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## MARCH 2019 NEWSLETTER

### IMPORTANT DATES:

#### March 1

Employee Appreciation Day

#### March 6

DJA Webinar: Administrative  
 Capability  
 11:00 a.m. CST

#### March 10 – Don't forget!



#### April 29 – Save the Date!

DJA Annual Client Training  
 Kansas City, MO

### IN THIS ISSUE:

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- Streamline SAVE Third Step Verification Process
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- DJA Calendar

*The FY 2016 3-year draft cohort default rates were released in late February. These draft rates are released to give you a chance to review and challenge any data that you feel is incorrect. You have 45 days from the release of the draft rates to submit a challenge. If the school does not challenge draft cohort default rate data that the school believes is incorrect, the school forfeits the right to submit certain types of adjustments and appeals when the official cohort default rates are released. Although there are no sanctions or benefits associated with a draft cohort default rate, it is important to review the data used to calculate the rate for accuracy, because this data forms the basis of a school's official cohort default rate!*

*Since some sanctions or benefits may be based on a school's three most recent official cohort default rates, schools will need to be aware of the prior cohort default rates to understand the consequences of their current cohort default rates. Schools can find this information on prior official cohort default rate notification letters or in National Student Loan Data System (NSLDS).*

*This newsletter contains information on this topic and much more, as well as resources for training. Multiple links are provided so that you can learn more and stay in compliance with the regulations. Please take the time to read this important information.*

*Thank you and until next time, have fun!  
 Deborah John, President*

### COHORT DEFAULT RATES RELEASED

Draft cohort default rates were released on February 25, 2019.



Each eCDR package contained the following information:

- Cover Letter (message class SHDRLROP)
- Reader-Friendly Loan Record Detail Report (message class SHCDRRROP)
- Extract-Type Loan Record Detail Report (message class SHCDREOP)

Federal Student Aid did not send eCDR notification packages to any school not enrolled in eCDR. These schools may download their cohort default rates and accompanying Loan Record Detail Reports from the National Student Loan Data System (NSLDS) via the [NSLDS Professional Access website](#).

Schools may request the Cohort Default Rate History Report (DRC035) which mimics the electronically transmitted eCDR Loan Record Detail Report (LRDR) in a comma delimited; comma separated values (CSV) format, as well as the current fixed-width format. The CSV format allows schools to import the report into an Excel spreadsheet. The report, which may be requested on the “Reports” tab, is delivered in message class CDRCOSVOP to the SAIG mailbox associated with the NSLDS User ID that requested it.

Schools that are not signed up to receive the eCDR package via the [SAIG Enrollment website](#) or schools that want a replacement copy of their CDR Cover Letter can now request it from the “Reports” tab on the [NSLDS Professional Access website](#). The new CDR Notification Letter Report (DRCNL1) allows school users to request their school’s CDR Notification Letter by entering in the Cohort Year and selecting the Rate Type. The report is sent to the SAIG mailbox associated with the NSLDS User ID that made the request under the message class SHDRLROP.

The cover letter contains basic information for your school regarding draft cohort default rates, including deadline information for the challenge process. After the release of the draft rates, you have an opportunity to review the draft data and, if necessary, work with the data manager responsible for the loans to correct any errors. Schools need to send Incorrect Data Challenges to the data manager within 45 days of the timeframe begin date. The “timeframe begin date” is the sixth business day after the draft rates are officially released, which is March 5, 2019.

To interpret the information contained in the Loan Detail Report use Chapter 2.3 of the Cohort Default Rate Guide. The entire Guide is available at the Operations Performance Division's Web site at <https://ifap.ed.gov/DefaultManagement/guide/attachments/CDRMasterFile.pdf>

<https://ifap.ed.gov/eannouncements/022519FY2016DraftCDRDistributedFeb25.html>

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## ***FEDERAL REGISTER: REQUEST FOR COMMENT ON GE DISCLOSURE TEMPLATE***

As we mentioned in our last newsletter, the Gainful Employment Disclosure Template has yet to be released. In a recent Federal Register, the Department of Education is now seeking comments on possible revisions to the existing Gainful Employment Disclosure Template. The ED expressed a specific interest in public comment addressing the following issues:



- (1) Is this collection necessary to the proper functions of the Department?
- (2) Will this information be processed and used in a timely manner?
- (3) Is the estimate of burden accurate?
- (4) How might the Department enhance the quality, utility, and clarity of the information to be collected?
- (5) How might the Department minimize the burden of this collection on the respondents, including through the use of information technology?

All written comments received in response to this notice will be considered public records.

Under the disclosure requirements, an institution must provide current and prospective students with information about each of its programs that prepares students for gainful employment in a recognized occupation (GE programs) using a disclosure template provided by the Secretary. The Secretary must specify the information to be included on the disclosure template in a notice published in the Federal Register. The Department is requesting revision of the burden currently calculated for 1845– 0107. This request revises the current information collection for the disclosure template to reflect the updated disclosure requirements that institutions must provide current and prospective students. The Secretary may, by notice in the Federal Register, change the disclosure items required. Not all items listed under 34 CFR 668.412 are included in the revised disclosure template.

Comments submitted in response to this notice should be submitted electronically through the Federal eRulemaking Portal at [http:// www.regulations.gov](http://www.regulations.gov) by selecting the Docket ID number (ED– 2018–ICCD– 0120) or via postal mail, commercial delivery, or hand delivery. Please note that comments submitted by fax or email and those submitted after the comment period will not be accepted. Written requests for information or comments submitted by postal mail or delivery should be addressed to the Director of the Information Collection Clearance Division, U.S. Department of Education, 550 12th Street SW, PCP, Room 9086, Washington, DC 20202–0023. Comments are due on or before March 15, 2019.

<https://ifap.ed.gov/fregisters/attachments/FR021319.pdf>

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## **TENTATIVE 19-20 FUNDING LEVELS FOR THE CAMPUS BASED PROGRAMS RELEASED**

Tentative funding levels and corresponding worksheets for the Campus-Based programs for the 2019–20 Award Year (July 1, 2019 through June 30, 2020) were posted to the [Common Origination and Disbursement \(COD\) Web Site](#) on February 1, 2019.

These tentative funding levels are determined in accordance with the Higher Education Act of 1965, as amended (HEA). On September 28, 2018, President Trump signed the Department of Defense and Labor, Health, and Human Services, and, Education Appropriations Act, 2019 and Continuing Appropriations Act, (Pub. L. 115-245) which appropriated \$1,130,000,000 for the Federal Work-Study (FWS) Program and \$840,000,000 for the Federal Supplemental Educational Opportunity Grant (FSEOG) Program for the 2019–20 Award Year. The authority to make new Federal Perkins Loans (Perkins Loans) has expired.



Attached to this announcement is an explanation of the calculation of the tentative funding level in the worksheet for each of the Campus-Based programs.

Schools will be notified by email that their tentative funding levels and worksheets are available on the [COD Web Site](#). Emails are sent to the school's Financial Aid Administrator, as provided in the school's most recently submitted Fiscal Operations Report and Application to Participate (FISAP) or the FAA listed on the "Contact Info" page in the Campus-Based section of the [COD Web Site](#).

- To access the worksheets: Log in to the [COD Web Site](#) and from the School tab, select Campus-Based from the left menu
- Select the "Self Service" option from the left menu, then "Notifications"

Review the school's worksheets carefully (especially if your school recently completed a change of affiliation/merger). If the data in the worksheets is not correct, immediately notify the COD School Relations Center at the number below.

### **Reductions in Allocation Funding Levels due to Prior Year Underuse**

In accordance with sections 413D(d)(2) and 442(d)(2) of the HEA, if a school returns more than 10 percent of its FWS or FSEOG allocation, for an award year, the allocation for the second succeeding award year for that program is reduced by the dollar amount returned from the earlier year. A school can determine if its 2019–20 funding level was reduced because of the underuse of 2017–18 funding by reviewing the worksheet lines labeled "Under Used Percentage" and "Allocation Reduction."

The HEA also provides that the Secretary can waive the underuse penalty for a school if its enforcement would be contrary to the interests of the affected Campus-Based program. The request deadline for the underuse waiver has passed.

**Note:** Schools impacted by the 2017 hurricanes and/or that received 2017–18 supplemental funds due to the hurricanes do not need to submit the underuse waiver. The underuse penalty will be automatically waived for these schools, and the "Allocation Reduction" amount listed on their tentative worksheet should be zero.

### **FISAP Edits Required for Additional Locations Not Eligible by March 1, 2019**

Schools were permitted to include data in the application portion of the FISAP for students enrolled in additional locations that had not yet received eligibility determinations by the October 1, 2018 FISAP submission date. If a school does not receive an eligibility letter and Program Participation Agreement from the Department by March 1, 2019 for the newly listed locations, it must submit revised FISAP data using the [COD Web Site](#) no later than March 8, 2019. The school's revision must remove all data pertaining to students enrolled at the ineligible locations.

For additional information about tentative funding levels, contact the COD School Relations Center at 1-800-848-0978. You may also email [CODSupport@ed.gov](mailto:CODSupport@ed.gov).

<https://ifap.ed.gov/eannouncements/013119Tentative20192020FundingLevelsCampusBasedPrograms.html>



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## **19-20 CPS TEST SYSTEM USER GUIDE AVAILABLE**

The Department of Education announced the posting of the updated 2019-2020 CPS Test System User Guide on the Federal Student Aid Download (FSAdownload) website, located at <https://fsadownload.ed.gov>. This guide provides instructions for using the Central Processing System (CPS) Test System, which includes two testing environments: a mainframe test environment and a Web Demonstration (demo) site, located at <https://fafsademo.test.ed.gov>.

In this update, the section “CPS Web Applications Demonstration System” was revised to remove instructions for logging into the Web Demo system. In our February newsletter, we mentioned that the Federal Student Aid removed the login process for the Web Demo system; a user name and password are no longer required, as previously documented. See the Change History log posted along with the modified sections for a complete list of the revisions. For additional information on this update, please see the [Electronic Announcement](#) posted to the [Information for Financial Aid Professionals website](#) on January 17, 2019. The CPS Test System User Guide is available in the “Technical References and Guides” section of the FSAdownload website under the “2019-2020” link for “CPS Test System.”

If you have any questions regarding the 2019-2020 CPS Test System User Guide, contact CPS/SAIG Technical Support at 1-800-330-5947 (TDD/TTY 1-800-511-5806), or by e-mail at [CPSSAIG@ed.gov](mailto:CPSSAIG@ed.gov).

<https://ifap.ed.gov/eannouncements/020119CPSTestSystemUserGuide1920Feb2019.html>

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## **DIRECT LOAN CLOSEOUT INFORMATION FOR THE 2017-2018 PROGRAM YEAR**

The Direct Loan established data submission (closeout) deadline for the 2017–18 Program Year is **Wednesday, July 31, 2019**. This is the last processing day of the program year, so 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.

**Note:** Exceptions to the established data submission deadline may be made on a case-by-case basis, if the school’s processing period extends beyond the deadline. Schools falling within this category should contact the Common Origination and Disbursement (COD) School Relations Center at the number provided below for further assistance. Once the closeout deadline has passed, requests may be made directly through the COD Web Site.

As a reminder, all cash management, disbursement reporting, and monthly reconciliation regulatory requirements supersede the closeout deadline. If a school is meeting these regulatory requirements, the final closeout stage should begin no later than the last award end date (also known as the loan period end date) at the school for a given program and year. In other words, a school should be able to reconcile to a zero Ending Cash Balance and close out soon after its final disbursements and should **not** wait until the closeout deadline.



To be considered successfully closed out, a school must—

- Have an Ending Cash Balance of \$0 and Total Net Unbooked Disbursements of \$0 internally, and as reflected on the School Account Statement (SAS), and
- Complete the School Balance Confirmation form on the [COD Web Site](#).

As part of the closeout process, the Department will send ongoing notices via Zero Balance or Remaining Balance emails. In addition, they will distribute a Notification/Warning Letter via email to schools in early May 2019. This letter will go to the Financial Aid Administrator and President at each school that has not confirmed closeout on the [COD Web Site](#) (including any schools with a zero balance that have not confirmed closeout). It will serve as a reminder to finish processing and confirm closeout before the established data submission deadline. After the closeout deadline, the school will be notified of its remaining balance through a Demand Letter or Negative Balance Letter. Any remaining positive balance will result in a final liability for the school.

**Please note, if you are a client of DJA**, we handle this closeout process for you. The Department states that schools must be aware of their closeout status even if its Direct Loan processing is handled by a third party servicer. *It is the school's responsibility to ensure that it finishes processing and confirms closeout on time.*

A key factor to an easy reconciliation and closeout is staying on top of the process. Schools are encouraged to review the following information:

- Complete required monthly reconciliation. This should include:
  - Internal reconciliation - compare internal student accounts and Business Office/Bursar records with Financial Aid Office records. Also, a part of the reconciliation should include ensuring that the school's internal records match the third party servicer's records as well as what is in the COD System.
  - External reconciliation - compare internal records to your Direct Loan School Account Statement sent via your SAIG mailbox.
  - Resolution of any discrepancies and documentation of any outstanding timing issues.
- Ensure that all drawdowns and refunds of cash are accounted for and applied to the correct program and award year.
- Ensure that all batches have been sent to and accepted by the COD System, all disbursements and adjustments are accurately reflected on the COD System, and all responses are imported into the school's system.
- Review all pending disbursements and determine whether the disbursements need to be reported as actuals (Disbursement Release Indicator (DRI) = TRUE) or, if not, reduce them to \$0 and make changes to loan period dates and loan amounts, if needed. This will ensure that all disbursement data has been correctly reported to the COD System, and will ensure subsidized usage limit calculations are correct for your borrowers. For more information on Subsidized Usage Limit Applies (SULA) reductions (See Attachment Q6).
- Ensure that all unbooked loans are booked or inactivated (reduced to \$0).
- Resolve all outstanding rejected records.



- Return all refunds of cash. All refunds for the Direct Loan Program must be returned electronically via G5.
- Request any remaining funds owed to the school based on actual disbursements accepted by the COD System.

For access to Frequently Asked Questions on the DL Closeout Process you can read the electronic announcement in full at the following link:

<https://ifap.ed.gov/eannouncements/020519DLCloseoutInfo201718ProgramYear.html>

For questions or assistance with closeout, contact the COD School Relations Center at 1-800-848-0978. You may also email [CODSupport@ed.gov](mailto:CODSupport@ed.gov). All DJA clients may contact your assigned representative directly should you have any questions.

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## **PELL GRANT PROGRAM RECONCILIATION**

In a [December 10, 2018 Electronic Announcement](#) the Department published general information regarding Title IV Aid Disbursement Reporting, Excess Cash, and Reconciliation Requirements. In addition, updated disbursement reporting and data submission timelines for all programs were published in a recent Federal Register Notice ([Federal Register Volume 83, Number 233 \(Tuesday, December 4, 2018\) for the 2018–19 deadlines](#)).

In its most recent announcement, the Department provides specific information to assist your school in reconciling the Federal Pell Grant (Pell Grant) Program. Both the Financial Aid Office and Business Office should review the information provided below.

### **Pell Grant Reconciliation Defined**

Pell Grant Reconciliation is the process by which a school reviews and compares Pell Grant data recorded on the Department of Education's (the Department's) systems with the information in the school's internal records. This process should be performed on a regular basis, and is recommended at least monthly.

There are two types of reconciliation, Internal and External.

- **Internal Reconciliation**

This is the reconciliation of disbursement transactions (actual disbursements and adjustments) and related cash transactions (Drawdowns, Drawdown Adjustments, Refunds of Cash, and Returns) between your Business Office records and Financial Aid system. If discrepancies are found, your school should document these and resolve them in a timely manner.

- **External Reconciliation**



This is the reconciliation of internal disbursements and cash balances from the Business Office and Financial Aid Office with disbursements and cash balances from the Common Origination and Disbursement (COD) System. At a minimum, this reconciliation should be completed at least monthly to ensure that data is correct in all systems and that cash management and disbursement reporting timelines are being met. The Department offers various tools to assist you with external reconciliation, as outlined in Question 10 in the attached Pell Grant Program Reconciliation Questions and Answers.

Schools may perform Internal and External Reconciliation in either order. However, if a school has completed internal reconciliation first, your school will have fewer discrepancies to resolve when you perform the external reconciliation.

It is very important for schools to maintain good communication between the Business Office and the Financial Aid Office to successfully reconcile both internally and externally. Reconciliation is a shared responsibility. It requires joint action by the Financial Aid and Business Office to identify discrepancies and any missing data, and to correct these in a timely manner.

Schools should document their reconciliation process and the resolution of any identified discrepancies.

### **Final Reconciliation of a Pell Grant Award Year**

In addition to regular monthly reconciliation of Pell Grant data, a final reconciliation should be performed as soon as possible after final scheduled disbursements have been made for the award year. This final reconciliation should ensure that all data is correct, and that Total Net Drawdowns equal Net Accepted and Posted Disbursements in the COD System (Cash > NAPD balances should equal \$0.00). This process must be performed within the applicable data submission deadline (defined below), as well as immediately following processing of any additional data by the school (for example, eligible late disbursements or disbursement adjustments made within regulatory timeframes, but which occur after the data submission deadline). There are two deadlines which impact this process:

- ***Data Submission Deadline*** – The data submission deadline is published annually in a Federal Register Notice. It is generally the end of September following the end of the award year. For example, the 2018–19 Award Year will close on September 30, 2019. After this date, the COD System will not accept upward awards or disbursement adjustments without prior approval for an extension to the established data submission deadlines (downward adjustments will continue to be accepted without an extension). If your school needs to request an extension to the data submission deadline, this request must be submitted via the COD Web Site at <https://cod.ed.gov>.
- ***Funding Cancellation Deadline*** – Pell Grant funding availability is canceled five years after the data submission deadline for the award year. For example, for the 2013–14 Federal Pell Grant Award Year (July 1, 2013 - June 30, 2014), the funding cancellation date is September 30, 2019 [2014 + 5 = 2019]. After that time, schools will be unable to draw down or adjust further funds via the G5 website (although refunds of cash will still be accepted), and the COD System will be completely closed to any further award or disbursement processing for that award year. As such, schools must complete all final



reconciliation activities well before this final deadline and in accordance with disbursement reporting timelines and the data submission deadline defined above.

**Note:** For Pell 2016–17 and forward your school can confirm closeout via the School Balance Confirmation page on the COD Web Site once your school has completed its final reconciliation and reached a \$0.00 Cash>Net Accepted and Posted Disbursement balance.

For additional information on Pell Grant Program Reconciliation, refer to the attached Questions and Answers document. If you have questions about this announcement or its attachment, contact the COD School Relations Center at 1-800-848-0978. You may also email [CODSupport@ed.gov](mailto:CODSupport@ed.gov).

Although the school is responsible for internal reconciliation, please rest assure if you are a DJA client we complete monthly reconciliations of the Pell Grant Program with the school's accounting records with COD.

<https://ifap.ed.gov/eannouncements/020819FedPellGrantProgReconciliation.html>

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## **OPERATIONAL IMPLEMENTATION GUIDANCE FOR THE 19-20 PELL GRANT SCHEDULES**

In an Electronic Announcement published February 12, 2019, FSA provides institutions with important information about the system, web, and software modifications they are making to reflect the 2019–20 Federal Pell Grant (Pell Grant) payment and disbursement schedules, including changes that must be implemented to the Central Processing System (CPS), the Common Origination and Disbursement (COD) System, and the EDEXpress for Windows software.

In [Dear Colleague Letter GEN-19-01](#), posted to the Information for Financial Aid Professionals (IFAP) website on January 23, 2019, schools were provided with payment and disbursement schedules for determining Pell Grant awards for the 2019–20 Award Year. These schedules must be used for all 2019–20 Pell Grant award calculations.

As noted in the Dear Colleague Letter, the maximum Pell Grant award for the 2019–20 Award Year is \$6,195, an increase of \$100 from the \$6,095 maximum Pell Grant award for the 2018–19 Award Year. The maximum expected family contribution (EFC) eligible for a Pell Grant for the 2019–20 Award Year is 5576 as compared to 5486 for the 2018–19 Award Year.

The work has begun to modify all systems, web and software products, technical documents, training materials, and publications to reflect the 2019–20 Pell Grant payment and disbursement schedules. The sections below outline the impact to the following systems and software products, as well as provide the anticipated completion date for each update:

- Impact on the CPS and Upcoming Reprocessing
- Impact on the COD System



- Impact on EDEExpress

### **Impact on the CPS and Upcoming Reprocessing**

When processing began for the 2019–20 *Free Application for Federal Student Aid* (FAFSA®) on October 1, 2018, the 2018–19 maximum EFC of 5486 was used to establish Pell Grant eligibility and reported that eligibility on *Student Aid Reports* (SARs) and in *Institutional Student Information Records* (ISIRs). As a result of the maximum EFC increase for 2019–20, some applicants (those with EFCs greater than or equal to 5487 and less than or equal to 5576) who were not Pell Grant eligible using the 2018–19 schedules are now Pell Grant eligible for the 2019–20 Award Year.

On March 17, 2019, CPS will be updated to use the 2019–20 Pell Grant payment and disbursement schedules (and maximum eligible EFC) to determine Pell Grant eligibility and estimated Pell Grant Scheduled Award amounts for all newly-submitted 2019–20 FAFSA forms, as well as for all newly-submitted corrections to previously-filed FAFSA forms.

As part of the CPS system update, the SAR print operations will be updated to display estimated Pell Grant Scheduled Award amounts based on the 2019–20 schedules. Similar updates will be implemented to [fafsa.gov](https://fafsa.gov) confirmation page functionality. Help text on [fafsa.gov](https://fafsa.gov) will also be updated at this time.

After the changes are implemented to the CPS, the records will need to be reprocessed for those students who completed a 2019–20 FAFSA form or submitted a correction before March 17 and who are now newly eligible for a 2019–20 Pell Grant, based upon the 2019–20 schedules and maximum EFC.

The CPS will reprocess 2019–20 transactions on **March 19, 2019** in order to properly indicate Pell Grant eligibility. The March 19 reprocessing will create a new SAR and ISIR transaction for any student with an EFC that is greater than 5486 (the previous maximum Pell-eligible EFC) and less than or equal to 5576 (the new maximum Pell-eligible EFC) to reflect the addition of Pell Grant eligibility.

Note that student records that had been Pell Grant eligible based on the 2018–19 schedules and maximum EFC do not need to be reprocessed even though the estimated Pell Grant award amount presented to the student has changed. Schools should simply use the 2019–20 schedules published in [Dear Colleague Letter GEN-19-01](#) when awarding and disbursing 2019–20 Pell Grants.

Several methods exist for schools to identify records resulting from the March 19 reprocessing:

- Reprocessed ISIRs will be sent under the IGSG200P message class.
- Paper SARs and ISIRs will include SAR comment code 172, which states "This SAR was produced because we processed a change to your information based on information reported to us by another agency or as a result of a processing system change. Review your SAR to see what effect, if any, this change has had on your application, and call 1-800-4-FED-AID (1-800-433-3243) if you have any questions."



- ISIRs produced as a result of the March 19 reprocessing will include a value of "01" for the Reprocessed Reason Code (ISIR field #248).
- The FAA Information page in Student Inquiry on the [FAA Access to CPS Online](#) website will display "01 – Reprocessed due to change in the Pell Maximum EFC" for the Reprocessing Code for the transaction resulting from the March 19 reprocessing.

**Note:** On April 28, 2019, an update will occur to the ISIR Request edits that enable [FAA Access to CPS Online](#) users to request Pell-eligible ISIRs with EFCs in the range of 5487 to 5576. Additionally, an update will also occur to the help text in [FAA Access to CPS Online](#) to reference the maximum Pell Grant award and/or new maximum Pell-eligible EFC for 2019–20.

### **Impact on the COD System**

In early April 2019, the plan is to implement the COD System functionality that supports processing for the 2019–20 Award Year. Implementation of the 2019–20 Pell Grant payment and disbursement schedules in the COD System at that time. Detailed information about the April 2019 COD System update will be provided in an Electronic Announcement posted to the [IFAP website](#) prior to the COD System release.

### **Impact on EDExpress**

EDExpress 2019-2020, Release 1.0, posted to the [Federal Student Aid Download \(FSAdownload\)](#) website on September 28, 2018, does *not* include the 2019–20 Pell Grant payment and disbursement schedules and instead carries over the schedules from the 2018–19 Award Year. Release 2.0, scheduled for release in early April 2019, will update the Packaging and Pell Grant modules to use the 2019–20 schedules.

EDExpress Packaging users who want to manually add or adjust Pell Grant awards according to the 2019–20 schedules before Release 2.0 is available must use the Pell Grant payment and disbursement schedules in [Dear Colleague Letter GEN-19-01](#). After Release 2.0 is available, EDExpress users who already packaged students using Release 1.0 must repackage those students using Release 2.0 to ensure an accurate Pell Grant award.

**Note:** If Release 2.0 is posted before the implementation of the 2019–20 Pell Grant payment and disbursement schedules in the COD System, EDExpress users will need to delay exporting origination and disbursement information created in Release 2.0 for processing until the COD System is available.

<https://ifap.ed.gov/eannouncements/021219OperImpleGuidFSA1920FedPGPayDisbSch.html>



## **RESEND RECORD TO MATCHES FUNCTIONALITY AVAILABLE IN FAA ACCESS TO CPS ONLINE TO STREAMLINE SAVE THIRD STEP VERIFICATION PROCESS**

Federal Student Aid (FSA) is pleased to announce new functionality in [FAA Access to CPS Online](#) and a new procedure to assist Financial Aid Administrators (FAAs) with the third step verification process. This functionality was implemented on February 17, 2019.

Third step verification is required to confirm Title IV eligibility for students who claim to be eligible noncitizens, but fail the first and second DHS match steps. In other words, records that receive a 'C' code and comments: 068, 141, 142, 046, 105 or 109 on the *Institutional Student Information Record (ISIR)*.

The Resend Record to Matches process is necessary to create a new DHS Verification Number after you have reviewed a student's Response screen in the DHS SAVE system and have determined that a third step verification cannot be completed. For example, when the Case Status is "Closed" or the SAVE Response does not match the immigration documentation the student provided.

A new field was added to *FAA Access to CPS Online* in Corrections, "Resend Record to Matches." FAAs can use this field to resend a student's record to matching agencies. The submitted correction record generates a new ISIR. The ISIR's updated DHS Match flags will often confirm the student's eligibility. If the student's eligibility is not confirmed, a new DHS verification number is provided to resubmit the third step verification request through SAVE.

The new process replaces the "Requesting a new DHS Verification Number" section (pages 32 through 34) of the SAVE Instructions for School Users 2.0 document.

**When is it necessary to Resend a Record to Matches?** The reasons have changed since the SAVE system was implemented for schools in June 2018. Now, you will use the "Resend Record to Matches" field in Corrections on the *FAA Access to CPS Online* website if you receive one of the following two scenarios in the SAVE system:

- The "Case Status" is "Case Closed," and the "SAVE Response" is "Resubmit Doc," or
- The SAVE Response is: "Applicant Status: [status]," or "Applicant is a [status]," and the student's immigration document does not match the SAVE Response. For scenario 2, the following notes apply:
  - The "Case Status" can either be "Status Returned" or "Case Closed,"
  - The "Save Response" can be any eligible or ineligible status, and
  - The Resend Record to Matches process should be used only when the SAVE Response is a final response. Final responses do **not** have a "Still not sure? Institute Additional Verification" link underneath the "Close Case" button. If this link appears, do not continue with the Resend Record to Matches process. Instead, click on the link to submit the case through the SAVE system.

Instructions for handling the other SAVE Response screens can be found in the "Review the SAVE Response to Determine How to Proceed" section of the [SAVE Instructions for School Users 2.0](#), beginning on page 22.



For a more complete explanation of this process and to access instructional slides, view the Electronic Announcement in full at

<https://ifap.ed.gov/eannouncements/021419ResentMatchFuncAvailFAA2CPS2StreamlineSAVE3rdStepVeri.html>.

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## COMPLIANCE CORNER

### FAFSA REPORTING INFORMATION IN CASES OF DEATH, SEPARATION, DIVORCE AND REMARRIAGE

**Death of a parent:** If one, but not both, of the student's parents has died, the student answers the parental questions about the surviving biological or adoptive parent and does not report any financial information for the deceased parent. If both her parents are dead when she fills out the FAFSA, she must answer "Yes" to Question 53, making her independent. Remember that an adoptive parent counts as a parent, but a legal guardian doesn't. If the surviving parent dies after the FAFSA has been filed, the student must update her dependency status and report income and assets as an independent student.

**Stepparent:** A stepparent is treated like a biological parent if the stepparent has legally adopted the student or if the stepparent is married, as of the date of application, to a student's biological or adoptive parent whose information will be reported on the FAFSA. There are no exceptions. A prenuptial agreement does not exempt the stepparent from providing information required of a parent on the FAFSA. The stepparent's income information for the entire base year, 2016, must be reported even if the parent and stepparent were not married until after 2016. See above for how to fill out the parent questions when the stepparent's spouse (the biological parent) dies; if the stepparent has not adopted the student, he would no longer provide parental information as before, but any financial support he gives to the student would be counted as untaxed income.

**Divorce of the student's parents:** If the student's parents are divorced, he should report the information of the parent with whom he lived longer during the 12 months prior to the date he completes the application, regardless of which parent claimed him as an exemption for tax purposes. If the student lived equally with each parent or didn't live with either one, then he should provide the information for the parent from whom he received more financial support or the one from whom he received more support the last calendar year for which it was given. Note that it is not typical that a student will live with or receive support from both parents exactly equally. Usually you can determine that the student lived with one of the parents more than half the year or that he received more than half support from one of the parents. Example: Marta is 22 and doesn't meet any of the independence criteria. Her parents divorced recently, and she hasn't lived with them since she was 18. Also, neither parent provided support in the past year. The last time she received support from her parents was when she lived with them and they were still married. Because her father's income was larger and he contributed more money to the overall household expenses, Marta determines that the last time she received support, most of it was from her father. She provides his data on the FAFSA.

If biological or adoptive parents who are divorced still live together, their status is unmarried and living together and both would report their information on the FAFSA; see page 28. If one or both of them have married someone else and all live in the same household (and presumably the student lived with both parents an equal amount of time), the parent and stepparent, if applicable, who provided more support in the previous year would



include their information on the FAFSA. Schools may use PJ to account for the other parent's financial contribution that is not already properly counted as child support on line 45c or money received on line 45j of the 2018–2019 FAFSA.

**Separation of the student's parents or the student and spouse:** A couple need not be legally separated to be considered separated—they may deem themselves informally separated when one of the partners has left the household for an indefinite period and the marriage is severed. For a dependent student, use the rules for divorce to determine which parent's information to report. While a married couple that lives together can't be informally separated, in some states they can be legally separated. If their state allows this, and if they are still living together and are legally separated, then that is their status on the FAFSA unless they are the parents of a dependent student, in which case their status is unmarried and living together and both would report their information.

**Common-law marriage:** If a couple lives together and has not been formally married but meets the criteria in their state for a common-law marriage, they should be reported as married on the FAFSA. If the state doesn't consider their situation to be a common-law marriage, then they aren't married; parents of a dependent student would report that they are unmarried and living together. Check with the appropriate state agency concerning the definition of a common-law marriage.

HEA Sec. 475(f)

Excerpt from page 31 of the Application and Verification Guide.

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## DJA CALENDAR

### DJA MONTHLY WEBINARS

*Administrative Capability – Wednesday, March 6, 2019: 11 a.m. CST*

*Satisfactory Academic Progress - Wednesday, April 3, 2019: 11 a.m. CST*

**NOTE:** There may be a difference between DJA local time and your time zone. To determine your time zone equivalent, click on this link to view a time zone map: <http://www.worldtimezone.com/time-usa12.php> Webinars are free to clients. There is a fee for all others who may be interested in joining us for these presentations. Invitations are automatically sent to all clients, however if you do not receive an invitation, email Andrew Packard at [apackard@gotodja.com](mailto:apackard@gotodja.com). After registering, you will receive the log-in information. Questions can be directed to Andrew by email or by calling toll free at 1-800-242-0977.

### 2019 DJA WEBINAR SCHEDULE

MAR 6	Administrative Capabilities
APR 3	Satisfactory Academic Progress
MAY 1	Return of Title IV Funds (Including LOA)
JUN 5	General Participation Requirements



JUL 3	Campus Crime Report
AUG 7	Entrance and Exit Counseling
SEPT 4	Cash Management
OCT 2	Enrollment Reporting Using NSLDS
NOV 6	Program Integrity (Audits, Program Review)
DEC 4	1098-T Reporting

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### **ANNUAL DJA FINANCIAL AID TRAINING COMING IN APRIL 2019**

Be sure to mark your calendar for the Spring DJA Financial Aid Training Session, tentatively scheduled for Monday, April 29, 2019! We are in the process of working out the details with Harrah's North Kansas City Casino and Hotel located at One Riverboat Drive, Kansas City, MO.

Registration will begin at 7:30 a.m. with complimentary coffee and pastries. This session is free to DJA clients. All other interested institutions are welcome to attend. The cost is \$125 per person at the door, or \$95 per person, prepaid in advance of the seminar. All attendees will need to register in advance by contacting Andrew Packard at DJA at (800) 242-0977 or via email at [apackard@gotodja.com](mailto:apackard@gotodja.com).

Here is a sneak peak of the agenda:

- Preview – DJA Financial Aid Management Software
- Regulation Updates
- 2019/2020 FAFSA Changes & Verification
  - Reviewing Tax Returns/ Tax Transcripts/ Non-filing
- R2T4 and Documented Costs
- NSLDS and ERR Reporting
- Cybersecurity
- Misrepresentation
- Eligibility and Certification Approval Report (ECAR)

Upon returning from lunch, DJA will be hosting a special guest speaker, Eileen Keller, Partner with Salmon, Sims, Thomas & Associates, PLLC. Eileen is an expert in her field and will present information on the new accounting regulations (lease payments), financial ratios and the 90/10 calculation. We are very excited to have Eileen share her knowledge in these areas.

***Please begin making plans to join us in April.  
We are looking forward to seeing all of you again!***

*Disclaimer: The information presented in this Newsletter is provided as a service and represents our best efforts to assist institutions with federal student aid regulations. We have collected information we believe to be important in finding and obtaining the resources for administering federal student aid; however, we assume no liability for the use of this information. The information in this newsletter does not constitute, and should not be construed as, legal advice.*

