Q1: When should a school close out the 2013-2014 Program Year?

A1: A school should be able to close out within a month or two of submitting its final actual disbursements, but no later than the closeout deadline of July 31, 2015. If your school will need to process actual disbursement data after the closeout deadline, refer to Question 4 for more information.

Note: As a reminder, cash management, disbursement reporting (including adjustments to disbursements) and monthly reconciliation requirements supersede the closeout deadline.

Q2: How does a school close out the Direct Loan Program Year?

A2: Once a school has received a Zero Balance Confirmation Letter and completed a final reconciliation of its internal Financial Aid and Business Office Records to its Direct Loan School Account Statement (SAS) reflecting a zero Ending Cash Balance, the school must go to the COD Web site and complete the School Balance Confirmation form.

Q3: What are the benefits to closing out within a month or two of submitting final disbursement data?

A3: The benefits include:

- Receiving a Program Year Closeout Letter to include with your final reconciliation documentation. This letter confirms the date your school officially closed out the award year.

- Tighter controls over available funds in G5. With the closeout confirmation process, a school's Current Funding Level (CFL) is reduced to Net Drawdowns, which prevents further funds being requested or received for the closed year.

- No additional monthly reconciliation to the SAS, unless your school's ending cash balance changes (see Q6 and Q8)

- Tighter controls for both schools and third party servicers (if applicable):

    o Changes to cash balances such as a refund of cash or a drawdown adjustment will trigger a Change in Zero Balance e-mail which notifies the Financial Aid Administrator (FAA) that a change in balance has occurred and the balance needs to be researched and resolved.

    o Your school will need to request to be reopened or request Extended Processing to process additional disbursement and disbursement adjustment records. This allows the school to control when additional data is sent for a year in which processing should be finished.

    Note: Any change in balance requires a school to complete an additional reconciliation to fulfill their monthly reconciliation requirements.

Q4: What if a school has actual disbursements scheduled past the closeout deadline?

A4: Exceptions to the last processing day of the program year may be made on a case-by-case basis, if a school's processing period extends beyond the closeout deadline. Schools falling within this category should contact the COD School Relations Center at CODSupport@ed.gov for further assistance. Once the closeout deadline has passed, requests for extended processing may be made directly through the COD Web site.

Q5: What happens if a school closes out before the closeout deadline, but has additional records to report to the COD System?

A5: If a school identifies additional disbursement or disbursement adjustment data after completing the closeout process but prior to the closeout deadline, the school should request to reopen the award year by contacting the COD School Relations Center at CODSupport@ed.gov. The request should include:

- School Name and the award year to be reopened
- Reason for the request

Once the request is processed, the school will receive a Reopen Notification e-mail. The e-mail will be sent to the Financial Aid Administrator and President.

Q6: What if a school's balance changes after closing out?

A6: If a school's balance changes due to refunds of cash or adjustments in G5, the school:

- Will receive a Change in Zero Balance Letter
- Will receive an updated Direct Loan SAS at the end of the month
- Must request to be reopened, if the balance change occurs before the closeout deadline (see Q5)
- Must request extended processing to resolve the balance, if the balance change occurs after the closeout deadline, (see Q8)
- Must reconcile to a zero balance and complete the closeout confirmation process again

Q7: What happens after the closeout deadline?

A7: Federal Student Aid:

- Reduces the CFL to Net Drawdowns for all remaining open schools
- Rejects award year-specific Direct Loan awards and disbursements
- Discontinues year-specific Direct Loan reports
- Discontinues year-specific Zero Balance and Remaining Balance e-mails

- Issues a final Direct Loan SAS to all schools, using existing school SAS options

Q8: What if a school needs to process data after the closeout deadline?

A8: Extended processing is available on a case-by-case basis, and will be granted for authorized reasons. A school can request extended processing via the Request Post Deadline/Extended Processing page under the School tab on the COD Web site. If the request is approved, a Reopen/Extended Processing letter will be sent via email to the FAA and President.

Q9: What if a school does not resolve its Ending Cash Balance?

A9: The school will be notified of its remaining balance through a Final Demand Letter or Negative Balance Letter. Any remaining positive balance will result in a final liability for the school.

Q10: Where can schools find additional resources for closeout and reconciliation?

A10: Additional resources for reconciliation are as follows:

- [Federal Student Aid Handbook](#) - Volume 4 – Processing Aid and Managing Federal Student Aid Funds

- [COD Technical Reference](#)
    - Volume II, Section 1 – Implementation Guide - This section contains information that describes the various business rules for processing records for the Pell Grant, TEACH Grant, and Direct Loan Programs.

    - Volume II, Section 4 – Common Record Edits - This section lists all COD System warning and reject edit codes, their descriptions, and provides instructions on how to correct the error.

    - Volume VI, Section 8 – Reports - This section explains the various reports produced by the COD System, shows examples, discusses report options, and gives the file layouts.

- [Blue Book](#) – The Blue Book provides guidance on accounting, recordkeeping, managing and reporting.

- Information for Financial Aid Professionals (IFAP) Web site (https://ifap.ed.gov)