

## **Pell Grant Program Reconciliation Questions and Answers Attachment to February 2018 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: In addition to reconciling disbursements and cash transactions internally and to data from the Common Origination and Disbursement (COD) System, what other items should be verified during the reconciliation process?**

**A2:** The following items should also be verified during the reconciliation process:

- Disbursement Dates to ensure the correct actual disbursement date is on file in the COD System.
- That no disbursements are in a Pell Grant Potential Overaward Project (POP) Situation.
- Stale dated/uncashed checks (unclaimed credit balances) have been resolved by returning any unclaimed funds and processing the corresponding downward adjustments to disbursements.

### **Q3: Who should participate in Pell Grant reconciliation?**

**A3:** Reconciliation is a team effort consisting of the Business Office and the Financial Aid Office, both of which 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 the third party servicer's records as well as what is in the COD System.

### **Q4: How does a school find its Cash > Net Accepted & Posted Disbursement (NAPD) Balance in the COD System?**

**A4:** 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 tool bar along the top of the main page and the Funding Info link on the left-hand side under School Information). It can also be found in the Pell Grant SAS for 2017–18 Award Year and forward.

### **Q5: How is Cash > Net Accepted & Posted Disbursement (NAPD) balance calculated?**

**A5:** 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.

**Q6: When should a school complete final reconciliation and balance to a zero Cash > Net Accepted & Posted Disbursement balance?**

**A6:** 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 2017–18 Federal Student Aid Handbook, Volume 4, Chapter 5).

*Note:* Schools are encouraged to confirm closeout via the School Balance Confirmation page on the COD Web site for the Pell Grant 2016–17 Award Year and forward. This process is not required of schools initially; however, completion of this process will allow your school to receive a Program Year Closeout Letter for Pell, similar to existing functionality in Direct Loans, and it also puts tighter controls on processing and drawing funds.

**Q7: 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?**

**A7:** 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.

**Q8: 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?**

**A8:** 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.

**Q9: Do I need Extended Processing (Administrative Relief) to process records in the COD System after the Data Submission Deadline?**

**A9:** It depends. If you have additional disbursements 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 Reopen/Extended Processing link under the School menu to continue processing. You do *not* need Extended Processing to process downward adjustments to disbursements for Pell Grants.

If an extension is needed, 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 Reopen/Extended Processing” link located on the left-hand side under School Information.

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

**Q10: What tools are available to assist with Pell Grant Reconciliation?**

**A10:** There are various tools provided by the Department of Education (the Department) that your school can use in reconciling school Pell Grant records to records maintained in the COD System.

**Reports:**

- **Pell Grant School Account Statement (SAS)**, available for the 2017–18 Award Year and forward – the Pell Grant SAS is a monthly statement, similar to a bank statement, which summarizes the school's processing activity (both cash and disbursement data) for that month and/or Year-to-Date (YTD). This statement can be used as a reconciliation tool to compare to both your financial aid and business office records. More information on this report, including Business Rules and File Layouts, is available in the [2018–2019 COD Technical Reference](#), Volume VI, Section 8, COD Reports.
- **Pell SAS Disbursement Detail on Demand** – ad-hoc report that allows schools to get SAS Disbursement Detail data independent of the school's monthly SAS file. This ad-hoc report can be modified to show monthly, year-to-date, or a selected date range to help customize the report for a user's specific need.
- **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 (DRI)=False).

#### **COD Web site screens:**

- **Funding Information Page and Funding History Report** – (found under the “School” link in the blue tool bar along the top of the main page and the “Funding Info” link on the left-hand side under School Information), 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. The Funding History Report is the downloadable csv file available from the COD Funding Information Screen.
- **Cash Activity Page** – (found under the “School” link in the blue tool bar along the top of the main page and the “Cash Activity” link on the left-hand side under School Information), 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.
- **Anticipated Disbursement Queue** – (found under the “Batch” link in the blue tool bar along the top of the main page and the “Anticip Disb Queue” link on the left-hand side), lists all anticipated (pending) disbursements. It can be used to determine if anticipated disbursements need to be canceled (reduced to zero) or made into actual disbursements (DRI=True).
- **Action Queue** – (found under the “Batch” link in the blue tool bar along the top of the main page and the “Action Queue” link on the left-hand side), lists records that are in review by FSA’s Payment Analysts for schools on Heightened Cash Monitoring 2 (HCM2) or Reimbursement. It can be used by schools to ensure all records that the school intends to submit in their HCM2 submission have been sent to the COD System.

#### **Q11: Where can schools find additional resources for reconciliation?**

**A11:** Additional resources for reconciliation include:

- FSA Handbook – Volume 4, Chapter 5 – Reconciliation in the Pell Grant and Campus Based Programs  
<https://ifap.ed.gov/fsahandbook/attachments/1718FSAHbkActiveIndex.pdf>
- 2018–2019 COD Technical Reference Volume VI, Section 8-Reports  
<https://ifap.ed.gov/codtechref/attachments/1819CODTechRefVol6Sec8Reports.pdf>
- IFAP website  
<https://ifap.ed.gov/ifap/>
- FSA Training Conference Sessions  
<https://fsaconferences.ed.gov/>
- COD Reconciliation Coordinators – contact via the main COD School Relations number 1-800-474-7268 (for Grants) or 1-800-848-0978 (Direct Loans).