RFMS/Pell: Past, Present, and Future

U.S. Dept of Education

Presenters

★ Tony Laing – Pell Operations

★ Jim McMahon – Pell Systems

★ Anthony Jones – Application
Development

Objectives

★ 1. Brief Overview of what RFMS is?

- RFMS History, Goals and Performance

★ 2. Overview of How Pell is Funded

- Initial Authorization

- Authorization Increases

- The Electronic Statement of Account

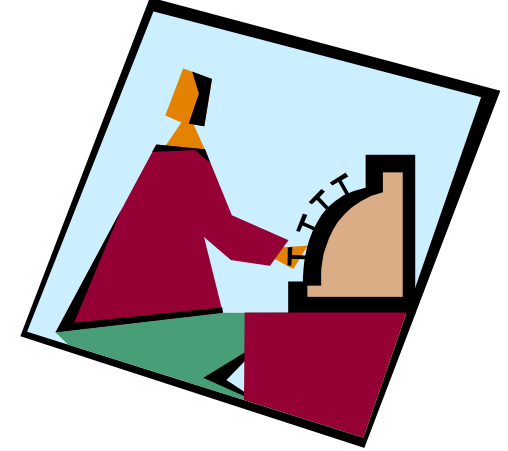- Advanced Funding and Just-in-Time

★ 3. RFMS: Present and Future

- Schedule
- Changes for 2000
- Mad Dog Task Force
- Common Origination/Disbursement Update

★ 4. A view of new functionality and tools for processing Pell

- Reconciliation
- RFMS on the Web
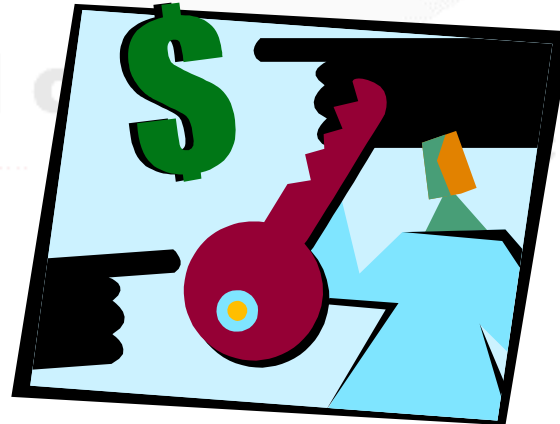
★ 5. A review of resources available to you

★ 6. A chance to hear your questions and concerns

Objective 1: What is the Pell Grant Process in RFMS?

The Federal Pell Grant Program for 1999-2000

★ 5,132 Schools Participating in the Pell Program

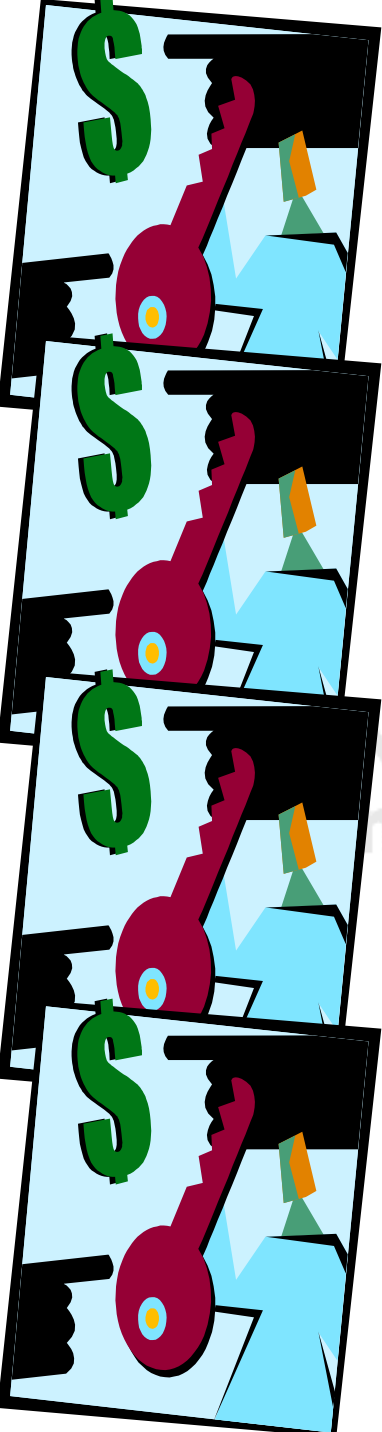★ Over 3.4 Million Pell Recipients

★ Over $8 Billion in Grants Disbursed

The Steps of the Process

★ FAFSA/ISIR

★ Origination

★ Disbursement

★ Drawdown

ISIR/FAFSA

★ Establishes those that are possible aid recipients
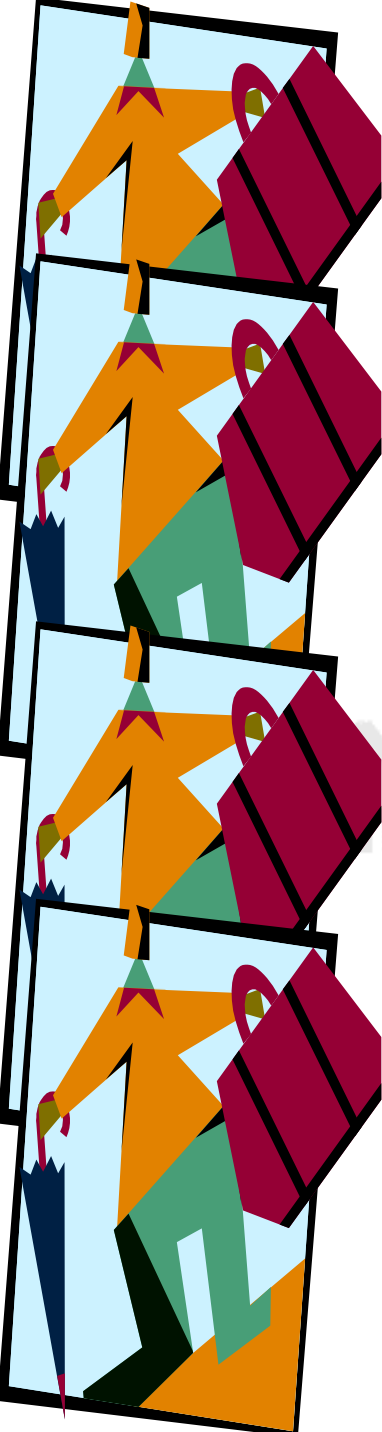
★ Provides RFMS with a list of eligible applicants

Origination

★ **Serves several purposes**

- Identifies Possible Recipients

- Checks Eligibility

- Collects Information Necessary to Process the Disbursement of a Grant

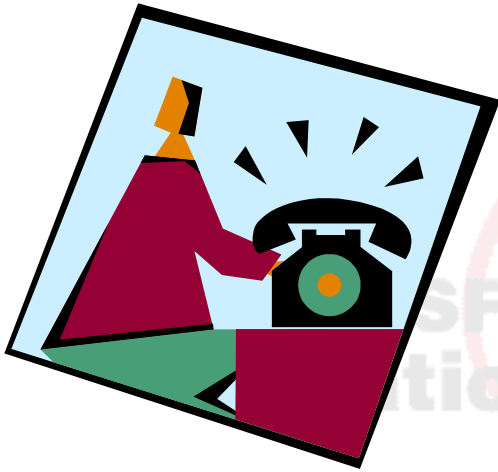- Allows for corrections of that information
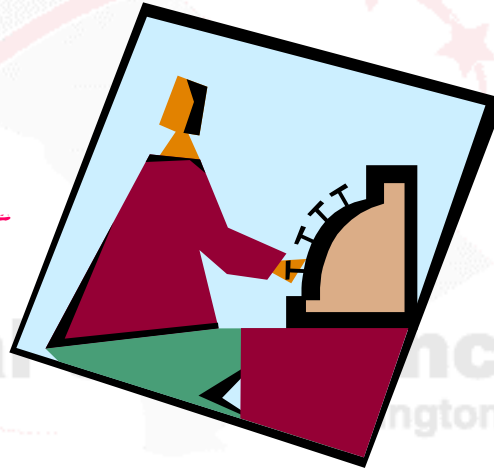
- Sets up for a speedy Disbursement

Disbursement

★ Short Record with Minimal Information

★ Based on Successful Origination Disbursement should flow through

★ Processing at the student transaction level:
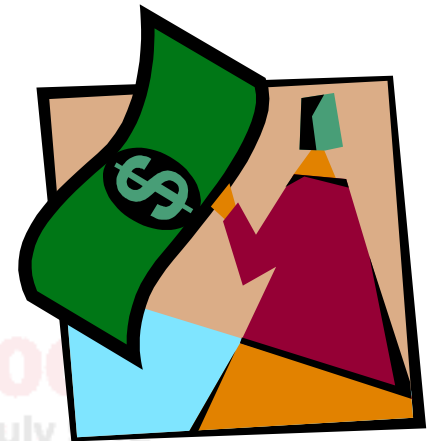 – improves reconciliation
  – increases program integrity
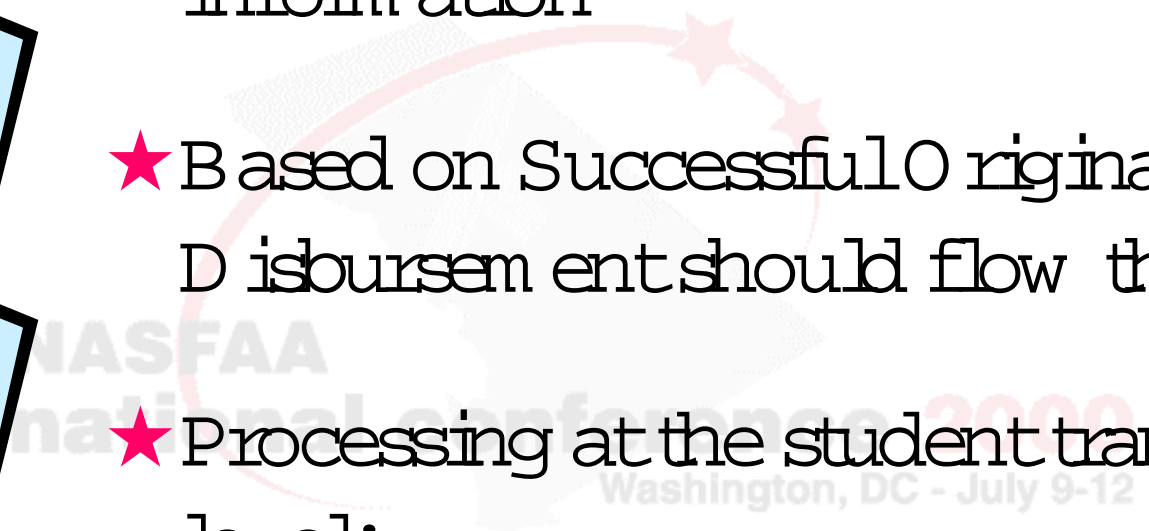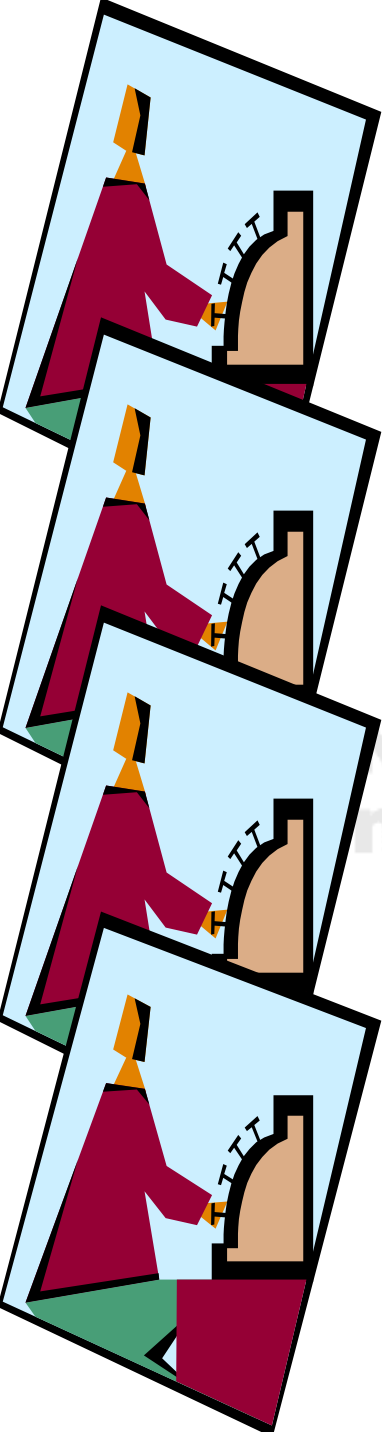
Drawdown

Originations + Disbursements = Funding levels in GAPS

The Pell Grant Business Process as compared to a hotel business transaction

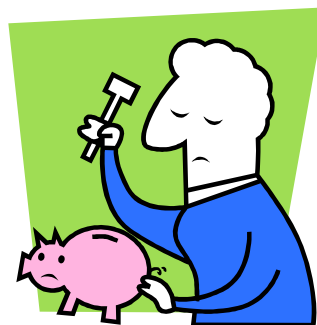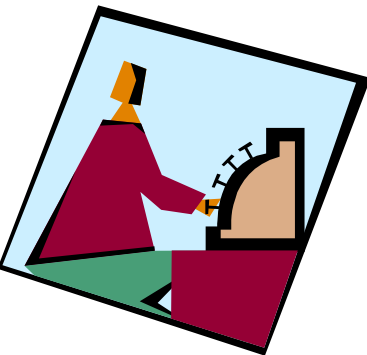**FAFSA/ISIR** – Application process for a line of credit (credit card)

Origination – Reservation for a room /possible grant with information for preferences, duration of stay etc.

Disbursement – After arrival, based upon details of actual stay a bill/disbursement is issues, guest presents credit card and pays bill.

Drawdown/Funding – the accounting transaction from the disbursement is sent to the credit company, payments are made and credit limits adjusted accordingly

Schools

RFM S

GAPS

Subledger

Records: Orig., Disb., Spec. Disbursement, etc.

Acknowledgements

JIT & ACA Deposit

Web Draw-down Request

Draw-down & Pmt

Accting Trans

The Federal Pell Grant Program System Flow

Authorizations and Payments

Authorizations
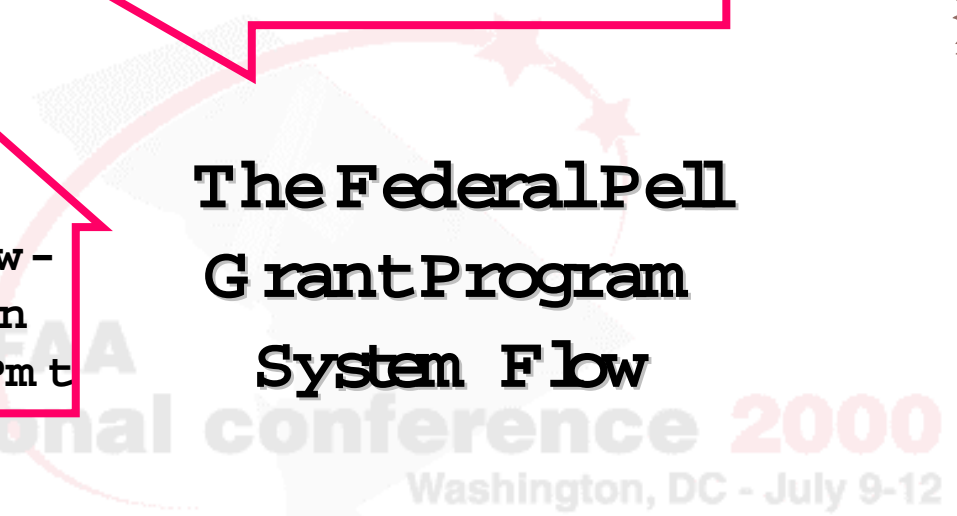
RFMS Goals at Implementation

★ Turnaround of 24-36 Hours

★ Modernization

- System outdated

- Project EASI Modernization Blueprint

- Common Origination/Disbursement

★ Move Processing to the Transaction Level for Improved Accounting and program integrity

Have we met our goals?

Goals

Turnaround of 24-26 hours
-Streamline process to reduce time it takes schools to receive their funding

Modernization
-Replace outdated system

-Carry out goals of Project EASI Modernization Blueprint

-Transaction Level Processing

-Common Origination/Disbursement (COD)

RFMS 1999-2000

Some Successes:
-Acknowledgements back in 3.5

-Decrease in time taken to receive funding, but original target not reached

Met Goals
-New design and technology bring system up to date

-Continued to move our business processes to follow the goals of the Modernization Blueprint

-RFMS processes at transaction level

-Business process that would inform the COD work being carried out now

RFMS 2000-2001

In Process:
-Acknowledgements back in 3.5 hrs.
-Streamline process to reduce time it takes schools to receive their funding

Met Goals
-Continued Improvements

-Improve Web Functionality

-Business process that would inform the COD work being carried out now

-Address the goals and objectives of the Mad Dog Team

RFMS Performance: How are we doing?

★ RFMS Acknowledgements placed on TIVWAN within 3.5 hours of receipt of record

★ Records in RFMS (transaction level):
  – Accepted and Corrected – 87.6%
  – Rejected records – 12.4%

★ Number of institutions that have not submitted disbursement records: 173

1999-2000 RFMS Weekly Volume Turnaround

Data as of April 21, 2000

(Performance Objective 24-36 Hours)

Hours

Processing Day
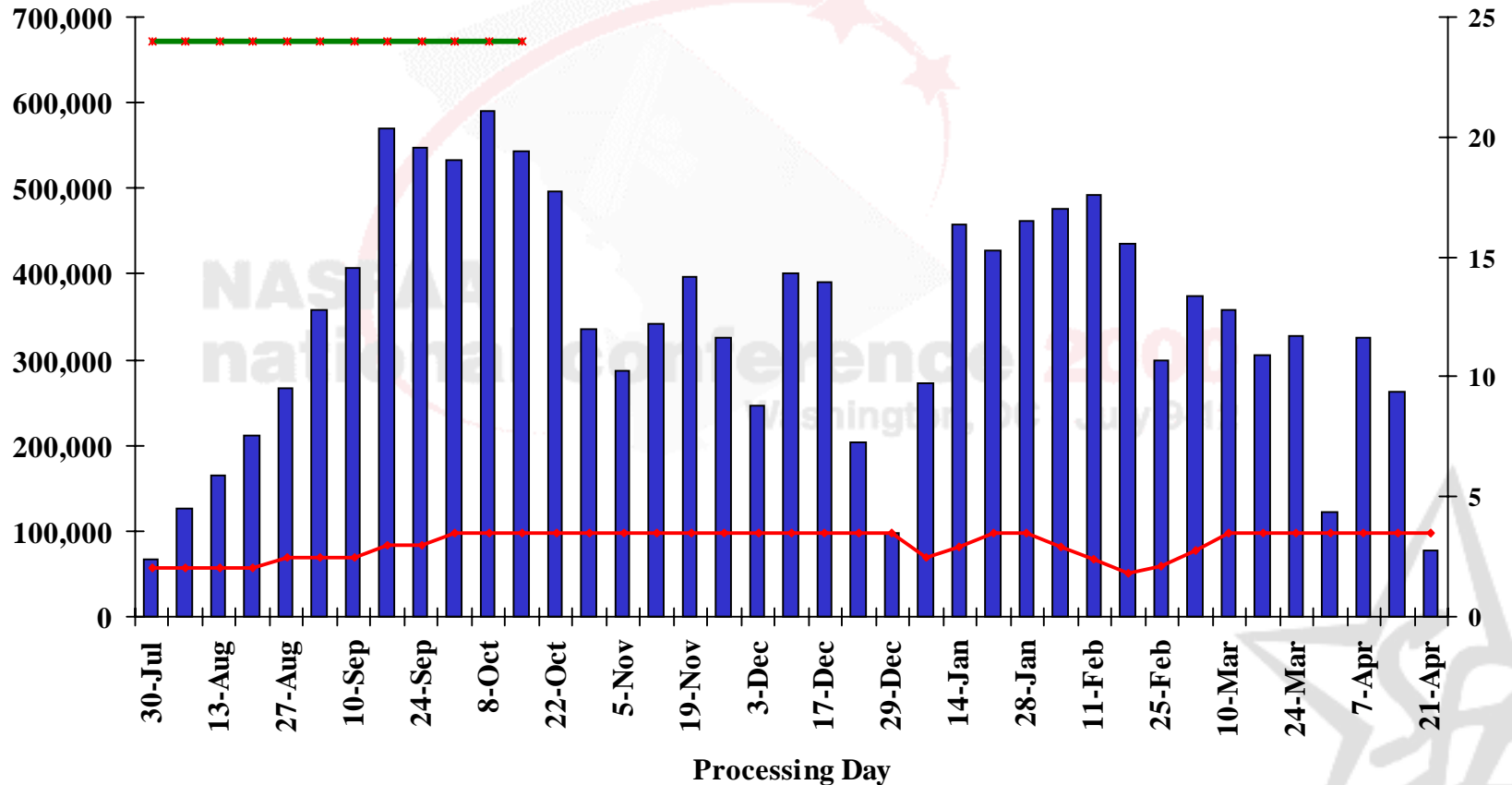
Legend: ■ Transactions Processed —●— Turnaround —✳— Performance Objective

We Help Put America Through School

What Goals do we still have outstanding?

★ Decrease the time it takes to receive funding for Pell

– Increased Automation

– Changes to the Subledger Process

– Re-evaluation of data flows

★ Mad dog Goals

Most Commonly Seen Edits in RFMS Processing – April, 2000

★ **Edit 403 - Rejected**

– Disbursement Reference Number not Valid

★ **Edit 319 - Warning**

– 319 - Invalid Wks. Of Inst. Time in Programs Definition of Academic Year

★ **Edit 309 – Warning**

– Invalid Verification Code

★ **Edit 406 – Warning**

– Disbursement Amount + Total Disb. is greater than the Award Amount

Most Commonly Seen Edits in RFMS Processing – April, 2000

★ **Edit 302** - Rejected

– Duplicate Origination

★ **Edit 402** - Reject

– Origination ID does not match on RFMS

★ **Edit 305** - Warning

– Invalid Award Amount

★ **Edit 306** - Warning

– Invalid Disbursement Date

★ **Edit 411** - Warning

– Potential Overaward

Objective 2: Funding in the Federal Pell Grant Program

Determination of Authorization Levels

When?

Types of Funding in Pell?

Access to the Funding?

What is an Initial Authorization?

★ An initial authorizations is:

- A level of funding available to schools for their first Pell recipients.

- Will cover at least 85% of the Pell Grants to be disbursed during your first payment period

- A limited amount that is not intended to fund Pell for the entire award year

How is Initial Authorization Determined?

★ The formula to determine initial authorization is based on three criteria:

- Previous Award Year's Disbursements

- Type of Academic Calendar Used at Institution

- Percentage Level Associated with Academic Calendar

How is Initial Authorization Determined?

An Example:

★ School A is a semester school that disbursed $100,000 in AY 1999-2000

★ Criteria:
  – $100,000
  – Semester School
  – Semester Schools receive 40%

★ School A would receive an Initial Authorization of $40,000 for AY 2000-2001

Initial Authorization Facts

★ Increased the amount of funding to Institutions for the award year

– Initial Authorization for 1999/2000 5/25/99

• 5132 Institutions for $3,099,602,337.00

– Initial Authorization for 2000/2001

• 5107 Institutions for $3,139,737,054.00
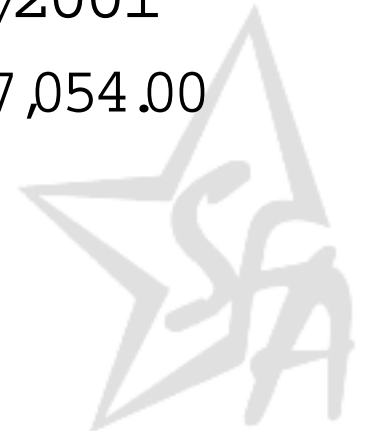
Initial Authorization Facts

★ Authorization Levels increased as a Y2K contingency

– December, 1999 4,043 schools received an authorization increase of $2 billion

★ May, 2000 Administrative Cost Allowance Disbursement

★ Summer, 2000 reduce Authorization Levels to disbursement level

Changes in Authorization Levels

Accepted Disbursements Drive Authorization Levels!!
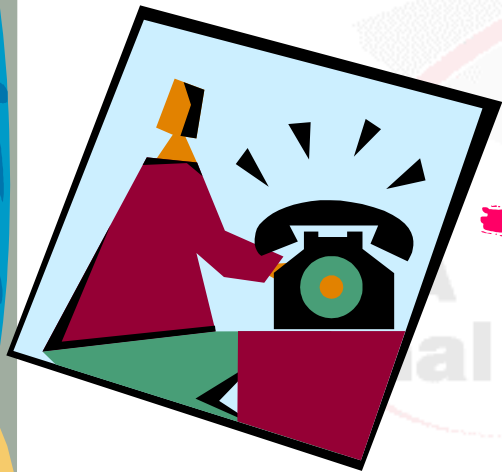
Originations
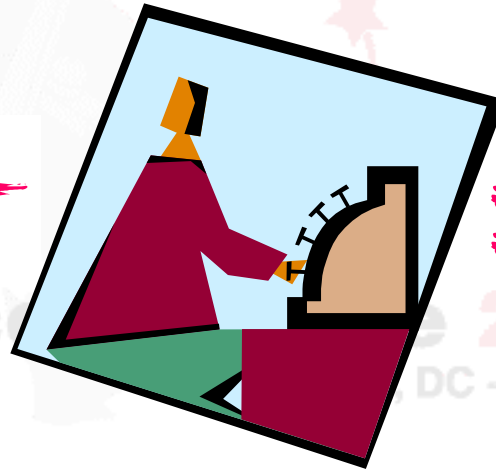
Disbursements

Funding levels in GAPS

What are the types of Funding in Pell?

★ Advanced Funding

  – The vast majority of Pell Institutions

★ Just-In-Time

  – Pilot in its Second Year with small population

Types of Funding in Pell

★ Advance Funding

- Disbursement Records drive Authorization Level
- Disbursement Date within 30 Days of processing
- Drawdown by program and award year

★ Just-In-Time

- Disbursement Records create a Payment
- Disbursement Date within 5 Days of processing

What is Advanced Funding?

★ Receives an Initial Authorization

★ Draw down from GAPS

★ Must meet normal regulatory requirements

★ Disbursement Date within 30 Days of processing

★ Draw down by program and award year

ADVANCE FUNDING

Transaction	Obligated Balance	ESOA
★ Initial Funding		Yes
50,000.00	50,000.00	
★ Disbursement Accepted		No
25,000.00	50,000.00	
★ Disbursement Accepted		Yes
75,000.00	100,000.00	

JUST-IN-TIME FUNDING

Transaction	Payment	ESOA
★ Disbursement Accepted		Yes
25,000.00	25,000.00	
★ Disbursement Accepted		Yes
75,000.00	100,000.00	

What is Just-in-Time Funding?

★ No Initial Authorization

★ Disbursement Records create a Payment

★ Disbursement Date within 5 Days of processing

★ Funds automatically deposited into school's account

★ No draw down from GAPS

★ Regulatory relief

Just-In-Time

★ Regulatory relief under Cash Management Regs published 11/29/96

- 3-Day-use rule

- Excess-cash rule

- Interest bearing account rule

- Re-verification of eligibility

Just-In-Time

★ 1999–2000

– Pilot (18 Schools)

★ 2000–2001

– 73 Schools, including all original 18

Objective 3: RFMS Present and Future

Schedule

★ 2000 – 2001 Implementation – Summer of 2000

★ Requirements Gathering for 2001-2002 – Closes August 10, 2000

  – Focus Groups – 6/28, 7/13 and 7/14

  – Express, Homegrown and Third Party Vendors

★ Specifications Complete – Sept. 29, 2000

★ Development Complete – February, 2001

★ Testing – February through March, 2001

★ Beta Testing – March, 2001

★ Implementation – April, 2001

Changes for 2000-2001

★ System is a rollover for this year – Minimal changes

★ The Changes

  – Cartridge and Reel Not Accepted for 2000-2001

  – Batch Replacement no longer a data request option

  – YTD can be requested for specific student

  – Additional Field to the Special Disbursement Record: Total funds previously disbursed for this Payment Period using a Regular Disbursement Record

  – Batch Warning to alert users that they are not using the most current version of ED Express

RFM SM AD DOG
FinalReport
to
SFA M anagem ent
Council

Why Mad Dog?

★ RFMS first system implemented under PBO

★ Response to the concerns of our customers – you the schools

- Double work
- Money coming slower
- Can't get system to work and the help isn't any

★ Development of a tool/mechanism to act quickly to community concerns and to analyze the success and failures of a system implementation in order to improve the process

What is a Mad Dog?

★ Cross Functional Team from across channels and offices brought together to aggressively address areas of concern

★ 90 days of information gathering
  – 16 site visits
  – 6 teleconferences
  – 2 focus groups
  – 2 conferences
  – monitoring of CPS and RFMS CS calls
  – Monitoring of SFATECH and RFMS CS e-mails

What did we hear?

★ Issues fell into three broad categories

– Top-Notch Service

• Improve Customer Service

– Simpler Use

• Simplify and improve processes necessary to successfully participate in the Pell Program

– Better Information

• Provide information that is comprehensive and provide i in a timely manner

What are we going to do about it?

★ Actions fell into two categories

– Quick Hits – 90 days or less

– Longer term actions – more than 90 days

★ Many of the actions items are already being addressed

– inclusion of Mad dog issues in requirements

– influence on development schedule

– reconciliation tool

– customer service workgroup
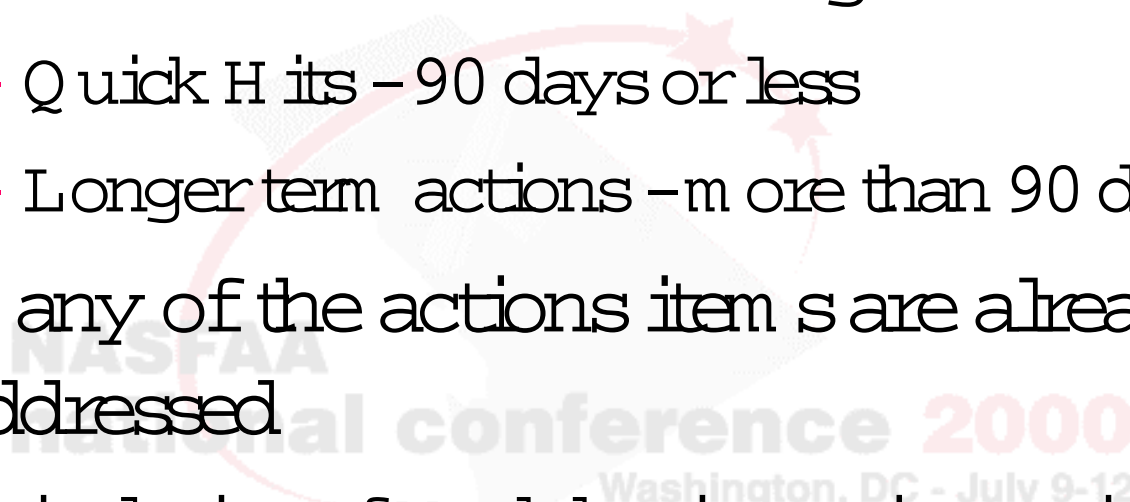
Common Origination/Disbursement

★ PBO Goal is to simplify how a student receives their Title IV funds

★ COD provides for:

– a single process across programs

– a single record across progams

★ Goal is to:

– make it easier for the student

– simplify the process for the school

– stream line and simplify the process at the Department

Objective 4: A view of new functionality and tools for processing Pell

Reconciliation

★ M ad D og identified R econciliation as an issue

★ In July w e w illbe providing a toolto all schools to help them reconcile w ith the departm ent

★ F ixed field file sent in textm essage class

★ E asily im ported into otherprogram s for m anipulation

Reconciliation

★ Proposed fields:

- Origination ID (includes, SSN, Name Code, Attending Pell ID)

- Name

- Transaction Number of Origination

- Origination Award Amount

- Scheduled Award Amount

- YTD Disbursed Amount in RFMS

★ Sortable by any field

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Pell Grant on the Web

Objective 5: Resources

★ Web based resources:
  - http://www.pellgrantsonline.ed.gov
  - http://ifap.ed.gov
  - http://sfadownload.ed.gov
  - http://gapsweb.ed.gov/

★ Training:
  - Regional Training

★ Conferences
  - Third Party Servicers
    - August, Washington, DC
  - Electronic Access Conferences
    - November 13–15, Dallas
    - November 28–30, Atlanta
    - December 11–13, Phoenix
  - Regional Conferences

Objective 6 : Questions and Answers