Federal Direct Loan Reconciliation | SOP #: FA.011.02
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Effective Date | 07.15.2020
Last Revision/Review | 09.01.2020, 5.15.2023

1. Purpose
Reconciliation (34 CFR 668.14(b)(4)) - The purpose is to identify the process by which the Direct Loan Cash Balance Recorded on the Department of Education system is reviewed and compared with a school’s internal records, SIS- Financial Aid Awards and Financial Billing Transaction and General Ledger, on a monthly basis.

2. Related Policy/Authority

3. Faculty/Staff Responsibilities
Director of Financial Aid- Run the SSRS report and evaluate issues within the reconciliation report
Assistant Director of Financial Aid – Identify and fix student loan issues
Financial Aid Advisor- Support Assistant Director of FA to identify and fix student loan issues and notify students as needed

4. Definitions/Abbreviations
Reconciliation (34 CFR 668.14(b)(4))
The process by which the Direct Loan Cash Balance Recorded on the Department of Education system is reviewed and compared with a school’s internal records, SIS- Financial Aid Awards and Financial Billing Transaction and General Ledger, on a monthly basis.

Period of Enrollment (Loan Period) (34 CFR 685.102(b))
The period of enrollment for which the Direct Unsubsidized or PLUS Loan is intended must coincide with an academic period established by the school for which institutional charges are generally assessed, per term or academic year.

Proration (34 CFR 685.203)
A process by which a school determines the maximum loan amount that a student may borrow for a program - or remaining balance of a program – that is less than an academic year in length.

Origination (34 CFR 685.301 (a)(6))
A process by which a school submits information electronically to the Department regarding a borrower’s eligibility for a Direct Loan. The date of loan origination is the date a school creates the electronic loan origination record.

SSRS Reporting
SQL Server Reporting Services (SSRS) provides a set of on-premises tools and services that create, deploy, and manage mobile and paginated reports. SQL is the main language in this reporting service that allows your database servers to store and edit the data on it.
**Student Information Management System (SIS)** – BCOM’s Student Information System utilized for Admissions, Registration, Student Billing, Financial Aid, Advancement, Student Services, etc. operating on a single, secure, shared database

**COD**
The COD System is designed to accommodate the COD Process for Direct Loan funding. The Common Record is a vehicle that schools use to submit data to the COD system. Schools use the Common Record to submit Title IV program data to Federal Student Aid (FSA). The COD Process is a common process integrated with a system designed to support origination, disbursement and reporting for Direct Loans.

**Booked Loan**
A loan that has an accepted origination record, an accepted MPN, and accepted disbursement record on file at COD.

### 5. Procedural Steps

1. The Office of Financial Aid (OFA) will request/receive the Direct Loan School Account Statement (SAS). The SAS (School Account Statement) report is an automated report sent to each eligible institution at the beginning of each month. The SAS report is a comprehensive records reports of all institutional direct loans originated and booked in COD for the institution and each student.
2. The OFA will upload the results of the SAS report from COD into SIS Enterprise.
4. In addition, OFA will run a COD Activity report to match Disbursement/Return Transfer Reports to verify federal loans being originated, booked, and G5 drawdowns.
5. The Assistant Director of FA will send the report to OFA Staff and Bursar Staff to review and correct. Will include notes and changes to the reconciliation
6. OFA and Bursar, along with other supporting departments, will communicate over the month to sign off on the reconciliation, and ensure the efficient processing of reconciliations and sign off on the monthly process.
7. To ensure accuracy of SIS SQL Loan Reconciliation Report, OFA Staff, will assess report every six months (November and May) by collecting a random sample of students from the report to do a comparative assessment of SIS to COD.

### 6. Reports/Charts/Forms/Attachments/Cross References

### 7. Maintenance
The reconciliation process will be run a minimum of monthly, but at times of high loan traffic more often with Bursar as needed to ensure correct direct loan processes.

This SOP will be reviewed annually.

### 8. Signature

Approved by

Department Head of Financial Aid

5/18/2023

Date

### 9. Distribution List
10. Revision History

<table>
<thead>
<tr>
<th>Revision Date</th>
<th>Subsection #</th>
<th>Summary of Changes</th>
<th>New/Cancellation/Replacement Procedure? (if applicable)</th>
<th>Approval Date</th>
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<tbody>
<tr>
<td>05/18/2023</td>
<td>5</td>
<td>Removal of sign-off sheet. Adding a level of review with the Cash Activity COD report. The reports reflects originated/booked and returned federal funds, which are matched to SIS FA disbursement/return transfer reports and G5 imports.</td>
<td>Replacement to current loan reconciliations procedures.</td>
<td>5/23/2023</td>
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