



COD Processing Update

August 7th, 2015

NEWS/UPDATES

- **Title IV Refund Issue in G5 (7/31/15)**

The Department of Education (the Department) is working to resolve a G5 system issue in which some users may receive an error stating "action failed: Pay.Gov is not available" when processing a refund. If you receive this error, contact the G5 Hotline at 888/336-8930 to confirm whether or not the refund was submitted successfully **before** any attempt at reprocessing the refund. Attempting to reprocess the refund after receiving this error may result in a duplicate refund. **Note:** The G5 Hotline will provide confirmation of the refund within 1-3 business days; it will not be an immediate response.

The Department expects to resolve this issue with the next G5 system update planned for the middle of November. If you have additional questions about this issue or about G5, contact the G5 Hotline. You may also e-mail edcaps.user@ed.gov.

- **Second 2014-2015 Pell Grant Deobligation Due To Verification Status "W" (7/29/15)**

On July 28, 2015, Federal Student Aid deobligated 2014-2015 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 July 14, 2015, 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 149 schools.

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

- Receive a PGTX (PGTX15OP 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 (CRND15OP 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 July 28, 2015.

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 2014-2015 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 “Application and Verification Guide” of the [2014-2015 Federal Student Aid Handbook](#).
- 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 2014-2015 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 specified in the “Deadline Dates for Reports and Other Records for the 2014-2015 Award Year” published in the [Federal Register](#) on July 11, 2014. The [July 11, 2014 notice](#) is also 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, 2015. After September 30, 2015, the COD System will no longer accept “W” as a valid verification status code for 2014-2015 Pell Grant awards.

If you have any questions regarding the 2014-2015 Pell Grant deobligation of disbursements due to verification status “W,” contact the COD School Relations Center.

• **TEACH Grant Closeout Information for 2014-2015 Award Year (6/8/15)**

The Teacher Education Assistance for College and Higher Education (TEACH) Grant, closeout deadline for the 2014-2015 Award Year is Wednesday, September 30, 2015. This is the last processing day of the award year. All school data must be received and accepted by this date to be included in a school's final Ending Cash Balance for the year.



To be considered successfully closed out, the school must—

- Reconcile to an Ending Cash Balance (Net Drawdowns – Total Net Booked Disbursements) of \$0 and Total Net Unbooked Disbursements of \$0, as reflected on your monthly TEACH Grant School Account Statement (SAS) Report and in your school's internal records.

For initial operational guidance about what closeout means and the tools a school can use to complete it, refer to the [June 5, 2015 Electronic Announcement](#) posted on the IFAP Web site.

- **2015-2016 COD System Peak Processing Reminders (6/2/15)**

In late June 2015, we will begin another peak processing period for the 2015-2016 Award Year. In a [June 1, 2015 Electronic Announcement](#) on the IFAP Web site, Federal Student Aid provides COD System peak processing reminders to assist schools with planning and processing.

Thank you for your patience and understanding during this peak processing period.

- **FY 2016 Sequester Required Changes to the Title IV Student Financial Assistance Programs (4/24/15)**

On April 23, 2015, the Department of Education posted updated information about the impact of sequestration on the Title IV Student Financial Assistance Programs. For more information, please refer to [Dear Colleague Letter GEN-15-07](#).



CURRENT ISSUES

DIRECT LOANS

There are no Direct Loan-related issues at this time.

GRANTS

There are no Grant-related issues at this time.

Keep School Contact Information Current in the COD System (8/7/15)

We remind schools and third party servicers that contact information in the COD System must be kept current. Contact information is extremely important for us to be able to reach the right people at the school, particularly about program-specific issues. The e-mail addresses for the President, Financial Aid Administrator, Pell Grant Financial Aid Officer, and Direct Loan Financial Aid Officer are used to deliver time-sensitive materials and critical COD processing information to the school.

Having current contact information for the Pell Grant Financial Aid Officer and Direct Loan Financial Aid Officer is most critical for a school that is an additional location to a main campus. The information allows us to contact those officers directly at the additional location rather than needing to contact the main campus.

For more information on updating School Contact Information, please refer to [the December 20, 2012 Electronic Announcement posted on the Information for Financial Aid Professionals \(IFAP\) Web site.](#)