



## DECEMBER 2021 NEWSLETTER

### **IMPORTANT DATES:**

**November 30-December 2**  
Virtual FSA Conference

**December 8**  
DJA Webinar - 1098-T Reporting  
11:00 a.m. CST

**December 10**  
Active Confirmation of TG  
Numbers Deadline

**December 15**  
FISAP Edit Corrections Due

**December 24-27**  
Christmas- DJA Closed

**December 31**  
New Year-DJA Closed

**January 5**  
DJA Webinar -Cohort Default  
Rates  
11:00 a.m. CST

### **IN THIS ISSUE:**

- Next Gen FSA:  
StudentAid.Gov Updates
- FISAP Edit Corrections Due
- G5 System Outage Alert
- Compliance Corner: Title IV  
Reconciliation
- DJA Calendar

*The FSA's 2<sup>nd</sup> Annual Virtual Conference is already in full swing and we hope you are attending and taking advantage of all the sessions being presented. As always, many members of our DJA Team are attending each session to ensure we are up to date on all information being shared.*

*In this edition of the DJA Newsletter, we review the newest releases regarding the Next Gen Initiative. FSA released several modifications to the StudentAid.gov website last month and we cover the electronic announcement announcing those changes. December 15<sup>th</sup> is the deadline for the FISAP Edit Corrections and FSA released an announcement outlining each step to take to ensure you meet the deadline expectations. Lastly, G5 will be experiencing an outage next week that will have an impact on funding availability. Be sure to read when you need to have disbursements posted to ensure you don't have a delay in processing.*

*In our Compliance Corner this month, we have expanded on the reconciliation process and all that must be completed to ensure compliance. Reconciliation is a process schools must complete to participate in the FSA programs. Frequent reconciliation is an important internal control procedure that can make a significant contribution to increasing the overall program integrity of the FSA programs at your school.*

*It is hard to believe December has already arrived and the 2021 year is coming to a close. While the COVID-19 pandemic has continued to affect our industry during this year, we have seen the promises of a better outlook for 2022. DJA extends to each of you our warmest wishes that 2022 is a prosperous year for all. We hope you and your institutions have a Happy Holiday and New Year! A reminder that DJA will be closed December 24<sup>th</sup>-27<sup>th</sup>, as well as December 31<sup>st</sup> in observance of the holiday. We hope you all take time to celebrate and be merry as well.*

*Thank you and until next time, stay safe!*  
*Deborah John, President*



## **NEXT GEN FSA: STUDENTAID.GOV WEBSITE ENHANCEMENTS AND MODIFICATIONS BEGIN NOVEMBER 2021**

On Nov. 21, 2021, FSA made additional updates to [StudentAid.gov](https://studentaid.gov) features designed to improve the information and self-service tools available to our customers. These updates continue Federal Student Aid's (FSA's) commitment to improve customer experiences and outcomes through ongoing modernization of our technology, tools, and resources.

This announcement summarizes updated features that are now available.

### **Updated Features on StudentAid.gov and the myStudentAid Mobile App**

Several features were updated or added with this release.

- **Aidan® Virtual Assistant** – Aidan can answer common questions about federal student aid and guide customers to the correct information and resources. With this release, FSA added or improved responses related to the *Federal Student Aid Estimator*, loan servicer transfers, total and permanent disability (TPD) discharge, Public Service Loan Forgiveness (PSLF), and FSA ID.
- **PSLF Help Tool** – The PSLF Help Tool was updated to provide additional information and guidance about the limited waiver opportunity. Additionally, the tool was updated so that the “Manually Enter Employer” link appears only on the final page of the employer search to encourage borrowers to view all of the employer search results and select employers that are already in the database; this change will help reduce wait times for borrowers using the tool.
- **Loan Simulator** – *Loan Simulator* is updated to provide users with specific repayment details when a user enters a monthly payment amount that is higher than any payment required. *Loan Simulator* will now recalculate the payoff information (i.e., repayment term and interest paid, etc.) for the Standard and Consolidated Standard plans using the desired repayment amount. Additionally, *Loan Simulator*'s results page for the “Borrow More” module will display an alert if a borrower has a loan in default that is impacting the amount of federal aid that the borrower is eligible to receive.
- **Customer Surveys** – Opportunities were added for customers to share about their experience and give other feedback through customer surveys that may appear after various customer actions on StudentAid.gov and the myStudentAid mobile app, after interaction with one of the contact centers, and through customer emails.

### **Financial Awareness Counseling Tool Decommission**

The Financial Awareness Counseling Tool (FACT) is no longer available on StudentAid.gov. Instead, the Annual Student Loan Acknowledgement provides a simpler and improved experience to assist borrowers with understanding how loans affect their financial future.

Customers can continue to access information about previously completed Financial Awareness Counseling within My Documents, but they will not be able send “notice” of the previously completed counseling to schools.



## Important

With the decommission of the tool, schools may need to update their internal processes and procedures, as well as school-produced materials for students and parents. Information about or references to financial awareness counseling or the tool itself and web links to FACT information on StudentAid.gov must be removed from websites, emails, paper letters or correspondence, and other online or printed materials.

## Additional Features and Enhancements Continuing in 2022

Looking ahead to 2022, FSA will continue to add tools and enhance current features to improve our customers' understanding of and interactions with the *Title IV* programs. Details about new tools and features will be provided in forthcoming Electronic Announcements posted on the FSA Partner Connect Knowledge Center.

FSA's modernization efforts will also be shared through partner emails, social media posts, and targeted outreach campaigns to ensure everyone knows what to expect going forward.

We appreciate your interest and support of FSA's modernization efforts.

<https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2021-11-23/studentaidgov-enhancements-and-modifications-starting-november-2021>

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## FISAP EDIT CORRECTIONS DUE DECEMBER 15<sup>TH</sup>

As published in the Federal Register [notice](#) on Jan. 26, 2021 (86 FR 7075), any changes, corrections or edits to the Fiscal Operations Report for 2020-21 and the Application to Participate for 2022-23 (FISAP) must be submitted to the Department of Education (the Department) no later than 11:59 p.m. Eastern time (ET) on Wednesday, Dec. 15, 2021. FSA released an announcement as a reminder of the deadline and process for this action.

If a school needs to make changes to data that was originally reported on its FISAP, the school must log in to the [Common Origination and Disbursement \(COD\) website](#) and change the data in the applicable section(s) of the FISAP and resubmit the FISAP for processing. Additionally, schools should take the following actions prior to the deadline in order to verify the accuracy of their submitted FISAP data.

### Reconcile FISAP Data with G5

- Prior to Dec. 15, 2021, schools should ensure that the amounts reported on the FISAP in **Part IV, Section E, Field 17**-Expended Federal Supplemental Educational Opportunity Grant (FSEOG)



Authorization, and **Part V, Section E, Field 18**-Expended Federal Work-Study (FWS) Authorization, reconcile with the drawdown information in G5. During the closeout process of 2020-21 Campus-Based awards that will be performed in February 2022, we will reduce the school's authorization in G5 to the expended amounts reported on the FISAP (as certified by the school's Chief Executive Officer), and any authorized funds that were *not* expended will be deobligated from G5. This means that the final authorization amount in G5 will be automatically reduced by the amount reported as unexpended (in Parts IV and V, Section E) on the FISAP.

- If a school has drawn down more funds than it reported as expended on the FISAP, a negative balance will be created in G5, and the school will be required to return the amount of the negative balance.

For example, if a school drew down its entire authorized FWS amount of \$50,000 but reported an expended amount of only \$40,000 on its FISAP (in Part V, Section E, Field 18), the result is a negative balance of \$10,000 in G5. The school will be required to return \$10,000 to G5.

Once the closeout process has been performed, any resulting negative balances cannot be resolved through late FISAP corrections.

### Review and Resolve Validation Edit Errors

Real-time validation edit errors are captured when a school completes and submits the FISAP online via the [COD website](#). Edit corrections must be submitted by the Dec. 15, 2021, deadline.

- After submitting a FISAP, a school can view a listing of its FISAP edit errors by accessing its FISAP in the [COD website](#) and clicking on “Validate” then “Validate All Parts”. Validation error numbers and the corresponding error messages will display on the screen.
- A “Fix Error” button is located to the right of each validation error message. Clicking on this button will display the FISAP section where the error occurred. If any data is determined to be inaccurate, apply corrections and save. Perform validation again to determine if the validation edit has cleared or if further corrections are needed. Finally, after all corrections have been made and validated, click the “Submit” button.
- In some cases, the data entered may be accurate, and a school may provide information relevant to the error message. A “Provide Additional Information” option is located next to these validation error messages. To log relevant information, click on the plus sign (+) to open a comment box in which a school can provide additional information.

For an overview of the validation edits that may be prompted as a result of flexibilities extended due to the COVID-19 emergency and the *CARES Act*, see the Electronic Announcement posted Aug. 2, 2021, [Subject: Fiscal Operations Report for 2020–21 and Application to Participate for 2022–23 Reporting Instructions and Additional Flexibilities Under the CARES Act](#).

### Other Important Notes



**Remember to submit all corrections** – Simply validating and/or saving corrections does not result in these corrections being submitted to the Department. After editing and validating the FISAP it is imperative that schools use the “Submit” button to complete this process.

**Verify that changes/corrections have been received by the Department** – Schools should log in to the [COD website](#), and from the School tab, select the link for Campus-Based. Once directed to Campus-Based, select “Self-Service” then “Submission Log” to view the log and verify submission of the update.

**Signature not required for FISAP changes** – Schools are not required to resend signature pages when changes/corrections are made to a previously submitted FISAP.

**How to submit a change request after Dec. 15, 2021** – If a correction is needed after the December 15th deadline, the school must access the COD website to make the necessary correction. Corrections will be saved in a Draft copy of the FISAP and then submitted to the Department as a “Change Request.” The school must provide a description of the change and justify the need to make the correction. The school must then submit the “Change Request” by clicking on the “Submit” button located under the “Description” input box.

The school’s request will be reviewed by the FISAP Change Request Monitoring Team. The school will be notified of the decision to allow or deny the correction. If the correction is allowed, the school will be granted access to “Submit” the correction by going back into the COD website and submitting the FISAP as it normally would prior to December 15.

**The following changes will not be considered after the December 15 FISAP Corrections deadline:**

- Increase in requests for funds in Part II, Section A.
- Increase in Administrative Cost Allowance (ACA) amount spent in Part III, Section B, item 8; Part IV, Section D, item 15; and Part V, Section D, item 15.
- Increase in cumulative Administrative Cost Allowance (ACA) amount in Part III, Section A, item 34.1 if the change is not supported by the data reported in Section B, item 8 on prior FISAPs.

### Contact Information

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

<https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2021-11-05/fisap-edit-corrections-due-dec-15-2021>



## **OUTAGE ALERT- G5 SYSTEM OUTAGE DECEMBER 9-13, 2021-IMPACT TO FSA PROCESSING AND ON FUNDS AVAILABILITY FOR TITLE IV PROGRAMS**

On Dec. 9–13, 2021, the U.S. Department of Education (the Department) will perform extended system maintenance to its core financial systems, including G5. Review the following information to determine how processing at your school will be affected.

- **All day on Thursday, Dec. 9, 2021, through 6 a.m. Eastern time (ET) on Monday, Dec. 13, 2021**– The [G5 website](#) will not be available. Schools will not be able to draw down or refund Campus-Based, Federal Pell Grant (Pell Grant), Iraq and Afghanistan Service Grant, Teacher Education Assistance for College and Higher Education (TEACH) Grant, or William D. Ford Federal Direct Loan (Direct Loan) funds during this period. Schools will be able to draw down or refund cash under their existing authorizations once G5 reopens.
- **All day on Thursday, Dec. 9, 2021, through 6 a.m. ET on Monday, Dec. 13, 2021** – The Common Origination and Disbursement (COD) System will accept Pell Grant, Iraq and Afghanistan Service Grant, TEACH Grant, and Direct Loan records. However, after 9 a.m. ET on Wednesday, Dec. 8, 2021, Current Funding Level (CFL) changes (as a result of actual disbursements) and funding will not be processed until G5 reopens.

All actual disbursements with a disbursement date from Dec. 9–13, 2021, must be received and subsequently accepted by the COD System **no later than 9 a.m. ET on Wednesday, Dec. 8, 2021**, in order to generate the appropriate funding level increase prior to the G5 shutdown. Disbursements submitted by the deadline but not subsequently accepted, disbursements submitted after the deadline, and disbursements with a disbursement date after Dec. 13, 2021, will be funded once G5 re-opens.

**\*\*DJA Clients- please see Client Memo sent 12.1.2021 on how DJA is handling this outage.**

### **Contact Information**

If you have questions about this announcement, contact one of the following help desks:

For questions related to G5, contact the G5 Hotline at 1-888-336-8930 or email [edcaps.user@ed.gov](mailto:edcaps.user@ed.gov).

For questions related to the COD System, contact the COD School Relations Center at 1-800-848-0978. You may also email [CODSupport@ed.gov](mailto:CODSupport@ed.gov).

<https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2021-11-04/outage-alert-g5-system-outage-dec-9-13-2021-impact-federal-student-aid-processing-and-funds-availability-title-iv-programs>



## COMPLIANCE CORNER

### TITLE IV AID DISBURSEMENT REPORTING, EXCESS CASH, AND RECONCILIATION REQUIREMENTS



#### Important

Reconciliation is a process that a school must perform in operating the FSA programs. It is also a tool that a school should use to ensure that its management of the FSA programs is optimal. Most importantly, reconciliation is a shared responsibility. That is, the business office and the financial aid office are equally responsible for performing the periodic reconciliation that is required to make certain that a school is managing the FSA programs as they should be managed. This responsibility involves much more than the mere sharing of reports. It requires joint action by the financial aid and business office to identify discrepancies and to correct them in a timely manner.

In a recent electronic announcement posted dated November 23, 2021, the USDE reminded schools of the general disbursement reporting, excess cash, and reconciliation requirements for all Title IV programs. Because these requirements apply to disbursement *and* financial data, both the Financial Aid Office and Business Office should review the information provided below and in this announcement at

#### **Disbursement Reporting Requirements**

The disbursement and disbursement adjustment reporting requirements for all *Title IV* aid are announced in an annual *Federal Register* notice. The most recent *Federal Register* notice, published on [June 24, 2021](#), specifies that a school must submit disbursement records no later than 15 days after making the disbursement or becoming aware of the need to adjust a student's previously reported disbursement.

#### **Excess Cash Requirements**

The Department of Education (the Department) considers excess cash to be any amount of *Title IV* funds (other than Federal Perkins Loan Program funds) that a school does not disburse to students or parents by the end of the third business day after the date the school (1) received the funds from the Department, or (2) deposited or transferred to its federal account previously disbursed *Title IV* funds received from the Department. In limited circumstances, cash may be held for up to seven calendar days. A school must meet the excess cash tolerance (not to exceed one percent of the funds drawn down by the school in the prior award year) and must be able to disburse the aid to students within the 7-day period. In no circumstance should cash balances remain beyond the seven days.

See [34 CFR 668.162](#) for the federal regulations that govern requesting funds for the *Title IV* programs and [34 CFR 668.166](#) for the excess cash regulations.

#### **Reconciliation**



Reconciliation is the process by which a school reviews and compares Title IV aid (grants, loans, and campus-based aid) recorded on the USDE's systems with the information in the school's internal records. Schools should reconcile both internally (between Business Office and Financial Aid Office data) and externally (between school data and the COD System/G5). Through reconciliation, disbursement and cash discrepancies are identified and resolved in a timely manner to ensure the school meets all regulatory requirements. Schools must document their reconciliation efforts and retain this documentation for auditing purposes.

**At a minimum, your school should reconcile its FSA financial records monthly.** However, the more frequently your school performs reconciliation, the more likely you will be able to identify issues and resolve them before they become part of a systemic problem. If completed on a regular basis, reconciliation can assist schools in determining whether the disbursement reporting requirements and excess cash deadlines noted above are being met, and also whether any additional data needs to be submitted to ensure all school data is reflected correctly in the Department's systems. For the Direct Loan and Campus-Based programs (including Federal Perkins Loan, Federal Work-Study, and Federal Supplemental Educational Opportunity Grant), schools must reconcile at least monthly to meet regulatory requirements. For all other *Title IV* programs (including Pell Grant, Iraq and Afghanistan Service Grant, and TEACH Grant) it is recommended that schools also reconcile at least monthly or as frequently as necessary to identify issues and maintain compliance with the cash management and disbursement reporting requirements outlined above.

Frequent reconciliation is an important internal control procedure that can make a significant contribution to increasing the overall program integrity of the FSA programs at your school. In addition, schools that have systems in place to compare and identify discrepancies between their internal records and data from USDE reports will find that the required monthly reconciliation is much easier and makes closing out a year less time consuming.

### **Internal reconciliation**

Discrepancies that occur between the financial aid and business offices are usually caused by a lapse in communication. Note that these discrepancies often do not show up in a comparison of the financial aid office's records to COD, or in the comparison of drawdowns/returns between the business office and G5 payment system.

Before you compare your school's records to the USDE's records, you should ensure the financial aid office and the business office agree on the amount of funds that should have been drawn down from G5 to cover the funds disbursed to students. The first step in the reconciliation process should be to confirm that business office records of actual disbursements posted to student accounts are consistent with financial aid office records of student award and scheduled disbursement amounts.

Internal reconciliation should also include steps to reconcile cash transactions such as drawdowns and refunds of cash. Your school should ensure that bank statements correctly reflect all funds drawn or returned and confirm that any returns of Title IV aid calculated by the financial aid office are reflected correctly in the business office student account records. Ensure that any funds not necessary for immediate use have been returned to the USDE.



In addition, you should also compare business office and financial aid office records of adjustments (refunds of cash) made during the month. Often, returns of cash due to withdrawals performed by the financial aid office aren't applied by the business office. Just as often, adjustments made by the business office aren't noted in the financial aid office. Either of these omissions can cause an internal discrepancy that will affect a school's Ending Cash Balance and should be resolved before a school begins its external reconciliation process.

### **External reconciliation**

During internal reconciliation, the school will have resolved any differences between records in the financial aid office and those in the business office. In external reconciliation, a school will reconcile its records to the USDE's records.

### **Final Reconciliation**

If a school is meeting all disbursement/adjustment reporting, excess cash, and reconciliation requirements, a final reconciliation should begin no later than the last award or payment period end date at the school for a given program and year. A school should be able to reconcile to a zero ending cash balance soon after its final disbursements and should not carry an ending cash balance (positive or negative) for an extended period.

**Note:** Schools must reconcile to both zero Ending Cash Balance and zero Total Net Unbooked for DL and TEACH Grant; and to zero Cash > Net Accepted & Posted Disbursements for Pell Grant.

When schools have completed their final reconciliation, they can officially confirm closeout via the School Balance Confirmation page on the COD Web Site for the Direct Loan, Pell Grant, and TEACH Grant programs. Balance confirmation will allow schools to receive a Program Year Closeout Letter to document completion of final reconciliation. It also provides tighter controls over available funding and data submission so that the school can then focus on processing and reconciliation in more current award years. **Note:** The balance confirmation process is available for all award years for Direct Loans; it is available for Pell Grant and TEACH Grant for the 2016–17 Award Year and forward.

### **Recommended general reconciliation practices**

A key factor in facilitating reconciliation is staying on top of the process. USDE encourages schools to:

- define responsibilities of key individuals and offices;
- document your reconciliation procedures;
- build in regular communication between your business office, financial aid office, and school's technical staff;
- compare internal student accounts and business office/bursar records with financial aid office records and resolve any discrepancies;
- balance all subsidiary accounts to the general ledger;
- ensure that all drawdowns and refunds of cash are accounted for and applied to the correct program 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;
- ensure that all un-booked loans are booked or inactivated (reduced to \$0) for Direct Loans;
- resolve all outstanding rejected records;
- return all refunds of cash via G5; and
- request any remaining funds owed to the school based on actual disbursements accepted by the COD System

### **Reconciliation and Third-Party Servicers**

If your school uses a third-party servicer, your school is ultimately responsible to ensure that all regulatory requirements are being met and that your school is reconciling on a regular basis. You should request and retain documentation of your reconciliation efforts. Also, a part of your reconciliation should include ensuring that your schools internal records match what is at the servicer as well as what is in the COD System.

*DJA not only reconciles Direct Loan accounts for our clients on a monthly basis, we also reconcile Pell each month to ensure they are balanced. The final reconciliation for both programs is done by our team as well. Although DJA reconciles the DL SAS, Pell Grant YTD, FSEOG and FWS reports to our accounting records monthly, institutions must do an internal reconciliation to these reports as well. Please reconcile that all disbursements have been credited to the student's accounts and any credit balance was returned within the required 14 day time frame.*

*Keep in mind that if your school is under the Heightened Cash Monitoring payment method, a school must credit a student's ledger account for the amount of Title IV funds the student or parent is eligible to receive, and pay the amount of any credit balance due under 668.164(h) before the school submits a request for funds.*

Additional information on reconciliation can be found in the following publications posted on the [Knowledge Center](#):

- Electronic Announcements (published annually by program)
- Federal Student Aid Handbook
- Federal Student Aid Training Conference Presentations

<https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2021-11-23/title-iv-aid-disbursement-reporting-excess-cash-and-reconciliation-requirements>

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## **DJA CALENDAR**

### **2021 DJA WEBINAR SCHEDULE**

**Upcoming DJA Webinars:**



**1098-T Reporting – Wednesday, December 8: 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 \$45 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 Renee Ford at [rford@gotodja.com](mailto:rford@gotodja.com). After registering, you will receive the log-in information. Questions can be directed to Renee by email or by calling toll free at 1-800-242-0977.

**2022 DJA WEBINAR SCHEDULE**

JAN 5	Cohort Default Rate
FEB 2	Consumer Information, Record Keeping and Disclosures
MAR 2	Administrative Capabilities
APR 6	Satisfactory Academic Progress
MAY 4	Return of Title IV Funds (Including LOA)
JUN 1	General Participation Requirements
JUL 6	Campus Crime Report
AUG 3	Entrance and Exit Counseling
SEPT 7	Cash Management
OCT 5	Enrollment Reporting Using NSLDS
NOV 2	Program Integrity (Audits, Program Review)
DEC 7	1098-T Reporting

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*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.*

