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**Pell Grant Program Reconciliation Questions and Answers**
**Attachment to January 2016 Electronic Announcement**

**Q1: How often should a school reconcile for the Pell Grant Program?**

**A1:** A school should reconcile both internally and externally at least monthly to help meet all cash management and disbursement reporting requirements. However, the more frequently your school performs reconciliation, the more likely you will be able to identify issues and resolve them before they become part of a systemic problem.

**Q2: Who should participate in Pell Grant reconciliation?**

**A2:** Reconciliation is a team effort consisting of the Business Office and the Financial Aid Office, who both have information that is needed to reconcile.

**NOTE:** If your school uses a third party servicer, your school is ultimately responsible to ensure that all regulatory requirements are being met and that your school is reconciling on a regular basis. You should request and retain documentation of your reconciliation efforts. Also, a part of your reconciliation should include ensuring that your school internal records match what is at the servicer as well as what is in the Common Origination and Disbursement (COD) System.

**Q3: How does a school find its Cash > Net Accepted & Posted Disbursement (NAPD) Balance in the COD System?**

**A3**: A school's Cash > Net Accepted & Posted Disbursement balance can be found on the COD Web site's School Funding Information screen (found under the "School" link in the blue bar along the top of the main page and the "Funding Info" link on the left-hand side).

**Q4: How is Cash > Net Accepted & Posted Disbursement (NAPD) balance calculated?**

**A4:** The below formulas and examples illustrate this calculation:

- Net Drawdowns - Net Accepted & Posted Disbursements = **Cash > NAPD**
  Example: $155,000 – $115,000 = **$40,000**

- Drawdowns – Refunds of Cash + Drawdown Adjustments (upward or downward) = **Net Drawdowns**
  Example: $159,750 – $4,750 + $0 = **$155,000**

- Disbursements + Net Adjustments (upward or downward) = **Net Accepted & Posted Disbursements**
  Example: $175,859 + ($60,859) = **$115,000**

- Upward Adjustments + Downward Adjustments = **Net Adjustments**
  Example: $10,000 + ($70,859) = **-$60,859**

If the **Cash > Net Accepted & Posted Disbursements** is greater than zero ($0), your school needs to report disbursements and/or return funds (excess cash).

If the **Cash > Net Accepted & Posted Disbursements** is less than zero ($0), your school needs to report downward disbursement adjustments and/or draw funds.

**Q5: When should a school complete final reconciliation and balance to a zero Cash > Net Accepted & Posted Disbursement balance?**

**A5:** A final reconciliation should be performed as soon as possible after your school's final scheduled disbursements have been made for the award year. This process must be performed within the applicable data submission deadline, as well as immediately following processing of any additional data by the school (for example, disbursement adjustments made within regulatory timeframes, but which occur after the data submission deadline as well as returns of unclaimed credit balance checks; see 2015-2016 Federal Student Aid Handbook, Volume 4, Chapter 5).

**Q6: Do schools need to continue checking their balances after the data submission deadline and/or after they have reached a zero Cash> Net Accepted & Posted Disbursement Balance in COD?**

**A6**: Yes, a school should check their balances regularly even after the data submission deadline and/or after you have reached a zero Cash> Net Accepted & Posted Disbursement Balance because of POP situations, system-generated negative disbursements, and/or changes made in G5 that impact balances in the COD System. We recommend that you add this to your procedures and processing schedule.

**Q7: Why do I see a zero Available Balance in G5 but a Cash > Net Accepted & Posted Disbursement Balance not equal to zero in the COD System?**

**A7**: The Department performs periodic global reductions of schools' Current Funding Levels after an award year has been closed. This global reduction reduces a school's Available Balance in G5 and the COD System to zero. This zero Available Balance should not be confused with reconciling your net drawdowns to your net disbursements. Schools should monitor their "Cash>Net Accepted & Posted Disbursements" on the Funding Information page in the COD System to determine if they have completely reconciled to a zero balance.

**Q8: Do I need Extended Processing (Administrative Relief) to process records in the COD System after the Data Submission Deadline?**

**A8:** Yes, if you have additional disbursement or upward disbursement adjustments to submit after the Pell Data Submission Deadline, you will need to request an extension to the established award data submission deadline via the COD Web site, Request Post Deadline/Extended Processing page. You do *not* need Extended Processing to process downward adjustments to disbursements for Pell Grants. Your school should not submit a request until after it has completed reconciliation of all program records and is ready to submit the data to the COD System. The school must submit a separate request for each award year for which it needs Administrative Relief/Extended Processing.

To request Administrative Relief/Extended Processing log in to the COD Web site at https://cod.ed.gov and complete the following steps:

Step 1: Go to the School Summary Information screen by clicking on the School tab on the top blue bar.

Step 2: Click on "Request Post Deadline/Extended Processing" located in the menu on the left side of the screen.

Step 3: Complete all required fields—including choosing the reason for the request from a drop-down menu and providing a detailed description of the problem. (Do not include Personally Identifiable Information (PII) data in this field (i.e. SSNs, award identifiers, etc.).

**Q9: What tools are available to assist with Pell Grant Reconciliation?**

**A9:** There are various tools provided by the Department of Education (the Department) that your school can use in reconciling school level Pell Grant records of individual awards to students to individual student records maintained in the COD System.

**Reports:**

- **Pell Grant Reconciliation Report** – provides a one-record summary by student which includes the total year-to-date disbursement amount accepted in the COD System.

- **Pell Grant Year-to-Date (YTD) Report** – contains detailed Pell Grant origination and disbursement data at a transaction level.

- **Pell Grant Electronic Statement of Account (ESOA)** – summarizes the status of a school's CFL versus the net drawdown for that award year, and also includes YTD Unduplicated Recipient Count, YTD Total Accepted and Posted Disbursements, YTD Total ACA paid to school, and the net drawdown payments in G5 up to the current processing day.

- **Pending Disbursement List Report** – contains disbursements not yet funded in the COD System (Disbursement Release Indicator = False).

**COD Web site screens:**

- **Funding Information Screen** – shows totals such as Current Funding Level, Available Balance, Net Drawdowns, Net Accepted and Posted Disbursements and Cash > Net Accepted and Posted Disbursements. These totals can be used to compare against your internal totals from both your Business Office and Financial Aid Office. If discrepancies are found, the detail should be compared and any discrepancies resolved.

- **Cash Activity Screen** – shows all individual Drawdown, Refund of Cash, and Drawdown Adjustment transactions received in COD from G5. This information can be used to reconcile to internal bank statements and cash transactions.

- **Action Queue Screen** – lists all pending disbursements. It can be used to determine if pending disbursements need to be canceled (reduced to zero) or made into actual disbursements. It is updated daily.

**Q10: Where can schools find additional resources for reconciliation?**

**A10:** Additional resources for reconciliation include:

- FSA Handbook – Volume 4, Chapter 5 – Reconciliation in the Pell Grant and Campus Based Programs

  http://ifap.ed.gov/fsahandbook/attachments/1516FSAHdbkVol4Ch5.pdf

- 2015-2016 COD Technical Reference Volume VI, Section 8-Reports

  https://ifap.ed.gov/codtechref/attachments/1516CODTechRefVol6Sec8Reports.pdf

- IFAP announcements

  http://ifap.ed.gov/ifap/

- FSA Training Conference Sessions

  http://www.fsaconferences.ed.gov/2015sessions.html

- COD Reconciliation Coordinators – contact via the main school services number 800-848-0978 or 800-474-7268