



May 23, 2008

This edition of the COD Processing Update will remain on the [COD Web site](#) until a new edition is posted. We will notify schools via a COD Web Message when a new edition has been posted.

Grant Programs

ACG, National SMART Grant, Pell Grant, and TEACH Grant

COD News

Impact on COD Processing May 25-26, 2008 (05/16/08)

Federal Student Aid is planning to execute a COD System maintenance activity on May 25, 2008. This activity will result in outages of certain COD System functionality for a period of time. Federal Student Aid appreciates your patience and understanding as it completes this important activity. In addition, funding requests will not be processed on May 26, 2008, the Memorial Day Federal holiday.

An explanation of how this activity and the holiday will impact COD System availability and processing follows below. Please review this information to determine if processing at your school will be affected.

COD System Maintenance

On **Sunday, May 25, 2008**, we will perform system maintenance on the COD System. In addition, the Student Aid Internet Gateway (SAIG) will be unavailable from 3:00 A.M. until 11:00 A.M. (ET) due to its regular Sunday morning maintenance.

For Grant and Direct Loan Participants—

- The [COD Web site](#) will be unavailable for users to submit or retrieve data from 1:30 A.M. until 9:00 A.M. (ET).
- Batches submitted by schools via the SAIG between 1:30 A.M. and 3:00 A.M. (ET) will be held and not acknowledged back to schools until after the SAIG comes back up at 11:00 A.M. (ET).
- Schools attempting to transmit batches via the SAIG between 3:00 A.M. and 11:00 A.M. (ET) will receive an error message informing them that the SAIG is unavailable and that the data must be transmitted at a later time.

Memorial Day Federal Holiday

Monday, May 26, 2008 is the Memorial Day Federal holiday.

For Grant and Direct Loan Participants—



- The COD School Relations Center will be closed.
- The COD System will accept and process data from schools and send back responses/acknowledgements, but schools will not be able to receive any Federal funds on that day. Requests for changes in funding levels and for funds will not be processed until Tuesday, May 27, 2008.

Complete information regarding processing and customer service hours for COD and other Federal Student Aid/Department of Education call centers on the holiday is posted in [a May 16, 2008 Electronic Announcement on the Information for Financial Aid Professionals \(IFAP\) Web site](#).



2007-2008 Pell Grant Deobligation Due To Verification Status “W” (05/23/08)

Effective May 22, 2008, Federal Student Aid has deobligated 2007-2008 Award Year Federal Pell Grant (Pell Grant) disbursements that did not have a verification status updated from “W” to a valid status of “V” or “S”. As noted in the warning message that Federal Student Aid sent to affected schools on April 22, 2008, these disbursements were considered overawards and reduced to a zero dollar amount (\$0.00), even though the disbursements were previously accepted in the COD System. This deobligation affected Pell Grant disbursements at approximately 300 schools.

A school affected by the deobligation will receive or see the following information:

- Receive a PGTX (PGTX08OP message class) file in the school’s Student Aid Internet Gateway (SAIG) mailbox indicating the number of students and total amount of the decrease
- Receive a system-generated negative disbursement file (CRND08OP message class/ND document type)
- Receive a new Electronic Statement of Account (ESOA) that reflects the decrease unless there are other offsetting increase adjustments
- See a change in the school's Current Funding Level (CFL) that reflects the reduced disbursements

Note: This deobligation process will not affect a school that did not have students with a verification status of “W” just prior to May 22, 2008.

A school affected by the deobligation should carefully review the information below.

Verification Completed or Not Required

If verification has been completed as required or is not required and a school believes a student’s 2007-2008 disbursement should not have been reduced to zero, the school must complete the following steps in this order:

- 1) The school must send an update to the verification status of the award, and the COD System must accept the update.
- 2) Once the verification status is updated to “V” or “S”, the school may submit the actual disbursement (Disbursement Release Indicator or DRI equals “True”) for the correct amount to the COD System for processing.



Notes:

- For the conditions under which each verification status code should be used, refer to [the September 28, 2007 Electronic Announcement posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#)
- In the following two cases, it is acceptable for the verification status code field to be blank:
 - If the student was not selected for verification or if a selected transaction was received by the school after the student was no longer enrolled and the school has reported the verification status code as “W”, the school should change the “W” to blank (nil = “True”).
 - If the student was not selected for verification or if a selected transaction was received by the school after the student was no longer enrolled and the school has reported no verification status code to date, the school does not need to submit a verification status code and should leave the field blank (nil = “True”).
- The school can perform steps 1 and 2 above in the same submission to the COD System if reported in the same student record.

Verification Deadline

Some of the 2007-2008 disbursements that were reduced to zero (\$0.00) may have been for students who are still within the allowable timeframe for submitting verification documentation/completing the verification process as will be specified in a forthcoming “Notice of Deadline Dates for Receipt of Applications, Reports, and Other Records for the 2007-2008 Award Year.” This notice will be published in the [Federal Register](#) (and subsequently posted on the [IFAP Web site](#)).

If a school needs additional time to complete verification for an individual student in accordance with the allowable timeframe in the [Federal Register](#) notice, the school may resubmit a disbursement record with a value greater than zero (\$0.00) until September 30, 2008. After September 30, 2008, the COD System will no longer accept “W” as a valid verification status code for 2007-2008 Pell Grant awards.

If you have any questions regarding the 2007-2008 Pell Grant deobligation of disbursements due to verification status “W,” contact the COD School Relations Center.

Change to Late Disbursement Regulations and Discontinuation of “Late” Late Disbursement Approval Request Process Effective July 1, 2008 (05/21/08)

As Federal Student Aid explained in [a May 20, 2008 Electronic Announcement posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#), final regulations that were published on November 1, 2007 amended the provisions that allow schools to make late disbursements of Federal student aid authorized under Title IV of the Higher Education Act of 1965, as amended (HEA). As a result of these changes, which take effect July 1, 2008, Federal Student Aid will be discontinuing the process outlined in [Dear Colleague Letter GEN-05-13 posted on the IFAP Web site](#) by which schools may request approval to make late disbursements beyond the regulatory late disbursement period. Late disbursements beyond the regulatory late disbursement period have commonly been referred to as “late” late disbursements.



The purpose of [the May 20th Electronic Announcement](#) is to remind schools and third party servicers of the upcoming regulatory change and to provide information about the schedule for discontinuing the “late” late disbursement approval request process.

Federal Student Aid provides the following information in [the May 20th Electronic Announcement](#):

- Current Regulations – Through June 30, 2008
- New Regulations – Effective July 1, 2008
- Schedule for Discontinuing “Late” Late Disbursement Approval Request Process
- Contact Information

For complete information, refer to [the May 20th Electronic Announcement](#).

Federal Pell Grant 2008-2009 Award Year Initial Authorization for Advanced Funded Schools (05/15/08)

Federal Student Aid has processed the Federal Pell Grant (Pell Grant) Initial Authorization for the 2008-2009 Award Year, for schools that receive Pell Grant funds under the advanced funding method. A school’s Initial Authorization, known in the COD System as Current Funding Level (CFL), was determined based on a percentage of the disbursement data submitted and accepted during the 2007-2008 Award Year. Shortly, Federal Student Aid will generate an Electronic Statement of Account (ESOA) that lists the amount of a school’s Initial CFL for the 2008-2009 Award Year and send it to the school’s Student Aid Internet Gateway (SAIG) mailbox in the message class PGAS09OP.

An Advanced Funded school can view its Initial CFL on the [COD Web site’s](#) Funding Information screen. A school will be able to view and draw down 2008-2009 Pell Grant funds in G5 (formerly GAPS) *on Tuesday, July 1, 2008*.

As an Advanced Funded school submits actual Pell Grant disbursement records, the COD System will apply the total accepted and posted amount for each disbursement to the amount of the school’s Initial CFL. Only after the Initial CFL amount has been reached will the school’s CFL be increased to cover additional accepted and posted disbursements. A new ESOA will be sent to the school each time its Pell Grant CFL amount changes.

For complete information, refer to [the May 15, 2008 Electronic Announcement that is posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#).

If you have any questions about the Pell Grant Initial Authorization for the 2008-2009 Award Year, contact the COD School Relations Center.

TEACH Grant Operational Implementation Guidance – Reminders [02/12/08 (Updated 05/16/08)]

The College Cost Reduction and Access Act (the CCRAA), Pub. L. 110-84, authorized the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program for implementation beginning with the 2008-2009 Award Year. The TEACH Grant Program provides up to \$4,000 a year in grant assistance to a student who agrees to serve for at least four years as a full-time teacher in a high-need field in a public or private elementary or secondary



school that serves students from low-income families. A TEACH Grant recipient who does not complete the required teaching within a specified timeframe, or fails to meet certain other requirements of the TEACH Grant Program, will be required to repay the TEACH Grant as a Direct Unsubsidized Loan under the William D. Ford Federal Direct Loan Program.

Note: For policy information on all of the provisions of the CCRAA, including the TEACH Grant Program, refer to [Dear Colleague Letter GEN-08-01 on the Information for Financial Aid Professionals \(IFAP\) Web site](#). For information on Federal Student Aid's Regulatory and Legislative Update – Spring 2008 training workshops, which include a CCRAA module, refer to [Dear Colleague Letter ANN-08-02 on the IFAP Web site](#).

Reminders

Operational Implementation Overview – Federal Student Aid provided a high-level overview of how it will implement functionality for processing TEACH Grant awards in [an April 9, 2008 Electronic Announcement posted on the IFAP Web site](#). Over the next several months, Federal Student Aid will supplement this high-level overview through updates to technical references and guides as well as numerous operational communications posted on the [IFAP Web site](#). For complete information, refer to [the April 9th Electronic Announcement](#).

COD Technical Reference Updates – Federal Student Aid has posted updated sections of the [2008-2009 COD Technical Reference](#) that reflect TEACH Grant implementation information. On May 15, 2008, Federal Student Aid posted the most current updates on the IFAP Web site.

CCRAA School Testing – Federal Student Aid plans to implement COD System functionality that will support the processing of TEACH Grant Program awards for the 2008-2009 and subsequent award years during the period June 27-28, 2008. Implementation of TEACH Grant processing requires changes to the COD Common Record Extensible Markup Language (XML) schema. For this reason, it is important to Federal Student Aid to offer and conduct testing for participants before they send data to the “live” production environment using [COD Common Record XML Schema Version 3.0a](#). The new testing opportunity—COD CCRAA School Testing for the 2008-2009 Award Year—will impact the previously published schedule for COD School Testing for the 2008-2009 Award Year. For complete information about both school testing opportunities, refer to [the April 24, 2008 Electronic Announcement posted on the IFAP Web site](#). This information is also covered in the [2008-2009 COD Technical Reference](#).

Current Issues

Updated Impact Information – YTD Disbursement Amount Not Returned When Actual Disbursements Equal Zero [04/30/08 (Updated 05/06/08)]

On April 30, 2008, Federal Student Aid informed the community of an issue with returning Year-to-Date (YTD) Disbursement Amount information in the <YTDDisbursementAmount> tag of the Common Record Response for certain Federal Pell Grant (Pell Grant) awards. Upon further research, Federal Student Aid has determined that this issue is broader in scope and also impacts 2008-2009 Academic Competitiveness Grant (ACG) awards and 2008-2009 National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) awards.



For Pell Grant, ACG, and National SMART Grant awards, the <YTDDisbursementAmount> tag is located in the Response Section of the Award Block and should include a value that is equal to the sum of all actual disbursements (Disbursement Release Indicator or DRI equals “True”) for the specific award. Accordingly, this tag should be returned in all cases, including when the sum of all actual disbursements is equal to zero (\$0.00).

Since March 15, 2008, the COD System has not returned the <YTDDisbursementAmount> tag when the sum of all actual disbursements is equal to zero (\$0.00) for one of the following reasons:

- Only anticipated disbursements (DRI equals “False”) are reported for the award.
- An adjustment to an award results in the sum of all actual disbursements for that award equaling zero (\$0.00).

The issue affects Pell Grant awards for all award years, 2008-2009 ACG awards, and 2008-2009 National SMART Grant awards.

Federal Student Aid plans to implement a code fix in May 2008. In the meantime, a school that needs to verify the YTD disbursement amount for an affected Pell Grant, ACG, or National SMART Grant award can request a Reconciliation Report via the [COD Web site](#) or by submitting the batch data request for the appropriate program/award year message class via the Student Aid Internet Gateway (SAIG).

Federal Student Aid apologizes for the inconvenience caused by this issue. If you have any questions, contact the COD School Relations Center.

Weekly Reminders



Computer-Based Training Program for COD System Web Site, COD Reports, and Electronic MPN Web site (05/23/08)

Federal Student Aid takes this opportunity to remind schools of the availability of an updated Computer-Based Training (CBT) for the [COD System Web site](#). The updated COD CBT includes enhancements that have been made to the COD System from March 2004 through April 14, 2007. Additionally, a new Direct Loan Reports CBT, a new Grant Reports CBT, and new simulations of the [Direct Loan Electronic Master Promissory Note \(MPN\) Web site](#) have been developed and are available for download.

The electronic files for the CBTs and simulations, as well as instructions for downloading and using these files, are available on the Information for Financial Aid Professionals (IFAP) Web site. Under the “Tools for Schools” section, click on [COD Computer-Based Training](#).

The CBTs and simulations are as follows:



COD System Web Site CBT

The COD System Web site CBT simulates the COD System and functionality available to a school administrator. In the updated COD System Web site CBT, there are eight lessons with text and an open format to guide a user through each area of the COD System Web site simulation. The user can explore basic navigation and functions of the COD Web site and practice locating and creating information in a safe environment with tips for assistance.

Grant Reports CBT

The Grant Reports CBT offers three lessons that explain the COD reports a school can use to assist with the reconciliation process for Federal Pell Grant (Pell Grant), Academic Competitiveness Grant (ACG), and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) awards.

Direct Loan Reports CBT

The Direct Loan Reports CBT offers three lessons that explain the COD reports a school can use to assist with the reconciliation process for William D. Ford Federal Direct Loan (Direct Loan) awards.

EMPN Online Simulations

The EMPN Online Simulations serve as a guide for understanding the Direct Loan Electronic MPN Web site. The four simulations are as follows:

- EMPN online Grad PLUS Pnote
- EMPN online Parent PLUS
- EMPN online School Administrator
- EMPN online Subsidized-Unsubsidized

If you have any questions or comments about the CBTs and simulations, contact the COD School Relations Center. If you e-mail your question or comment to CODSupport@acs-inc.com, please include “CBT Question/Comment” in the subject line.



ACG and National SMART Grant Resources (05/23/08)

As a reminder, the Department of Education (the Department) has posted a number of Dear Colleague Letters and Electronic Announcements that communicate regulatory, policy, and operational information related to the implementation of the Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) programs. In addition, Federal Student Aid has updated the [2006-2007 COD Technical Reference](#), the [2007-2008 COD Technical Reference](#), and posted the [2008-2009 COD Technical Reference](#). A school should refer to the [communications posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#) and to the 2006-2007, 2007-2008, and 2008-2009 COD technical references for complete information about the ACG and National SMART Grant programs.

More specifically, the 2006-2007, 2007-2008, and 2008-2009 COD technical references cover all aspects of the operational implementation of the ACG and National SMART Grant programs.



This includes information on the following key aspects of ACG and National SMART Grant processing:

- Financial Award ID and Financial Award Number (Award Sequence Number)
Volume II, Section 1 “Implementation Guide”
- Citizenship and Student Level Code
Volume II, Section 1 “Implementation Guide”
- Message Classes
Volume II, Section 2 “Message Classes”
- Common Record Layout
Volume II, Section 3 “Common Record Layout”
- Reports Generated by COD System
Volume VI, Section 8 “COD Reports”
- Eligibility/Payment Reason and Rigorous High School Program Code for ACG
Volume VI, Section 9 “Rigorous Secondary School Programs of Study, and Eligible Majors”
- Major/Classification of Instructional Program (CIP) Code for National SMART Grant
Volume VI, Section 9 “Rigorous Secondary School Programs of Study, and Eligible Majors”

If your school needs help locating information related to the operational implementation of the ACG and National SMART Grant programs, contact the COD School Relations Center.

Note for EExpress Users: Volume III of the 2006-2007, 2007-2008, and 2008-2009 COD technical references provides additional guidance for schools that use EExpress in combination with another system. If your school needs help locating information related to EExpress, contact CPS/SAIG Technical Support at 880/330-5947 or by e-mail at CPSSAIG@ed.gov.