COD System Processing Changes for 2009-2010 Pell Grants

Attachment to June 2009 Electronic Announcement

In Volume I, Section 2 of the 2009-2010 COD Technical Reference, we provide an overview of the enhancements and modifications being made to the Common Origination and Disbursement (COD) System for the 2009-2010 Award Year.

The purpose of this document is to provide additional information about changes made to the Federal Pell Grant (Pell Grant) Program that impact the COD System. We cover information in the following order:

- Year-Round Pell Grant (multiple subsections)
- Maximum Pell for Children of Deceased Members of the Military
- Maximum Duration of Eligibility

If you have any questions about this document, contact the COD School Relations Center at 800/474-7268. You may also e-mail CODSupport@acs-inc.com.

Year-Round Pell Grant

Beginning June 27, 2009, the COD System will allow schools to report up to two Pell Grants in a single award year for the 2009-2010 Award Year and forward for Pell-eligible students. Schools will report this information through the use of a new Additional Eligibility Indicator (AEI). The AEI will allow the COD System to accept an amount up to two times the student's Pell Grant Scheduled Award (previously referred to as Scheduled Federal Pell Grant or SFPG in COD System documentation).

Additional Eligibility Indicator

As reflected in COD Common Record Schema Version 3.0b, the <AdditionalEligibilityIndicator> (AEI) tag was added to the Common Record within the Pell Grant Award block in March 2009. Beginning June 27, 2009, the new tag can be submitted with a Pell Grant Award. If the AEI tag is submitted, the valid values are either 'true' or 'false'. If the AEI tag is submitted with no value, COD Reject Edit 998 (Invalid Format) will be returned to the school. The AEI will also be added to the COD Web site.

The AEI is not required for a Pell Grant award to be accepted; however, a school must submit the AEI set to 'true' in order to indicate that a Pell-eligible student will be receiving more than 100 percent of a Pell Grant award in a single award year. The AEI set to 'true' will allow the Pell Grant Award Amount for the eligible student to be up to two times his or her Pell Grant Scheduled Award.

If a school submits the AEI set to 'false' or does not submit the AEI tag in the Common Record, the Pell Award Amount for the eligible student will be limited to one Pell Grant Scheduled Award.

The COD System will store the AEI at the Award level. In addition, the COD System will continue to calculate the Eligibility Used (EU) and Total Eligibility Used (TEU) regardless of the AEI value. The EU and TEU will be allowed to be greater than 100 percent when the award has an AEI of 'true'.

Additional Eligibility Indicator and Pell Grant Potential Overaward Process

When a student has a Pell Grant award with an AEI set to 'true', he or she may have a TEU greater than 100 percent. As a result, the COD System will no longer place any student who has a Pell Grant

award with an AEI set to 'true' in a Pell Grant Potential Overaward Process (POP) status for that award year.

This change will impact any school the student attends during the award year because the COD System reviews for POP across schools and awards for the award year. If another school submits a Pell Grant award with an AEI set to 'false' for the same student, the student will not be placed in a POP status.

However, if a student has a Pell Grant award with an AEI set to 'true' that is changed to 'false', the TEU is over 100 percent, and more than one school has disbursed Pell Grant funds to the student, the student will be put into a POP status.   In this case, the school will receive the new COD Warning Edit 175 (see edit information in the section below).

With the addition of the AEI, it will be critical that schools monitor a student's TEU or the school's Pell Multiple Reporting Record (MRR) carefully in order to determine if an overaward might exist.

New COD System Edits for Year-Round Pell Grant

Several new edits will be added to the COD System and returned to schools in Common Record responses.

COD Reject Edit 171 (School is not eligible for two Pell awards within the same Award Year) will be returned when an ineligible school submits a Pell Grant award with the AEI set to 'true'.

COD Correcting/Reject Edit 172 (Incorrect Award Amount when Additional Eligibility Indicator is 'true') will be returned when a Pell Grant award is submitted with the AEI set to 'true' and the award amount is greater than 200 percent of the student's Pell Grant Scheduled Award.

COD Correcting/Reject Edit 173 (Additional Eligibility Indicator changed to 'false' and Award Amount exceeded the maximum limit) will be returned when a Pell Grant award is submitted, *and* the AEI is changed from 'true' to 'false', *and* the award amount is greater than the student's Pell Grant Scheduled Award.

COD Warning Edit 174 (Additional Eligibility Indicator changed to 'false' and the award is now in "Overpaid" status) will be returned when the Additional Eligibility Indicator is changed from 'true' to 'false' and the Pell Grant Award Amount was corrected to be less than the funded disbursement(s).

COD Warning Edit 175 (Additional Eligibility Indicator changed to 'false' and the Percentage of Total Eligibility Used exceeds 100.00 (plus tolerance) at all schools for Pell in that award year) will be returned if Pell Grant disbursements for a student have been received for two or more schools. The student will be placed into a POP status.

COD Correcting/Reject Edit 176 (Percentage of Total Eligibility Used exceeds 200.00 (plus tolerance) when the Additional Eligibility Indicator is 'true') will be returned when a Pell Grant award or disbursement is submitted, *and* the AEI is set to 'true', *and* the total disbursements would cause the TEU calculation to exceed 200 percent.

Modified COD System Edits for Year-Round Pell Grant

COD Reject Edit 39 (Incorrect Award Amount) will be modified and will not be used to evaluate a Pell Grant award when the AEI is set to 'true'. Instead Edit 172 (described above) will apply.

COD Warning Edit 68 (Potential Overaward Project) will be modified to exclude students who have a Pell Grant award with the AEI is set to 'true'. However, if a student's Pell Grant award has an AEI of 'true' that is then changed to 'false' and the TEU is over 100 percent, the student will be put into a POP status and the school will receive the new COD Warning Edit 175.

Reports

Beginning June 27, 2009, the Additional Eligibility Indicator will be present on the Pell POP report, the Pell Multiple Reporting Record (MRR), the Pell Reconciliation file, and the Pell Year-to-Date record. The change will impact these reports for the 2009-2010 Award Year and forward.

Maximum Pell for Children of Deceased Members of the Military

Under certain conditions, an otherwise eligible student whose parent died as a result of military service in Iraq or Afghanistan after September 11, 2001, may receive a maximum Pell Grant award regardless of the student's calculated expected family contribution (EFC). The Department of Education (the Department) will provide additional guidance on this provision, including information about how a school will be informed of the eligibility of a student for the maximum Pell Grant award.

Beginning June 27, 2009, several award-related pages on the COD Web site will be updated to include a new indicator (in the form of a checkbox). A school will use the checkbox to indicate that a student is eligible under the new provision. The new indicator will be identified as the "Post 9/11 Deceased Veteran Dependent Indicator" on the COD Web site pages and will be used only for Pell Grant awards for 2009-2010 and forward.

If the indicator is marked as 'true', the COD System will calculate the student's Pell Grant Scheduled Award regardless of the original Pell-eligible EFC received from the Central Processing System (CPS). If the indicator is not marked as 'true', the COD System will calculate the student's Pell Grant Scheduled Award using the EFC received from the CPS.

Note:

1) The identification of the new indicator as the "Post 9/11 Deceased Veteran Dependent Indicator" is temporary. We will update the identification of this indicator to better reflect its application to children of deceased members of the military in the near future.

2) After implementation, the COD System will allow the indicator to be marked as 'true' for a Pell-eligible EFC only. We will provide additional guidance for cases in which an eligible student has a non-Pell-eligible EFC in a future Electronic Announcement posted on the Information for Financial Aid Professionals (IFAP) Web site.

For the 2009-2010 Award Year, the "Post 9/11 Deceased Veteran Dependent Indicator" can only be submitted via the COD Web site. It will not be a new tag on the Common Record and will not be returned to schools in the Common Record response.

COD Warning Edit 168 (Post 9/11 Deceased Veteran Dependent Indicator is marked as 'true' on the COD System) will be returned to a school when the indicator checkbox is marked as true on the COD Web site.

Note: Once the indicator is marked as true and the COD System accepts the person and award data, a school will not be able to change it. To change the indicator from 'true' to 'false', a school must contact the COD School Relations Center for assistance.

The COD System will update the National Student Loan Data System (NSLDS) with the "Post 9/11 Deceased Veteran Dependent Indicator" for the 2009-2010 Award Year and forward.

Reports

Beginning June 27, 2009, the "Post 9/11 Deceased Veteran Dependent Indicator" will be present on the Pell POP report, the Pell Multiple Reporting Record (MRR), the Pell Reconciliation file, and the Pell Year-to-Date record. The change will impact these reports for the 2009-2010 Award Year and forward.

Maximum Duration of Eligibility

Recent statutory changes provide that students who receive their first Pell Grant award for the 2008-2009 Award Year will be limited to a maximum of 18 semesters (or an equivalent measurement) of Pell Grant funding. Additional information on this provision is included in Dear Colleague Letter GEN-08-12. The COD System will now identify such Pell Grant recipients and calculate the Lifetime Eligibility Used (LEU), as a cumulative percentage of a student's Pell Grant Scheduled Award, for each of those recipients. As a result, a student is allowed to receive up to 900 percent of his or her Pell Grant Scheduled Awards.

The COD System will not return LEU calculations in the Common Record response. However, the Pell Person Information page on the COD Web site will be updated to include a Lifetime Eligibility Used calculation.

In addition, new edits will be added to the COD System and returned to schools in Common Record responses. These edits will warn schools that a student is approaching his or her maximum LEU.

COD Warning Edit 177 (Lifetime Percentage of Eligibility Used is near the lifetime limit) will be returned when a student's LEU is between 750 percent and 900 percent.

COD Warning Edit 178 (Lifetime Percentage of Eligibility Used has exceeded the lifetime limit) will be returned when a student's LEU exceeds 900 percent.

The COD System will update the NSLDS with the calculated LEU. The update will be for all 2008-2009 and 2009-2010 awards.