an acknowledgement for the disbursement record, which will let the school know if there were any problems with its submission. RFMS sends information from disbursement records to the Education Central Automated Processing System/Grants Administration and Payments System (EDCAPS/GAPS, or GAPS), and the school's authorization will be adjusted.

RFMS Software

The Department provides a Pell Payment module as part of the EDExpress software. However, schools aren't required to use this software, and we won't discuss the specifics of the software in this chapter. Schools using the Department's software can use the Desk Reference for the Pell Payment software or the online help in EDExpress for help with the software. They can also download the *RFMS EDE Pell Grant Technical Reference* from <http://www.sfadownload.ed.gov>. The school might also want a copy of the RFMS Training CD-ROM produced by the Department; in addition to general materials on RFMS, this CD-ROM has a set of tutorials on

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8. The schools participating in the Just-In-Time Funding pilot don't receive an initial authorization, because they don't draw down funds. Instead, funds are automatically deposited in the schools' bank account, based on disbursement records they submit.

using the EDExpress software. Schools can request a copy of this CD-ROM by calling the Federal Student Aid Information Center at 1-800-4FEDAID (1-800-433-3243).

Schools using third-party software should consult the materials provided by the vendor. A school that develops its own software may want to refer to the record layouts for the various RFMS records. The records have to be formatted correctly to be accepted by RFMS. The layouts are available on the IFAP web site at <http://ifap.ed.gov/csb_html/software.htm>. IFAP also has other information about RFMS, such as edit codes, and a series of Action Letters describing the system.

PELL AUTHORIZATION

At the beginning of each award year, a school is given an initial authorization based on an estimate of the Pell funds the school will need to cover its first payments. As the award year progresses, the authorization for the school will be adjusted based on the actual dollar amount of disbursements the school reports to RFMS.

RFMS sends information on the school's initial authorization to GAPS. It also sends an Electronic Statement of Account (ESOA) to schools to notify them of their initial authorization. As the school reports disbursements to RFMS, RFMS makes any necessary adjustments to the authorization, and notifies GAPS so that funds will be available to the school. RFMS enables the Department to track a school's need for funds as the award year progresses and adjust the school's authorization on that basis. The system also provides documentation to the school for reconciling the school's records of total expenditures with the Department's records of eligible students paid by the school. (This documentation is the Year-to-Date data; see "Year-to-Date Records," in this chapter.) The Pell funds that the school reports as expenditures to GAPS must equal the total payments to eligible Pell recipients at the school, as shown by the records for each student.

REPORTING METHOD
Electronic Data Exchange

Schools must use the *Electronic Data Exchange* (EDE) to report Pell information to the Department. This method allows schools or their service agents to use the school's computers to send and receive information to and from the Department. The Department supplies personal computer communication software (EDConnect). Information is transmitted electronically by telephone line to a communications network (the Student Aid Information Gateway [SAIG], formerly, the Title IV WAN), which in turn transmits the information to RFMS.

ORIGINATION RECORDS

RFMS origination records contain much the same data as the Payment Data used previously. One difference is that origination records don't include actual disbursement dates and amounts, because those are reported separately on disbursement records. A school must submit an origination record for every Pell recipient. The origination record establishes a student's eligibility and the amount of Pell the student can receive for the award year.

Submitting Records

A school should submit an origination record for every student it **might** pay during the award year; the school doesn't have to disburse funds for each origination record. Also, more than one school can submit an origination record for a student. However, RFMS only accepts one origination record from each school for each student; if a school submits another origination record with different data for a student, RFMS treats the new record as an update to the original record.

Timing of submissions

A school can submit an origination record as early in the year as it chooses, once the system starts up. In 2000-2001, schools can submit origination records beginning on May 10, 2000. It's to the school's benefit to submit origination records well in advance of the time of disbursement. This will allow the school enough time to correct any problems with the student's eligibility that might otherwise delay disbursements.

Also, RFMS has to accept an origination record for a student before a disbursement record can be processed and disbursements made. Submitting the origination records early ensures that disbursement records won't be rejected because there's no acceptable origination record. If a school does submit an origination record and disbursement record for a student in the same batch, the origination record gets processed first, but of course if there's a problem with that origination record the disbursement record will also be rejected.

Specific Origination Record Items

The software the school uses to prepare origination records should help it enter data in the correct origination record format. Some items that can be entered are required, and others are optional. The Department's EDExpress software won't let the school submit invalid data, but the school will still want to make sure the information is correct for that student.

Origination ID

The school's software may automatically generate the correct origination ID (for example, the Department's software will do so). The origination ID consists of the SSN used on the student's first application for the year (which might not be the student's actual SSN), the first two letters of the last name reported on the student's first application, four digits for the award year (2001 for the 2000-2001 award year), the school's Pell ID, and 00. The two zeroes represent a

Origination Record Data Elements
The required items are:

- *Origination ID*
- *Original SSN*
- *Original Name Code*
- *Attending Campus ID*
- *Award Amount*
- *Estimated Disbursement Date #1*
- *Enrollment Date*
- *Verification Status Code*
- *Transaction Number*
- *EFC*
- *Academic Calendar*
- *Payment Methodology*
- *Cost of Attendance*
- *Enrollment Status*
- *Weeks of instructional time used to calculate payment*
- *Weeks of instructional time in program's definition of academic year*
- *Hours in all payment periods used to complete school year*
- *Hours in program's definition of school year*

The optional items are:

- *Institutional Cross-Reference*
- *Action Code*
- *Number of Payment Periods in Student's School Year*
- *Estimated Disbursement Dates #2-#15*
- *Low Tuition and Fees Code*
- *Incarcerated Federal Pell Recipient code*
- *Secondary EFC*

Award Amount Example
Hart University has determined that Eddy's award for the year will be $2,916.80. When reporting the amount on the origination record, Hart reports that Eddy's award amount will be $2,917.00, by reporting it as 0291700. This ensures that Hart will be able to pay Eddy the entire amount without problems from RFMS.

field that's not in use this year, so for 2000-2001 all origination IDs end with two zeroes.

The origination ID is used to uniquely identify the student and school in the RFMS database. If the school submits another record using the same origination ID, RFMS will assume it's either a duplicate of the first (if no data has changed) or a correction to the earlier record.

Award amount
The award amount is reported as seven numbers, with no other characters such as dollar signs, commas, or periods. The last two numbers represent cents, so for an award amount of $3,300, the school would report 0330000 as the award amount to RFMS. If the school doesn't report an amount for cents, RFMS will take the last two digits to be the cents amount. So, for example, if a school reports an award amount of 2000, RFMS will take this to be an award of $20.00, not $2,000.

In addition, for the 2000-2001 award year, the cents amount must be zero. Any other amounts reported as cents on an origination record are dropped and replaced with zeroes. For example, if the school reports an award amount of 0056250 (an award of $562.50), RFMS will correct that to 0056200 (an award of $562.00). The school then wouldn't be able to submit and receive disbursement amounts for the full award amount, because the last fifty cents would be more than the award amount on file. Therefore, a school that's going to pay an award amount that includes cents should round that amount up to the next whole dollar when reporting it on the origination record.

Low tuition and fees code
This is an optional item, used to indicate that the school used the Alternate Schedule to determine the student's annual award (see Chapter 2 of this volume). A school that used the Alternate Schedule reports a number that shows the tuition range it used for the student:

1 Tuition of zero

2 Tuition of $1-$149

3 Tuition of $150-$299

Verification status code
The school must report a verification status code, even if the student wasn't selected for verification. If the student wasn't selected, the verification status code is "N" (Not selected). Otherwise, the school should report the appropriate code for the student's status:

A Accurate: Verification was completed, and the record being used for the award is accurate.

C Calculated: Errors were discovered during verification; the school calculated what the changed award would be. The corrected EFC would be lower, and the school is paying on the original, incorrect, higher EFC. (See Chapter 8 of the *SFA Handbook: Student Eligibility [Volume 1]* for more information.)

R Reprocessed: Errors were discovered during verification, and the information was corrected and reprocessed. The school is using the corrected information. A school would also use the "R" code if the student wasn't required to make a correction (for example, if the errors fell within the verification tolerance), but did so voluntarily. Note that the Transaction Number reported in the origination record has to be greater than 01 if the school is reporting R for a verification status code.

S Selected, not verified: The student was selected for verification, but the school wasn't required to verify the student's information because it had already verified 30% of its applicants or is participating in the QA Program (see Chapter 8 of the *SFA Handbook: Student Eligibility [Volume 1]* for more on these exceptions).

T Tolerance: Errors were discovered during verification, but the errors were within the verification tolerances, so no corrections were made. This code is also used for students who meet certain verification exclusions (see Chapter 8 of the *SFA Handbook: Student Eligibility, [Volume 1]* for information on verification tolerances and exclusions).

W Without documentation: The student hasn't completed the verification process. A school can make a first disbursement to a student with this status, but won't be able to make any further disbursements until verification is completed. The school must then submit a new, updated origination record with the correct verification code.

Enrollment date

This is the first date the student was enrolled in the eligible program for the award year. (For this item, "enrolled" means the first day the student attended classes.) If the student enrolled in a crossover payment period before the first day of the award year (July 1), report the actual date enrolled, even though that date occurs before the start of the award year.

Academic calendar

The academic year categories are defined as follows:

1 Credit hours—nonstandard terms. The school uses nonstandard academic terms but measures progress by credit hours or units.

Enrollment Date Example

Isabella is enrolled in a summer term at Woodhouse College, and it's the first term in the 2000-2001 award year. The term began on June 7, 2000. Woodhouse reports the enrollment date as 20000607 on the origination record it submits for Isabella for the 2000-2001 award year.

2 Quarters. The school uses standard term quarters and measures academic progress by quarter hours.

3 Semesters. The school uses standard term semesters and measures academic progress by semester hours.

4 Trimesters. The school uses standard term trimesters and measures academic progress by semester or trimester hours.

5 Clock hours. The school measures academic progress by clock hours.

6 Credit hours without terms. The school doesn't use terms, and measures academic progress by credit hours.

Cost of attendance

The cost of attendance is reported as seven numbers, with no other characters such as dollar signs, commas, or decimal points. The last two numbers represent cents, so for a cost of attendance of $10,345, the school should report 1034500. If the school submits a cost of attendance of 10345, RFMS will take that to be a cost of attendance of $103.45. Unlike the award amount, the cents amount doesn't have to be zero, so a school could report a cost of attendance of $3,456.89, as 0345689.

Enrollment status

This item is only completed if the academic calendar uses terms (standard or nonstandard). The enrollment status code "Other" is used when the student's enrollment status is "mixed"—for instance, when a student attends full time one term and half time the next, or when the student attends an additional (optional) term within the award year. Reporting a status of "Other" allows RFMS to accept an award amount up to the full Scheduled Award.

Weeks of instructional time used to calculate payment

This item isn't completed if the school is using Formula 1 to calculate the Pell Grant, but is reported for all other formulas. (See Chapter 2 of this volume for more information about the formulas.) Note that this is an amount for the entire award year; this amount won't match the amount actually used in calculations under Formulas 3 and 5B because they only use the number of weeks in a particular payment period in the calculation.

For standard-term-based, credit-hour programs (programs using Formula 2), this is the total number of weeks provided in the school's fall through spring terms. For other term-based, credit-hour programs (programs using Formulas 3 or 5B), this is the total number of weeks of instructional time provided in all terms that are part of a normal complete academic year. For programs using Formulas 4 or 5A, this is the number of weeks of instructional time provided by the program or

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Enrollment Status Codes
1 Full-time
2 Three-quarter time
3 Half time
4 Less-than-half time
5 Other

Enrollment Status Example
Brian is enrolled three-quarter time at Hildebrand University for the fall and spring semesters, and also for the summer term. Hildebrand reports his enrollment status as 5, which is "Other." If it reported his status as 2, "Three-quarter time," the award amount would be limited to Brian's three-quarter-time annual award, and Brian wouldn't be able to receive payment for the summer term.

academic year, whichever is less.[9] Note that the weeks of instructional time might not be the same as the number of calendar weeks (see the *SFA Handbook: Institutional Eligibility and Participation [Volume 2]* for more information).

The number the school reports here can never be more than the number of weeks of instructional time in the program's definition of academic year, which is also reported on the origination record. If it would be larger (which should only happen for programs using Formulas 4 or 5A), the school should adjust one of the two numbers so they're the same.

Credit/clock hours in all payment periods expected to complete this school year

This item is completed only for clock-hour (schools using Formula 4) or nonterm credit-hour programs (schools using Formula 4 or Formula 5A). It's the number of hours or credits the student is expected to complete in all payment periods occurring in the current award year. If the school is paying the student in the current award year for payment periods that are in progress or are already completed, it must be sure to include those payment periods in this total. This number can't be more than the number of credit/clock hours in the program's definition of academic year, which is also reported on the origination record.

Origination Record Acknowledgement

When RFMS receives origination records, it edits them to make sure there are no errors. Then it sends an acknowledgement back to the school. RFMS will send one acknowledgement record back for each origination record it received.

RFMS will accept the origination record without corrections, make corrections to some of the items, or reject the record. RFMS only rejects the record if there are errors that can't be corrected. The acknowledgement record has an action code that shows whether the origination record was accepted (A), corrected (C), or rejected due to errors (E). The record also has error codes that tell why a particular record was corrected or rejected.

When an origination record is accepted or corrected the acknowledgement record reports back the values on file within RFMS for each data element on the origination record. RFMS keeps each data element's accepted or corrected value. If an origination record was rejected, the acknowledgement record reports back the values reported by the school for each data element. RFMS doesn't keep any data for an origination record that was rejected due to errors.

Schools should check records rejected because the SSN or Name Code was invalid or didn't match (edit code 303); in many cases, this means that the student isn't in the Pell database. This can occur if an

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9. For Formula 4, the number of weeks of instructional time provided by the program is the number of weeks of instructional time it takes a full-time student to complete the hours in the program. See Chapter 2 of this publication, page 43.

Origination Record Edit Codes

Edit Codes	Message	Type
301	Invalid Origination ID	Rejected
302	Duplicate Origination	Rejected
303	Invalid Original SSN or Name Code/ Applicant not on Eligible Applicant File	Rejected
304	Attending and Reporting/ Funded Campus Mismatch or Origination Identifier Pell ID Mismatch with Attending Campus Pell ID	Rejected
305	Invalid Award Amount/Correction Applied	Warning
306	Invalid Disbursement Date/Correction Applied	Warning
307	Invalid Enrollment Date/Correction Applied	Warning
308	Invalid Low Tuition and Fees Code/ Correction Applied	Warning
309	Invalid Verification Code/Correction Applied	Warning
310	Invalid Incarcerated Federal Pell Recipient Code/ Correction Applied	Warning
311	Invalid Transaction Number	Rejected
312	Invalid Expected Family Contribution	Rejected
313	Invalid Secondary Expected Family Contribution/ Correction Applied	Warning
314	Invalid Academic Calendar/Correction Applied	Warning
315	Invalid Payment Methodology/Correction Applied	Warning
316	Invalid Number of Payment Periods/Correction Applied	Warning
317	Invalid Cost Of Attendance/Correction Applied	Warning
318	Invalid Enrollment Status/Correction Applied	Warning
319	Invalid Weeks of Instructional Time in Program's Definition of Academic Year/Correction Applied	Warning
320	Invalid Weeks of Instructional Time Used to Calculate Payment/Correction Applied	Warning
321	Invalid Credit/Clock Hours in Program's Definition of Academic Year/Correction Applied	Warning
322	Invalid Credit/Clock Hours in all Payment Periods Expected to Complete this School Year/Correction Applied	Warning
323	Origination 'Over Paid' and Negative Disbursement Expected	Warning
324	Invalid Secondary Expected Family Contribution	Rejected

eligible student incorrectly reported having a bachelor's degree or being enrolled as a graduate student. The school must correct (or have the student correct) the incorrect information before it can receive any payment for the student from the Department.

RFMS corrections

RFMS makes corrections to invalid values whenever possible, rather than rejecting the record. Values may be invalid because they're formatted incorrectly, or they may be invalid in relation to other data the school has reported. For example, the school reported academic calendar as 3 (Semester) but the payment methodology is reported as 4 (Credit/Clock Hour, or Formula 4). In this case, RFMS would correct the payment methodology to 3 (Credit Hour with standard or nonstandard terms) to agree with the reported academic calendar. The record layouts detail how RFMS corrects invalid values.

RFMS will also calculate the maximum award amount the student can receive, based on the attendance, cost, and EFC on file in RFMS. If the reported award amount is more than this maximum amount, RFMS will correct the award amount. Note that RFMS won't **increase** the award amount the school reported; a school that accidentally reported an award amount that's too low will need to update the origination record itself.

DISBURSEMENT RECORDS AND SPECIAL DISBURSE-MENT RECORDS

A school must report each payment made to each eligible student. RFMS has two records for reporting disbursements: the disbursement record and the special disbursement record. Most schools (those using any funding method other than Reimbursement) will use the disbursement record, which has only 5 items the school needs to report. Because the Department needs additional award data by payment period for schools on Reimbursement or schools who have lost eligibility during the award year, these types of schools must use special disbursement records, which require the school to report on 20 items. However, other schools can use special disbursement records if they choose.

Timing of Submissions

As mentioned previously, before RFMS will accept a disbursement record or special disbursement record, it must have an accepted origination record for the student. Although a school can submit both records in the same batch, if there's a problem with the origination record, the disbursement record or special disbursement record won't be accepted.

Under Advance Funding, a disbursement record (or special disbursement record) can be submitted as early as 30 days before the actual disbursement date. However, a school may want to wait until closer to or after the disbursement date, because if a reported disbursement isn't made the school will need to submit another disbursement record reducing the payment amount. Schools using

Disbursement Amount Example

In August, Hart University submits a disbursement record for Owen, showing that it plans to disburse $413.82 to him after the beginning of the fall term, on September 7. The debit/credit indicator is P, and the disbursement amount is 0041382. At the time Hart submits the disbursement record, Owen is enrolled half time. However, two weeks before the disbursement date, Owen changes his enrollment status to full time. Because of this change, he can receive an additional $413.39 in the fall disbursement. Hart submits another disbursement record, showing the same planned disbursement date as the first, a debit/credit indicator of P, and a disbursement amount of 0041339. When Hart is ready to make the disbursement, after classes start, it discovers that Owen didn't start attending some of his classes, so he's only enrolled half time after all. Hart makes a disbursement for the original amount of $413.82. Later, it submits another disbursement record showing a negative disbursement of $413.39 (the amount it ended up not giving to Owen). The disbursement date is still the same date, the debit/credit indicator is N, and the disbursement amount is 0041339.

Just-In-Time Funding can submit records up to five days before the disbursement date; schools on Reimbursement or Cash Monitoring can't submit a disbursement record or special disbursement record until they have actually made the disbursement to the student. In all cases, a record that's submitted too early will be rejected.

A disbursement record should be submitted no later than 30 days after the disbursement is made. A school is required to report disbursements within 30 days of making the payment (see "Reporting Deadline," in this chapter).

Specific Disbursement Record Items

The disbursement record must have an Origination ID, which must match an origination record in the RFMS database. If there's no match, the disbursement record will be rejected. It must also have a disbursement reference number. The school can assign these numbers as it chooses, but the number must be from 01 to 90, and must be different for each of the student's disbursements. Schools may find it convenient to number each student's first disbursement 01, and then use consecutive numbers for the following disbursements.

There are two parts to reporting the disbursement amount. First, the disbursement record has a debit/credit indicator flag. If this is set to "P" (positive), it means the school is reporting a positive disbursement (money paid to the student). If it's set to "N" (negative), the school is reporting a negative disbursement (money taken from the student, or an award reduction). On the first disbursement record the school submits for a student, the debit/credit indicator flag must be P (positive). The school reports the disbursement amount separately from the indicator. Like the award amount on the origination record, the disbursement amount is reported as seven numbers, with no other characters. Again, the school must report cents for the disbursement amount but unlike on the origination record, the amount of cents can be something other than zero.

Special disbursement records

In addition to the information in disbursement records, special disbursement records have information about the payment period for which the disbursement is made, and information that can be used to calculate the correct amount of the payment for that payment period. The school must report the number of payment periods in the school year, which payment period this disbursement is for, the start and end date of the payment period and the total payment amount for the payment period.

The school also reports values for a number of items reported on the origination record, but provides the value just for that payment period. For example, the school reports the academic calendar for that payment period, which may be different from the academic calendar

reported on the origination record. Other such items that are reported are the payment methodology, COA, enrollment status.

To allow the correct calculation of the payment amount, the special disbursement record includes the number of weeks used to calculate the payment for the payment period (for Formulas 2, 3, 4, and 5), and the number of credit/clock hours the student is expected to complete in the payment period (for Formulas 4 and 5). For standard-term-based, credit-hour programs (programs using Formula 2), the number of weeks is the total number of weeks provided in the school's fall through spring terms. For other term-based, credit-hour programs (programs using Formulas 3 or 5B), the number of weeks is the total number of weeks of instructional time in the payment period. For programs using Formulas 4 or 5A, the number of weeks is the number of weeks of instructional time provided by the program or academic year, whichever is less.

Treatment of special disbursement records received after disbursement records

In some cases, a school might submit a special disbursement record after a disbursement record has already been accepted by RFMS. For example, a school might submit disbursement records for a student and then be put on Reimbursement and need to use special disbursement records for any later disbursements, or a school might decide to use a special disbursement record for one of the student's payment periods. Remember that special disbursement records have information about the payment period they're for, but disbursement records have no payment period information. Because a payment period can contain more than one disbursement, when RFMS receives a special disbursement record after accepting a disbursement record for the student, it has to figure out what payment periods the earlier disbursement records applied to. In particular, RFMS needs to determine if any part of the earlier disbursements were for the payment period reported on the special disbursement record. If they were, the disbursement amount on the special disbursement record will be reduced by the amount of the disbursements that were determined to be for that same payment period.

Disbursement Record and Special Disbursement Record Acknowledgement

When RFMS receives disbursement records, it edits them to make sure there are no errors. Then it sends an acknowledgement back to the school. RFMS will send one acknowledgement record back for each disbursement record or special disbursement record it received.

RFMS will accept the record without corrections, make corrections to some of the items, or reject the record. RFMS only rejects the record if there are errors that can't be corrected. The acknowledgement record has an action code that shows whether the record was accepted (A), corrected (C), or rejected due to errors (E). The record also has error codes that tell why a particular record was corrected or rejected.

Treatment of Special Disbursement Record Example

Hart University submitted an origination record for Ivory showing that she's enrolled full time in a semester program with 2 payment periods in the academic year, and that Hart uses Formula 1 to calculate Pell Grants for students in the program. The award amount RFMS accepted is 0330000 ($3,300). RFMS has received disbursement records from Hart for Ivory with disbursements totaling $1,658, and now receives a special disbursement record with a disbursement amount of 008250 ($825).

The special disbursement record shows that Ivory is enrolled half time in this payment period, and that this is her second payment period in the school year. Based on the COA reported by Hart and Ivory's EFC, her annual award for half-time enrollment is $1,650.

Based on the data on the origination record, RFMS considers $1,650 of the $1,658 previously disbursed to have been disbursed for the student's first payment period and $8.00 of the previously disbursed funds to have been disbursed for the second payment period. (3300/ 2=1650, $1,658 - $1,650 = $8.00.) Because Ivory's maximum award payment for the second payment period is $781.50 (1563/2) and she's already received $8.00 of that, RFMS will correct the disbursement amount on the special disbursement record from the reported amount 0082500 ($825.00) to 0081700 ($817.00).

Disbursement Record Edit Codes

Edit Codes	Message	Type
401	Invalid Origination ID (not in Valid Format)	Rejected
402	Origination ID does not Match on RFMS	Rejected
403	Disbursement Reference Number not Valid	Rejected
404	Debit/Credit Indicator Flag not Valid	Rejected
405	Disbursement Amount not Valid	Rejected
406	Disbursement Amount not in Range	Warning
407	Disbursement Date not Valid Date Format	Rejected
408	Disbursement Date not Valid for Processing Date or not in Valid Range	Rejected
409	Institution Must Submit Special Disbursement	Rejected
410	Potential Concurrent Enrollment-Multiple Reporting Sent Separately	Warning
411	Potential Overaward Payment-Multiple Reporting Sent Separately	Warning
412	Negative Disbursement cannot be Accepted without Previous Positive Disbursement	Rejected
413	Insufficient Negative Disbursement Amount-Negative Disbursement Expected for Difference Amount	Warning
414	Origination in "Over_Paid" Status-Positive Disbursement cannot be Accepted	Rejected
415	Institution Status Indicates Institution Must Submit Special Disbursement Record	Rejected
416	Negative Disbursement Adjusted to Reflect Accepted Previous Disbursement Balance	Warning
417	Disbursement Submitted after End of Processing Year and Institution has not been Granted Administrative Relief	Rejected
418	Origination Indicates Verification Status 'W,' Disbursement Adjusted to 50% of Origination Award Amount	Warning
419	Origination Indicates Verification Status 'W,'	Warning
420	Origination Indicates Verification Status 'W,' only one Disbursement Allowed	Rejected
421	Disbursement Generated after Verification Deadline Date	Rejected

Special Disbursement Record Edit Codes

Edit Codes	Message	Type
501	Invalid Origination ID (not in Valid Format)	Rejected
502	Origination ID does not Match on RFMS	Rejected
503	Disbursement Reference Number not Valid	Rejected
504	Disbursement with this Reference already Exists (Duplicate Special Disbursement)	Rejected
505	Disbursement Amount not Valid	Rejected
506	Disbursement Amount not in Range	Warning
507	Debit/Credit Indicator Flag not Valid	Rejected
508	Disbursement Date not Valid Date Format	Rejected
509	Disbursement Date not Valid for Processing Date or not in Valid Range	Rejected
510	Invalid Payment Period Start Date or not within Valid Range	Rejected
511	Invalid Payment Period End Date or not within Valid Range	Rejected
512	Payment Period End Date Prior to Payment Period Start Date	Warning
513	Invalid Total Payment for Payment Period	Warning
514	Invalid Academic Calendar	Warning
515	Invalid Payment Methodology	Warning
516	Invalid Enrollment Status	Warning
517	Number of Payment Periods Less than Payment Period Number on Last Accepted Disbursement	Warning
518	Invalid Payment Period Number (not in Valid Format)	Rejected
519	Invalid Cost Of Attendance	Warning
520	Invalid Enrollment Status	Warning
521	Invalid Weeks of Instructional Time in Program's Definition of Academic Year	Warning
522	Invalid Weeks of Instructional Time Used to Calculate Payment	Warning
523	Invalid Credit/Clock Hours in Program's Definition of Academic Year	Warning
524	Invalid Credit/Clock Hours Expected to Complete this Payment Period	Warning

Special Disbursement Record Edit Codes (continued)

Edit Codes	Message	Type
525	Origination in "Over_Paid" Status-Positive Disbursement cannot be Accepted	Rejected
526	Potential Concurrent Enrollment-Multiple Reporting Sent Separately	Warning
527	Potential Overaward Payment-Multiple Reporting Sent Separately	Warning
528	Negative Disbursement cannot be Accepted without Previous Positive Disbursement	Rejected
529	Insufficient Negative Disbursement Amount-Negative Disbursement Expected for Difference Amount	Warning
530	Institution Ineligible to Submit Positive Disbursement for this Payment Period	Rejected
531	Disbursement Submitted after End of Processing Year and Institution has not been Granted Administrative Relief	Rejected
532	Origination Indicates Verification Status 'W,' Disbursement Adjusted to 50% of Origination Award Amount	Warning
533	Origination Indicates Verification Status 'W,' Maximum Allowable Disbursement for this Student 50% of Award Amount	Warning
534	Origination Indicates Verification Status 'W,' only one Disbursement Allowed	Rejected
535	Student Not Elgibile to Receive Additional Disbursement Due to Regular Disbursements That Have Been Credited to the Payment Period	Rejected
536	Special Disbursement Amount Adjusted due to Prior Disbursement Balance	Warning
537	Payment Period Number Greater than Number of Payment Periods in Student's School Year	Rejected
538	Disbursement Generated Received after Verification Deadline Date	Rejected
539	Negative Disbursement Adjusted to Reflect Accepted Previous Disbursement Balance	Warning
540	CMO Rejected Student for Inadequate/Missing Eligibiliy Documentation/Information	Rejected
541	CMO Rejected Student for Inadequate/Missing Fiscal Documentation/Information	Rejected
542	CMO Rejected Student for Inadequate/Missing Award or Disbursing Documentation/Information	Rejected
543	CMO Rejected Student for not Meeting Reporting Requirements	Rejected

Special Disbursement Record Edit Codes (continued)

Edit Codes	Message	Type
544	CMO Rejected Student for Inadequate or Missing Documentation	Rejected
550	Total Funds Disbursed for Payment Period Previously Reported Using Regular Disbursement Record, no Numeric	Rejected
551	Total Funds Disbursed for Payment Period Previously Reported Using Regular Disbursement Record out of Range	Rejected
552	Total Funds Disbursed for Payment Period Previously Reported Using Regular Disbursement Record Exceeds Amount of Accepted Regular Disbursements	Rejected

When a disbursement record or special disbursement record is accepted or corrected the acknowledgement record reports back the values on file within RFMS for each data element on the Origination Record. RFMS keeps each data element's accepted or corrected value. If an origination record was rejected, the acknowledgement record reports back the values reported by the school for each data element. RFMS doesn't keep any data for a record that was rejected due to errors.

When a disbursement record or special disbursement record has been accepted or corrected the acknowledgement record has a Year-to-Date disbursement amount for the student. The school can use this to help reconcile its records for the student with the Department's records of what the student has received for the year. If the disbursement record or special disbursement record was rejected the Year-to-Date disbursement amount will be left blank.

RFMS Corrections
On a disbursement record, there aren't many items that can be corrected. However, the record layouts explain what corrections will be made on both the disbursement and special disbursement records. RFMS will check to make sure that the student isn't going to receive more than the award amount on the origination record. RFMS also checks to see if disbursements already made by other schools would cause the student to receive more than a Scheduled Award. If the disbursement amount reported on the disbursement record or special disbursement record would cause the student to receive too much, RFMS will reduce the disbursement amount.

Correction Example
Hart University paid Hector $1,666.67 for his full-time enrollment in the fall semester. The calculated amount for the second semester is also $1,666.67. Hart reports this amount (as 0166667) on the disbursement record it submits for the second semester. On the origination record Hart submitted for Hector, the annual award amount was 00330000 ($3,300, which is also Hector's Scheduled Award). The second disbursement amount reported by Hart would cause Hector's total disbursement amount to be $3,333.34, more than the annual award amount accepted by RFMS. Therefore, RFMS reduces the amount on this second disbursement record to 0163333 ($1,633.33), which is the most he can receive without exceeding the annual award amount on file with RFMS.

REPORTING CHANGES

If the origination record acknowledgements and disbursement record acknowledgements the school has received are accurate and there are no changes to the students' awards, the school must simply retain these records in its files. However, if the information for any student is wrong or changes during the award year, the school may have to make corrections.

The most frequently required changes are to COA, verification status (to update a "W"—payment without documentation), enrollment status (term schools), and payment amounts and dates. Other changes occur less frequently, except in cases of error. For instance, one wouldn't expect the school's academic calendar to change during the award year.

Changes to Origination Record Information

In general, the school only needs to submit an updated origination record if there's a change that will increase the award amount. The school has to report increased award amounts, or else RFMS won't accept disbursements up to the increased amount. To update the origination record, the school sends a new record with the same Origination ID, Original SSN, Name Code, and Attended Campus ID as the previously accepted origination record. If any of these are different, RFMS will assume the school is sending in a different origination record instead of updating an existing record. If all these identifiers match those on a previous origination record, RFMS replaces the data from the previous record with the data on the new origination record.

Verification status

As mentioned previously, a school can't make more than one disbursement for a student selected for verification until the student supplies documentation to verify or correct the application data. As long as the student's verification status is "W", RFMS will reject any disbursement submitted after the first disbursement, and will also correct the first disbursement if it's for more than half the award amount. As soon as the school completes verification, it must submit an origination record with the revised verification status and also submit applicable disbursement records or special disbursement records. If the school doesn't make this correction, RFMS will change accepted disbursement amounts to zero in early August at the end of the award year.

Optional corrections

Some corrections or changes don't have to be reported to RFMS:

- *Estimated Disbursement Dates*: Because the disbursement dates reported on the origination record are only estimated, the school doesn't have to submit an updated origination record if the actual disbursement dates are different.

- *Verification Status.* If the verification status accepted by RFMS for the student was N, A, T, C, R, or S, the school doesn't have to report a change to that status. **If the student's status was "W,"**

the school must report a change to that status once it receives full documentation from the student and completes verification.

- *Academic Calendar.* The school doesn't have to report a change from one type of standard academic term to another (for example, from a quarter system to a semester system). Other calendar changes (for example, from a credit-hour to a clock-hour calendar) must be reported.

- *Cost of Attendance.* The school doesn't have to report a change that doesn't increase the amount the student will be paid for the year.

- *Enrollment Status.* The school doesn't have to report a change to enrollment status that doesn't increase the amount the student will be paid for the year. It will have to report a change in enrollment status if a student attends for a longer period than expected and the result is a greater award. For example, if a student reported as enrolled three-quarter time decides to attend summer school as a three-quarter-time student (in addition to attending fall and spring terms three-quarter time), the school must change *Enrollment Status* to "Other" at the same time it reports the larger award amount. If the school leaves the student's status as three-quarter time, RFMS assumes that the student's three-quarter-time award is being exceeded, and the larger award amount won't be put on file for the student.

- *Weeks of instructional time used to calculate payment, Credit/Clock Hours in all payment periods expected to complete this school year.* The school doesn't have to report a change to these items if the change doesn't increase the amount the student will be paid for the year.

- *Weeks of instructional time in program's definition of academic year, Credit/Clock Hours in programs definition of academic year.* The school reports a change to these items only if it's redefining its academic year. (For example, the school decides to change its 32-week academic year to 30 weeks.)

Changes to Disbursement Information

To correct payment amounts, the school submits a new disbursement record or special disbursement records. Unlike origination records, the information on the new disbursement record or special disbursement record doesn't replace the existing record. Instead, the payment amount reported on the new disbursement record is added to or subtracted from the accepted payment amount, resulting in a new total payment to the student.

Because the old disbursement record information isn't replaced, a school can't actually correct an incorrect disbursement date. If a school reported an anticipated disbursement that wasn't made, it should simply send in a new disbursement record or special disbursement record with a negative disbursement amount for the amount it reported it would pay.

Reporting Deadline Cite
34 CFR 690.83; July 10, 2000 Federal Register notice, 64 FR 42340

Reporting Deadline Example
On November 4, Woodhouse College determines that a Pell award it has previously reported to the Department must be reduced. On November 12, it pays five new recipients and determines that it must increase the amount it reported for another student's award. December 4 is 30 days after November 4, so Woodhouse must report the downward adjustment by that date. On December 4, the school bundles the November 4 and November 12 payments and adjustments and submits new disbursement records for them all, plus an updated origination record for the increased award. Woodhouse could also have waited until December 12 to report the changes from November 12.

On December 17, Woodhouse pays another new student and learns that a student for whom it submitted a disbursement record reporting a spring semester disbursement won't be returning. January 16 is 30 days after December 17. Therefore, January 16 is the deadline by which Woodhouse must submit new disbursement records for these two changes.

Deadline Note
Usually the Pell submission deadline is September 30 after the end of the award year. However, September 30, 2001 is a Sunday, so the deadline has been moved to the following Monday, October 1.

Late Adjustments Cite
34 CFR 690.83(d)

REPORTING DEADLINE

A school must submit a disbursement record within 30 days of the date the school becomes aware of a Pell change (for example, a new recipient, or an increased award). Schools may do this by reporting once every 30 calendar days (or more frequently), or may set up their own system to ensure that changes are reported in a timely manner. For example, a school may decide to report every other Friday on all changes since the last report, or a highly automated school may set up a program to check the records daily for changes and report the changes the same day. In some cases, the school may also need to submit an updated origination record.

If a school doesn't report any data for a period of 30 or more calendar days, the Department will consider that the school had no data to report for that period, and any actions (such as changes in authorization levels) will be based only on the data reported up to that time. The 30-day reporting requirement ensures that federal funds won't remain at a school when its students don't need the funds. It further ensures that if the student transfers to another school, Pell payments to the student through the new school won't be blocked. Schools that don't submit required records or don't submit them on time, and schools that submit incomplete records, will have their Pell allocation reduced and may be fined.

A school can submit disbursement record batches more frequently than once every 30 days. A school can submit batches daily or weekly if it chooses. Schools can submit an unlimited number of batches. Note that all disbursement records for the 2000-2001 award year must be submitted by October 1, 2001 (but see below for exceptions). A school may need to submit disbursement records after the end of the award year to report summer school payments, students who need verification completed, or outstanding changes. The school must be sure that it submits these records before October 1. Remember that RFMS must have an origination record on file before any disbursement records or special disbursement records will be accepted.

Adjustments after October 1
Records with negative disbursement amounts will be accepted after the normal submission deadline. This allows schools to reduce overpayments whenever they're discovered.

If a school needs to report a new origination, increase an award amount on an origination record, or report a positive disbursement amount after October 1, 2001, the school can request administrative relief. A school can ask for administrative relief based on unusual circumstances beyond the school's control or a processing error caused by the Department or one of its contractors.

These requests must be made in writing and must be received by January 31 of the calendar year following the award year (for example, by January 31, 2002 for the 2000-2001 award year). Requests for such actions should be sent to:

ATTN: Administrative Relief Coordinator
U.S. Department of Education
Pell Operations Team
Schools Channel, OSFA
P.O. Box 23781
Washington, D.C. 20026-0781

If you have questions about administrative relief, contact RFMS Customer Service at 1-800-4-PGRANT (1-800-474-7268).

Late adjustments due to program review or audit

In certain limited audit adjustment or program review circumstances, a school can receive reimbursement even if it didn't submit correct disbursement records for a student before the submission deadline. The Department will reimburse a school for funds found to be owed to the school during an audit conducted after December 31, 1988—including funds for which reimbursement to the school wasn't requested before the audit, provided all applicable Department rules and requirements were met. In order to receive reimbursement under this provision, the school must show that it qualifies based on a finding in the school's first required compliance audit of the award year; the audit report must have been submitted by the appropriate deadline. (See the *SFA Handbook: Institutional Eligibility and Participation [Volume 2]* for more information about audit requirements and deadlines.)

A school can also receive reimbursement if under a program review it's documented that the school submitted a disbursement record for a student before the deadline, but didn't submit correct disbursement records for that student. In order to receive reimbursement, the underpayment must be at least $100, and a program review must show that the student was eligible to receive more than the school originally reported.

Note that the final deadline (published in the *Federal Register* each award year) for submitting disbursement records will continue to apply. A school that misses the regulatory deadline wouldn't be in compliance with Federal Pell Grant Program requirements.

Adjustments due to overpayments

A school can adjust the student's disbursement amounts for an overpayment whenever it determines that a student was ineligible to receive all of the Pell funds disbursed. The school must report the reduction to the proper amount whether or not it can collect the overpayment from the student, unless the school wasn't liable for the overpayment; in that case, the school reports the amount to the Debt Collection Service (see Chapter 5 of this volume and Chapter 3 of the *SFA Handbook: Student Eligibility [Volume 1]* for more information on how to handle overpayments).

> **Audit Adjustment Procedures Cite**
> *"Dear Colleague" Letter P-97-2, June 1997*

MULTIPLE REPORTING RECORD

In order to reduce potential overpayments, RFMS has a record, called a multiple reporting record (MRR). This record can be used to tell schools when another school has submitted an origination record or disbursement record on a student for whom it has submitted records. The MRR became available for schools to use in January 2000 for the 1999-2000 award year. Schools will be permitted to request these records, but they will also be sent automatically in some situations. In "Dear Colleague" Letter P-00-01, the Department details the MRR process and provides guidance for schools when using this feature of RFMS.

Requesting MRRs

Schools can request a number of different kinds of MRRs. For example, the school can request information on other schools that have submitted origination records for certain students, or other schools that have submitted disbursement records. The school can request information about all students it has sent origination records for, about selected students, or about an individual student. Or, the school can ask for information on all students for which a particular school has submitted a record.

Automatic MRRs

MRRs are generated automatically only for specific situations involving reported disbursements at two or more schools. The first is if RFMS must reduce or reject a payment to prevent an overaward. The second is if the student is receiving payments for concurrent enrollment.

Potential overaward

If the combination of payments reported would cause the student to receive more than a Scheduled Award, the last disbursement record (the one that causes the student to exceed the Scheduled Award) will have its payment amount reduced or rejected. This prevents the student from receiving an overaward. All the schools involved will receive an MRR. The school that had its disbursement amount reduced or rejected will receive an MRR that shows which other schools made payments that prevented RFMS from accepting its disbursement amount. The other school or schools will receive an MRR showing that its payments have blocked another school from receiving payments. The MRR also has contact information for the other schools, so the financial aid administrator can contact them to resolve the problem.

Concurrent enrollment

Because a student can't receive Pell funds from two schools for the same period of enrollment, RFMS provides an MRR as a warning to schools if it looks like the student may be receiving payments from different schools for the same time period. If RFMS receives disbursement records for a student where the enrollment dates are within 30 days of each other, it will generate an MRR for each school. This MRR will have a record type code of "CE" which shows that it was

Data Request Edit Codes

Edit Codes	Message	Type
601	Invalid Attending Pell ID	Rejected
602	Invalid Data Request Type	Rejected
603	Invalid Requested Output Media Type	Rejected
604	Invalid Pell Batch Number	Rejected
605	Invalid Multiple Reporting Request Code 1	Rejected
606	Invalid Multiple Reporting Request Code 2	Rejected
607	Invalid MR Student ID	Rejected
608	Invalid MR Institution ID	Rejected
609	Requested/Matching Data Not Found	Rejected
610	Student Not Originated at Requesting Institution	Rejected

generated because of a possible concurrent enrollment. However, RFMS won't prevent either payment, because it's possible that the student's enrollment at one school might end before the enrollment at the other begins. Once again, the MRR has contact information, so that the financial aid administrators can resolve any possible problems, such as a potential overaward situation.

YEAR-TO-DATE RECORDS

As a replacement for the Student Payment Summary, RFMS has Year-to-Date records. The Year-to-Date file will have origination and disbursement information for each student, as well as summary information for everything the school submitted. However, the Year-to-Date data only includes information from those records that were accepted or corrected. RFMS doesn't keep any information from rejected records, so that information isn't available in the Year-to-Date records. Unlike the Student Payment Summary, Year-to-Date records aren't automatically sent to schools; instead, schools must request Year-to-Date records.

The Year-to-Date origination record for a student will show the origination information RFMS is using for the student. If RFMS made corrections to the data, the Year-to-Date record has the corrected information. This record will also have the total amount disbursed to the student for the year. The Year-to-Date disbursement records for the student show the accepted data for each disbursement the school reported. Looking at the Year-to-Date records lets the school see what information the Department has about its students, which may be different than the information in the school records.

Concurrent Enrollment Example
Eric is enrolled in a clock hour program at Sarven Technical Institute. Sarven reports an enrollment date of August 16, 2000 on the origination record it submits for Eric. Eric is also enrolled part-time at Ivers Community College. Ivers submits an origination record with an enrollment date of September 7, 2000. On August 23, Sarven submits a disbursement record for Eric, which is accepted by RFMS. No automatic MRR is generated yet, because only one school has submitted a disbursement (although either school could have requested an MRR that would show that the other school had submitted an origination record for Eric). On September 2, 2000, Ivers submits a disbursement record for Eric. RFMS now automatically generates an MRR for each school.

The Year-to-Date summary will show the number of recipients at the school, the number of origination and disbursement records that were accepted, corrected, or rejected, and, for a certain number of edit codes, the number of times the school received that edit code on an acknowledgement.

The software the school is using should allow it to generate the information it needs for reconciling its records with the Department's record. For example, the school may be able to automatically compare its records to the Year-to-Date record to get a list of students who have differing disbursement amounts in the two sets of records. You should consult the documentation for your software for more information on the uses of Year-to-Date data.

REQUESTING FUNDS

RFMS enables the Department to track schools' need for Pell funds during the award year and to adjust Pell authorizations accordingly. The system ensures that federal funds don't remain at a school when its students don't need them. When the school requests funds from the Department, that request is handled by a different system, GAPS. Schools that participate in the Federal Pell Grant Program use GAPS to submit their payment requests.

Automated Clearing House (ACH)

The Department's Financial Payments Group uses a payment system called the Automated Clearing House/Electronic Funds Transfer (ACH/EFT). The ACH/EFT is essentially a direct deposit system. Most postsecondary schools that participate in the SFA Programs use the ACH/EFT. If you're responsible for your school's fiscal office activities, you should refer to the GAPS User's Guide and to the current edition of the SFA *Blue Book*.

A second method for requesting funds from EDCAPS/GAPS is through FEDWIRE. Under this method, requests for funds go directly to EDCAPS/GAPS. Most state institutions use FEDWIRE. See the GAPS User's Guide mentioned above for further details.

Administrative Cost Allowance

A school participating in the Federal Pell Grant Program is entitled to an administrative cost allowance (ACA) to help offset the costs of administering the program. The Department notifies the school of the amount of its ACA several times a year, and pays the school automatically by EFT. The school doesn't need to request the ACA.

A school receives $5 for each of its reported Pell recipients. Students who later withdraw are included in the number of recipients, as are transfer students, but those whose disbursement records are rejected by the Department aren't included. The ACA must be used only to help pay the costs of administering the Federal Pell Grant Program and the campus-based programs (see the *SFA Handbook: Campus-Based Programs Volumes*). If the school enrolls a significant number of less-than-full-time or independent students, it's required to

use a reasonable proportion of the ACA to assure that financial aid services are available to those students.